

Q1 2020 Earnings Call

Company Participants

- Adalmario Couto, Chief Financial Officer, Investor Relations Officer and Business Development Officer
- Breno Oliveira, Chief Executive Officer

Other Participants

- Fred Mendes, Analyst
- Gustavo Miele, Analyst
- Gustavo Oliveira, Analyst
- Irma Sgarz, Analyst
- Joseph Giordano, Analyst
- Robert Ford, Analyst
- Tobias Stingelin, Analyst

Presentation

Operator

Welcome to Hypera Pharma teleconference. This is the first quarter 2020 results. We have Mr. Breno Oliveira, CEO; and Mr. Adalmario Couto, CFO, are here with us today. We would like to inform to that this event is being recorded, and all the participants will be in a listen-only mode during the company's presentation. We will then have a Q&A session for investors and analysts only when further instructions will be given. (Operator Instructions)

We would like to inform you that questions can only be asked by phone. If you are connected through the webcast, you should email your questions directly to the IR Team at ir@hypera.com.br. Today, slide webcast may be accessed through the company's Investor Relations website at www.hypera.com.br/ir. We would also like to inform that statements made during this conference call may constitute forward-looking statements. Such statements are subject to known and unknown risks and uncertainties that could cause the company's actual results to differ materially from those set forth in the forward-looking segments.

We would like to turn the floor over to Mr. Breno Oliveira. You can begin the presentation now, sir.

Breno Oliveira {BIO 17215392 <GO>}

FINAL

Good morning, everyone. Welcome to our Q1 results call. In the previous call, we talked about the conclusion of our committee. Maybe -- there will be a delay. We will be informing the market as soon as this work is concluded.

Let me talk about our operational performance. In Q1, our sell-out grew by 11%. It's a fourth quarter in a row that we have two-digit growth, especially because of strong depend on Consumer Health in the second and third weeks of March because consumers went to drugstores to stock their medicine cabinets because of COVID-19, flu, painkillers and vitamins. In Branded Prescription, Rinosoro, Colflex or FARLAC [ph], especially because of recent news about the importance of Vitamin D.

On the other hand, other important categories such as dermatology and podiatry suffered in sales because the price is promoting brand prescription sales.. That hurt short-term sales. In the last week of March, we had some fall, but there seems to be a gradual boost in demand in recent weeks. In the first quarter, we had net income of BRL815 million. We recovered our gross margin of 67% and reached 31% for the quarter, in alignment with what we expect for the rest of the year. The pandemic brought additional challenges to our day-to-day operations, that was no different to us.

I would like to talk about the measures we undertook on Slide 4. Our main focus has been to take care of our employees. We've adopted home office to 100% of our admin workers. And we put or we gave -- all our employees are on vacation. When they come back, we'll be adopting special safety measures.

We have bought reinforcement to our corporate health team and extended the benefits to all employees. We donated 20 ventilators to the city of Anapolis. We gave donations, drugs, food and hand sanitizers, and also we did the same in Sao Paulo in the year. It's important to thank plants and our innovation center. We've adopted several provincial measurements. We are taking the temperature of our employees, especially in the entrance and the mass hall [ph].

Coupled that, we placed orders from China ahead of time. And we do not expect any shortages of inputs in our production facilities. We must make sure that everyone has access to drugs and medical services and we are taking care of the communities where we operate. We're also trying to boost our short-term liquidity, given the uncertainties for current trends.

We have a credit line of about BRL900 million for this year and next year. We are over BRL2.5 billion in debentures. We'll be paying out the (inaudible) for the quarter, the first quarter of 2020. We have more than enough cash to conclude this operation.

Back in March, we sold our portfolio out [ph]. We maintained our sole focus in the pharmaceutical industry in Brazil, with recent derivatives operations conducted back in March and April, average which is below \$400 million, less than 50% of the original exposure. Before I turn over to Adalmario, let me talk about innovation. Total investments in R&D reached 7.2% of net income, reinforcing our commitment to innovation and

sustainable growth, especially during the pandemic. In the quarter, we acquired the Glenmark [ph] dermatology product line.

The other important brands that we already have in our portfolio reinforced our position within the dermatology segment. We've acquired leading brands by Vitamin D, Addera and Detrol.

I will turn over to Adalmario now. He will be talking about this quarter results.

