

05-Sep-2023

Hormel Foods Corp. (HRL)

Barclays Global Consumer Staples Conference

CORPORATE PARTICIPANTS

Jacinth C. Smiley

Executive Vice President & Chief Financial Officer, Hormel Foods Corp.

Mark Ourada

Group Vice President-Foodservice, Hormel Foods Corp.

MANAGEMENT DISCUSSION SECTION

Unverified Participant

Thank you very much. Welcome back. Next on stage, Hormel Foods, global branded food company with over \$12 billion in annual revenues across 80 countries worldwide. Brands include Skippy, SPAM, Hormel Natural Choice, Applegate, Justin's, Wholly Guacamole, Columbus Craft Meats, Hormel Black Label and Planters, which also thank you very much we got a little bit of a presentation outside in the hospitality room.

Today joining us from Hormel, we have Jacinth Smiley, Executive Vice President and CFO; and Mark Ourada, Group Vice President for the Foodservice operations. Jacinth joined Hormel just in April of 2021. She currently leads all financial areas of Hormel, including strategy, performance, reporting and long-range business planning, as well as investor relations, treasury, tax, accounting and internal controls and IT.

Mark is Group Vice President of Foodservice at Hormel Foods. In this position, he's actually responsible for the sales and marketing of all Foodservice products within the US. He began his career at Hormel in 1988 and spent the majority in Foodservice. For the new organizational structure as part of Go Forward, Mark oversees all of the company's domestic foodservice business, legacy Hormel Foodservice, Jennie-O Foodservice and all the affiliated businesses, which he will provide some more color on later.

The company just reported third quarter results, fiscal quarter, last week. Given there were certain challenges on a year-to-date basis as well as a wide range of outcomes expected in the near to medium term, we'd like to just ask the most pressing questions from investors and to kick it off with here, but first of all, thank you very much for joining us, Jacinth and Mark.

Jacinth C. Smiley

Executive Vice President & Chief Financial Officer, Hormel Foods Corp.

Yeah, no...

Mark Ourada

Group Vice President-Foodservice, Hormel Foods Corp.

Thanks for having us.

Jacinth C. Smiley

Executive Vice President & Chief Financial Officer, Hormel Foods Corp.

...thanks for having us.

QUESTION AND ANSWER SECTION

Q

All right. So, Jacinth, to maybe start it off, during the most recent earnings call, you clearly provided a fairly wide range of issues that have been affecting current results. One of them being the softer retail environment. Could you elaborate on what those issues are and how you're tackling those? And then, I'll just have a follow-up on that.

Jacinth C. Smiley

Executive Vice President & Chief Financial Officer, Hormel Foods Corp.

A

Yeah, certainly. So, our Q3 results, just a reminder, was definitely in line generally with expectations. And one of the good news certainly for the quarter is that we grew volume [indiscernible] (00:02:34). Volumes were strong across the entire business overall. Now, if we take it back to Q1 when we talked about the dynamics that were affecting us then, it was very different than now. So, then we talked about a couple of internal dynamics which included where we were from an inventory perspective Planters was an area that we [indiscernible] (00:03:06) we get that back on track. And then, from a margin perspective and just cost, that was an area that we were focused on.

The good news is all those three areas have improved and we've done what we said we're going to do. So, nonworking inventory is down. Planters, we're seeing the momentum there, we have better performance on sales. We have innovation in the marketplace. You can see that from the different flavors in the cashews that we now have in market. And I can see that the folks here are really loving that because the [ph] shelf there in the snack room (00:03:46) is completely out. So, the Planters innovation is working well. And then, we've spent a lot of time from a cost-out perspective from our supply chain and getting that healthy. We're working on in those areas, those areas are working well.

As we think about this quarter and going into the rest of the year, it really is a very different dynamic and it's more around what's happening with the market itself, the consumer dynamic which is different, and also just the competitive landscape that has changed as the consumer base and the industry has gotten more healthy from a supply chain perspective so that you're seeing the competition being very different. So, our Foodservice business [indiscernible] (00:04:39) continue to perform very strongly, and Mark will talk about that. And the areas overall from a category perspective that are strong for us, if we think about Pepperoni, Bacon, SPAM, Planters as well continues to be strong for the company, and that's where we're very focused.

