

04-Dec-2018

Teck Resources Ltd. (TECK)

Business Update Call

CORPORATE PARTICIPANTS

H. Fraser Phillips

Senior Vice President, Investor Relations and Strategic Analysis, Teck Resources Ltd.

Donald R. Lindsay

President, Chief Executive Officer & Director, Teck Resources Ltd.

Alexander Nicholas Christopher

Senior Vice President, Exploration, Projects & Technical Services, Teck Resources Ltd.

Dale E. Andres

Senior Vice President-Base Metals, Teck Resources Ltd.

Andrew Golding

Senior Vice President-Corporate Development, Teck Resources Ltd.

OTHER PARTICIPANTS

Orest Wowkodaw

Analyst, Scotiabank

Matthew Murphy

Analyst, Barclays

Brian MacArthur

Analyst, Raymond James Ltd.

MANAGEMENT DISCUSSION SECTION

Operator: Ladies and gentlemen, thank you for standing by. Welcome to Teck Resources QB2 Partnership and Sanctioning Call. At this time, all participants are in listen-only mode. Later, we will conduct a question-and-answer session. This conference call is being recorded on Tuesday, December 4, 2018.

I would now like to turn the conference over to Fraser Phillips, Senior Vice President, Investor Relations and Strategic Analysis. Please go ahead.

H. Fraser Phillips

Senior Vice President, Investor Relations and Strategic Analysis, Teck Resources Ltd.

Thanks very much, Paul, and good morning, everyone, and thank you for joining us for Teck's Quebrada Blanca Phase 2 Partnership and Sanctioning conference call. Before we begin, I'd like to draw your attention to the caution regarding forward-looking statements on slide 2. This presentation contains forward-looking statements regarding our business. This slide describes the assumptions underlying those statements. Various risks and uncertainties may cause actual results to vary. Teck does not assume the obligation to update any forward-looking statement.

Please note that this presentation also reflects economic analysis concerning a mine plan that includes inferred resources as noted on slide 3. Full details regarding economics for mine plan based on reserves only can be found in the appendix.

For this morning's call, several members of our management team are here with me in Toronto, and several more on the line from both Santiago and Vancouver and a couple of other remote locations. Don Lindsay, our President and CEO will begin with some prepared remarks with key highlights of the partnership transaction and the QB2 project. We will then conclude with a Q&A session, where we would be happy to answer any of your questions.

With that, I'll turn it over to Don.

Donald R. Lindsay

President, Chief Executive Officer & Director, Teck Resources Ltd.

Thank you, Fraser. Good morning, everyone, and thank you for joining us this morning.

This is indeed a transformative day for Teck.

As most of you are aware, since August, we have been running a highly competitive process to find the right partner for Teck on Quebrada Blanca, or QB as we know it. And I'm delighted today to announce the result of that process.

We have announced a US\$1.2 billion partnering transaction with Sumitomo Metal Mining and Sumitomo Corporation, who I will refer to collectively as Sumitomo. Also, Teck's board has approved the QB2 project for full construction.

The partnering transaction further confirms that QB2 is one of the world's premier, undeveloped copper projects, and it significantly de-risks Teck's investment in the project. It also greatly improves the project economics for Teck shareholders, and it dramatically reduces our equity requirements to just US\$693 million, excluding escalation, and with no cash required between the close of this transaction and late 2020.

And let me repeat that, it dramatically reduces our equity requirements to only US\$693 million to complete the project, and none of that cash is required – no cash is required between the close of the transaction and late 2020.

Given our already strong balance sheet, we've decided to choose the measured growth and that preserves our ability to return further capital to shareholders, and to reduce the bonds that are currently outstanding. And as noted in the news release, the Teck board will consider an additional return of capital to shareholders following the closing of the transaction. And we're also very pleased to be building on our already strong relationship with Sumitomo.

Turning to slide 5, QB2 is one of the world's premier undeveloped copper projects. It is rare to find an undeveloped copper project of this quality these days, where you have a very, very long life, stable grade, low cost and significant enhancement and expansion potential. And it is particularly rare to find it in an excellent geopolitical jurisdiction such as Chile.

