

27-May-2019

Neopost SA (NEO.FR) Q1

2019 Sales and Revenue Call - Trading Update

By Factset CallStreet, amended by Neopost

CORPORATE PARTICIPANTS

Geoffrey Godet
Chief Executive Officer, Neopost SA

Gaële Le Men-Chagnaud
Director-Investor Relations & Communications, Neopost SA

Jean-François Labadie
Chief Financial & Legal Officer, Neopost SA

OTHER PARTICIPANTS

Martin Boeris
Analyst, Exane SA

Nicolas Tabor
Analyst, MainFirst AG (France)

MANAGEMENT DISCUSSION SECTION

Operator: Hello and welcome to the Neopost Q1 2019 Sales Conference Call. My name is Carras and I will be your coordinator for today's event. For the duration of this call, you will be on listen-only. However, you will have the opportunity to ask questions towards the end of the call. [Operator Instructions]

I am now handing over to your host, Geoffrey Godet, to begin today's conference. Thank you.

Geoffrey Godet
Chief Executive Officer, Neopost SA

Good evening, and welcome to our 2019 Q1 sales webcast and conference call. I am Geoffrey Godet, Neopost CEO. I am together with Jean-François Labadie, Neopost CFO and Gaële Le Men, Neopost Investor Relations Officer.

We will first comment on our sales figures and then we will give you the floor for a Q&A session. If you have registered through our webcast module, you should have access to our slide presentation. Otherwise, the slides are also available from the Finance section of our website.

So, let's move directly to slide number 3. So, before going into the details of our good numbers, let me give you an overview of our key achievement during the first quarter. Q1 good performance is a further demonstration of our strong focus on execution. As our new organization is setting into place, it allows us to be all the more focused on the four major solutions and the two main geographies. And as you will see, we succeeded to deliver good performance in each one of our four major solutions as well as in each one of our key geographic regions.

In the meantime, we are starting to reap the first benefits of our Back to Growth initiatives. So, this is particularly the case of our revised go-to-market strategy with an improvement in cross-selling as well as higher customer

acquisitions. And it comes, in particular, from the combined efforts we have set up to increase commercial synergies and, for instance, we have now mail solutions and business process solutions being jointly marketed.

Finally, we are also benefiting from our renewed focus on our Mail Related Solutions, and it was the case particularly in the U.S. confirming that it's possible to grasp opportunities even in a declining market. Last but not least, we have reinforced our M&A team. This is key to be able to deliver on our promises in terms of acquisitions and divestments, but also in terms of integrating newly acquired companies. As you'll see, the integration of Parcel Pending is well underway.

If you can now switch to slide number 4, so let's review quickly Q1. Our sales are growing by 6.9% to achieve €266 million. This represents €17 million of additional revenues. We had a minor scope effect of minus €1 million, which is the combination of the divestment from Satori and Human Inference in data quality, and the acquisition of Parcel Pending. We also had a positive foreign exchange impact of an amount of €11 million. And we had positive organic growth for an amount of €7 million. This represents an organic sales growth rate at 2.9%. No need to say that we are very pleased with this performance.

So, indeed, you can now switch to slide number 5. This is the highest growth rate achieved in the quarter since the third quarter of 2013. And more importantly, this is the fourth quarter in a row showing positive organic growth. So, obviously, Q1 last year, when you look at the chart, was a less challenging base of comparison than the one we will face in the coming quarters. This chart shows the good organic performances that we recorded last year and such especially in the second quarter and the fourth quarter. So, this is why at this stage of the year and despite the remarkable 2.9% growth achievement in this first quarter, we remain cautious for the rest of the year.

If you can now switch to slide number 6, I will now let Jean-François go into the details of the revenue.

Jean-François Labadie

Chief Financial & Legal Officer, Neopost SA

Thank you, Geoffrey. Ladies and gentlemen, good afternoon. Let's have a look at the breakdown of our organic growth. It comes from a significantly reduced decline in Mail Related Solutions, thanks to a strong performance in the U.S.; sustained growth in all our three other major solutions, particularly in Business Process Automations. But it also comes from a strong quarter in our Additional Operations, which is a combination of continuous growth in parcel locker in Japan, one-off isolated increase in some businesses, and further decline in other activities.