The areas where we are working on are our International, our International business, that has really been challenged and will continue to be challenged for the rest of the year, much weaker than expected for sure. And then, when we think about our Retail business, that's a little bit more complex, and that's where we're seeing the competition, back to my comment about the industry getting stronger and healthier from a supply chain perspective, that competition on shelf and in market has been more. And so, we're really focused on getting the lift from a volume [indiscernible] (00:05:38) where we can, whether it be hitting it with promotions where necessary, but also being focused on innovation and really getting out into the market and driving top line and bottom line.

So, we're absolutely focused in the areas that we need to. Turkey has been a headwind for us, that has certainly brought on new supply as we came out of HPAI last year, gotten supply back into the marketplace, but that's also an area for us that's been uncertain. And as we have gotten it healthier as well from a year perspective, birds are performing better, we have a lot more meat in the market, but the prices in the market has also come down tremendously. So, we now have extra meat than we were anticipating, and that's an area that we're also navigating that has caused a bit of pressure for us for the Q3 and then also going into the back half of the year.

But, we're focused in the right areas, focused on ensuring that we're driving volume. Hopefully, turkey continues to recover. Our expectation hopefully that the customers are perhaps waiting for markets to come down even further and we'll hopefully drive more volume there, but we're also controlling what we can and working hardest to capture cost savings and continuing the margin expansion. So, a long response there, but we're focused on what we can control. And as I said, Q1 was a different dynamic, it was more around the internal dynamics for the company, and then now it's really navigating the external market from a consumer perspective as well.

Q

[indiscernible] (00:07:37) to combine the next two questions, like, we touched on Retail and you touched on the International piece of it, but also in everything on, like, the internal efficiencies you've been working on. So, as you think this through – and you clearly managed to improve efficiencies internally over the last couple of quarters within the domestic market. So, is there anything you would say there's the lessons learned, opportunity, and how we should just think about International going forward? Is it like a playbook that you kind of applied in the US that's something you can pick on into the International side? How should we think about the time line here as well? Just, given it was a relatively fast turnaround in the US, could International be as fast or is there just an intrinsic slower process?

Jacynth C. Smiley

Executive Vice President & Chief Financial Officer, Hormel Foods Corp.

A

Certainly. So, we think about our International business in three pillars. So, we have the export piece of the business; the multinational, which is moving around in-country for countries like China, Brazil; and then we have our partnerships where it's particularly Philippines, Indonesia. And so, when we think about the export piece where it's primarily commodity driven in some cases, that created some challenges for us year-to-date. As we see the markets recover from a turkey perspective domestically, then we will see improvement for the International piece as well when we think about exports.

And then, China certainly is off to a very slow recovery. The Foodservice piece, and Mark can expand more on that, that Foodservice piece is strong in China today. It's really the Retail side of the house that we're seeing the challenges. And one of the things we're seeing in the market, certainly our products, is more discretionary in that market and the customers have to make a decision – or consumers need to make a decision about what do they buy [indiscernible] (00:09:43) certainly they're going to buy what's considered [indiscernible] (00:09:47). And so, that's part of the challenge.

And then, we also took pricing on SPAM in one of our markets and we're seeing the elasticities show up there. And that we are also managing [ph] with promo (00:10:02) and expect that will recover first half of – or first quarter of next year. So, the dynamic there for sure feels good and we are confident about the model that we have in the US and elsewhere that that's the right model for us for the International business.

And just a reminder, I mean, prior to this, our International business was really growing and had consistent sequential quarterly growth. And we expect that that will return as China recovers and as turkey itself recovers as well. And we have made really good investments in International that we know will really pay off in the long term.

Q

Thank you. Let's switch gears and talk a little bit about Foodservice market. It's really very positive results, on a year-to-date basis, quarter was really good, very good margin contribution here. So, what's been driving this, and how should we think about the segment's profitability just beyond this fiscal year, just medium term, because it's been so strong recently, what's a normal level?

Mark Ourada

Group Vice President-Foodservice, Hormel Foods Corp.

