

23-Jul-2021

Kambi Group Plc (KAMBI.SE)

Q2 2021 Earnings Call

CORPORATE PARTICIPANTS

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

David Richard Kenyon

Chief Financial Officer, Kambi Group Plc

OTHER PARTICIPANTS

Erik Moberg

Analyst, ABG Sundal Collier AB

Viktor Högberg

Analyst, Danske Bank A/S (Sweden)

MANAGEMENT DISCUSSION SECTION

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

Good morning, and welcome to Kambi's Q2 Quarterly Report Presentation. I am Kristian Nylén, and with me is our CFO, David Kenyon. Let me go through our agenda for today. I will start talking little bit about the highlights. David, can you turn the page, please? And then I will hand over to David to go through the financial highlights. And then I will come back and talk a little bit about strategy update, the Euro, and Canadian opportunity, and then we'll have Q&A.

So let's go to the financial highlights, please. This was a really, really strong quarter again. We had revenues of €42.8 million with an operating margin of 39%. We have a net cash rising to €84.5 million. So very, very pleased with the numbers. The one number we probably would have been hoping for slightly better, and we'll come back to it when we talk about the Euro, is the turnover. But in general, a very, very strong quarter, which we are very, very pleased with.

We increased our US reach with online launches across four different states, of which we did three launches in five days with Churchill Downs. In South America, we expanded with NG Gaming or their brand [ph] Olimpo Sport (00:01:38) in Peru. And that's a brand we hope will take us through to [ph] other (00:01:44) states in South America eventually as well. In Europe, we launched our first state lottery going live with Belgian National Lottery, just before Euros, and we will go live also with retail in a few weeks.

And finally, of course, the highlight of the quarter is the Euro 2020, which was longer waited one year delayed due to the COVID, delivering a very, very strong operator trading margin. And, in general, was a great success for us. I will come back to that a bit more later.

Now, I hand over to David to talk about the financial highlights, and then I will come back later again.

David Richard Kenyon

Chief Financial Officer, Kambi Group Plc

Thank you, Kristian. My name is David Kenyon, Kambi's CFO. Good morning, everyone. So financial highlights. We had revenue in Q2, €42.8 million. Our costs were €26.2 million, in line with the previous guidance. This gave an operating profit for the quarter €16.6 million and a margin of 39%.

For the first half year, we had revenue of €86 million and a EBIT €35.3 million. Of course, when we look at comparisons to last year, Q2 last year was heavily disrupted in terms of sporting calendar. So the operating loss for last year and all the other comparators we look at today should be viewed in that context. So very strong numbers here Q2 2021.

This is the Kambi turnover index. It's very aggregated results of all our operators. So the blue columns represent the aggregated turnover on an index basis, on a quarterly basis. And the orange line represents the aggregated trading margin made by the operators each quarter.

Football and basketball are the main key turnover drivers for this quarter, and both of them showed really strong margins, particularly the football where actually all the major European soccer leagues have very high margins this quarter.

In terms of the turnover number being down at 911 from last quarter, there's a few reasons for this. I think principally the seasonality effect. So, in the US, there's no American football and we just saw the last few matches of March Madness here in Q2 in terms of college basketball, which had been a major turnover driver in Q1. Also, this 9.3% margin, which is above typically where we expect to land, does have a dampening effect on the turnover. And we saw the initial transition of states by DraftKings of some of their markets across – away from Kambi, which probably impacted the turnover index by approximately 30 to 35.

I wanted to mention this, because this one will have a significantly larger impact in Q3, when most states will already be transitioned by DraftKings. This will impact the turnover significantly in Q3. We [ph] will still have (00:04:56) revenues on that business for Q3 up till the end of September. But it should be noted here this turnover index will reflect that in Q3.

But having said that, there is a really strong sporting calendar starting to pick up again during Q3. So, we have the Olympics starting this week. We got the return of the major European soccer leagues in August. We have the NFL starting in September. And we hope for new regulations in some – in quite a few states in the US, in particular such as Arizona. So, you have a lot to look forward to in Q3.

