

Q2 2016 Earnings Call

Company Participants

- Andre Dorf, Chief Executive Officer
- Gustavo Estrella, Chief Financial Officer
- Marcelo Gongra, Coordinator
- Unidentified Speaker

Other Participants

- Luiz Antonio Leite, Analyst
- Marcelo Sa, Analyst

Presentation

Operator

Good morning, and thank you for waiting. Welcome to CPFL Energia Second Quarter of 2016 Earnings Conference Call. Today with us, we have Mr. Andre Dorf, CEO of CPFL Energia; Gustavo Estrella, CFO of CPFL Energia and Investor Relations Officer; and other officers of the company as well. This call is being broadcast simultaneously on the Internet at the Investor Relations website of CPFL Energia at www.cpfl.com.br/investorrelation, where you will also find the presentation for download. We would like to inform you that all participants will be in listen-only mode during the company's presentation. After the presentation, there will be a question and answer session when further instructions will be given. (Operator Instructions). I would like to mention that this call is being recorded.

Before proceeding, let me mention that forward-looking statements are being made under the Safe Harbor of the Securities Litigation Reform Act of 1996. Forward-looking statements are based on the beliefs and assumptions of CPFL Energia's management and on information currently available to the company. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur. Investors should understand that general economic conditions, industry conditions and other operating factors may also affect the future results of CPFL Energia and may lead to results that differ materially from those expressed in such forward-looking statements.

Now, we would like to turn the conference over to Mr. Andre Dorf. Mr. Dorf, you may proceed.

Andre Dorf {BIO 15460232 <GO>}

Thank you. Good morning, and welcome to another earnings conference call of CPFL Energia, and we will be talking about the second quarter of 2016. Let's start with the presentation and afterwards, we will be opening for questions.

Before getting into slide number three with our highlights, we would like to mention that from the viewpoint of results, we had a very clean result in terms of extraordinary items and non-recurrent items. But at the same time, there were M&A initiatives, so we will be addressing all these things during the presentation.

So, starting with our highlights, our concession area showed a certain degree of stability during the quarter. It had a 0.2% drop with an increase of almost 2% in the captive market and a drop of 5% in free clients -- free market clients. Also, maintenance of the contracted demand, 5% off peak and 1.1% peak -- at the peak and other factors plus these led to a reduction of 15% in our net revenue, and I would like to mention that this drop in our net revenue was basically due to Parcel A, so the drop in the cost of energy purchase may be linked to Itaipu and thermal dispatch, and a reduction in charges as well. I would like to remind you that Parcel A has this bearing on tariffs. And so much so that we had an increase of over 8% in our EBITDA in the quarter on a year-on-year basis. Over the second quarter, we had a tariff adjustment of RGE with an average effect of minus 7.5% to be perceived by consumers -- by customers and the negative adjustment was in Parcel A and a positive adjustment in Parcel B, which is the one that impacts our results.

Also on June 30th, we saw a reduction in the regulatory sector active almost 80% in the balance of the CVA that closed the quarter at BRL170 million vis-a-vis almost BRL740 million in March this year. Over the quarter, we invested over BRL0.5 billion. The company continued to invest in its growth project, so you can see this amount in the quarter. And we closed the period with a net debt of BRL11.7 billion with a leverage of 3.1 times net debt/EBITDA. So you can see that we achieved an important reduction in our -- in this ratio in the period. So 36 generating units started up in Campo dos Ventos and Sao Benedito wind farms of 172 that should start by the end of the year.

And two important announcements as well over the quarter; the first one happened on July 1st soon after the quarter was closed, and this was the communication by Camargo Correa that they had received a proposal to sell their stake in the company for BRL25 per share and they accepted the proposal. So this is underway and we will be tackling [ph] this during the presentation. And another important move for the company was the recovery of growth and the consolidation process in distribution with the acquisition of AES Sul and we will be talking in detail about this during the presentation.

Now going to slide number four, we talk about the contribution by each one of our business lines to the total EBITDA of the company. So BRL901 million in the period as the total EBITDA of which distribution contributed with 75% for this total, conventional generation 37%, renewable 12%, and commercialization and services 6%. On the chart, on the upper part of this slide, you can see distribution where we follow the evolution of the EBITDA per business line.

