

08-Sep-2020

# The Estée Lauder Companies, Inc. (EL)

Barclays Global Consumer Staples Conference

## CORPORATE PARTICIPANTS

**Tracey Thomas Travis**

*Chief Financial Officer & Executive Vice President, The Estée Lauder Companies, Inc.*

---

## OTHER PARTICIPANTS

**Lauren R. Lieberman**

*Analyst, Barclays Capital, Inc.*

---

## MANAGEMENT DISCUSSION SECTION

**Lauren R. Lieberman**

*Analyst, Barclays Capital, Inc.*

Okay. So next up this afternoon is Estée Lauder. With the prestige beauty industry facing unprecedented challenges over the course of the past six months, Estée Lauder is clearly still placing its sail on the wind and capitalizing on strong growth trends in skin care, China, and online. We're pleased to welcome back Tracey Travis, Estée Lauder's Executive Vice President and CFO, who will do a Q&A session with me, so that we'll get right into it.

## QUESTION AND ANSWER SECTION

**Lauren R. Lieberman**

*Analyst, Barclays Capital, Inc.*

Q

Tracey, I was hoping we could start by talking a little bit about how you see fiscal 2021 unfolding. Without giving full year guidance, you did give some pretty specific commentary on your year-end call last month. So first thing, I wanted to just talk a little bit about was the comment you made on July sales being up, but then the guidance for first quarter organic still being down 14% to 15%. So could you just help us – the big puts and takes to get us from July to that four-quarter commentary?

**Tracey Thomas Travis**

*Chief Financial Officer & Executive Vice President, The Estée Lauder Companies, Inc.*

A

Sure. So what we saw in July was as doors really started to open particularly in the US in North America in June, late May and June, we started to see our retail customers in North America and in parts of the UK as well start to reorder products. And, again, they had been selling online. Online sales have been strong for our brand.com sites as well as retailer-dot-com. But we saw them starting to reorder in the July timeframe. So that is really when the pickup that we saw in July. In addition to that, we did have one major customer, Nordstrom, that moved their anniversary sale to August. So those shipments happened in July versus historically happening in June for a July sales; so that really is what drove July. It was more of a restocking.

We are still seeing a good solid signs of recovery. Online continues to be incredibly strong. We're seeing passenger traffic pick up very slowly in brick and mortar. It's still not where it was, obviously, pre-COVID, not even in China. So the guidance that we gave for the quarter really is for more of the piecing of what we see for the recovery starting in the first quarter and then, obviously, progressing quarter-by-quarter to improve to a full year number.

But this is unprecedented, obviously. We are seeing state-by-state in the US and even in some of our international markets having to pull back from some of the recovery as COVID starts to spring up again in some markets. So, we're cautious for the year. But for the quarter, that really explains the cadence of the quarter, July, August, and September.

**Lauren R. Lieberman**

*Analyst, Barclays Capital, Inc.*

Q

Okay. Great. And then the other thing which is the comments you made about the second half of 2021, sales expected to be above the second half of 2019. And it honestly struck me as a pretty optimistic comment because it implies more than just a comparison benefit, but also recovery on top of the comparison. So, could you just talk a little bit about what gave you the confidence to look at the second half of fiscal year in that way.

**Tracey Thomas Travis**

*Chief Financial Officer & Executive Vice President, The Estée Lauder Companies, Inc.*

A

Yeah. I mean, really what I was trying to calibrate for people was more in the margin area than it was in the sales area. But clearly, we're going to be anniversarying Q3, which was the start of COVID-19 for us, when it hit in China. And then, Asia travel retail and then spread obviously throughout Q4 in the rest of the world. So, we're going to be anniversarying almost a full shutdown of our brick-and-mortar business. So, the pickup that we expect to see and the momentum that we expect to see is really related to that.

Travel retail will be the slowest to recover, as we indicated, and we expect, hopefully, that there will be a recovery of that in Q4; but it's still very early to tell when you look at the pullback in some of the airlines in terms of staffing, etcetera. So, clearly, their projection in terms of flights is significantly less than it was pre-COVID; so, hence the reason we didn't give guidance. But from a margin standpoint, we were really asking people to think about fiscal 2019 from a margin standpoint in terms of the recovery that we expected.