If you can now switch to slide number 7; let's now have a look solution by solution, and start by Mail Related Solutions which posted an organic decline of minus 1.4%. We recorded a positive low-single-digit growth this quarter in North America. And I repeat, a positive low-single-digit growth this quarter in Mail Related Solutions in North America. This remarkable performance in a declining market was achieved, thanks to recurring revenues and hardware sales. We have stabilized our recurring revenues and we registered a surge in hardware sales.

We benefited, in particular, from a good performance in our high-end folders inserters from a higher renewal rate of our franking machines leasing contracts and from the acquisition of new customers. And we also started to benefit from combined packages, including mail and business process solutions. In our main European countries, our rate of decline was in line with the performance recorded in the previous quarters, i.e., a mid-single-digit decline.

If you can now switch to slide number 8, Business Process Automation. In Business Process Automation, we posted a very strong organic growth this quarter, 37.1%. Compared to previous quarters, this increase marks an

acceleration of the growth achieved both in France and in the U.S. This reflects new customer acquisition, increased Software as a Service business, and higher cross-selling with Mail Related Solutions.

In the meantime, we have been fine-tuning our commercial policy, which involves the definition of our priority segments and the extension of our market outreach through the development of indirect channels like either software provider, Prodware in France.

Finally, we also benefited from seasonal effects in hybrid mail contracts, where our customers pay a fee according to the number of pages processed on our platform. The seasonal boost came in particular from property managers contracts in France.

If we can now switch to slide number 9; Customer Experience Management. Organic growth in Customer Experience Management reached plus 9.2%. This is satisfactory performance knowing that we did not record any large deals this quarter. We increased the level of our SaaS subscription. We benefited from a solid growth in maintenance and professional services as a direct consequence of the high level of license sales we recorded last year. We have started hiring specialized sales team to support our ambitions through telcos, utilities and government services.

This should begin to have a positive impact in 2020. Indeed, let me remind you that the sales cycles in CXM [Customer Experience Management] is approximately 12 months. We have also released a new version of our software, Inspire, with an increased proportion of cloud-based features. This allow us to better anticipate our customers' future requirements.

If you can now switch to slide number 10, Parcel Locker Solutions. The main event in our Parcel Locker segment was the integration of Parcel Pending. This is going as planned and Parcel Pending recorded a growth above 25% in Q1 2019. This growth in Parcel Pending strongly contributed to the overall organic growth achieved in the segment, which stands at plus 13.3%. This probably looks a bit low given the contribution of Parcel Pending, but we have the high base of comparison in universities in the U.S. in Q1 2018.

In addition in the U.S., we have started some positive proof-of-concept with renowned retailer. This bodes well for the long-term future as the sales cycle is longer in this segment than in the Residential segment.

If you can now switch to slide number 11, I'll now hand over to Geoffrey for a wrap up of our performance.

Geoffrey Godet

Chief Executive Officer, Neopost SA

Thank you Jean-François. So as a wrap-up of our total major operation, a few key points: major operation represents 83% of our total sales and they recorded an organic growth of 2%. We enjoyed a particularly strong performance in North America where organic growth stood at 3.8%.

We also did well in the main European countries, stable on an organic basis, despite a mid-single digit decrease in the Mail Related Solutions. Overall major operations continued to benefit from a high-level of recurring revenue, which stood now at 70% of the sales.

If you can now switch to slide number 12, additional operation in the first quarter of 2019. So, let's focus on the segment on additional operation which represents 17% of our total sales. We had a pretty good quarter, which is 7.4% organic growth. Obviously, we continue to have some declining activities within additional operation, but

this high growth comes from a mix of different things. First, we enjoy further extension in our Parcel Lockers activity in Japan.