A

[indiscernible] (00:11:12). Thanks again for having us today. Really appreciate that. So, really I like to think about it as kind of our approach, a unique approach, is about a balanced model, it's about [ph] make us better (00:11:22) people. So, when we talk about the balanced approach, first of all, our portfolio, the restaurant industry, the needs change constantly, and what we really do is we try to develop a portfolio of products, very value-added, that really addresses the areas that our operators need. So, think of today the labor concerns out there, how important it is to provide products that are, I'll say, pre-sliced pre-portioned to help customers buy products that are going to be consistent, they're not going to require as much labor and prep time. You think about a restaurant, a busy restaurant, I mean, time is money, seconds are money. So, if we can help take a process and cut that time in half for them to prepare, work on other areas, that's a big advantage to us. So, I think we continue to evolve and innovate in the areas that make sense for our customers and listen to them.

The second piece is really the segmentation of the industry. So, we are very well-positioned across the industry in the different segments. So, think of commercial restaurants, think of noncommercial, health care, college, university, think of convenience stores, commissaries, all those different types of segments, we're really positioned in those markets. So, at times, in the industry, one area may be struggling a little bit and another area may be doing better. And so, our balance allows us to do that. If you think of coming through COVID and how the lodging industry was just decimated, and we were impacted by that because [ph] we do lodging (00:12:52), but we also had opportunities in other areas to start accelerating growth at convenience stores. So, the balanced portfolio, along with our balance within the industry, allows us to weather a lot of that and continue to drive higher margin value-added products.

And then, the last piece is really our go-to-market strategy. So, the majority of our portfolio, not all of it, but a majority is supported by direct sales force. And over the years, I mean, that has allowed us to develop deep relationships that we continue to nurture over the years. So, as you're going through some of these more difficult times in the industry and the economy, it helps us to stay grounded with our customers and really continue to work closely with them. And so, our entire team is committed to that. Our culture is one of bringing out solutions, how we make this work and getting after it. So, I think that combination of things really has set us up to continue to drive profitable growth.

Q

We'll come back to that in a bit, but just on the short term to wrap it up, Jacinth. The updated guidance for the last three months is still fairly wide range of outcomes. You already said on the call last week that you expect to update the market actually at your Investor Day upcoming in about five weeks. Just remind us about the puts and

takes, the higher versus the lower end, and why in particular the sales piece is still somewhat vague just in order of outcomes and magnitude?

Jacinth C. Smiley

Executive Vice President & Chief Financial Officer, Hormel Foods Corp.

A

Certainly. So, going back to the conversation we had on the call, we certainly have a lot more visibility to the bottom line and the top line just given the volatility in the market that drives the top line. So, for example, belly markets have been pretty volatile and we saw an unseasonably low market going into Memorial Day, for example, and then it really has been going up and down. And so, when you think about that, it's harder to predict where the markets will land because if the market is high then you can have a higher top line. And so, that range is really [ph] will improve (00:15:08) quite a bit versus the bottom line. We have a more tighter hold on what that may look like. And so, that's really the dynamic that we're facing. So, it really depends on where markets are, how [ph] does the turkey (00:15:24) recover. And then, our focus is on our ability to just really capture savings to help and drive the bottom line [indiscernible] (00:15:35) margin and segment profit perspective.

Q

Okay. Got it. Now, shifting a little bit more medium term, but looking back two years ago, you introduced a new operating model and it was all about supply chain improvement, et cetera. If you think about it, everything that's been implemented over the last couple of years and now as we come out of COVID, how do you think the new model has helped you to actually mitigate the more recent pressure? And if we hopefully get a more normal year fiscal 2024, what are the real strengths of this [indiscernible] (00:16:13) as it relates to your opportunity to excel in the different segments?

Jacinth C. Smiley

Executive Vice President & Chief Financial Officer, Hormel Foods Corp.

A

Yeah. So, just a reminder, it was a year ago here that we introduced that new model. And so, we're currently focused on just continuing to stand up that model so that it can be effective to drive the outcome that we know is there to capture the value and also to continue to evolve the company. And as we sit here today, we have done a few different things. As a reminder, one of them is having a center of excellence called Brand Fuel and it's all around just really focused on innovations, using insights, external insights, consumer insights to drive those innovations, also then fuel the decisions that we make for the company as we look forward to what should we be doing, what should we be bringing to market, how should we think about pricing and performance on sales and all of that. So, that's really working well across the company.