**Lauren R. Lieberman**

*Analyst, Barclays Capital, Inc.*

Q

Okay. All right. Great. So maybe we could switch to some other topics and questions we've been getting since [ph] the results (00:05:23) and I'll start first with China. So [ph] kind of the basic (00:05:27) I think last year at our conference, you mentioned that Mainland China was 12% of company sales and about half of travel retail. Do you have updated figures for fiscal 2020 for how large China is?

**Tracey Thomas Travis**

*Chief Financial Officer & Executive Vice President, The Estée Lauder Companies, Inc.*

A

For fiscal 2020, yeah.

**Lauren R. Lieberman**

*Analyst, Barclays Capital, Inc.*

Q

Yeah.

**Tracey Thomas Travis**

*Chief Financial Officer & Executive Vice President, The Estée Lauder Companies, Inc.*

A

So, China we expect – China was 18% of our net sales and that's Mainland China. If you add in travel retail China, which obviously saw a tremendous pickup in fiscal 2020 even with the COVID-19 impact, the China would represent about 24% of our sales.

**Lauren R. Lieberman**

*Analyst, Barclays Capital, Inc.*

Q

Okay. Great. And I think the recovery there has been remarkable, but I was also curious, if we didn't talk it much about on the call the outlook for China. It was [ph] more so (00:06:18) of what we've seen so far. So, if you could share thoughts on the outlook for China over the next 12 months however you want to frame it.

**Tracey Thomas Travis**

*Chief Financial Officer & Executive Vice President, The Estée Lauder Companies, Inc.*

A

Yeah. No. We are optimistic on China based on to your point, Lauren, the recovery that we saw which was relatively quick, but we recognized that even in China, although we saw brick-and-mortar grow in sales in the fourth quarter, still not to the level of growth pre-COVID. So, we are still seeing in China traffic not back to where it was previously.

And much of the growth, the strong growth that we saw for overall China in the fourth quarter was driven by online, and we expect that that will continue to be the case this year that our China team and the market in general did a tremendous job of shifting a lot of sales, and they were already strong in terms of online sales but shifting even at a faster growth rate sales online both through obviously our Tmall platform; brand.com, we saw a pickup in China; and even retailer.com, which is very, very small, but saw a pickup there as well. So, as we look

at fiscal 2021, we expect to continue to see very strong growth in online and a continued migration of traffic and conversion in brick-and-mortar.

**Lauren R. Lieberman**

*Analyst, Barclays Capital, Inc.*

Q

Okay. So, I guess it sounds like because that mean China online could continue to grow in the 70-plus percent range. And I guess I was curious, you shared that retailer.com [indiscernible] (00:08:05) brand.com as well. I can't remember which one it was. I was actually curious the mix whether brand.com, retailer.com and also if you actually sell good through WeChat. It's a question I've gotten a few times and I couldn't really answer to it.

**Tracey Thomas Travis**

*Chief Financial Officer & Executive Vice President, The Estée Lauder Companies, Inc.*

A

Yeah. So, on your second question, yes, we do sell through WeChat. We've done that for a couple of years. Some of the live streaming events that we do are through WeChat. We've sold goods with influencers through WeChat. It doesn't represent a huge amount of our sales, but we do sell through WeChat. Most of our sales in China we call brand.com, but it's Tmall.

**Lauren R. Lieberman**

*Analyst, Barclays Capital, Inc.*

Q

Okay.

**Tracey Thomas Travis**

*Chief Financial Officer & Executive Vice President, The Estée Lauder Companies, Inc.*

A

And we manage the site. It's a retail sale for us. And we've continued to see very, very strong growth in our Tmall platform. But we are seeing our own brand sites pickup in China as well.