Adalmario Couto {BIO 15110002 <GO>}

Thank you. Breno. Good morning, everyone.

Let me start with the highlights on Slide 6. Net revenue was BRL815 million, more than double year-on-year. It's not a good basis for comparison, given the drop in sales in Q1 of 2019, aiming at reducing inventory levels at that time. Gross margin is below the sell-out sales. Just like Breno said, that was very prevalent in the first two weeks of March.

We cannot replenish our customers' inventory levels. We've had huge demand because of the pandemic associated with the lack of definition on sales prices, updates or increases. The sell-in growth will be very close to the sell-out growth, since we are now adapting this new business model, reducing inventory levels at our customers. For Q2 of 2020, sell-in should be bigger than sell-out to replenish our customers' inventory after the above average demand we had back in March.

Gross profit amounted BRL543 million. Gross margin was almost 67%, an almost 7% improvement than compared to Q4 2019. Some factors contributed to that effect. Reducing idle times in our plants and the increase of average price, reducing the number of POSs, and that offset the negative impact of exchange rate. Average return was about BRL4 when compared to the exchange rate at BRL3.68 we had in Q1 2019 and almost a 10% increase.

Let's remind you, our policy to hedge 100% of purchase orders from imported inputs, we had additional hedging earlier this year, to protect us from purchases throughout the year. The impact of lower exchange rates will be minimizing gross margin for 2020. Factors that negatively impacted include high number of returns, above our expectation, but then should get back on track in the remainder of the year.

The best -- the better gross margin helped our EBITDA margin to grow above 30%. We had more discipline in managing expenses in Q1, given the pandemics. Let me give you some color on that. We reduced our promotion activities in our POSs, given social distancing in several states, that got about a 25% reduction of those promotions in POSs in this last quarter.

In terms of commercial expenses, they remained at the same level that we had last year. Our R&D expenses was offset with marketing and sales force adjustments and more

FINAL

Bloomberg Transcript

FINAL

expenses were allocated to R&D projects. Marketing expenses were BRL23 million more, given the increase of the sales teams and free samples given in this past quarter. Part of that growth was offset given better negotiation of on- and offline media packages.

Admin expenses were somewhat smaller, and we had a rejection of BRL35 million given tax credits granted. Financial results were positive because of the cash flow and given the P&L hedging to reduce or to offset exchange rate variations. We had a positive contribution from income tax given the capital -- return on capital that maximizes tax benefits.

The total amount was BRL185 million at BRL0.29 per share, 15% above that in Q1 2019. We had capital gain for shareholders for the fourth quarter in a row. We maintained that return on capital, adjusting their own capital. That shows how confident we are in cash generation of our business now and also in the future.

Let me now talk about cash flow on Slide 7. Our operation cash flow was BRL107 million in Q1. In May, there was more than necessary to support CapEx and intangible investments. Investments in the pipeline projects, they're all leveraged.

Just like Breno said, our R&D investments grew by 11% in the quarter, reaching BRL58 million, all those that were deactivated and those that are activated. We had a free cash flow of BRL45 million. Just like Breno said, our goal is to improve our liquidity. We had over BRL600 million of additional investments by late March. This greater investment would be additional BRL300 million, with almost a BRL2.5 billion that show our capacity to have access to the capital markets. And if necessary, we'll be able to reach the best deals, maintaining our solidity and our balance is key given the current scenario so that we can ensure sustainable growth in the long run. Our free cash flow position in the quarter was BRL240 million, after we paid interest on our own capital past due 2019.

I'll turn over back to Breno for his final remarks.

Breno Oliveira {BIO 17215392 <GO>}

Thank you, Adalmario.

Just like in all previous crisis, this will be no different. There will be opportunities. We're working to come out even stronger. Recent investments include create marketing structure focused on the e-commerce platform, sales more than doubled in recent weeks. In early 2019, we created a virtual medical system.

We offer that platform to over a thousand medical events, so they can online and offline operate their clinics. And we are getting closer and closer to start-ups in the medical industry, to address opportunities in important industries. Despite short-term adversities, our long-term growth projections in our industry remain intact, especially with the growing population. Including the transformational acquisitions we've had, will make Hypera Pharma the leading pharmaceutical company, a robust platform-leading brand. And our

Bloomberg Transcript

strong investment capacities put Hypera Pharma as the company that is better prepared to benefit from the opportunities in the pharmaceutical industry in Brazil.