And secondly, it also comes from isolated one-off positive performance such as in the Mail Related Solutions on export market and in the Nordics. And two, in the Customer Experience Management where we signed some significant contracts in Spain and Asia Pacific. Due to this good performance, there is no change in our commitments to either grow, improve, or exit these operations.

We can now switch to slide number 13. So regarding our prospects, we are obviously very pleased with our Q1 performance and we are leaving our indications unchanged for 2019. We are confident that all our efforts and initiatives will be paying-off on the long run. As far as 2019 is concerned, this good Q1 needs to be confirmed, and it is too early to reassess our expectations.

Let me remind – I'll remind you that we're facing challenging quarters going forward, in particular in the second quarter and the fourth quarter. So as a reminder, we expect for 2019 almost flat sales on an organic basis. Basically in EBIT at constant currency compared to 2018 EBIT pro forma and that is restated from icon earn-out that we saw last year and also taking into account the divestment of Satori and Human Inference, as well as the acquisition of Parcel Pending. The expected decrease stems in particular from additional operating expenses necessary to implement the Back to Growth plan as announced in March. We obviously confirm our Back to Growth financial trajectory.

Let me now open the floor to questions.

QUESTION AND ANSWER SECTION

Operator: [Operator Instructions] Okay. We do have a question coming through from the line of Martin Boeris. Martin, you are now unmuted, please go ahead.

Martin Boeris

Analyst, Exane SA

Q

Yes. Good evening. I have four questions. First, would you say that the positive organic growth that you reported in the U.S. in mail this quarter is an exception or that could be repeated in the coming quarters?

Geoffrey Godet

Chief Executive Officer, Neopost SA

A

Okay. So, let's answer them on a one-by-one it's...

Martin Boeris

Analyst, Exane SA

Q

Yeah.

Geoffrey Godet

Chief Executive Officer, Neopost SA

A

As you know it's been quite some time that we've seen a difference in performance between North America and the European countries. So to that end, in the first quarter it is a continuation of the difference of performance that we've seen in those two regions.

That being said, we do have in the first quarter two things in North America for our Mail Related Solutions. A stable level of our recurring revenue which means we have operationally done a very good job of nurturing our existing installed base of customers from a service perspective, from a financial perspective, and et cetera, which I think speaks to the quality of the operation that we had in North America and the quality of the execution of the team.

In addition, we have been able to also augment the replacement of new hardware through both existing customers and the support tech. So it's a combination of both that have given us a higher performance in the first quarter than we have seen in the past.

In addition to the point, just, you know, remind you also that in the Mail Related Solution or as we had in the past in the mail solution, quarter-to-quarter, we see also big variation of performance and that is the case both in North America and in Europe. So just as a reminder, on the mail solution side in the past we've seen quarterly performance moving from minus 3% decline to minus 7% decline. Almost minus 7%. So, not every quarter is equal and that is a point I think we have to keep in mind.

The third line is that obviously, I think in the first quarter after the announcement in our Back to Growth plan, I think it does confirm there are opportunities for us in the market, even in a declining market, for our Mail Related Solution to have good performance and grasp opportunities.

Martin Boeris

Analyst, Exane SA

Q

Okay. But you don't target necessarily positive organic growth in the U.S. as part of your strategic plan? That's not what you said, but is the organic growth...

Geoffrey Godet

Chief Executive Officer, Neopost SA

A

We've given the specific guidance between Europe and the U.S. Again, we have many different things that are happening in a quarterly basis and I think we should expect to see – there's no reason today to see difference between Europe and the U.S., and that's where I think I would comment.

Martin Boeris

Analyst, Exane SA

Q

Okay. My second question is, could you detail what are the new offers that combine mail and BPA solutions and how you decide to recognize them either on your mail or BPA segment, because I saw it appears in both?

Geoffrey Godet

Chief Executive Officer, Neopost SA

A

Yeah. So they are not new offers per say.

Martin Boeris

Analyst, Exane SA

Q

Yeah.