And so, one of the things that we did very successfully in Q4 across the globe starting with China is deploy a number of different techniques whether it's using some of our selling staff to actually sell and do videos and consultation on our brand.com sites both in China as well as in other parts of the world, certainly here in the US as well. A lot more live streaming events, more virtual try on, really scaling some of those capabilities to try to capture people who like us are staring at a screen much of the day. And have a lot more time to explore online sites and really try to provide as much a high touch experience as we could possibly do on online. And fortunately, the platform that we have allows us to have the kind of flexibility where we can add some of those capabilities, but we're scaling and adding them faster than what we had certainly anticipated pre-COVID.

**Lauren R. Lieberman**

*Analyst, Barclays Capital, Inc.*

Q

Okay. And just sticking with the topic of e-commerce, sales through e-commerce globally around 22% of total company. Some mature market in the high 30% to 40% range. I guess first, could you talk about what the tender compass had contemplated for e-commerce channel [indiscernible] (00:10:30) 2030 and how that expectation change or accelerated since the onset of COVID?

**Tracey Thomas Travis**

*Chief Financial Officer & Executive Vice President, The Estée Lauder Companies, Inc.*

A

No. It's a great question. So, our compass really projected out what we thought prestige beauty online sales would be by 2033. And as you know, we always target to capture share growth. So, we had expected that it would

represent about a third of the industry. Our high share of markets in China it was already 30%, a little north of 30%, pre-COVID. And in the UK and in the US, it was in the mid-20s pre-COVID. So really, a lot of the other markets that were as developed really becoming far more developed as it relates to online.

With COVID, what we see is that a third most likely will happen much quicker than what we had anticipated and could by the end of the compass go even higher than what we had anticipated. So, one of the things that we are certainly focused on this year is making sure that we have the fulfillment capability, all of the different things that we will need in order to achieve an even higher percent of mix as it relates to online over the next few years in light of what we've seen during COVID and what we expect coming out of COVID.

And so that's really where we are very much focused this year with some of the programs that we've got in place.

**Lauren R. Lieberman**

*Analyst, Barclays Capital, Inc.*



Okay. Now, we understand that the margins online are pretty much higher than the company average and certainly than traditional brick-and-mortar retail. And a lot of that has to do also with the scale that you have online already pre-COVID. Back in 2017, we'd estimated that the margins [indiscernible] (00:12:32). So, 600 basis points to 700 basis points higher than the corporate average in 2019 actually. But is that ballpark a fair assumption? And if so, if you could share maybe some of the key elements that drives that better profitability for the channel. And do you think that proves sustainable or even accelerate?

**Tracey Thomas Travis**

*Chief Financial Officer & Executive Vice President, The Estée Lauder Companies, Inc.*



Yeah. Well, we don't provide specific guidance by channel, but we certainly have talked about the fact that, to your point, online is accretive to our overall company margin. And when you think about it, direct-to-consumer, so that's brand.com, including platforms where we control the site like Tmall and freestanding stores, represent around 20% of the company's overall sales mix.

In online, brand.com including platforms where we have the retail sale, represent about 60% of our mix. So, we have a retail sale. We capture more of the profit in our online business related to just the mix of brand.com and the retail sales than we do in our overall business and certainly in our brick-and-mortar business. And, obviously, when you think about the cost of running online sites and, to your point, the scale, most of the time these are the biggest doors that we have in many markets; that too adds to the profitability.

We have a global platform that allows us to adapt and implement brand sites on a relatively low-cost basis and scale them up quite nicely. So, that also supports the profitability of our online business. And like I said, what we're working on now is making sure that the capabilities, that we started to deploy in the fourth quarter and we'll continue to deploy through this year, are deployed rapidly so that we can have the kind of conversion that we saw certainly manifest itself in the fourth quarter and continuing to see now.

**Lauren R. Lieberman**

*Analyst, Barclays Capital, Inc.*



Yeah. Okay. Let me shift gears a little bit maybe and talk about North America. So, it seems like a lifetime ago. So, I think most people don't remember that the Americas posted 1% growth in the December quarter right before COVID-19 hit. And that was the strongest growth [indiscernible] (00:15:18) I think almost two years. So, maybe have to assess but to what degree has COVID-19 maybe reversed some of those green shoots that you were

seeing? And if the vision is achieved like what do you think stabilization of North America looks like and when could that business return to grow?