Thank you very much. We'll move on to the Q&A session.

Questions And Answers

Operator

Thank you. We will now have our Q&A for investors and analysts. (Operator Instructions)
Mr. Robert Ford from Bank of America.

Q - Robert Ford {BIO 1499021 <GO>}

Good morning. I hope you all are safe and sound. Let me ask you the first question. Could you elaborate on the year-end operational trends? Number two. What are the plans for your sales force? How are you trying to implement new technology when we can get back to normal? Can you talk about the gross margin? What are your expectations for this year's gross margin?

A - Breno Oliveira {BIO 17215392 <GO>}

Hi, Bob. Good morning. Thank you for your questions. I hope you are all safe, your family as well. Let me address the first question. Adalmario will be fielding the third one. As to current trends, in mid-March, we've seen some uptick in demand. We've seen variation in demand, depending on the product. Flu medications, vitamins, especially Vitamin D, they're doing very well. Acute medication, they depend on the medical consultation, the geriatrics. Children are not going to school, are not getting sick.

So, we've seen major changes in performance depending on the category. April started out slowly, but week after week, performance is improving. We should have a net-zero growth for April, but a gradual positive trend. In terms of competition, there are some smaller players. They're not as aggressive as they used to be. You know the effects of the exchange rate on our brands and also on the competition and the credit crunch will be even more complicated to smaller players.

As to your second question, when we go back to business as usual, our field teams are operating from home. Some weeks later, we gave them a collective vacation and these teams are slowly going back to the field, merchandising people that replenish their shelves. They came back just last week, taking all the necessary precautions, wearing gloves, masks. They have a more flexible work hours and the medical visitation teams are going back to work today.

They are beginning to using new tools, so they can visit clinics remotely. We do believe that these new technologies are here to stay. This, of course, will require major changes in the behavior. Doctors, patients are becoming more and more accustomed to Telemedicine. This is only working as a catalyst to boost to this trend. This adoption rate.

is picking up. They're changing the way representatives relate to doctors and doctors to patients. I think I answered your first two questions.

And then, I'll turn over to Adalmario to field the third question.

A - Adalmario Couto {BIO 15110002 <GO>}

Hi, Bob. How are you doing? Good morning. We do not have a formal guidance for growth or gross margin. But given the more challenging scenario, given the weaker real, we believe the gross margin should be close to what we had in this first quarter. We expect a more positive result from our product mix, new launches and prescriptions as well, and also because of the positive effect from some categories in our portfolio, such as Vitamin D, such as Addera. Greater margins than the average margin for our products, there has been a substantial growth in demand for this Vitamin D product, a product that was struggling in the past, but as of March, sales picked up and Addera is a leading brand. So that way, it had a chance to expand its market share.

We then believe that the gross margin would be similar to what we had this first quarter. In our budget, we calculate a BRL5 exchange rate. How it would impact our margins? Let's see how things play out in the weeks and months to come. And then, we'll find out whether any additional adjustments are necessary if the exchange rate goes even higher.

Q - Robert Ford {BIO 1499021 <GO>}

Thank you.

Operator

Joseph Giordano from J.P. Morgan is next.

Q - Joseph Giordano {BIO 17751061 <GO>}

Good morning, everyone. Actually, I have three questions. The first question is about hedging. You were operating at the BRL5 exchange rate. So, my question is about the operational hedging. Are you using the same exchange rate?

My second question is about the pandemic. What was the sell-out happened to you mid-March? You ended at BRL11. I would like to break that down if possible. Maybe trying to extrapolate numbers for Q2. What is the take of those products in the total sell-out?

And my final question is about price increase of some 4 odd percent. Is there any chance of a gradual price increase, given the pressure from exchange rates that are high?

A - Breno Oliveira {BIO 17215392 <GO>}

Let me answer your first question about hedging. Ever since we announced the acquisition of Takeda, we've been hedging, reducing our foreign exchange exposure. It was about BRL4.50. Then on the first day, we did some hedging. The average cost today, the average rate, it's above BRL5.16 on average, about BRL240 million [ph] that we hedged.

We are, of course, closely monitoring it. When it's close to BRL5, we can increase our hedging level. Our intention is to reduce our exposure even further.

