

THOMSON REUTERS STREETEVENTS

EDITED TRANSCRIPT

IOTS - Adesto Technologies Corporation, Echelon Corporation - M&A
Call

EVENT DATE/TIME: JUNE 29, 2018 / 1:00PM GMT



JUNE 29, 2018 / 1:00PM, IOTS - Adesto Technologies Corporation, Echelon Corporation - M&A Call

CORPORATE PARTICIPANTS

Joel Achramowicz

Narbeh Derhacobian *Adesto Technologies Corporation - Co-Founder, President, CEO & Director*

CONFERENCE CALL PARTICIPANTS

Aman Raj Gulani *B. Riley FBR, Inc., Research Division - Associate Analyst*

Auguste Philip Richard *Northland Capital Markets, Research Division - MD & Senior Research Analyst*

Gary Wade Mobley *The Benchmark Company, LLC, Research Division - Research Analyst*

Rajvindra S. Gill *Needham & Company, LLC, Research Division - Senior Analyst of Microcontrollers, Analog & Mixed Signal, Consumer IC & Multi-Market*

Sujeeva Desilva *Roth Capital Partners, LLC, Research Division - Senior Research Analyst*

PRESENTATION

Operator

Good morning, and welcome to Adesto Technologies' Acquisition Call of Echelon Corporation. (Operator Instructions) As a reminder, this conference call is being recorded today, June 29, 2018.

I would now like to turn the call to Joel Achramowicz of Shelton Group Investor Relations. Joel, please go ahead.

Joel Achramowicz

Thank you. Good morning, and welcome to Adesto Technologies' conference call to discuss the proposed acquisition of Echelon Corporation. I'm Joel Achramowicz, Managing Director of Shelton Group, Adesto's Investor Relations firm. Joining me today on the call are Narbeh Derhacobian, Adesto's President and CEO; and Ron Shelton, CFO. If you have not received a copy of the press release, you can access a copy under the Investor Relations section of Adesto's website at www.adeptotech.com. There is also a slide presentation that we will be using in conjunction with today's call that may be accessed through the webcast link on Adesto's website. It is also posted as a PDF in the Investor Relations section.

Before I turn the call over to the Narbeh, I would like to remind our listeners that during the course of this conference call, the company will provide financial guidance, projections, comments and other forward-looking statements regarding future market developments. The future financial performance of the company, new products or other matters. These statements are subject to risks and uncertainties that we discuss in detail in our documents filed with the SEC, specifically, the final prospectus related to our initial public offering, our 10-K and our most recent 10-Q, which identify important risk factors that could cause actual results to differ materially from those contained in the forward-looking statements.

And now it's my pleasure to turn the call over to Adesto's President and CEO, Narbeh Derhacobian. Narbeh, please go ahead.

Narbeh Derhacobian - Adesto Technologies Corporation - Co-Founder, President, CEO & Director

Thank you, Joel, and welcome to everyone joining us so early this morning. As you probably saw in this morning's press release, we're quite excited to announce the signing of a definitive agreement to acquire Echelon Corporation, a leading developer of IoT chips, components, modules, network gateways and system control software for distributed communications applications in the building automation infrastructure and industrial automation markets. During our call today, I will walk you through our rationale for this transaction, and how it aligns to our long-term vision of becoming a significant player in semiconductor communication systems for growing IoT markets, in particular, industrial IoT. As Joel mentioned, there is a slide presentation that I will be reviewing as part of today's call, which is included in the webcast or can be accessed as a PDF on our website.



JUNE 29, 2018 / 1:00PM, IOTS - Adesto Technologies Corporation, Echelon Corporation - M&A Call

Before I begin, I'd like to encourage you to read our safe harbor statement along with associated documents we filed with the SEC and which also can be found on our website.

Now diving right through into the transaction. Echelon is a pioneer in the development of IoT systems technology since it's been developing standard-based, IoT-control element software and systems for almost 30 years with a focus on industrial and commercial applications. We're acquiring the company for \$8.50 a share, or a total equity value of approximately \$45 million, representing an enterprise value of about \$30 million. Echelon generated more than \$30 million in high-margin revenues in 2017, and we expect this deal to be accretive to EBITDA and non-GAAP EPS within 12 months. We intend to finance the purchase price through a combination of cash and equity and/or debt.