Here on this graph we show the – what we call the waterfall. So, there's a conversion of operator turnover growth to Kambi revenue growth. At constant FX rate, turnover grew by 270%, that was then added to by the increase in margin, where we had a margin of 9.3% this quarter versus 8.2% Q2 last year. So, that led overall, after the taxes and marketing, to a 294% increase in net gaming revenue for the operators.

65% of this growth was then converted to our revenue growth. You think, the other column does look large there, that's really because, last year, we were operating typically on – the lower activity due to COVID, they were on the lower end of the tiers, [ph] in terms of – so they're (00:06:22) slightly higher commission rates, as the business has significantly grown this quarter, obviously around slightly higher tiers, which mean lower commission rates. So, that's reflected there in the other column. But the 65% conversion is really where we expect to land anyway in a normal period, so no real surprises there.

Again, I just want to mention how Q3 might look for this waterfall, it's going to be a slightly strange quarter. We're going to have the turnover from these transitioned DraftKings states coming out of the column on the left, so the turnover growth. Probably, we'll be earning revenue on those – on that business. So, expect to see a slightly depressed turnover column, but a much smaller negative impact in the other, which is why we'll see the revenues come in but without the turnover. And I will explain that, again in Q3 when we see the actual numbers, but I just wanted to flag, it will look slightly unusual just for one quarter.

Turning to our balance sheet, which is looking particularly strong now, we had €92 million of cash at the end of the quarter. We had €14 million of cash inflow in Q2, and we had a very healthy equity to assets ratio of 72% at the end of the quarter. I think this does leave us in a really strong position to look at M&A going forward, which can either fast-forward our growth or widen the moat for competition.

The type of areas we might look at for M&A could be complementary products to our existing sportsbook, it could be sports-specific product enhancement. It could be artificial intelligence, which will help make our operations more efficient, or it could be in the area of player account management systems, which will increase the scope of our service.

There were the areas we did discuss on our Capital Markets Day in June. I just wanted to pick up on some of the things that we talked about. It's still available to watch on Kambi.com. So, [ph] pleased (00:08:24) you can see the full thing there. And really some of the things we talked about were the strategic pillars, which Kristian will touch on that, what we've set out, how we saw the strategic pillars for our future growth and success.

Our COO, he talked about the next generation Kambi sportsbook, which we'll work with, and how it will work with new technology and how it will adapt to fit the market's need for differentiation. And I have talked a lot about the potential addressable market, where we built it up region by region. And we've made an estimates of, in terms of operator GGR, €44 billion to €63 billion by 2026.

And just going back to that theme. This is really how we've built it up. We split it into the main areas. So it's the US, which we thought could reach €15 billion to €20 billion in terms of operator GGR by 2026; the rest of the Americas, €4 billion to €7 billion; Europe €18 billion to €26 billion; and Asia €7 billion to €10 billion. And this is obviously a long-term 2026 view, but we'll keep you posted with progress as we go [ph] in (00:09:34) some of these different areas. And already in Q2, [ph] we already saw steps (00:09:37) since our Capital Markets Day.

So, in terms of regulation, we've seen progress in New York with the regulations being announced, and Arizona where regulations were announced and they're looking for a pre-NFL go live. And there are various other states actually in the US which were also in the process with regulation right now.

Then we have Canada, major opportunity which we flagged at Capital Markets Day and there's actually been in progress on that front since then. Kristian will talk more about that shortly. We've had signings in South America. We've signed with NG Gaming for the Olimpo.bet brand as Kristian mentioned. But we've really got the opportunity to expand our footprint in the South American market as they launch in Peru, but also potentially other South American countries.

And we had launches. So, the one I wanted to flag in particular was the Belgian National Lottery, where we launched online with them during Q2. Our first national lottery launch and a very exciting prospect. So, I think some good steps in all these areas towards the longer term view in the addressable market.

With that, I'm going to hand you back to Kristian.