As to the purchasing hedge, we've always done it once we place orders, all the way to the payment. When we place the order, all the way to the payment date, we've been hedging. The only thing we did differently was to have that additional hedging operation to cover the entire year. For the first two weeks of January, we locked that exchange rate, all the way to June between BRL4, BRL4.10. That was the expectation earlier this year, when we have that purchase hedging, plus that additional hedging operations. We hope that this higher exchange rate will begin to impact our numbers in late September, more towards the end of the year. But we'll be monitoring it to increase the hedging even more.

As to your questions, what was your second question?

Q - Joseph Giordano {BIO 17751061 <GO>}

If they allow [ph], pre-COVID, what would be the trend without the pandemic effects? And my second question was, how much prescription -- what's it take -- what's the participation of prescription within the sell-out?

A - Breno Oliveira {BIO 17215392 <GO>}

Some things picked up, it was in the high single digits in the first two months of the year. What happened was the main variation back in March, cosmetics slowed dramatically, but the market didn't grow in Q1. It's more important to us than the market average. Prescription overall accounts for about 40% of our portfolio. So, you have different effects within prescription.

Acute medications suffered the most. People are not working out as often. They don't get hurt as often. They don't go to the doctor. And there are fewer prescription drugs being spread to patients. So, there is a growing trend. We could not react as positively in sell-in, given the fact that the delivery of goods were also hurt. This has been recorded. Yet in Q2 -- but we hope there will be some effects by the end of the quarter.

As to price increases. I think the associations or the trade associations and the government have been negotiating the price increases. But we believe we are going to have the price increases that have been announced. This will affect 16% to 17% of our portfolio. As of March, price increase had been authorized for similar and generic products. We have a very high level of discounts. Even if prices do not go any higher than what have been announced, there won't be any changes. The impact would be in prescription drugs. They are similar to the list prices already. And that will impact about 17% of our portfolio as we've said.

Q - Joseph Giordano {BIO 17751061 <GO>}

Thank you. Thank you, Breno. Thank you, Adalmario. Have a good day.

Operator

Mr. Gustavo Oliveira from UBS.

Q - Gustavo Oliveira {BIO 15129435 <GO>}

Good morning. Sales were below expectations in Q1. What are you thinking about the guidance you had announced? Do you believe you can maintain the guidance? You also said that in Q1, the market didn't grow as much? What we are -- what are the market expectations, the growth expectations for the market that you're considering?

A - Breno Oliveira {BIO 17215392 <GO>}

Sales were smaller in sell-in than we expected. It was not that different from what we expected. If you take sales from Q1 and compared to the guidance for the year, it's about 19%. All right. Sell-out accounts for about 20%, and that's about 20% for the rest of the year. We have a very strong portfolio for the winter, especially Q2, Q3 flu medication and antiestrogenic. Rinosoro, Plantacil, they usually sell more in the winter. Sell-out for Q1, they sell more. Yes, that's right. It's less than a quarter for the year. In other words, we are comfortable with those numbers. There was more demand towards the end of the quarter, but we could not replenish the stocks because deliveries were hurt. But there can be offset in early -- around the first weeks of April.

Q - Gustavo Oliveira {BIO 15129435 <GO>}

I understand. And what your -- what is your expectation for the market growth? The market was flat, and you had 11% growth in sell-out. You gained market share. What does it say for the rest of the year?

A - Breno Oliveira {BIO 17215392 <GO>}

It's too soon. We expected high single-digit growth, but we've been talking to customers. We've seen that happen several of our customers. We will have a weaker growth in April, that will offset the strong growth we had back in March. We do not see any reason to change our guidance, but we do not expect major variations in demand when we consider market average units. Some categories will suffer. More will benefit more, as I said. I believe the trend should be maintained, high single-digit growth.

Q - Gustavo Oliveira {BIO 15129435 <GO>}

Let me ask you a final question if I may. I missed the initial presentation. Could you please elaborate why it happened?

A - Breno Oliveira {BIO 17215392 <GO>}

What I said, we were expecting to conclude that work in April, to present their proposal to regulatory agencies. But given the pandemic, we had to postpone some meetings. We believe the process should be concluded in late March. It's a one-month delay.

Q - Gustavo Oliveira {BIO 15129435 <GO>}

I believe you've been talking to some regulatory agencies, haven't you? Will you keep on talking to them?

A - Breno Oliveira {BIO 17215392 <GO>}

I do not have any detailed information. The impact is internal.