QB2 will be a cornerstone asset in Teck's portfolio. When it is built, our copper production will increase significantly, and this will help rebalance our portfolio over time, with the contribution from copper eventually similar to steelmaking coal, subject to relative commodity prices. The size of the deposit also provides significant further low-cost growth in our copper portfolio. First, concentrate production in QB2 is expected in the second half of 2021, which is expected to coincide with the upcoming deficit in the copper market.

Slide 6 summarizes the terms of the partnership transaction. Sumitomo will contribute US\$1.2 billion to acquire 30% interest in QB. Teck will retain a 60% interest, and Enami maintains its 10% non-funding interest. The US\$1.2 billion contribution into QB consists of an earn-in contribution of US\$800 million and a matching contribution by Sumitomo of US\$400 million.

Teck and Sumitomo will receive a return of their shareholder loans, before Enami will participate in their full 10% return through dividends. I should also say, in addition, Sumitomo will pay Teck US\$50 million, if QB2 achieves average daily throughput of 154,000 tonnes per day over a two-month period prior to the end of 2025. And I will come back to the other element of contingent consideration in just a moment.

Overall, this transaction further confirms the value of the project. It reflects Sumitomo's view of the attractiveness of QB2 and its robust economics, the quality and size of the deposit and the potential to become a top five mine globally.

Closing of the transaction is subject to customary regulatory approvals and is expected by the end of April 2019, if not before.

Slide 7 summarizes the contingent consideration that would apply to the first major expansion project, which we call QB3. Sumitomo would pay 8% of incremental net present value at sanction of QB3 to participate in the expansion. And this would be paid as a contribution to project funding, so grossed up to 12%, including Sumitomo's one third share. Various configurations for QB3 have been analyzed at a conceptual level and a scoping study has been initiated. The size of the resource at QB is capable of supporting a doubling of production and potentially more.

QB3 would be more capital efficient than QB2 since no further tailings facility would be required for at least 10 to 15 years, and some other infrastructure would already be in place. Also, the strip ratio remains low in QB3.

QB3 could be sanctioned as early as 2024, subject to permitting, environmental and community considerations. The transaction with Sumitomo ascribes material value to a potential expansion, as we will describe in a moment.

The partnership transaction demonstrates that the market is currently ascribing very little, if any, value to QB. And there are significant value potential available to be unlocked in Teck's share price as shown on slide 8.

Teck shares have, for some time, been trading at enterprise value to EBITDA multiple that is well below the current average multiple for our peers and well below our historical multiples. The implied value ascribed to Teck's current 90% share of QB is approximately US\$3 billion, which is much higher than analyst consensus, which I believe averaged about \$1.2 billion.

If you back the US\$3 billion out of the calculation, our multiple is even lower. And this highlights the hidden value of our other copper development projects as well.

Turning to slide 9, QB2 delivers on our strategy to grow our copper business and to rebalance our portfolio. And this chart shows that QB2 will significantly increase our attributable copper production. The 577,000 tonnes reflects Teck's copper production on a 100% fully consolidated basis, which is how we expect to account for the transaction. Tax attributable share is 174,000 tonnes of consistent annual production over the first five full years.

This rebalances our portfolio over time to make the contribution from copper similar to steelmaking coal subject to relative commodity prices.

Turning to some of the highlights of the QB2 project starting on slide 10. As I mentioned earlier, it is rare to find an undeveloped copper project of this quality. The project is located in one of the most prolific copper producing regions in the world.

QB2 received its major environmental authorization in August, and it is set to become one of the top 20 copper mines globally. The vast long life deposit is large enough to support the doubling of throughput or more. And this would be QB3, which would put the mine into the top five copper mines globally.

Importantly, because we've mined the deposits for the last 25 years, effectively pre-stripping the QB2 orebody, QB2 is expected to have an exceptionally low strip ratio over the life of the mine, which drives the low all-in sustaining costs and enhances the project economics. The concentrate produced will be high grade and have exceptionally low impurity levels. And this makes it very valuable to our customers as it will be sought after for blending purposes.

As a result of these factors and the partnership arrangement, the project has very attractive economics as outlined on slide 11. We have optimized and updated aspects of QB2 based on additional technical and engineering work completed since the 2016 feasibility study. And this new Sanction Case is what our board has approved for construction.

The Sanction Case economics are shown on slide 11. Note that we have included 199 million tonnes of inferred resources within the proposed life of mine pit.