FINAL

So in distribution, we are able to check on the left an evolution of almost 29% quarter -- year-on-year. We had an increase in temperature in April and the effect of inflation itself, but when we look at the right side in the last 12 months, compared to '15, we see a reduction due to the market dynamics and also due to the macroeconomic scenario besides a higher provision for bad debt. Conventional generation, we see a drop of 6% in the quarter.

So you can see that the GSF was posted in '15, and now we have the residual GSF, the one that was not renegotiated as a recurrent item in part of the company's operations and a positive non-recurrent item in 2015. So this is the explanation for this drop in the quarter, and for the last 12 months, there is the opposite situation and we see that there was an increase of almost 10% when compared last 12 months to the last 12 months of -- in the second quarter '15.

On the right, you see -- on the lower part of the slide, you see an increase in the EBITDA in the quarter and in the last 12 months for renewable energy due to generation, as also the coming onboard of new capacities. On the left, we have commercialization and services in yellow where we see a drop both in the quarter and in the last 12 months very much due to the drop in the spot market and a market that was less liquid than in the previous period.

Now talking about the main businesses of the company on slide number five, we have some highlights about distribution. Starting with our remarks, we have already mentioned stability of the load, and this can be seen on the right, the load in the concession area practically stable. And we can see also a drop in load and afterwards in sales in free customers that do not affect distribution company because the distribution company charges for the use of the system, so the captive market grew by 1.8% and the free one dropping by 5%. Residential and commercial classes again show positive rate, but very much impacted by the high temperature in April, too early to say that there is really a recovery or stability due to the macroeconomic scenario. There was a maintenance of contracted demand and high voltage, so you can see 0.5% of peak and 1.1% peak and losses.

This is one item that we are watching very closely at the company. We saw an increase of 8.84% to 9.01%, higher than the regulatory one. And two main effects here that should be mentioned, the first one, the change in the mix. So we had a bigger presence of low voltage due to the drop in industrial activity and low voltage has a higher level of losses, and the macro scenario that raises the number of disconnections in our area and also in other concession areas in Brazil, throughout Brazil. So, I can say that the change in the mix that is a technical component plus the commercial component very much based on the macro scenario.

Now, let's have a look at the lower part of the slide. The first one on the left has to do with sales in the concession area with a 2% drop. Practically stable in captive and the steeper one in free customers and we charge for the grid. So this is not a loss for the company. And in the middle chart, you see the drop per class of consumption, and the big negative highlight here is the industrial segment that continues to go down and we can

see that during this period there was a reduction of 9.3% in sales to the industrial segment.

I would like to mention that in our concession areas during this period, we had one single client -- one single customer in the steel area that disrupted their activities and consumption. If we consider this net of this decline, it will be 5.3%, so this represents quite a lot in our concession area. And in the pie chart on the right, you have the market profile in our concession areas. You can see that there is a predominance of the industrial area representing 38%, residential 29%, followed by commercial 17% and others 16%.

On page number six, we talk about delinquency. We saw an evolution of our allowance for doubtful accounts, 0.9% of the overall revenue of supply to distribution companies. And this is a very important item and we have been making our best endeavors in this direction. On the lower part, we see the up to 90 days past due account that have not become a provision yet, but they are going up, reaching 1.04% of our revenues.

I would like to mention that this dynamic is present in the different regions and concessionaries of Brazil on the right, on the upper part of the right side, we compare this to other companies and discos and arrays of discos that are seeing the same kind of behavior. And on the lower part, we talk about some initiatives that reinforce our correction actions. Just to give an idea, in the first half of the year, we disconnected almost 640 customers and collection almost BRL11 million, almost BRL4.4 million of negative accounts. And so, the company is taking all the necessary measures and I would like to remind you that the same with that ADA and past dues growth revenues with interest and installments also grows, and in our case almost -- this is almost offset in the quarter.

On page seven, another thing that is very often discussed for the distribution segment is over-contracting, excess contracting. We see that the market went down and discos are still contracted and because of that it generated this over-contracting that exceed the 5%, the regulatory 5%. So it's important to stress that in the consolidated figures of CPFL Energia, we are within the limit of 105 with two discos exceeding this limit among our eight discos.