The other piece, we're also integrating Jennie-O into rest of the legacy Hormel, which we didn't have before. So, I mean, it's really bringing the power in my mind and harnessing the value of the entire portfolio that we have and bringing that to bear on the market in a way that we didn't do before. So, that is working well. And I am sure Mark has seen that [indiscernible] (00:17:41) show up with a tool kit of an entire portfolio of products that we have to offer the customer and the consumer. So, that's really working well.

The other piece is when we look across the enterprise, being able to make decisions in a way that we didn't before because we're using enterprise lens versus doing it in a siloed fashion. And so, [ph] according to that tool (00:18:09), we talk about our people, but our people in my mind have a more fulfilling role to play in this model, because then [indiscernible] (00:18:20) think about finance and being a strategic partner to the business, now finance is really focused on truly helping the business drive decisions [indiscernible] (00:18:31) and the marketing team that used to be doing some of that analysis on their own, they're focused on driving brand value, protecting

the brand in a way that they didn't before because [indiscernible] (00:18:44) finance is truly harming them with the information to do that in a different way. And so, [indiscernible] (00:18:52) seeing the value from that [indiscernible] (00:18:54) from a long-term perspective as new ways of working become more like machine. And so, we're super excited about it and really focused on the long term.

And then, the other piece of that then is around our supply chain and operations and getting more effective in taking costs out of the system. And we have a few different projects that's underway that we'll spend more time on during Investor Day to tell you about. Those projects are about helping us return to normalized margin structure for the company and taking costs out of the system, because we know we can't price our way through everything. And so, how do we get more efficient [indiscernible] (00:19:41) to be able to drive for the shareholder and for the customer and consumer.

Q

Thank you...

Mark Ourada

Group Vice President-Foodservice, Hormel Foods Corp.

A

And I can just add a little color to on the Foodservice side. So, as Jacinth mentioned, we had an opportunity in this new Go Forward structure to really start to align the different pieces of the business. So, in Foodservice, we had our legacy team, but then we had affiliated businesses, we had Jennie-O Foods, we had Hormel Health Labs, we brought those all together under one roof. [ph] And they're all very (00:20:10) unique in how they go to market. Some are very customized in what they provide and different things like that. What this allowed us to do is collaborate much more internally and in customer facing, we were able to go in with a much broader perspective of what they might need, a broader breadth of product.

And, for example, if you think of a chain account, maybe somebody in our team was calling on that account and another part of our business had no relationship, we have found that coming together, we can bring those folks into the picture, expand the products available and really start to do exactly what the customers need and provide more solutions. So, it's really been good for us to bring things under and get a little bit better idea of what everybody's doing, and now going forward into 2024 and beyond, [indiscernible] (00:20:56) as we continue to expand. So, it's been very good.

Q

Just within the Foodservice, if you compare how it works today and you've mentioned like you get the product portfolio, you go to your customers, you maybe have more solutions, maybe someone didn't know who to talk to and now you do, that obviously something that that's been the material shift in the customer experience. But if you think about it, how is it for you on the execution side? Are there any challenges to overcome? And how does that compare to like maybe pre-pandemic the old system and by the end of the pandemic introducing the new one? And how you can now actually deliver these strong results? It seems Foodservice is like kind of the success story to me, would like to understand what's particularly behind in Foodservice to be so successful?

Mark Ourada

Group Vice President-Foodservice, Hormel Foods Corp.

A

Sure. So, I think you brought up an interesting time for all of us. It's pre-COVID and after COVID, right, and what was going on before. So, heading into COVID, I'd say, the industry was facing many of the same challenges around [indiscernible] (00:21:58). But clearly, COVID decimated the industry, lost thousands of restaurants, but as we've learned over the years, whether it's a recession or a worldwide pandemic, so there is one industry. So, we kind of knew it was going to come back, just weren't sure all the different spaces.