The inferred material in our mine plan represents only about 13% of total material mined, and the significant majority of that material is mined after the year 2039. Based on our knowledge of the mineralization and history of resource conversion, we are very confident that this represents a realistic and financeable development plan. For those who would like to see the economics without inferred, we have included the Reserve Case economics in the appendix behind this presentation.

On a 100% go-forward basis, from January 1, 2019, the capital cost for the project is US\$4.739 billion. Note that this is in constant Q2 2017 dollars and excludes escalation and working capital and interest during construction. It does include approximately US\$500 million of contingency.

Also note that this assumes a Chilean peso to U.S. dollar exchange rate of CLP 625. It's important to note that at the current spot exchange rate of CLP 675, the capital cost would be around US\$270 million lower than that US\$4.7 billion.

Based on the US\$4.739 billion capital cost, after adjusting for Sumitomo's contribution and giving effect to project finance, Teck shareholders' levered internal rate of return, based on the sanction case, is 30% at a long-term copper price of US\$3 per pound, and 40% at a long-term copper price of US\$3.50.

Turning to slide 12, one of the most compelling aspects of the partnership transaction is the funding structure. Walking through this chart, which starts at the US\$4.739 billion capital cost estimate for QB2, the partners intend to finance approximately US\$2.5 billion with project financing, which would leave US\$2.2 billion to be funded by the partners. Teck is in advanced discussions with third-party lenders on project financing.

The next US\$1.2 billion will come from Sumitomo's contribution under the partnership transaction, which would leave US\$1 billion to go.

And Sumitomo's equity capital of that amount is US\$346 million, which would leave US\$693 million attributable to Teck.

So, this represents, as you would guess, just a small fraction of the free cash flow that we expect to generate prior to late 2020, when the first cash contribution would be required from Teck, post-closing. We currently have around CAD 7 billion of liquidity and that includes CAD 1.7 billion of cash as of November 30, and US\$4 billion of a committed credit facility.

We recently closed, in fact, on an increase in the size of our primary committed credit facility to US\$4 billion from US\$3 billion, and we extended its maturity to November 2023, well after QB2 will be finished. The facility was also amended to release all subsidiary guarantees. We do not expect to draw on this facility for QB2, but it is available to us, if necessary.

We also should point out, have only US\$117 million of debt due between now and the end of 2021.

Overall, the partnering transaction preserves Teck's solid financial position, and our ability to return cash to shareholders throughout the QB2 construction period.

Slide 13 summarizes Teck's increased returns on QB2. As a result of the partnership transaction, Teck's IRR for the project on an unlevered after tax basis significantly increases to 19% at a long-term copper price of US\$3 per pound, and to 24% at a long-term copper price of US\$3.50 per pound. And as I mentioned earlier, our levered IRR is even higher with 30% and 40% at long-term copper prices of US\$3 and US\$3.50 per pound respectively. After the transaction closes, no contributions from Teck are required until late 2020.

Slide 14 shows QB2's competitive cost position. Given the exceptionally low strip ratio, consistent grade profile, compact site layout and high level of automation, QB2 is expect to have attractive and relatively stable operating costs. In the first five years, and net of by-products, QB2 is well-placed on the C1 cash cost curve at US\$1.28 per pound. QB2 looks even better on the all-in sustaining cost curve, the AISC, which of course is most important for determining what cash is being generated by the project. And that number is US\$1.38 per pound, driven by the extremely low strip ratio.

QB2 is an expansion of the existing QB pit, which means that it has been pre-stripped, and that drives the exceptionally low strip ratio and relatively low all-in sustaining costs. Over the life of the mine, the strip ratio is 0.7, which means that for every tonne of ore mined, only 0.7 tonnes of waste needs to be moved. According to Wood Mackenzie, that compares with around 3.5 tonnes of waste at our world-class Antamina operation, 3.1 tonnes at Collahuasi, and 2.5 tonnes at Escondida.

This significantly reduces the sustaining capital that would be required for equipment such as trucks, and shovels, and graders and dozers. And that translates into less maintenance and lower costs. QB2's capital intensity is in line with or lower than recent comparably sized projects at \$15,000 per annual tonne of copper equivalent production over the first five years. And these [indiscernible] (00:16:58) of course, can also potentially be amortized over a very long mine life.