In the first part of the slide, we highlight some initiatives that have already materialized and some that are already underway. And we bring our discos to this limit of 105 in '16 and '17. We have the recognition here of the allocation of quotas as involuntary surplus and this creates a positive impact of 4% in our case. We had the possibility of bilateral agreements which gencos for everybody, also the mechanics for compensation of surplus of new energy, a lower impact of 0.2% to us. And another thing that we are discussing is the migration of free clients, so the recognition of this migration to the free market.

And with that, we would have all our discos within this limit, mitigating any cost about over-contracting. We have some new actions for 2017 already in the case of A-1. And the -- in the case of migration of client, the clause of reduction and the degree that obliged us to contract or discos to contract automatically, 96% of discos in the A-1 auction.

FINAL

Now going to slide number eight, talking now about generation, which is another very important business line for the Group. Starting on the right, the pie chart, the general overview of our 3.2 megawatts installed, 63% hydro power plant, 19% wind, 7% SHPP, 6% biomass, and thermo 6%. On the left, we see the hydrological situation as a point of attention, mainly in the north and the northeast.

We start to see a potentially uncomfortable situation for the end of the year. In our case, we had an increase of 2.8% in installed capacity on a year-on-year basis and due to the startup of the Mata Velha SHPP and also the wind generators that I mentioned at the beginning of the presentation, the GSF cost was much lower because of the renegotiation in this quarter and the spot prices also we had BRL8 million vis-a-vis BRL134 million in the second quarter of '15. I would like to mention that the remaining exposure that we have of the GSF corresponds to 12% of all our hydro activities, so very much mitigated this risk with GSF from now on.

On the lower part on the left, we show the level of contract in generation, so the company is almost totally contracted until 2020. And with the leverage price of BRL209 per megawatt hour, so it's a very good price and the average term of the contract is 12.8 years.

Now, I would like to give the floor to Gustavo Estrella, who is the CFO of the company.

Gustavo Estrella {BIO 18109709 <GO>}

As Andre said, this is a very good quarter in terms of results. You can see that there is no adjustment of non-recurrent items in this quarter and basically we have the re-composition of this and a compensation in the financial result. This is basically what we do in 2016 in the second quarter preserving the adjustments done in the result of the second quarter of 2015.

Comparing the result on page number 10, we see a negative variation in net revenue of the company, 15.4%, and basically this drop comes from the reduction of the items of Parcel A in the disco company. So we see a major drop in the costs of Itaipu Energy account and also charges, especially the CDA charges that ultimately bring a negative impact on our revenue, but that do not affect our EBITDA.

The EBITDA, as you can see, it goes up 8.1% in this period or BRL68 million and also with a positive effect of net income 18.4% or BRL41 million. And when we break down this variation in the result per business, we see that the principal business or the main business that contributes to the increase in EBITDA is distribution with BRL93 million, and basically two major effects, the first one, as Andre said before, is the performance of the captive load 1.8% going up, but basically the effect of the temperature.

And this is curious because the market for April this year for the first time ever was higher than the market in March. April in general has a lower level of temperature, but -- and with a lower consumption of energy and we had the opposite this year, so we had an increase in energy consumption in April vis-a-vis March. This doesn't show any trend yet for the

FINAL

remainder of this year. The market continues to be very much impacted by macroeconomic indicators, GDP or total payroll especially in the residential market, but in this quarter, we see a component of temperature that distorts the result and another effect is the pass-through of inflation, the pass-through of inflation higher than two digits positively affects our results and doesn't get all or the full quarter.

We see adjustments in Paulista for instance, so the expectation is that we have already incorporated 100% of this pass-through of inflation into our results. In the third and the fourth quarter, we will have more positive data in this regard. In renewable energy, the effect of 7 million positive and here we had already said that in the first quarter of this year, we had a volume that was lower than the curve of the P-50 and in the second quarter, we have exactly the opposite. So ultimately, we have a very positive result on wind energy. We see wind energy of almost 20% higher than the curves of P-50, which brings about 128.5 megawatts hour more regarding the P-50 curve with a positive impact on the result of the company.