Geoffrey Godet

Chief Executive Officer, Neopost SA

A

We have in the Mail Related Solution, our traditional franking machine offering both software and hardware. And that we have tested now for quite some time, in combination with our Business Process Automation solution, specifically here the hybrid mail portion or the accounts receivable as another example.

We use the term combined and net bundle because we have already bundled in the past those respective solutions. Here, it's really from a go-to-market perspective, the capacity to cross-sell and have the same salesperson within Neopost to be able to with a customer to push either the solution and combine the offers.

So, as it relates to reporting segments, we report the revenue generated and related to one of each of the solution in their respective segments. And there's no choice to be made, they are well identified in each cases, even though they could be promoted at the same time.

Martin Boeris

Analyst, Exane SA

Q

Okay.

Jean-François Labadie

Chief Financial & Legal Officer, Neopost SA

A

We have – to complement what Geoffrey said, we have dedicated prices for each of the component of the offer. And this is why we can allocate properly the revenue in each of the business lines.

Martin Boeris

Analyst, Exane SA

Q

Okay. I thought it was a solution that mixed both solutions, so, okay.

My third question is regarding the Customer Experience Management division, it seems like there were no big license sales in Q1. Is it due to pure seasonal effects or is it due to a weaker pipeline at the start of the year?

Geoffrey Godet

Chief Executive Officer, Neopost SA

A

So on Customer Experience Management, this is really in the situation of the work I have started to do since I arrived at Neopost. As you know, I really focused since the beginning on working with a go-to-market approach. The strategy or the go-to-market approach we have put in place is what we call land and expand, which is really to look not at big deals as a one-time event, but trying to look at the opportunities we could do with the large accounts and we seek to increase the amount of revenue we could get from the customer, but by phasing the approach with the customer.

So we are not asking our sales team to look at big deals, we're trying to de-risk those big deals by phasing them into smaller chunks, smaller deals by different set of implementations, different departments, one by one. And we are trying not to take into account into our focus and pipeline any of those big deals. Basically, if they come, which that could still be the case, like we've seen that during last part of the year is in addition to the ongoing forecast pipeline management that we have.

Martin Boeris

Analyst, Exane SA

Q

Okay. And finally my last question is, does your organic growth target for the full-year include the contribution from Parcel Pending?

Jean-François Labadie

Chief Financial Officer, Neopost SA

A

Yes. It does include the contribution from Parcel Pending. In fact, Martin, we restate the divestments from Satori and HI...

Martin Boeris

Analyst, Exane SA

Q

Okay.

Jean-François Labadie

Chief Financial Officer, Neopost SA

A

...and we include the growth produced by Parcel Pending.

Martin Boeris

Analyst, Exane SA

Q

Okay.

Jean-François Labadie

Chief Financial & Legal Officer, Neopost SA

A

This is the way we calculate the organic growth. As a pro forma.

Geoffrey Godet

Chief Executive Officer, Neopost SA

A

As a pro forma.

Martin Boeris

Analyst, Exane SA

Q

As a pro forma. Yes.

Gaële Le Men-Chagnaud

Director-Investor Relations & Communications, Neopost SA

A

Yeah, we include the – in 2018, we added the growth from Parcel Pending in 2108 compared to the performance of 2019.

Martin Boeris

Analyst, Exane SA

Q

Okay. So it's pro forma organic growth. Okay.

Gaële Le Men-Chagnaud

Director-Investor Relations & Communications, Neopost SA

Yes.

A

Jean-François Labadie

Chief Financial Officer, Neopost SA

Okay.

A

Martin Boeris

Analyst, Exane SA

Thank you very much. Yeah.

Q

Jean-François Labadie

Chief Financial Officer, Neopost SA

And again, as a reminder, Q1 Parcel Pending grew by 25%.

A

Martin Boeris

Analyst, Exane SA

Okay.

Q

Jean-François Labadie

Chief Financial & Legal Officer, Neopost SA

Above. Above 25%.