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

Thank you, David. Yeah. So, on the Capital Markets Day, we talked about four strategic key pillars for us. The first of those is, of course, our core platform that is driving everything we're doing when it comes to the product. But also the importance of having a regulatory compliance platform in various jurisdiction and the importance of that.

We talked about the differentiation and empowerment. We talked about the power of a network, us being able to provide our service to over 30 operators in all continents across the globe gives us a very strong advantage when it comes to understand player behavior and risk across the globe, and of course, our highly scalable business model.

The two ones in the [indiscernible] (00:11:56) I will go through a little bit more in detail soon. But we have done progress in all four areas. So, on the differentiation and empowerment, we have, during this quarter, automated our price differentiation, which gives our operators more control to schedule their pricing to get their promotions more efficient. When it comes to the power of the network, we have been working quite a lot with the development of models with machine learning to detect price inefficiencies.

Take next slide, and I will talk a little bit more of what we done when it comes to the platform and the product. So, the American football, which is a massively important sport for us nowadays of course, we have developed same game parlays, which is something where we've had for a few years, especially on the soccer it has been very, very important for us, and I will talk a little bit more about that when we come to Euro slide a little bit later on.

I think this will be a product that will really stand out in the market and I think it will give our operators a great chance of really gaining more market share. When it comes to, yeah, the trend in the industry for a few years now has been that the players want more control over the betting and are more keen on combining different things within a certain game. What we also allow, which is quite unique, is that, you can also combine not only within games, but you can do it in multiple games as well. So, yeah, this, I believe, will be a very, very strong key feature, which will be hopefully launched slightly ahead of a first game early September on the American football.

Let's take the next slide. When we're talking about the highly scalable business model, of course, it's very much about the possibility for us to launch our service to new regulations with existing operators, but also launch with new operators all the time, and do that with a technology that is very, very scalable, so we don't have to do very much extra work to launch new operators. This quarter, we signed and launched the Olimpo.bet brand with NG Gaming in Peru. And from signing to launch, we did it in a very, very short time to get them ready for the Copa América.

As I talked about earlier, we have also launched with three operators in four different states in the US during this time. And as I also mentioned on my highlights slide, we launched Belgian National Lottery ahead of the Euro 2020.

So, there has been a lot going on during this quarter, and this is something that will be quite prevalent during the rest of the year as well. We expect a lot of new launches, especially with new regulations in the US, but also launching new signing we did in Australia and a few more in Europe.

Next slide, please. Talking a little bit more about the Euro. It was a record summer tournament. It beats the 2018 World Cup even if it's, yeah, less games than it is in World Cup. I would say, though, since they changed the tournament format in 2016, the interest for the group stage is lower. I think it's mainly because the more teams make less of interest in games in the group stage. And in most groups, four out of – three out of four teams are

qualifying to knockout stage. Having said that, I think where the heat really picked up when the knockout stage started and then we really saw the turnover picking up quite big for the last game.

One feature what we have been working quite hard on is to have a really, really good experience when matches go beyond the regular time, which happened in 8 out of the 15 knockout stage matches. And on average on those matches, we saw 40% of live betting being placed on the extra time and the penalty kicks. So, I think, again, something our operators really could gain from our really, really strong technology and offering during the extra time.

We talked about the same game parlays or Bet Builder, as it has also been called, and how much [ph] bet (00:18:09) is driving in soccer already. 20% of all Euro 2020 gross gaming revenues came from the Bet Builder or the in-game parlays.

Next slide, please. I also want to talk a little bit about Canada. Canada is a market that has been a monopolist market for many years, where also it has been only allowed with parlay betting. So at least three combinations – three matches in every combination. This is something that has been talked about for roughly a decade to change. And now it has happened.

So Canada will become a regulated market and they have removed the parlay requirement. So we estimate the Canadian market to be up to worth €2.1 billion in GGR by 2026. With that, Canada will become quite a large market, actually one of the largest in North America, especially the state of Ontario is very, very exciting to us. And I'll also just briefly touch on – with our Swedish heritage and the interest we have in our current markets in ice hockey, I will say that Kambi is the perfect fit for the Canadian market.