Conventional energy, Andre has already mentioned that we have a negative effect of GSF, so this year we start to have the GSF premium with an impact of BRL8 million in our result and the GSF now is recurrent over the 12% of exposure that the company has for hydro energy, also brings a BRL7 million impact. And here basically we have the non-recurrent effect of last year. We had an adjustment in the price level of fuel and that brought about a one-off effect last year of BRL6 million and we do not have this, this year. So in this comparison the result is worse than last year.

Impacting our net income, we have the financial results with BRL11 million of impact. Remind you that our debt is indexed to the CDI over 70%, so the increase in the CDI going from 13.1 to 14.1 in the average of each quarter brings about an effect on our result and a lower inventory in terms of CVA regulatory asset with a lower effect of correction or restatement to our result, partially offset by the increase in revenues from interest and fines or in depreciation and amortization, positive variation of BRL14 million basically the criteria of goodwill amortization, a new criterion incorporated by the IFRS (inaudible).

Up to last year we amortized goodwill considering our curve of future results with a methodology defined by ANEEL and now with the IFRS, where we amortized goodwill with a linear curve, so there is a difference here in the result, but for the total period the values end up offsetting each other.

Slide number 11, maybe this is the big news of this result of this quarter which is our leverage situation. We already had a very clear expectation regarding a downward trend in our leverage in 2016 and we delivered this reduction in this quarter with an average close to 3.4 times in the last quarter for 3.1. There was a major reduction in leverage for the company and basically affected by the two indices that make up the indicator. The first one is a reduction in the net debt of 12.2 to 11.7 and the increase in the EBITDA from BRL3.6 billion to BRL3.8 billion. So these are the two effects that impact the company's leverage, leading the leverage to 3.1.

Bloomberg Transcript

FINAL

Regarding our indebtedness profile, we have a debt 72% indexed through the CDI and the expectation, not only ours but the market as well as have a drop in interest rate for the country for the next few months with important benefits to the company in terms of results, also the long-term interest rate 12% and prefixed BNDES 6%. So we look at the debt cost here and a slight increase that we see from 4 to 4.5 basically is a variation of the inflation rate with a stable interest rate at 14.25 and a reduction in inflation. The effect will be an increase in the real cost of our debt and this is what is really happening here.

And on slide number 12, we have another relevant theme to the company and that's being monitored very closely which is liquidity of the company. We see that our cash position BRL5.3 million is more than enough to cover all the short and medium run maturities up to the end of 2017 and very clearly the challenge to the company is 2018 and 2019, how we can reduce this concentration of maturities in these two years. Of course, we do not expect to get to 2018 to do this, we have already started to do this and we expect to rescale our debt extending the duration, so that we may reduce the concentration of maturities in these two years '18 and '19.

Now, I would like to give the floor back to Andre to continue the presentation.

Andre Dorf {BIO 15460232 <GO>}

Very well. Now, let's talk about our growth projects before getting into the Greenfield project. The company today has value creation projects in all our business lines in all segments where we operate. So let's start with the generation project, the Greenfield project. As I said, we had a start-up of 36 wind generators and we have an additional 230 megawatts of installed power to be started up by 2020. So this year, we shall be able to complete Campo dos Ventos and Sao Benedito 231 megawatts and we have up to 2018 the start-up of the Pedra Cheirosa complex in Ceara with 48 megawatts and up to 2020 we have the Boa Vista SHPP with 26.5 megawatts.

On the next page, we have a distribution project and the AES Sul. On the left hand side, we have a map and we can see the geographic layout and the potential of the energy of the two distributors RGE and AES Sul. And on the right, some details about transaction. Acquisition price was BRL1.7 billion and a debt assumption of 1.1 billion. Therefore, an enterprise value of 2.8 billion of this acquisition. And we still have pending the approval by ANEEL and the creditors. We had CADE approval a few days ago. Regulatory figures, the net RAB 1.7 billion, tariff revision date April 2018, and a regulatory EBITDA of BRL330 million.

And below some financial figures; the EBITDA of BRL259 million and the investments of BRL214 million which have generated a loss of BRL5 million in 2015. If we take the pie charts, down below on the left hand side, we may notice that AES Sul brings the company 31% of market share in the state of Rio Grande do Sul, which is added to 34% of RGE.