Moving to slide 14, QB is a vast, long life deposit with extensive upside potential. The Sanction Case increases QB's total resource tonnage by 40%. The initial mine life of 28 years for QB2 utilizes less than 25% of the combined reserve and resource. This chart shows that the deposit is capable of supporting a mine life of more than 100 years based on a planned throughput rate of 143,000 tonnes per day.

The current resource tonnage is significant. Beyond the defined QB2 deposit, the district geology is highly prospective for exploration discovery and resource addition, and we hold a very large land position. The mineralization is open in multiple directions and drilling is ongoing as we speak. And this provides optionality for future expansions that could make it one of Teck's most valuable assets and the mine facilities have been designed with this in mind.

Slide 16 summarizes the potential for enhancements, which we refer to as QB2 Prime as well as the QB3 expansion. QB2 Prime enhancements would further improve the economics of the project with limited capital outlay and fewer permitting requirements. Enhancement projects are focused on debottlenecking opportunities and continuous improvement with some of the examples listed on this slide on the left.

At the same time, engineering studies are underway to assess the expansion potential beyond QB2. That is QB3 would be the next step in realizing the full potential of the deposit. With QB2 built, QB3 could be the most attractive major project in Teck's portfolio. The deposit is large enough to support potential throughput capacity of over 400,000 tonnes per day similar to some of the largest copper operations, globally. If QB3 were the same scale as QB2, the upfront capital for QB3 could be \$1 billion lower than it will be for QB2.

QB3 would be even more capital efficient than QB2. And we will engage with our stakeholders including local indigenous communities as we further explore the potential for enhancements and expansion. As I mentioned earlier, QB2 has received its major environmental authorization and has also been progressed to an advanced stage of construction readiness as shown on slide 17. Engineering is nearly 80% complete and procurement is over 70% advanced, with fabrication of major equipment underway.

And that's relatively unheard of to be at this level of engineering and procurement at QB2 stage of development. This dramatically reduces the capital cost risk of the project, and we are leveraging our 25 years of operating experience in the region with QB1, the existing access, the workforce and the strong community relationships.

Turning to slide 18, QB2's path to production is clear. QB2 uses open pit mining and a conventional flotation process, to produce high-quality copper and moly concentrate. And this is consistent with Teck's core competencies at our existing operations. The key project elements are shown on slide 18 and include an open pit mine, a concentrator, the tailings storage facility, concentrate and water pipelines, and a port facility, which includes a desalination plant and a concentrate filtration plant.

Note that QB2 will own and operate its own pipelines and port facilities. We are using a geographic construction approach, project elements are segregated by area and, therefore, can be managed more efficiently, reducing risk. The early focus on operational readiness and commissioning will help ensure a seamless transition to operations.

Turning to slide 19, QB2 will be built from the ground up to incorporate leading edge technologies, geared towards maximizing productivity and achieving top tier labor efficiency and some of the examples I've shown here on slide 19. And this will include the use of autonomous haulage systems and an integrated operations center, which will be located in Santiago. It will also include the first large scale use of desalinated seawater for mining in the region, eliminating freshwater use in operations.

Our project team is shown on slide 20 and they are ready to execute. This is a skilled team with deep project development knowledge and extensive experience at Latin American development projects. Most team members have more than 25 years of experience. The team is well-positioned for strong construction execution, given the advanced stage of project readiness achieved and with QB2's major environmental authorization in hand.

In Bechtel, our EPCM manager brings an experienced major project team and proven capacity to successfully undertake mining projects of this scale. I believe Bechtel has built 70% of the copper concentrators in Chile.

In summary on slide 21, we look forward to building on our already strong relationship with Sumitomo Metal Mining and Sumitomo Corporation through the partnership transaction. QB2 is one of the world's premier undeveloped copper projects. It is a rare development asset with a very long life, stable grade, low cost, significant enhancement and expansion potential and an excellent geopolitical jurisdiction in Chile.

QB2 will be a cornerstone asset in Teck's portfolio. It will significantly grow our copper production and help rebalance our portfolio over time. In addition, the partnership transaction and the financing plan dramatically reduce our QB2 capital requirements. Given our already strong balance sheet, we are choosing measured growth to preserve our ability to return further capital to shareholders. And overall, we are thrilled with the partnership transaction with Sumitomo, and we look forward to adding QB2 to our portfolio.