Slide 4 describes Echelon's products, solutions and market focus. Along with Echelon's very respectable revenues and margins, Adesto adds to its portfolio a family of distributed IoT chips, edge servers, modules and development platforms. So this is both a horizontal and a vertical deal for us, expanding our silicon products with powerful deep systems and software solutions expertise for industrial systems and enterprise automation.

In order to better understand the benefits and the value this transaction provides to Adesto, let me give you a brief overview of Echelon's business. Established in 1988, and headquartered in Santa Clara, Echelon is a pioneer in developing standard-based, distributed-control elements, including chips, modules and systems for high-performance applications where data movement and control and decision making are paramount issues. You'll find more than 100 million Echelon devices around the world in office buildings, manufacturing facilities, homes, transportation infrastructures and power grid applications. Simply put, Echelon adds a high layer of systems and software intelligence to our growing portfolio of semiconductor assets, placing Adesto in the forefront as an emerging industrial IoT global leader with all of the critical requisites to offer complete solutions for our customers.

In terms of anticipated benefit of the transaction, there are a number of compelling reasons that makes this a great fit for Adesto and our long-term vision. First, it significantly expands our reach within industrial IoT with well-regarded connectivity solutions. In addition, these high-value solutions command margins in excess of 55% as a result of the deep value they bring to the industrial end markets.

We are also able to obtain wireless and wireline connectivity technology as well as a family of distributed IoT chips, modules and systems. This allows us to target higher-valued solutions, opportunities offering greater BOM potential. Further, it allows us to cross leverage our channel assets and install customer accounts worldwide across Tier 1 commercial and industrial customers and a global installed base.

This transaction also provides the opportunity to leverage our newly acquired ASIC group from S3 Semiconductors to extend our road map for Echelon products while also expanding beyond semiconductor devices into modules and system platforms.

Slide 7 really helps to pull together from both control and data plane perspective, as you gather, conceptually, our thinking with these 2 recent transactions we've pursued. The Internet of Things encompasses the broad transformation, which is underway that will make pervasive sensing across connected devices and machines, not just a competitive advantage but an essential fundamental capability. Industrial IoT starts with the edge node, which is where the physical world interacts with computational data and analytics. With our S3 Semi purchase, we added independent ASIC competencies for control and communication to our memory assets in order to play across the complete IoT silicon bill of materials. But now with Echelon, we can move up the system stack and also offer powerful distributed intelligence and added value control technology that will drive the complex network applications of the future.

Consequently, we can play in more areas and help to drive the engagements from device level to the control plane. These compelling strategic attributes were factored into our decision to pursue this deal. What's more, Echelon's capabilities open additional market opportunities for Adesto.

In Slide 8, which I'm sure you remember from our last call, we used this graphic to depict the expanding content potential we gained from the S3 Semiconductor acquisition. And now we layer on additional content opportunities with Echelon. Both S3 Semiconductors and Echelon allow Adesto to expand beyond our routine application-specific nonvolatile memory solutions to now include the other essential building blocks of an IoT stack. As a result of this significant expansion of our BoM opportunity, S3 Semiconductor expanded our SAM to \$10 billion, and Echelon doubled that opportunity to over \$20 billion. This will drive our future growth and margin expansion by targeting more silicon opportunities and by also developing systems for numerous customer engagements at higher levels of complexity, especially in the industrial markets.

JUNE 29, 2018 / 1:00PM, IOTS - Adesto Technologies Corporation, Echelon Corporation - M&A Call

When looking at the combined 2017 financials on a pro forma basis, it's clear the combination of the 3 companies greatly enhances Adesto's financial profile. The addition of Echelon to our recent S3 Semiconductor acquisition elevates Adesto above the \$100 million revenue mark with an immediate and positive impact to gross margins. We also anticipate achieving significant cost synergies in the first 12 months after close in the amount of \$6 million to \$8 million. As a result, we expect the transaction to be accretive to EBITDA and non-GAAP earnings within 12 months. The combination of these transactions not only increases our financial scale and profile, but also allows us to address critical IoT-system applications collectively, providing the potential to pay big dividends to our forward-looking operating model and growth prospects.