Next slide, please. During the quarter, we have also been very successful when it comes to awards. It has been two larger industry awards ceremonies during the last couple of weeks. And on EGR, we took the three awards we could win. We got In-Play Software, the Sports Betting Supplier, and the most prestigious, probably, is the Sportsbook Platform Supplier of the Year.

On Global Gaming Awards, we won both the Online Sports Betting Supplier and Retail Supplier. Obviously, I'm very, very pleased with that, especially for all our staff to feel their recognition of doing a great job. So, for us, it means a lot, and we are very, very happy to win these awards.

So, to summarize the quarter, again, a very strong financial performance, very pleased with the numbers. As we saw, we are doing progress across all our key strategic pillars. And we see more and more markets regulating, presenting more opportunities for us. And, at the moment, especially, we're looking forward to more states in the US, Canada moving – opening up and, of course also, more opportunities in Latin America.

So, thank you for that. And with that, we open up for Q&A.

QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] We have a question from the line of Erik Moberg from ABG. Please go ahead.

Erik Moberg

Analyst, ABG Sundal Collier AB

Q

Hi, gents, and thanks for taking my questions. To start off, I think the main concern at the moment for the market is the development Q3, Q4, when you will lose contribution from DK. Just when I'm looking at the second halves and when I model out, [ph] if you wish (00:22:24) by state by state, in Q3, you only have one large month, in Q4, you have three large months. And I'm just thinking about the sequential uplift for the underlying market, plus the fact that 10 will expand into more states. To me, it still seems like US revenues still will remain flattish to slightly declining from Q3 to Q4, while the market currently is pricing in quite a steep decline. If you perhaps could elaborate a bit on your own thoughts regarding this and the dynamics, that would be really helpful.

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

A

David?

David Richard Kenyon

Chief Financial Officer, Kambi Group Plc

A

Yeah. Thanks, Erik. I mean, firstly, let's take DraftKings. I mean, if you work back from the public numbers, you get to – they're in the range of 20% to 30% of our revenue. So, that will go at the end of September. But then you have the unknown, which is how [ph] we'll be able to (00:23:29) develop, how we'll [ph] – when you roll out to all of them, how will the (00:23:33) new states come on board, and the seasonality effects with, of course, the NFL and college football during Q4.

So we know what's going out. We're pretty sure that there's more coming in. Question's how much it makes up for it. We're not going to put a forecast out there, but we've got lots of reasons to be hopeful that there's a lot of tailwind behind us. So I guess that's as far as we can say at this stage.

Erik Moberg

Analyst, ABG Sundal Collier AB

Q

Got it. But, I mean, just thinking about just pure seasonality effects, I mean, with three large months based upon your current customer base, and if also assume 10 expanding, I mean, that will obviously given up – quite an uplift for your underlying business Q-on-Q, correct?

David Richard Kenyon

Chief Financial Officer, Kambi Group Plc

A

Absolutely. Yeah, I mean, those are the undeniable tailwinds. So that's – to show we're good. That's in our favor.

Erik Moberg

Analyst, ABG Sundal Collier AB

Q

Got it. Got it. And then just on the European side of the business, listening to your sector peers and even some of your current clients, it appears that everyone seems to count on an acceleration in mid-August when we think activity-wise. What is your own expectations regarding this? And do you see any sort of risk for negative re-opening effects here?

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

A

No. I guess, I mean, obviously, July is in the worst month of the year both in US and Europe nowadays. August should really pick up in Europe, because the soccer season starts. I wouldn't put too much into the Olympics, but it helps a little bit, of course. And then I think September, that's the month when everything really are starting to take off again. We have more or less whole season of the European soccer and then you get the American football on top of that. So, it is slower now and definitely will take off coming September.