**Tracey Thomas Travis**

*Chief Financial Officer & Executive Vice President, The Estée Lauder Companies, Inc.*

A

Well, you're right and thank you for reminding us that we did see growth in December. We had a good holiday. I mean, it does seem like a lifetime ago. I don't think it's reversed any of the green shoots. What it has done is accelerated what we had expected to happen over a longer duration in a much shorter amount of time. So, we've talked and more broadly everyone has spoken about the amount of brick-and-mortar distribution in North America relative to the growth in online. And so, we had certainly expected, and part of the strategy that we communicated previously was to, start to rationalize some of our footprint in North America and certainly shift more of our advertising dollars to online to balance out a diversified mix. We've expanded into specialty and multi. Our heritage is department stores, etcetera.

Fast forward to today, and both retailer.com. So, our customers online sites, as well as our own online sites, are growing at a much faster rate. And so that requires us really in order to protect profitability and continue to grow or grow in North America to rationalize distribution a bit faster than what we had anticipated. And that's the post-COVID acceleration program that you heard us announced on the fourth quarter earnings call, really is designed specifically for North America and Europe. So, the more mature markets where there is an abundance of brick-and-mortar distribution to really try to balance that out with the growth that we see happening and expect to continue to happen online.

**Lauren R. Lieberman**

*Analyst, Barclays Capital, Inc.*

Q

Okay.

**Tracey Thomas Travis**

*Chief Financial Officer & Executive Vice President, The Estée Lauder Companies, Inc.*

A

So, in terms of when...

**Lauren R. Lieberman**

*Analyst, Barclays Capital, Inc.*

Q

I guess...

**Tracey Thomas Travis**

*Chief Financial Officer & Executive Vice President, The Estée Lauder Companies, Inc.*

A

...when North America will return to growth, difficult to say, not this year. And so, certainly, we will be going through that rationalization process as we mentioned on the call with the program over the course of the next 12 months to, I would say, 15 months. And, hopefully, see stabilization and more productive, smaller footprint and more productive brick-and-mortar distribution in North America, which will free up funds as well to invest in advertising and driving all channels of distribution online as well as brick and mortar. So, a much healthier growth going forward once we get past this program.

**Lauren R. Lieberman**

*Analyst, Barclays Capital, Inc.*

Q

Okay. I guess I'm going to change my order here of things I wanted to ask you. So, one question I had about the post-COVID or the post-COVID plan is wondering how much it's similar to Leading Beauty Forward in the sense that like everything [indiscernible] (00:18:51) with the long term in mind. It's not just a quick hit restructuring you take out costs and there's no sort of bigger story around it.

So, I guess I was wondering how much of it is there's also spending that has to happen in order to enable the changes that you see happening [indiscernible] (00:19:07) logistics capability, free commerce, or the cost inherent in rationalizing the brick-and-mortar footprint. So, does that sort of contributing margin pressure before we see the benefit, before we start to see the real flow through of the [ph] Better (00:19:25) model? I guess is that a fair assessment? I think, for me, that's how [indiscernible] (00:19:31) played out in the early years as well.

---

**Tracey Thomas Travis**

*Chief Financial Officer & Executive Vice President, The Estée Lauder Companies, Inc.*

A

Yeah. Well, yeah. No. You're right in terms of Leading Beauty Forward. Leading Beauty Forward was much broader, and it was focused primarily on overhead. And so it was really looking at how do we accelerate, how do we create a more leveraged structure in our overhead and that was accomplished through shared services. How do we better contemporize our supply chain and it was also how do we invest some of the savings back from some of the activities – indirect procurement savings, etcetera – back into digital marketing capabilities. So, it was very much focused on what you would classically call G&A.