With that, we'll open the call to questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Our first question comes from Gary Mobley with Benchmark.

Gary Wade Mobley - *The Benchmark Company, LLC, Research Division - Research Analyst*

Let me start by asking about Echelon's wireless standards. Can you share with us what standards most product based on today? And how do Echelon's products evolve with some of the evolving IoT cellular standards and as well, short-range wireless standards, such as ZigBee, Z-Wave, et cetera?

Narbeh Derhacobian - *Adesto Technologies Corporation - Co-Founder, President, CEO & Director*

So, Gary, we will share a lot more detail on -- obviously, Echelon is a public company, a lot of information is available. But suffice it to say that the vast majority of the device-level components that Echelon has is focused more on wired connectivity, because that's what's typically used in building automation systems. Now they do provide the opportunity with their smart edge server to bridge what I term operational technologies into, sort of, more new informational technology's IT standards, which includes all the ones that you indicated. So the Smart server is basically a bridge of taking an installed infrastructure base that exists today, heavily installed by building automation system companies into almost all the emerging platforms, which are appearing in the market, whether it's ZigBee, WiFi anyone. So from that perspective, the connectivity solutions of Echelon are agnostic to the standards that are being developed. They are -- their value is being able to connect existing wired connectivity into any and all emerging technologies which are coming in wireless space.

Gary Wade Mobley - *The Benchmark Company, LLC, Research Division - Research Analyst*

Okay. Roughly \$6 million in OpEx synergies that you outlined in your slide deck, in your press release. That's roughly what? 25% of Echelon's existing OpEx? And can you help us understand how you get to that? That level of OpEx reduction?

Narbeh Derhacobian - *Adesto Technologies Corporation - Co-Founder, President, CEO & Director*

Yes, again, we'll be more than happy to share the details after the deal actually closes, but if you think about Echelon being a relatively small, today, public company, there are costs that are associated across different levels of an operating entity as well as Adesto, right? So when you combine the 2 there is, unlike the S3 Semiconductor acquisition, it's worth more as a private company being acquired into a public company. In this case, you can imagine that there is a lot of synergies that can be [talked] through when the 2 public companies are combined together.

JUNE 29, 2018 / 1:00PM, IOTS - Adesto Technologies Corporation, Echelon Corporation - M&A Call

Gary Wade Mobley - *The Benchmark Company, LLC, Research Division - Research Analyst*

Okay. Last question for me. Looks like Echelon's sales have been somewhat flattish at least per the guidance and most recent results, and can you speak to whether or not there is much growth potential under the umbrella of Adesto? And how do you drive some sales acceleration with the business?

Narbeh Derhacobian - *Adesto Technologies Corporation - Co-Founder, President, CEO & Director*

Yes. So if you look at Echelon's business, half of Adesto's business now with S3 Semiconductor is slightly more than half of our business' industrial markets. As you know, industrial markets' growth profile is very much different than the growth profile that we're familiar with in the consumer market. Even at Adesto, that's true. So actually, if you do look at all the industrial endpoints that Echelon touches, and you actually look at the nuggets of the growth area that exist between the different verticals in the industrial, there are growth spots and there are also areas where, whether it's related to ramping or deployment of industrial platforms, are slower. So when we did our diligence, we understood that there are a lot of opportunities especially in terms of growth, again, within the context of an industrial-based growth that we are excited about to be -- to participate in.

Operator

Our next question comes from Sujeeva Desilva with Roth Capital.

Sujeeva Desilva - *Roth Capital Partners, LLC, Research Division - Senior Research Analyst*

Narbeh and Ron -- Ron, congratulations on the transaction here. Can you talk about [introductory] Echelon yet? I mean, it's lot in the public demand, but you (inaudible) have customer base of Echelon and the overlap with your customer base, whether there is a lot of overlap, or whether they bring a lot of new customers to you?