And with that, we would be happy to answer any questions. And as mentioned earlier by Fraser, some of our management team members are calling in from different locations, so there may be a brief pause after you asked your question.

And with that, back to you operator.

QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] The first question is from Orest Wowkodaw from Scotiabank. Please go ahead.

Orest Wowkodaw
Analyst, Scotiabank

Q

Hi. Good morning, and congratulations on the transaction. I think I speak for a lot of people that your proceeds here are a lot higher than I think market expectations. So, congratulations.

Donald R. Lindsay
President, Chief Executive Officer & Director, Teck Resources Ltd.

Q

Thank you

Orest Wowkodaw
Analyst, Scotiabank

I wanted to just ask you, given the feasibility for QB2 was done a couple of years ago, has there been any re-costing done with respect to the capital in terms of confidence in the current \$4.7 billion number? And I'm just curious if things have moved at all.

Donald R. Lindsay
President, Chief Executive Officer & Director, Teck Resources Ltd.

A

Yes, there has. And to answer that question, I will turn it over to Alex Christopher and Dale Andres. And Alex is here with me in the room.

Alexander Nicholas Christopher
Senior Vice President, Exploration, Projects & Technical Services, Teck Resources Ltd.

A

Yeah. Thanks for the question, Orest. In terms of the capital estimate that we did on QB2, it is – it was done at a very high level of engineering and it had many aspects of what we consider a Class 2 estimate. So, there's high level of confidence in that estimate. Since that time, we've obviously proceeded quite a bit with respect to procurement and contracting. And the results of the work that we've done to-date and the contracts that we let are very consistent with their estimates. So, we're quite confident in the estimate.

Orest Wowkodaw
Analyst, Scotiabank

Q

Is any part of the project going to be fixed cost in terms of turnkey?

Alexander Nicholas Christopher
Senior Vice President, Exploration, Projects & Technical Services, Teck Resources Ltd.

So, we're – when we think about fixed cost, because of the advanced level of engineering that we have, Orest, we will be doing a fixed cost on a unit rate basis. And that's the way that we're looking to let most of our contracts. But in terms of a turnkey basis, there's very, very a small portion of things that we would do on that basis.

Orest Wowkodaw

Analyst, Scotiabank

Q

Okay. And then just as a follow-up, Don, I'm just curious whether given you're significantly reduced funding commitment here, I guess US\$700 million over the next couple of years, does this potentially open the door for other transactions or other investments by Teck in the next couple of years?

Donald R. Lindsay

President, Chief Executive Officer & Director, Teck Resources Ltd.

A

Yeah. And just to clarify that, once the transaction closes, there would be no capital required from Teck until the end of 2020. So, that US\$693 million is split between whatever we spend between now and closing, and then the backend mostly 2021 for our share of capital. And so, to your main question, there's nothing on the table at the moment. Clearly, we'll have lots of financial flexibility.

We've said our priority is to consider further returns of capital to shareholders. The board will review that sometime after the transaction closes. There's lots of opportunities that we're always evaluating, but within our own portfolio, you may recall, we have quite a list of development opportunities in copper, in particular. And we continue to advance those in what we call Project Satellite with Zafranal and San Nicolás and so on. But for the moment, our priority is QB2 getting this off to a good start in construction, and we're going to be intensely focused on that.

Orest Wowkodaw

Analyst, Scotiabank

Q

Okay. Thank you very much.

Operator: Thank you. [Operator Instructions] The next question is from Matthew Murphy from Barclays. Please go ahead.

Matthew Murphy

Analyst, Barclays

Q

Good morning. And yeah, I echo that. Congratulations. And I'm just interested in some of the efforts to bring out the option value on this deposit in terms of considering QB3 and beyond and wondering what the likelihood is of QB3. Are there any real risks to achieving that outcome or also what's the upside, if you look at ultimately how big this thing could be built?

Donald R. Lindsay

President, Chief Executive Officer & Director, Teck Resources Ltd.

A

Okay. So for that, I'm going to turn it over to Dale Andres who's in Santiago. Maybe just an overview comment before we get to Dale that the key to driving this QB3 decision is the sheer size of the resource that we've announced a 40% increase today. But we know that it's going to extend much further. And so the priority will be to finish drilling that off, so we know exactly what we're working with.