And when we compare the profiles of the consumption classes of the company on the left and CPFL on the right, AES Sul the left, we can see that there is much comparability between on the industrial area, also the commercial 14 compared to 16 and here the

FINAL

highlight is the rural presence of AES Sul compared to CPFL. And some highlights, this is a company which serves the Porto Alegre metropolitan area and we have the Triunfo Petrochemical Complex and the strong presence of agricultural production, especially rice and soybean and the exports of soybean. The relevant municipality, Canoas, Novo Hamburgo, Sao Leopoldo, Sapucaia do Sul, and Uruguaiana.

On slide 15, we have some highlights, quantitative highlights, so I'm not going to give you all the figures, but we have the number of municipalities, 561 for the CPFL Energia as a whole, and it goes to 679 municipalities, a growth of 21%. Number of customers 7.8 million, we go to 9.1 million, a 17% increase. And this is reflected in the market share which goes from 12.4% to 14.3% of the Brazilian market.

And here, the presence in the municipalities of Rio Grande do Sul from 53 to 77 or 24 percentage points. Here the last indicator, we have the FIRJAN index which measures -- it reflects the life -- quality of life in the different municipalities taking into play health, employment, and here we have 42 of the 100 best municipalities in Brazil and with AES we will have 47 among a 100 of the best municipalities in Brazil in our service. So the AES is very well-positioned in a very good area and with prospects for organic growth in the future.

On page 16, the highlight is the corporate structure. On the 1st of July 2016, Camargo Correa has announced the proposal that they received to Previ and the process. It's BRL25 per share, the transaction, and here we have a schedule, a timeline of important events for this transaction. So on the left, we start, on the 1st of July, the State Grid proposal is received. The State Grid is doing now a due diligence in this period and which should lead to the signing or not of the contract for share acquisition.

Once it is signed, if it is signed, then the same offer will be extended to the other major shareholders, Previ and Bonaire who will have a term to carry out their preference right to acquire shares or their tag along right also can be an option or just remain as shareholders of the company. Regardless of what happens here, the sale or not and the joining of the other controlling shareholders or not, whatever, this process would be submitted to the regulatory agency approvals and those are the true [ph] competition. Only then will it be concluded.

On page 17, we finally have our shares performance and this is just a photo, a snapshot of the first six months, up to the 30th of June and we have had important events after this. Up to the 30th of June and in the second half of the year, CPFL shares went up 8.8% compared to the IEE of 10.5% and 2.9% of the IBOVESPA. There's a greater flow of resources and greater attention given to the electric power and companies reflecting the expectation that interest rates will drop and also an up-tick of confidence and possibly of greater economic development in the future.

And also ADRs on the New York Stock Exchange 19.3% increase, versus Dow Jones Br20 11.6%, and Dow Jones Index 1.4% in the same period. And the highlight here on the left hand side below the daily average trading volume BRL43 million to BRL56 million in the comparative periods.

So with this, I close my presentation and I'd like to ask the coordination to take the floor and coordinate the Q&A session.

Questions And Answers

Operator

Thank you. We'll now start our Q&A session. (Operator Instructions) Our first question is Luiz Leite, Bank of America.

Q - Luiz Antonio Leite {BIO 17552426 <GO>}

Hello, good morning. Thank you for the call. I have three brief questions. Regarding the State Grid, when will this proposal be opened to Previ and Bonaire? And I understand is that they would have 30 days to say yes or no. If they say yes, then this will be open to the minor shareholders, is this right? And the time, how much do you -- what time do you expect, what expectation do you have regarding this?

My second question is you talk about the use of AES Sul, the presence of AES Sul and your expectation which -- what might come in to the market and what are your expectations, can anything be sold this year or next year? And third, what is the cost of your debt rollover today in the market? Thank you.

A - Andre Dorf {BIO 15460232 <GO>}

Hello Luiz. Now regarding the transaction that you first asked about. The sequence of effects is the following; once the due diligence is terminated, if the sale and purchase agreement is signed by Camargo Correa and State Grid, Camargo has a term to inform the board who will then inform the other major shareholders. So they have a certain period to evaluate the preference options, tag along or remain as they are.