Narbeh Derhacobian - *Adesto Technologies Corporation - Co-Founder, President, CEO & Director*

Yes. So that's a very good question, Suji. So again, if you call our customer -- first of all a couple of things. If you look at our customer profile in terms of distribution -- contribution to revenue. One of our biggest characteristics that now you know over the years is that it's been -- we're not concentrated with one customer. So the Echelon's customer concentration is -- very much mimics ours. And again, it's a nature of these industrial businesses. There is a large number of customers, which again, we'll be more than happy to talk about after we close, that make up the revenue basis for the company. Now what's more important, though, is that the level of engagement that a -- systems and solutions that Echelon has in these industrial markets is a lot more vertically oriented and a lot more integrated. So the depth of the engagement with the key industrial customers is a lot more stronger as compared to what we have today. So that's one of the areas that attracted us significantly, because we're able to actually, not only engage with these industrial customers, but engage with them at a much deeper level. But in terms of customer overlap, there are some, if I were to look at the top 20 customers of the 2 companies, I would say, probably less than 25% overlap of the customers, so -- and then, in case of Echelon, they have some very Tier 1 industrial customers that if you -- I think, should dig up historically their reporting, you'll see their names that today we have very little business with. And that's also another -- was another factor in our determination of getting engaged with the company.

Sujeeva Desilva - *Roth Capital Partners, LLC, Research Division - Senior Research Analyst*

Okay, that's very helpful. And then my other question is on moving it up into the systems business and software business. So can you talk about why the timing for that now, feels right to you guys? And what the competition's like in the edge server part of the business versus the semis you guys sell?

JUNE 29, 2018 / 1:00PM, IOTS - Adesto Technologies Corporation, Echelon Corporation - M&A Call

Narbeh Derhacobian - *Adesto Technologies Corporation - Co-Founder, President, CEO & Director*

Well, so a lot of people make edge servers. This goes to -- back even to, if you look at traditional computing companies like whether it's -- even Dell makes edge servers. The value of Echelon Solutions is really -- goes back historically that they have success a strong installed base in their end markets, especially in building automation market. And the products are so well-regarded in those areas that basically the barrier to entry of new entrants in that ecosystem is very, very high. Just think about this. If you are trying to build up, for example, going back to Gary's question, connectivity to a new platform, a new protocol, you're looking at an installed based or wired base in building automation that's indicated over 100 million connected devices, thermostats and valve controllers, HVAC systems and so forth. The cost of looping up these things from the walls and reconnecting to a new edge server is extremely high. So as such the customer base is very much -- has very high level of loyalty to the platforms that Echelon has. So their systems, obviously, the edge servers, the smart servers of Echelon are designed to work with their previously installed devices at these end customers. So suitability of those over competitive systems is -- it creates a big barrier for other competitors. And that's what we heard also when we spoke -- when we did our diligence with the customers.

Operator

Our next question comes from Rajvindra Gill with Needham Company.

Rajvindra S. Gill - *Needham & Company, LLC, Research Division - Senior Analyst of Microcontrollers, Analog & Mixed Signal, Consumer IC & Multi-Market*

Yes, congrats as well on the acquisition. I wanted to a little -- talk a little bit about the competitive landscape that Echelon is facing. I was wondering if you could talk a little bit about the barriers to entry. What areas of specific end markets you think they have, overwhelming competitive advantage?

Narbeh Derhacobian - *Adesto Technologies Corporation - Co-Founder, President, CEO & Director*

So again, just -- Raji. This -- again, just for reasons I just explained to Suji, the big competitive advantage is installed base, if you think about it. So if you -- the key vertical is that they have a very strong installed base, includes building automation, HVAC systems and also in some verticals, factory-manufacturing automation systems. So if you -- for example, if you are one of their building automation customer, HVAC systems customers, and you're actually rolling out the new system where you're actually expanding an existing installed base, the natural choice to go would be the Echelon and to expend and expand the capability. In industrial market, that's a huge barrier to entry. It's completely different than the consumer market where the new variable device can easily come and replace the old variable device completely from use model, software app, everything within literally overnight. Within one Christmas season, you can change things. This is not the profile of industrial end markets and these markets that Echelon has a sound presence in.

Rajvindra S. Gill - *Needham & Company, LLC, Research Division - Senior Analyst of Microcontrollers, Analog & Mixed Signal, Consumer IC & Multi-Market*

Yes. You might have touched upon this earlier in the call, so apologize if I -- if this question was asked. I just want to get a sense in terms of how this acquisition fits in with S3? Obviously, both Echelon and S3 enhance your financial profile, improve your gross margins and revenue. But wondering in terms of product overlap or customer overlap, how that kind of complements with yours as well as your core business as well?