A

Martin Boeris

Analyst, Exane SA

Thank you very much.

Q

Operator: Thank you for your question. The next question comes from the line of Nicolas Tabor. You're now unmuted. Please go ahead.

Nicolas Tabor

Analyst, MainFirst AG (France)

Good morning – good afternoon, sorry. Thank you for taking my question. The first one would be, would you have an update on the change of IT platform and ERP that you mentioned during your annual results. Have you started to identify potential suitable IT targets in terms of different softwares, where is it going or do you see the cost being incurred?

Q

accelerated based on seasonal activities. So, in particular, in France, we've seen some of our Business Process Automation software like in the case of the hybrid mail. We have been penetrated some of the segments of the French industry, in particular, as I take the example of the French property managers.

There's a lot of activity at the beginning of the year from January sometimes up to April, even sometimes up to May, depends a little bit from one year to another and because we have also a volume-based pricing related to some of their activities in term of physical publications, we do get that seasonal boost every year. It may change in terms of the numbers that have been impacted by ongoing activity, but this is what has augmented the level of the growth in the first quarter. That is unchanged and we still have a stronger growth outside of the seasonal boost that we should expect – continue to see for the rest of the year.

Nicolas Tabor

Analyst, MainFirst AG (France)

Thank you very much.

Q

Geoffrey Godet

Chief Executive Officer, Neopost SA

Thank you.

A

Jean-François Labadie

Chief Financial & Legal Officer, Neopost SA

Thank you, Nicolas.

A

Operator: That was the last question in the queue [Operator Instructions] . A question has just come through from the line of Martin Boeris. You're now unmuted. Please go ahead.

Martin Boeris

Analyst, Exane SA

Thank you. Yes, I have three additional questions. First, you guided for between \$10 million and \$15 million of additional operating expenses this year. I wanted to know if it is net of potential loss reduction in non-core operations.

Q

Geoffrey Godet

Chief Executive Officer, Neopost SA

Excuse me, Martin. I could not hear the last part of your comment.

A

Martin Boeris

Analyst, Exane SA

Yes.

Q

Geoffrey Godet

Chief Executive Officer, Neopost SA

Is that related to...

A

Martin Boeris

Analyst, Exane SA

Q

Yes, I wanted to know if it is net of potential loss reduction in non-core operations which were loss-making last year.

Geoffrey Godet

Chief Executive Officer, Neopost SA

A

I want to be careful here. What are you referring, Martin, in term of loss in major operation because...

Martin Boeris

Analyst, Exane SA

Q

In other operations.

Geoffrey Godet

Chief Executive Officer, Neopost SA

A

In other operations, okay.

Martin Boeris

Analyst, Exane SA

Q

Yeah, yeah.

Geoffrey Godet

Chief Executive Officer, Neopost SA

A

Okay. Now, I understood your question. Excuse me. So, it is two different topic.

Martin Boeris

Analyst, Exane SA

Q

Okay.

Geoffrey Godet

Chief Executive Officer, Neopost SA

A

So, we have the additional investment related to the initiative related to Back to Growth, the \$10 million to \$15 million level that I have mentioned to you that we have started to initiate since the beginning of the year. I think we're moving according to plan. And then, we have the Additional Operation for which our ambition has been clearly started that we needed to either grow, improve or exit some of the activities in that operation. And that remains a priority for me at this beginning of the year, in particular, to focus on those priorities for Additional Operation. And obviously, when we have loss-making activities, that becomes the one that is the most important for us to focus on the remaining of 2019.

Martin Boeris

Analyst, Exane SA

Q

Okay. Okay, yes, because I wanted to know if it was \$15 million but \$25 million, but minus the reduction of \$10 million in other operations. So, at gross level it's plus \$15 million and then you will see throughout the year or in the coming quarters a few exits still loss-making non-core operations.

Geoffrey Godet

Chief Executive Officer, Neopost SA

A

Yes. Based on the operational decision that we could make to improve each of those businesses, the benefits of the improvement that we get at the Additional Operation level is part of the guidance we have given for the year at the overall profitability of the company.