Q - Gustavo Oliveira {BIO 15129435 <GO>}

Thank you very much. That was very clear.

Operator

Gustavo Miele from Itau BBA.

Q - Gustavo Miele {BIO 21077665 <GO>}

Good morning, Breno, and Adalmario. I hope you are all well. Two questions. The first one is about the dermatology portfolio. Can you share some information about that portfolio, about its weight in your total sell-out? I think there are nine brands. Do you expect growth there will be very different from the -- could you give more detailed information about these brands? Thank you.

And my second question. Can you elaborate on that partnership you have with Rappi? Do you expect, or do you consider extending that kind of partnership with other products? These are my two questions. Thanks.

A - Adalmario Couto {BIO 15110002 <GO>}

Let me answer your first question. Breno will field the second. Strategically speaking, that discussion -- that partnership brings in a lot of synergy, cosmetics, skin care. It's a leading brand in Brazil. You have, of course L'Oreal, that owns several brands. But as a single brand, we are leaders in that segment. We have that need for medication in the cosmetics industry. So, they bring in a supplemental portfolio very nicely. Initial savings are low, but we believe that under our portfolio, once we can expand promotions with our representatives, we can increase sales, especially in the first and second years after the start of the promotions. They had less or fewer than 30 representatives. We had over 150 reps. So, these are the boost in sales will be captured further down the road.

As to the partnership with Rappi, we are taking into account the social aspect. Any purchases of medications through Rappi, we are offering that free delivery, thinking about the social aspect and also to promote Benegrip and Atroveran [ph]. it's a long-term marketing activity with that social component, as I mentioned. We don't expect major sales on a short-term and of course, we're considering other initiatives, sponsorships of these live streaming involving Benegrip and donations. As I said, we made that donation to an NGO in the State of Goias. We donated 20 ventilators to the City of Anapolis. We are conducting several activities along the same lines.

Q - Gustavo Oliveira {BIO 15129435 <GO>}

FINAL

Thank you. I'd like to ask a third question if I may. I had to leave the call for about 10 minutes. And I would like to apologize if you already mentioned it. Did you detect any replenishment activities in back in -- in April to offset that mismatch in sell-in, sell-out in March? Have you noticed some activities in that regard?

A - Breno Oliveira {BIO 17215392 <GO>}

Yes. We've seen an uptake in customer orders. Once delivery orders were placed by March 31, but replenishment orders had already been placed. This mismatch must be adjusted or should be adjusted in the next quarter.

Q - Gustavo Oliveira {BIO 15129435 <GO>}

Thank you very much. That was very clear.

Operator

Fred Mendes from Bradesco asks the next question.

Q - Fred Mendes {BIO 17221617 <GO>}

Good morning. I have two questions. Let me go back to what Gustavo said. I would like to understand whether that drought in Anapolis had some impacts. That's my first question. Will you renegotiate with customers? I know you deal with major players, but these small players are being more aggressive, trying to renegotiate prices. What's that situation like?

A - Breno Oliveira {BIO 17215392 <GO>}

Let me answer the second question first. We haven't had any major conflict, because that segment is operating somewhat under normal conditions. There haven't been any major impacts in our customers' results. Therefore, there is no need for renegotiation. Of course, we haven't -- we have been preparing ourselves if the scenario becomes any worse. However, delinquency rates -- we haven't detected any major issues right now because there is demand. And what was your first question again?

Q - Fred Mendes {BIO 17221617 <GO>}

I want to understand the dynamics of revenues. I know Gustavo talked about it. But was there any impact because of that drought? My question is, was there any impact in this quarter as well?

A - Breno Oliveira {BIO 17215392 <GO>}

I believe it ended up affecting it, too. We talked about it in Q4. Because of the water problem, we had low inventory levels. So it happened in Q -- part of it in Q1, part of it in Q2. So, we are getting back on track slowly in Q2. And because of the demand concentrated in later in the quarter, our -- or the inventory levels in our customers was somewhat smaller than what we wanted than what we expected.

Q - Fred Mendes {BIO 17221617 <GO>}

Thank you. That was very clear, Breno.

Operator

Irma Sgarz from Goldman Sachs asks the following question.

Q - Irma Sgarz {BIO 15190838 <GO>}

Most of my questions have already been made or have been asked. My question is about new products. My question is about the marketing mix and what we can do to reduce expenses? My question is about the balance between reductions or in making efforts and slower sales.