So, as we came out of COVID, parts of the industry [ph] like pickup, delivery, drive-thru (00:22:18), parts of the business that a lot of operators didn't do, that became very, very big; ghost kitchens, commissaries, different parts of the business. And so, as we came through that, we realized that we had a lot of options for all those different things. We just didn't have them collected in one spot. So, we found ourselves possibly going down two paths to get to the same conclusion.

As we brought the businesses together, we've gotten much better and much more efficient at saying here's a customer channel, how do we best go after it and how do we pursue it? So, I think we're going to be much more concise in what we bring to the operators and the distributors and much more clean on what they're looking for. So, I think it's helped us for sure as we move forward.

Q

Yeah. Well, thanks for that. Now, Jacinth, one of the other things and you brought it up multiple times already in the conversation is just the commodity piece with turkey and the ups and downs on what's been happening on pricing. We all know HPAI, it's still like lingering and there's still issues. So, if we think about the more recent impact from it on operations, but also what are your assumptions for the next couple of quarters and into the next year as it relates to potential outbreaks, issues coming back or not? How comfortable are you on the situation right now?

Jacinth C. Smiley

Executive Vice President & Chief Financial Officer, Hormel Foods Corp.

A

Certainly. I'll start with we're super happy that we have turkey back. We were sitting here in a different place as we thought about where we were last year with HPAI and having turkey in the portfolio and having certainty of supply is it's huge for us. So, as we think about the uncertainty, it's certainly uncertain as to what happens each year with turkey, but it's a space that we're absolutely committed to for the long term for this company, which is part of why we integrated it into the legacy part of the business. That being said, we now have a lot of meat, we have a lot of supplies [ph] that both (00:24:32) have been doing extremely well. And so, we're looking for turkey to recover. And that's our hope going into the rest of the year and into next year that we will actually continue to have that supply.

And as we think about rest of our business and having that meat go into value-added, that's really where we want the meat to go so that we can continue to have higher margins, looking for the margins itself to also recover because it's at one of the lowest levels for a very long time. So, think about where breast meat sits today and the whole birds and the bookings have been down and volume has been down. So, when we think about our guidance and we [indiscernible] (00:25:19) for the guidance by any means, but when we think about the guidance that we gave in coming down for the fourth quarter, we're contemplating, right, we're contemplating all of that because we don't have the certainty about what will happen with turkey.

And so, we're also thinking about the cost structure for the business and continuing to drive volume in Retail and across all the different categories and paying attention to where we need to really apply any kind of promotion to

continue to drive that volume as well. And so, all of that is really in the guidance that we have given for the company. But we really feel strongly about where we sit and that we do have the uncertainty and some of the competitiveness I talked about in Retail.

Q

Volume, pricing, obviously, sensitivities as you just talked about it, and the international markets, there's certain elasticities coming in. So, if we look into that and we think about normal consumption patterns, clearly cost pressures easing, but if we think about the future growth algorithm and I know in the past always talked about like this 2% to 3% top line growth. How should we think about this is going to turn out price versus volume and where our issues maybe in the short term from an elasticity point of view, if you still remain maybe too aggressive on pricing, volume not coming back, so what's the right balance and how should we think about the growth, top line and medium term?

Jacinth C. Smiley

Executive Vice President & Chief Financial Officer, Hormel Foods Corp.

A

Yes, certainly. Again, goes back to the top line has a bit of [ph] writing (00:27:00). It's a bit more nuanced based on [ph] rate, based on the commodity, the (00:27:02) market. But I would say we continue to drive the top line and bottom line and the margin piece of it. We are really focused on the transformation work that we're doing from a supply chain perspective, getting costs out from the margins. The other piece of our algorithm that we don't talk about as much and what we still have as a focus of the company is on the innovation side. So, as we came out of COVID – during COVID, we weren't just focused on it because we were just focused on just getting products on shelves to the customers. And then, now, coming out of COVID, we are now back to accelerating innovation.

And so, we're still focused on that 15% innovation number that we have put out there. And that [indiscernible] (00:27:58) long-term value for our customers and for the consumer. And that will really help us when we're thinking about how do we really accelerate [indiscernible] (00:28:14) structure that we're looking for. So, I mean, it really is a combination of really focusing on where we can drive value for the customer through promotions, through [indiscernible] (00:28:26) and then also focusing on the long term from the transformation of our operations and our supply chain.