Martin Boeris

Analyst, Exane SA

Q

Okay. My second question was regarding Parcel Pending, just to have an idea how many additional parcel lockers have you installed in the U.S. year to date. I don't know if it's an information you communicate on because you stated at the end of last year it was 1,500, I guess.

Geoffrey Godet

Chief Executive Officer, Neopost SA

A

We see we are at the beginning of the relationship and it's going to be a turning point for us moving forward to fully understand the dynamic as we have a high expectation for growth, things are moving from one quarter to another. But if we look at the first quarter just to give you an overall indication, but it will be difficult for you to fully compare it because the average selling price of those lockers by installations are different than the one we have seen in the past. In France or in Japan – and the operation in Japan is different than the one in France, right? But roughly we're talking about around 100 installation per month.

Martin Boeris

Analyst, Exane SA

Q

Okay.

Geoffrey Godet

Chief Executive Officer, Neopost SA

A

And just as a matter of understanding, we're talking about revenue recognition, not sales orders.

Martin Boeris

Analyst, Exane SA

Q

Okay. And my last questions was regarding BPA solutions. Could we just get the sense of how many customers you have now and what's the penetration rate of your existing mail customer base you aim for?

Geoffrey Godet

Chief Executive Officer, Neopost SA

A

No, we're not sharing yet those information. This is good feedback to know which one are interest for you because as we look at each of our solutions, we are obviously going to be very interested in looking at all those indicators moving forward, but at this time we're not sharing the numbers of customers of BPA neither the level of cross-sell we have with our existing customer base on the mail.

Martin Boeris

Analyst, Exane SA

Q

Okay. Very clear. Thanks a lot.

Geoffrey Godet
Chief Executive Officer, Neopost SA

A

Thank you.

Operator: Thank you for your question. As that was the last question in the queue, I will turn the call back to your hosts. Thank you.

Gaële Le Men-Chagnaud
Director-Investor Relations & Communications, Neopost SA

A

Yes, I have two questions from the webcast from Dimitri Leneuve. So, the first one is, what is the performance of the legacy mail solution business in Q1 2019?

Jean-François Labadie
Chief Financial & Legal Officer, Neopost SA

A

Q1 2019, we are not disclosing the performance of the Mail Related Solution business in our other operations. First, so we are not providing any detail. And as we said, overall, the Additional Operations grew by 7.4% organic in Q1 2019. And I remind you that the Additional Operations are made of business on the four major solutions and other businesses like Temando, CVP-500 and graphics activities.

Gaële Le Men-Chagnaud
Director-Investor Relations & Communications, Neopost SA

A

Okay. I have another question about the product from the same person, Dimitri Leneuve again, about the cost of the Schuldschein. As we have published our press release recently, we said in that press release that the average interest on the Schuldschein was 2.55. I guess the question is about the carrying cost of the Schuldschein for the year 2019.

Jean-François Labadie
Chief Financial & Legal Officer, Neopost SA

A

Yeah, indeed, we will have some carrying cost because the Schuldschein will be used to repay the 2019 maturity that we had, for €170 million. And the carrying cost or the carryover cost will be €4 million approximately for this year.

Gaële Le Men-Chagnaud
Director-Investor Relations & Communications, Neopost SA

A

Well, I don't have any additional question from the webcast. Operator, do you have anybody waiting online?

Operator: There are no questions waiting on the phone line.

Gaële Le Men-Chagnaud
Director-Investor Relations & Communications, Neopost SA

So, thank you all to be with us tonight. And if you have further question, let me know. And our next publication will be on the 24th of September after the closing of the stock exchange. And in the meantime, we will have the AGM on the 28th of June in Paris. Thank you for being with us tonight, and bye-bye.

Geoffrey Godet
Chief Executive Officer, Neopost SA

Thank you. Bye-bye.

Operator: Thank you for joining today's conference. You may now disconnect your handsets.

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 2019 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.