And clearly, with the consistency of the grade and the operating environment that we've been in for the last 25 years, there is a lot of room to more than double this if we so choose and our partners want to do that as well. So, Dale, maybe with some of the more detail, over to you.

Dale E. Andres

Senior Vice President-Base Metals, Teck Resources Ltd.

Yeah. Thanks, Don and Matthew. We're focused on really two stages. And the first is what we're calling QB2 Prime, and we are trying to, through the current operations readiness team, hit a target of 154,000 tonnes per day within the first four to five years of operation. While we're doing that, we are starting our studies on the QB3, which would be a major expansion of the existing facility. We're going to be looking at ranges from 215,000 tonnes per day in the concentrator up to 425,000 tonnes per day. Right now, we're looking at the size of the resources, as Don pointed out. We know that that can support a doubling. So, that would be the 286,000 tonne per day level. And now it's up to our engineering teams and some field efforts to further those studies. And obviously, we're going to be engaging with our communities and other stakeholders as we progress that work.

A

Donald R. Lindsay

President, Chief Executive Officer & Director, Teck Resources Ltd.

And one of the keys, of course, is if we were to go through with a doubling of tonnes per day through the mill is that the capital efficiency of that investment is much more attractive than even QB2, because the tailings facility will still be available for a doubled production for the next 10 to 15 years. So, capital cost per tonne of copper equivalent capacity or IRR would be significantly greater than for QB2, which is why we say QB3 could become one of the most valuable assets in our portfolio.

A

Matthew Murphy

Analyst, Barclays

Okay. Thank you.

Q

Operator: Thank you. The next question, from Brian MacArthur from Raymond James. Please go ahead.

Brian MacArthur

Analyst, Raymond James Ltd.

Good morning. And again, I echo my congratulations. I just want to look at this contingency a little bit more. So, is that a one-time option for Sumitomo, i.e. it's just on QB3? Or if you do a QB4, is there a second option? Or is it all designed to make – you make one hard decision right now as opposed to incremental expansions, because you keep talking about 100 years. So, there might be a stage process here?

Q

And the second part of the question would be how'd you come up with the 8%? If you can elaborate.

Donald R. Lindsay

President, Chief Executive Officer & Director, Teck Resources Ltd.

Okay. Good. Oh, it's an excellent question and for that, I'm going to turn it over to Andrew Golding.

A

Andrew Golding

Senior Vice President-Corporate Development, Teck Resources Ltd.

Hello, Brian. So, the answer is that that contingent payment is payable on the first major project expansion, and the major project expansion is defined as something which increases copper equivalent production by more than 25%. How do we get to 8%? Strictly speaking, that number is 24% of Sumitomo's share of the net present value, so it's 24% of 30%. And that would be paid into the joint venture company for our project funding. So there would be a matching requirement from Sumitomo equivalent to a further 4% of NPV.

Q

Donald R. Lindsay

President, Chief Executive Officer & Director, Teck Resources Ltd.

Basically, Brian, we've left it to each analyst or institution to do their own scenario and their own calculations on what the quantum of that payment might be. But if you looked at the NPV of QB2 today and then assume that when we're sanctioning QB3 that this NPV theoretically should be higher, 5 percentage is to that and that's how you get to rough numbers. And who knows copper price might be significantly higher by then. We'll see.

Operator: Thank you. There are no further questions registered at this time. I will return the call back to Mr. Don Lindsay.

Donald R. Lindsay

President, Chief Executive Officer & Director, Teck Resources Ltd.

Okay. Well, thank you for joining us this morning. We're very excited about this announcement today, and it really is a transformative day for Teck as we embark on the rebalancing of our portfolio. And the copper division over time will actually double relative to where it is today. As we do this, I want to reemphasize that our priority is QB2 and getting it up to a good start and clean execution. And once the deal has closed, the board will be considering further returns of capital to shareholders and whether it's by dividend or buyback will be determined at that time, but that's the high priority going forward. Once again, thank you for joining us this morning.

Operator: Thank you. The conference has now ended. Please disconnect your lines at this time, and we thank you for your participation.

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 2018 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.