A - Breno Oliveira {BIO 17215392 <GO>}

Let me answer the first question. As to our pipeline, it's a robust one, almost 100 new launches for the year, most of them in the second half of the year. We don't see any impacts. We are in the pre-launch phases. We are still getting some raw materials. We are conducting training programs. The schedule hasn't been changed. Of course, we are closely monitoring the situation. Our medical visitation teams, merchandising teams, they should go back to work soon, using a new tool that had been tested as of last year. And Q2 launches will be conducted using this platform.

Of course, this schedule will be dependent upon the pandemic. Drug stores have been opened for some categories, specialists, doctors, that are specialists, we should be close to them. And we'll be monitoring the situation as time goes by.

As to the other question about reductions and expenses, we are not reducing our investments. We are not changing our investment plan. We ran some simulations. If necessary, we will cut costs, but we haven't detected the need for those costs, some areas. When you visit doctors, reps were on vacation. Doctors' offices are closed. Clinics are closed. Free sampling is not happening. Travel expenses were not incurred. We'll be reducing those expenses because we have just found out that we can do many, many things online.

Sports events, we are renegotiating our campaigns on television. We are not reducing. In April, people are in home, TV rates are high, so we'll keep on investing in media for the second half of the year. We are not reducing those expenses. We're just reallocating them, given these scenario changes. For example, we have an investment plan for the trade marketing in our e-commerce platform. We reallocated those investments to April and May. People are purchasing way more. So, we are reallocating those investments, but we are not reducing marketing investments. We're keeping our focus on the sell-out and market share.

Operator

Tobias Stingelin from Citibank.

FINAL

Bloomberg Transcript

Q - Tobias Stingelin {BIO 18290133 <GO>}

Good afternoon, Breno and Adalmario. I have a very quick question. You talked about Addera, I think it reached 10% of sales, right? And then you changed the protocol. Now with the pandemic, how can you -- what do you expect from the growth of that category?

A - Breno Oliveira {BIO 17215392 <GO>}

It's about 6% what it accounts in Addera portfolio for the year. It was going down about 15%, 20%. Now, it's back on the rise. But it's too soon to be used -- to detect or to determine whether it's a trend or not. We'll be conducting some clinical studies. We tried to determine its uptake in sales and the COVID-19 pandemic. Yes, it was a very positive impact on a short-term.

Q - Tobias Stingelin {BIO 18290133 <GO>}

Are you talking about Addera, specifically?

A - Breno Oliveira {BIO 17215392 <GO>}

It was positive, low single digits, a marginal growth. The brand was growing slightly. Vitamins are not that important to us, with the ballpark figure for vitamins. As you know, Tobias, we have strong brands in those segments. We have relaunched the Vitasay brand and Centrotab. That's called a smart choice. Our share is still small, but March and April proved to be strong months. We have very strong media campaigns on TV. Centrotabs has very good distribution. Addera, Vitasay, and Centrotabs, that accounts for 7% to 8% of our portfolio.

Q - Tobias Stingelin {BIO 18290133 <GO>}

Thank you. Thank you.

Operator

This concludes the Q&A session. Mr. Breno Oliveira will be making his final remarks.

A - Breno Oliveira {BIO 17215392 <GO>}

Thank you for taking a part in our call. And as usual, our IR team is available to answer any questions you may have. Thank you. Have a good day.

Operator

Hypera Conference call ends now. Thank you. Good afternoon.

This transcript may not be 100 percent accurate and may contain misspellings and other inaccuracies. This transcript is provided "as is", without express or implied warranties of any kind. Bloomberg retains all rights to this transcript and provides it solely for your

FINAL

personal, non-commercial use. Bloomberg, its suppliers and third-party agents shall have no liability for errors in this transcript or for lost profits, losses, or direct, indirect, incidental, consequential, special or punitive damages in connection with the furnishing, performance or use of such transcript. Neither the information nor any opinion expressed in this transcript constitutes a solicitation of the purchase or sale of securities or commodities. Any opinion expressed in the transcript does not necessarily reflect the views of Bloomberg LP. © COPYRIGHT 2022, BLOOMBERG LP. All rights reserved. Any reproduction, redistribution or retransmission is expressly prohibited.

Bloomberg Transcript