Erik Moberg

Analyst, ABG Sundal Collier AB

Q

Got it. And you also mentioned in the report that [indiscernible] (00:25:49) game was the highest turnover soccer game you've seen. So, perhaps if you could add some color on how much larger versus the prior record it was. And also, if you compare sort of activity level for the Euros in July versus last year when you had some soccer leagues up and running, if you could just perhaps give us some flavor on the year-over-year dynamics there?

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

A

I don't know the figures by heart unfortunately, Erik. But, yeah, I mean, it's a massive difference on having a Euro going on and having some of the leagues going on. But the difference is when you have the leagues going on is that like you had last year, it's so many more matches spread out over a much longer time, of course. So I will say looking at July year-on-year, you only had five less – yeah, [ph] what we have (00:26:57) seven matches of Euros in July.

Erik Moberg

Analyst, ABG Sundal Collier AB

Q

Yeah.

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

A

So, July for sure is a weaker month on soccer than it was last year.

Erik Moberg

Analyst, ABG Sundal Collier AB

Q

Got it.

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

A

David...

Erik Moberg

Analyst, ABG Sundal Collier AB

Q

And then...

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

...David, do you have anything on the numbers?

A

David Richard Kenyon

Chief Financial Officer, Kambi Group Plc

No, I think you've got it spot on. Those seven matches are great, but not the same as having regular league matches every week.

A

Erik Moberg

Analyst, ABG Sundal Collier AB

Fair enough. And then, just on the – on your current pipeline when it comes to customers, you compared the pipeline now versus a year ago. How does it stack up? And also whether or not you're facing more competition when it comes to contract negotiations, etcetera?

Q

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

I will say the pipeline looks if anything better than a year ago, I think there is lots of opportunities in more markets than we had opportunities in last year. So, that's very positive. When it comes to a competition, I think, obviously, the largest competitor we had before SBTech is not really in many discussions anymore. And I already also say that the rest of the competition has not really replaced them. So, I think we have a better situation now than we had a year ago when it comes to competition.

A

Erik Moberg

Analyst, ABG Sundal Collier AB

Understood. And then just one more question for me, just on Ontario. I believe that's an option that's still not really priced in to anyone's estimates at the moment. If you could just give some more flavor there on the outlook and whether or not you think you will up and running from day one there. Yeah.

Q

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

I hope so. That's always our ambition to be up and running [ph] – up in the states (00:29:07). I would say that we probably have a few customers already but we'll be very interested in the Canadian market. And I also think there is still very interesting opportunities for new customers in Ontario. So, I'm looking very positive to that.

A

Erik Moberg

Analyst, ABG Sundal Collier AB

Got it. And just in regards of your potential position within that market, do you expect a similar market position as in US?

Q

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

Possibly, as I said, even stronger. I think we are quite unique in having a customer base where [ph] iSport (00:29:55) is so important already. So, we are in a very, very strong position.

A

Erik Moberg

Analyst, ABG Sundal Collier AB

Understood. Thank you very much. That's all for me.

Q

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

Thank you.

A

Operator: [Operator Instructions] We have a question from the line of Viktor Högberg from Danske Bank. Please go ahead.

Viktor Högberg

Analyst, Danske Bank A/S (Sweden)

Hi. Good morning. So, a follow-up on Q3. So, the rest of the sports schedule now in August and September, do you think it could mitigate the effect of DraftKings leaving on the turnover in Q3?

Q

David Richard Kenyon

Chief Financial Officer, Kambi Group Plc

I think that's quite a tough challenge to be honest. I mean, DraftKings has become a big proportion, I talked about 20% to 30% of our revenue. So, that's disappearing. At the end of Q3, it's going to be – it's a tough one to overcome. But as I've talked about the tailwinds – yeah, it's really hard to say, but we're looking slightly longer term as well than just Q3, Q4. I mean, if you look all these new regulations coming in place, we're really looking at, kind of, where this takes the business 2022, 2023, and it's looking very strong.

A

Viktor Högberg

Analyst, Danske Bank A/S (Sweden)

I agree. But staying a bit short-term focused [ph] here, just (00:31:23) for next question as well, but with just Virginia and New York left for DraftKings to [ph] leave them (31:28) in – now in Q3, would it be reasonable to expect the Q4 turnover level to be higher than the Q3 level because there really won't be that much to drop off?