The post-COVID acceleration program is really focused on is more of the commercial business so it really is looking at a rationalization for the most part of our brick-and-mortar distribution. And when you think about accelerating some door closures, we want to make sure in that process that we retain the consumer, so we don't want to lose those sales. So, that will require some more investment in advertising in order to make sure that we retain that consumer and we always – when our retailers closed doors versus retailers going out of business, but when our retailers close doors, certainly we work with them to migrate the consumer to other doors or their online site.

We would do the same with our freestanding stores as well, so some of the savings will be reinvested back primarily in advertising, a little bit in capability, and some will support the bottom line savings. But the program is shorter and it's narrower in terms of the scope, relative to Leading Beauty Forward; so this is a two-year program. Leading Beauty Forward, as you know, was a three-year program, very – and to your point as well, more back ended in terms of some of the benefits coming out of it.

---

**Lauren R. Lieberman**

*Analyst, Barclays Capital, Inc.*

Q

Okay. Because I guess a question that I think has come up a number of times since the earnings call was also when you mentioned about profitability, that margin in 2022 will be flat versus 2019. And I think with the cost savings with the channel shift, I think it really left people feeling confused, like were they missing something or [ph] where there sort of (00:22:07) drag on profitability and this relative to 2022 versus what they might be able to do back at the envelope. So, is there anything that you can think of? Is it may be a matter of timing? Is it the higher spending planned [indiscernible] (00:22:23) consumers if you're planning more door closures that are maybe not your choice? Is there incremental depreciation as you build that logistics? Some of those parts that might be missing from people trying to get this question.

---

**Tracey Thomas Travis**

*Chief Financial Officer & Executive Vice President, The Estée Lauder Companies, Inc.*

A

Yeah. Well, I mean we will be investing more as we have actually, which is a good thing, in capacity. And we will be doing more of that particularly in skin care given the growth that we've seen over the last few years in skin care. But it's really the recovery of our sales momentum. What we also said on the call was we expect to get back to our overall algorithm of 68% top-line growth and 50 basis points of margin expansion.

And I think, Lauren, we really don't have as much guidance, if you will, non-guidance guidance that we tried to provide on the call. We really don't have a crystal ball in terms of what – how this year will end and what that means for next year, particularly as we were speaking in terms of travel retail. So, we do know that whenever COVID is behind us, we have the right strategy to support the growth algorithm and the margin expansion that we were experiencing pre-COVID, but it's a matter of how long is that tail. So that was really the guidance that we were ultimately trying to get across; clearly, obviously not well based on your comments.

**Lauren R. Lieberman**

*Analyst, Barclays Capital, Inc.*



Sorry. Okay. These public service. Okay. And let me [indiscernible] (00:24:10) for two more questions. So, [indiscernible] (00:24:11) on travel retail, so I think that at least for me, the recovering travel retail across prestige beauty has just been remarkable, far different than what I expected and I know a lot of it is due to the rising popularity of domestic Chinese travel. But you shared on the call just as increased quotas for Hainan Island for Chinese consumers as they travel and shop. How do you see the trajectory of travel retail over the next 12 to 24 months?

And it may be too early to know, but to what degree does it feel like some of this increased activity through Chinese domestic travel? Is it cannibalizing or is it just replaced freight sales that were happening to the e-commerce Mainland and now people can get on a plane and go to Hainan Island and they're shopping in a different channel? Is it incremental...

**Tracey Thomas Travis**

*Chief Financial Officer & Executive Vice President, The Estée Lauder Companies, Inc.*



Yeah.

**Lauren R. Lieberman**

*Analyst, Barclays Capital, Inc.*



...versus channel mix?

**Tracey Thomas Travis**

*Chief Financial Officer & Executive Vice President, The Estée Lauder Companies, Inc.*



Yeah. No. It's a great question. We certainly believe that some of the sales that we're seeing are people that had traveled outside of China and that are now traveling inside of China; and so that is certainly a piece of it. But if you recall back at our Investor Day, we talked about the fact that only around 8% to 10% of Chinese people had passports.