Narbeh Derhacobian - *Adesto Technologies Corporation - Co-Founder, President, CEO & Director*

Yes. So if you think about S3 -- let's go back to S3. S3 is an ASIC chip supplier, basically it's our ASIC group. So there is no customer overlap at least, again, if I look at -- Echelon has over 2,000 customers. So if I actually go and look at the top 50 customers or so, there is no old customer overlap anywhere at all from S3 to -- with Echelon. Now if you think about what S3 does is, S3 basically would go to system houses and take their -- since they have a system that they're using off-the-shelf products and want to convert into an ASIC, again, focusing on satellite communication, industrial market, they're able to basically deliver their control on communication chips, the SOC, to the end system. Now what Echelon does is that if you



JUNE 29, 2018 / 1:00PM, IOTS - Adesto Technologies Corporation, Echelon Corporation - M&A Call

think about, Echelon makes those components, obviously, but Echelon also builds the platform, the complete platform that goes to the end customer. So they actually build the devices, they build the board and the servers, and then they build the development tools needed to run those things. So the slide that we had in the deck showing moving up the stack that's exactly what the 2 things do now. If we are to expand the road map of Echelon's product, we want to roll out the new chips and new devices. Our ASIC group, recently acquired ASIC group, is the perfect team, basically, to deliver that, because they -- in the past, most likely, they've done products very similar to that in those markets. The commonality of all these things, including Adesto solutions is, obviously, the focus, especially in the industrial IoT market. So if you now just look at industrial IoT and say, okay, if I'm going from chip level all the way to the bridge level into the broad Internet band in the cloud, we have now fingers in all these different areas. So a year ago today, we were only selling memory devices into that market. Today, we're selling memory devices that you are very familiar with. We're selling ASIC solutions in that, that control and connect -- sorry, control, connect at the edge node. S3 has that control and connect already, a big installed base, more standard products, not ASICs. And then, of course, you step up one level, and now you're also providing the connectivity, the bridge from private network into the more broad networks.

Rajvindra S. Gill - *Needham & Company, LLC, Research Division - Senior Analyst of Microcontrollers, Analog & Mixed Signal, Consumer IC & Multi-Market*

And the focus on Industrial IoT, with these offerings that you're going to provide, can you talk about the -- that the market size, the rationale to focus on IIoT, because I believe this is a huge segment within IoT where businesses are getting a significant return on investment by connecting these devices to the Internet. So I was wondering if you can talk about the focus on Industrial IoT, developing intelligent cloud-based analytics for an edge network.

Narbeh Derhacobian - *Adesto Technologies Corporation - Co-Founder, President, CEO & Director*

Right. So hopefully once the deal, it closes, we can actually talk more openly about the customer acquisition that has occurred as a result of the Echelon engagement, but I can safely say that today, if you put these -- on a pro forma basis, we put the 3 companies together. You will hardly find any Tier 1 industrial company, and I'm talking about these very large industrial customers that are not an existing customer, would be an existing customer of Adesto combined. So to -- and we know, in supplying these markets, first of all -- even from our memory devices, we know how hard it is to be a well-trusted, establish supplier into that market, and that's one of the largest barriers to entry into these end markets. And these are markets that are very large, as we indicated, growing because of the [world] IoT concept rolling into that vertical, but more importantly, garner significantly larger gross margins as compared to consumer markets where, of course, they're much faster growing and higher volume.

Operator

Our next question comes from Aman Gulani with B. Riley FBR.

Aman Raj Gulani - *B. Riley FBR, Inc., Research Division - Associate Analyst*

Congratulations on the acquisition. So just in terms of like bill of materials and your participation in end-unit devices before you're vocal about participating about \$0.30 to \$0.40 in end-unit devices. What does that look like now with S3 and now with Echelon as well?