Q

Got it. Mark, if you think about the long-term expectations for your business, where is the Hormel Foodservice and rest of the industry going in the next, say, three to five years?

Mark Ourada

Group Vice President-Foodservice, Hormel Foods Corp.

A

Yeah. So, I think, as I talked about kind of our model and how we're going to market, I see that continuing. So, we're going to continue to innovate, produce the high-quality, value-added products that our consumers demand [indiscernible] (00:29:03) continue with the segmentation and skate to where the puck is going to be, so to speak, and understand what new parts of the business are coming forward that we need to put more resources against. So, that piece of it, I believe, we're going to continue to do things in that space that's going to help us to deliver results.

The change, though, is that [indiscernible] (00:29:25) as we've looked over the last couple of years, digital has become much more important. So, today, I think the number is between 70% and 75% of operators and restaurants are purchasing their products from the distributor partners online. Okay. That's new. It hasn't been that high in years past. So, when we think about the digital space, we've got to be better. We've got to show up really, really well with our distributors on their websites. We've got to be able to show up to our operators through digital advertising and marketing and things like that. So, we're working really hard on that space.

And then, finally, the other piece that's relatively new to Foodservice, unlike Retail, but over the last I'll say five or six years, the data and analytics that have come our way is getting much, much larger. So, we're putting resources against understanding that data and then executing strategy against it. So, that's going to be a big piece as we move forward is really understanding the digital piece and leaning into that.

And then, just culinary, just being a Food Forward company, we've stood up what we call our Culinary Collective. So, we continue to add chefs and build it on this business, because we want to give our operators the experience, bring them into our corporate office, our new innovation center, and really show them what we can do for them. So, we're going to continue to lean into those areas a little bit heavier as we move forward.

Q

Okay. If we think about capital allocation and, just, if you could share maybe a few examples of some of the investments or growth initiatives or just innovation initiatives from a CapEx perspective, but also how we should think about just the need to spend money or to reinvest money in the business in the medium term and the balance versus dividend also in light of the somewhat softer earnings growth? So, the dividend growth, where is that going to shake out?

Jacinth C. Smiley

Executive Vice President & Chief Financial Officer, Hormel Foods Corp.

A

Certainly. So, as I come into this seat, the focus in our capital allocation strategy hasn't changed and well now that I'm fully supportive of what – how the company has focused in the past and I am aligned with the strategy and just a reminder is really in this order it's what's required, what's strategic and what's opportunistic. And from a requirement standpoint, dividends is at the top, and that continues to be a focus for us, maintaining the dividends.

And then, when you ask about the just maintenance of the business and what do we need to actually continue to run our plants and support our assets, that's next. We certainly support the business from the standpoint of the expansions we have done for SPAM, Bacon, Pepperoni, those are critical areas that we continue to see expansion. But we've put in about \$300 million of CapEx each year, and that continues to be a level that we feel is good to sustain the business.

And whatever comes forward that we feel from a strategic standpoint, then we have strong cash flow to be able to support that. And so, we will continue to do that as we see fit. And definitely, paying down any debt that we have, pension, those are areas that we consider to be required from a strategic standpoint. Certainly, M&A, when we find something that's compelling enough that we think fits into our strategic priorities and then opportunistically that share repurchases for sure.

So, that capital allocation strategy will continue to be how we run the business. And I feel really good about that in terms of being able to be financially sound and have investors feel good about that the fact that we are still in my

mind a fairly conservative company that really doesn't go out on the [indiscernible] (00:33:37) and is very balanced in terms of driving shareholder return.

Unverified Participant

Perfect. Jacinth, Mark, thank you very much. We just have a minute out. So, let's break it out. Thank you very much for coming and joining us.

Jacinth C. Smiley

Executive Vice President & Chief Financial Officer, Hormel Foods Corp.

Thank you.

Unverified Participant

We're going to be over in the breakout room in case there are questions from the audience. Thank you very much.

Jacinth C. Smiley

Executive Vice President & Chief Financial Officer, Hormel Foods Corp.

Thank you.

Mark Ourada

Group Vice President-Foodservice, Hormel Foods Corp.

Thank you.

Disclaimer

The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC. FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2023 CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.