Q

David Richard Kenyon

Chief Financial Officer, Kambi Group Plc

Yeah, if you look at purely the kind of the turnover index rather than revenue side, yeah, absolutely. I mean, then what Kristian talked about, you get the three full months of the [ph] full packed (00:31:52) sporting calendar through October to December. So, yeah, on that basis, yes, turnover should be higher.

A

Viktor Högberg

Analyst, Danske Bank A/S (Sweden)

Okay. And in terms of the high margin here in Q2, I assume it was seen mainly in the late parts of the quarter in Euro matches which explained it. Do you think it had an effect on turnover? Was it too late in the quarter to have a material effect on the turnover in Q2?

Q

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

A

Yeah, I can answer [ph] that maybe (00:32:27). I think it was high margin all over the place really when it comes to the [ph] top tier. (00:32:34) I think the Champions League was a very, very high margin at the end of the season. In most of the large leagues, it was very high margins. For the Euros actually, I would say that we probably didn't see that effect that much because it was quite poor margins for – yeah, up until the end of the group stage. So, for Euros, not too much [ph] of that (00:33:01) effect. But for the rest of the sports showed – or rest of the soccer, I would definitely say that the margin dampened the numbers a bit.

Viktor Högberg

Analyst, Danske Bank A/S (Sweden)

Q

Okay. Sorry. I was muted. So, it did have an effect then on the Q2 turnover, the high margin?

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

A

Yes, absolutely.

Viktor Högberg

Analyst, Danske Bank A/S (Sweden)

Q

Okay. And last question. So, the cost guidance, you raised it slightly now in Q3. What is the driver for that and what will be taking it to the high and the low level respectively?

David Richard Kenyon

Chief Financial Officer, Kambi Group Plc

A

Yeah. The biggest challenge really is in the huge acceleration in licensing, which we've seen even just during the last quarter, which is why we've raised the guidance since we did the Q1 report. So, if you look now, there's kind of new regulation in Arizona, Maryland, Louisiana, all of which is for us driving application processes and regulatory support costs locally.

Then you have the New York application, and that whole new regulation has come out. And then ongoing which has been ongoing for a while, but it has really sped up in the last quarter is the Nevada licensing application, which is a quite longer process and also quite an expensive process. And with – that work on that has really accelerated recently.

So, I think all those combinations together put extra costs, but of also course much bigger revenue opportunity longer term. But yeah, there is costs associated with that and probably more states regulating than we anticipated. So yeah, kind of good news – good reason for spending, hopefully.

Viktor Högberg

Analyst, Danske Bank A/S (Sweden)

Q

What is the reason for the €5 million between the top and the low end, what will be more reasonable to expect at this point in time?

David Richard Kenyon

Chief Financial Officer, Kambi Group Plc

A

I would say somewhere between the middle and the top.

Viktor Högborg

Analyst, Danske Bank A/S (Sweden)

Q

Okay, perfect. And I was having a bit of problems in my connection, maybe you already talked about it, but could you talk us through a bit about the New York application, now that you have a bit more details than the last time we spoke? If you could, could you help us understand what is happening in New York and how you see it?

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

A

I think it's still a little bit fluid. I think, we received answers on the first round of questions on the RFA yesterday night. But it's quite clear that we are in a good position to be a platform provider for our operators. I think, the scoring system looks quite promising for us and our operators. But it is a bid, so nothing is given, of course. But I'm quite certain that we will have some operators who are going to bid together with us. So, I can't give you very much more than that, but it looks, yeah, optimistic.

Viktor Högborg

Analyst, Danske Bank A/S (Sweden)

Q

Okay. Thank you very much.

Operator: There are no further questions registered, so I hand back you to the speakers for any closing remarks.

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

All right. Thank you very much for today. We will be back on the 27th October for our Q3 quarterly presentation. Thank you very much.

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 2021 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.