And if this should occur, if the option is for joining and exercise the tag along, and we will see then that there will be an exchange of control of ownership, then ANEEL and CADI step in, reminding you that if possible a change of management is not definite, it depends on each controlling shareholders opinion, but -- and this submitted to the approval of ANEEL and CADE, who will have terms which we cannot define at this -- at the moment. There is an internal estimate, but we cannot disclose this with any certainty, this regulatory phase. Once the control is in different hands, we will have -- then we will have to submit to the rules of Novo Mercado and corporate law regarding the offer to the minor shareholders. And the AES Sul (inaudible) and this would be a logical thought process and also the observance and the desire of the company of participating in a possible process for the CEEE [ph], we will now have no indication if this is going to happen short-term or not. What I could state is that the company, as it always has done, will evaluate all opportunities and should this opportunity appear, we will consider it carefully. Regarding the debt cost, I'll ask Gustavo to answer.

A - Gustavo Estrella {BIO 18109709 <GO>}

FINAL

I think the debt cost -- regarding the last funding of the company during this year, we have an average cost of 112% to 115% of CDI. This is our cost average and I think we should mention that an important point is the possibility from now on of the discos issue infrastructure debentures. So with our volume of investments and this we go back two years ago and with the outlook for two years forward, this is important for capturing this market. We are considering this possibility and here the expectation, cost expectation is much lower than the costs which we have today with the normal market instrument. So we should access this market in the next few months with this long-term financing at a lower cost.

Operator

Our next question, Marcelo Sa, UBS.

Q - Marcelo Sa {BIO 16454581 <GO>}

Good morning. I have two questions. Well, one is to understand more the Decree 8808, it will be valid as from 2017. But do you believe that for someone who has already contracted energy in the last auction A-1, whether this be retroactive or not? Because when you have an A-1 contract for three years, will this effect be canceled? And what about the sale at auctions?

A - Andre Dorf {BIO 15460232 <GO>}

Well, the first question, I would like to ask Rosario, our Energy Planning Director.

A - Unidentified Speaker

Marcelo, regarding the decree, the publication of this alteration of existing energy acquisition, we understand that this action, the possibility of the disco being exempt of the contracting of existing energy will be valid as from 2017 for the next auctions for future auctions, which is not retroactive to 2016. So this issue of 2016 which refer to the auctions, which occurred in 2015 where the discos contracted placement energy for 2016, this will be addressed in ANEEL's -- under the ANEEL's contract. So every distributor that made this acquisition with the minus A1 and effects of 2016 will renegotiate or present its proposal regarding this acquisition of energy for 2016. The decrease effects are from 2017 on.

A - Marcelo Gongra

And regarding -- this is Marcelo speaking. We are aware of this, we have evaluated the process. We follow with our idea that the price is above our expectations, but we will -- we are hesitant regarding -- remarking about our participation in this. We have some segments in the pipeline and what I wanted to highlight is that the company, as it always has done, evaluates all opportunities, and also we evaluate Solvi [ph], but we don't have any official position regarding whether we will participate in this auction or not.

Q - Marcelo Sa {BIO 16454581 <GO>}

Thank you very much.

Operator

(Operator Instructions) So we would like to close our Q&A session now, and we ask Mr. Dorf for his final remarks.

A - Andre Dorf {BIO 15460232 <GO>}

Well, we are experiencing a very different phase in electric power energy and things are much better when compared to the last few years. We have had a very challenging period from a regulatory point of view, economic and financial for the electrical companies and this situation has changed in a very important way this year. We are beginning to deal with relevant themes for the future of the electric power markets in Brazil like consolidation, attracting foreign investment and so many other points, which are important so that we can develop the sector in Brazil and also CPFL is in a new cycle.

Financial situation is robust as Gustavo has shown us. Our operations are efficient and we are aware of questions of loss and delinquency, and we have a corporate platform, which I consider excellent and well prepared, which allows us to have ambitions and greater steps in the future and the proof of this is the acquisition of the AES Sul, which we have announced in the quarter and reinforcing our message that we continue very motivated and enthusiastic about this new dynamics, and we will continue to make our best efforts to improve results for all. Thank you and good morning.

Operator

So CPFL call is now closed. Thank you very much and have a good day.

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 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.

FINAL

Bloomberg Transcript