And so as we look over the long term in China, more citizens actually getting passports and being able to travel, we see a steady increase in the number of consumers that will be traveling outside of China and, therefore, supporting the travel retail business along with Middle Eastern and Indian and Africa and Russia and even Latin America. And so the travel regional channel is certainly one of – when you referenced the compass previously, one of the big growth engines for the company over the next few years. We still see steady increases. When it will get to a point where it's back to normal is a bit of a question mark. Again, we've already called out that it will be

the slowest channel to recover, but we do expect it to recover. And we're still committed to investing in the channel as part of our growth [indiscernible] (00:26:44).

**Lauren R. Lieberman**

*Analyst, Barclays Capital, Inc.*



Okay. Last question, which is clearly that corporate structure. So I find it curious that Estée has this really [indiscernible] (00:26:56) centralized organization structure that's worked really well where this kind of model for other consumer product companies has been pretty challenged in the rise of the local player that it maybe just done a better job understanding their consumer. So what is it that do you think makes this [ph] service centralized (00:27:12) brand-led model works so well for Estée?

**Tracey Thomas Travis**

*Chief Financial Officer & Executive Vice President, The Estée Lauder Companies, Inc.*



Well, we actually have a matrix model. It is very much brand-led. But we have brand representation at the global level that really puts together our brand strategies, our market strategies, our subcategories strategies, etcetera. And then we have brand representation in our regions and in our affiliates, so in our various markets that were really on more of the commercial strategies in terms of driving the brand strategies within those markets.

I think the difference for us – and there are many companies that have matrix structures. Obviously, the functions cut across all of the brands and the regions. But what I think the difference for us is is we have a very strong – and you've heard us talk about this many times more in corporate strategy; and the corporate strategy has actually cascaded throughout all of our markets and it's not cascaded as a mandate per se. But when we cascade our corporate strategy, we actually have our regions.

We cascade the principles of our corporate strategy and we actually ask our regions in our markets to interpret that for their markets. So, we very much expect that we will get the local input on how the trends that we see more globally in prestige beauty actually will be carried out in the various markets depending on, obviously, the various consumers, the different GDP in various markets, etcetera. So, what we end up with actually is a more localized execution of the corporate strategy as a result of that. And I think with that overall guidance provided by corporate and the expectation that we will get back from our regions and our markets their game plans to localize, we have a tremendous amount of ownership of the corporate strategy. And we end up with local plans that allow us to execute in the markets and gain the share that we've been able to gain over the last few years.

So, I think when – and I've thought a lot about this, you've asked this question before, but I believe the difference for us is really the corporate strategy, the compass that really provides that framework and that guideline in terms of where we see green shoots in the industry, and that translated into what it means for whether it's China or France or Italy or the US, really the markets interpreting it with their brand leaders in those various markets. That makes the difference for us to be able to execute. And we have a great team. We have a wonderful, very special leadership team that is very passionate about the company, our brands; and I think that, too, makes a very big difference on how we execute.

**Lauren R. Lieberman**

*Analyst, Barclays Capital, Inc.*

That's great. I think it's all the time we have. But, Tracey, thank you so much for joining us.

**Tracey Thomas Travis**

*Chief Financial Officer & Executive Vice President, The Estée Lauder Companies, Inc.*

Oh, thank you.

**Lauren R. Lieberman**

*Analyst, Barclays Capital, Inc.*

I hope all our meetings go [ph] swimmingly (00:30:36) well, and we'll do it again, hopefully, in person next time.

**Tracey Thomas Travis**

*Chief Financial Officer & Executive Vice President, The Estée Lauder Companies, Inc.*

Hopefully, yes.

**Lauren R. Lieberman**

*Analyst, Barclays Capital, Inc.*

Yeah.

**Tracey Thomas Travis**

*Chief Financial Officer & Executive Vice President, The Estée Lauder Companies, Inc.*

Take care. Good to see you.

**Lauren R. Lieberman**

*Analyst, Barclays Capital, Inc.*

Okay. You, too.

**Tracey Thomas Travis**

*Chief Financial Officer & Executive Vice President, The Estée Lauder Companies, Inc.*

Bye-bye.

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 2020 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.