Narbeh Derhacobian - *Adesto Technologies Corporation - Co-Founder, President, CEO & Director*

Well, so with S3, we indicated that we -- our bill of material -- we had that one example with S3 that, the semiconductor content, we brought the example in our first smart lock app case where we had actually done a detailed bill of material. We owned about 5% -- with memory, we owned about 5% of that bill of material. If I include all the capabilities that S3 Semiconductor brought to the picture, our opportunity bill of material ownership went to 80% of the semiconductor content. Now if you think about Echelon's portfolio solutions, Echelon solutions include chips and devices, which, again, would be of the same order as an S3 Semiconductor BOM content. But also you have the opportunity in terms of these edge



JUNE 29, 2018 / 1:00PM, IOTS - Adesto Technologies Corporation, Echelon Corporation - M&A Call

servers and connectivity systems that are offered in addition to development platforms. So those you can imagine, again, the -- from a dollar content perspective, in terms of an engagement with your customer is significantly higher.

Aman Raj Gulani - *B. Riley FBR, Inc., Research Division - Associate Analyst*

All right, that's very helpful. And then in terms of design-win momentum, Adesto's been experiencing pretty strong design-win momentum. Is that something like Echelon has been experiencing as well in securing large design wins and converting them to production?

Narbeh Derhacobian - *Adesto Technologies Corporation - Co-Founder, President, CEO & Director*

Yes. Again, Echelon is a public company now, and again, I would simply refer to their public disclosures on that topic. I think there was an earlier question about just the growth rates. And all, I think everyone knows that the focus -- the industrial markets grow at a different pace, but then once there's -- once you are installed in an industrial and the longevity of that runs for years. We know that from our memory experience, we also know that from S3, and of course, Echelon being heavily focused in that industrial market doesn't escape that characteristic, it's there. We've spoken with customers who have been Echelon customers for over 15, 20 years and continue to be. And they're growing at their own sort of an industrial profile pace. So again, we will be more than happy to share a lot more detail after the deal closes, but for now, we'd refer to their publicly disclosed information.

Operator

Our next question comes from Gus Richard with Northland.

Auguste Philip Richard - *Northland Capital Markets, Research Division - MD & Senior Research Analyst*

I'm looking at Echelon's investor presentation, and it looks like they're selling chips, systems and software, doing some project management. You've got a goal to cut \$6 million to \$8 million out of OpEx, and I'm just wondering which of those areas are you going to focus on? They seem to have a lot of projects going, and I'm just kind of -- want a little bit of clarification on sort of what the strategy and what the integration process looks like.

Narbeh Derhacobian - *Adesto Technologies Corporation - Co-Founder, President, CEO & Director*

Yes, Gus. Again, if you want to think about the synergies that's available, I think one of the areas that you can obviously start is, not looking at that portion, but just looking at overall 2 -- again 2 relatively small public companies joining forces, you can immediately think about possible synergies that does exist in that area. With respect to details in terms of programs, product portfolios, solutions and all that, again, I would simply not comment on that until the deal is closed where we can actually talk a little bit more openly about Echelon's road maps and what we saw in terms of the opportunities that exist with Echelon and Adesto's internal portfolio.

Auguste Philip Richard - *Northland Capital Markets, Research Division - MD & Senior Research Analyst*

Okay. And then just one follow-on in terms of the semiconductor products that they bring. It looks like they have controller -- microcontroller and, for lack of a better term, a transceiver, and I'm assuming that's a communication-over-power-line type of communication chip, is that correct?

Narbeh Derhacobian - *Adesto Technologies Corporation - Co-Founder, President, CEO & Director*

Yes, that's right. That's right, yes.



JUNE 29, 2018 / 1:00PM, IOTS - Adesto Technologies Corporation, Echelon Corporation - M&A Call

Auguste Philip Richard - *Northland Capital Markets, Research Division - MD & Senior Research Analyst*

Right, and they do no RFs, but they do some modules for RF to service that portion of IoT?

Narbeh Derhacobian - *Adesto Technologies Corporation - Co-Founder, President, CEO & Director*

Yes. You got it, and that's right. That's right.

Operator

I'm not showing any further questions at this time. I would now like to turn the call back over to Narbeh Derhacobian for closing remarks.

Narbeh Derhacobian - *Adesto Technologies Corporation - Co-Founder, President, CEO & Director*

Thank you, again, for joining us on this morning's call, and we look forward to providing further updates on our second quarter 2018 earnings results conference call. Thank you.

DISCLAIMER

Thomson Reuters reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes.

In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES THOMSON REUTERS OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2018, Thomson Reuters. All Rights Reserved.