

Q3 2018 Earnings Call

Company Participants

- Adir Hannouche, Chief Executive Officer Copel Telecom
- Adriano Rudek de Moura, Chief Financial Officer
- Jonel Nazareno lurk, CEO
- Unidentified Speaker

Other Participants

- Andre Sampaio, Analystz
- Lilyanna Yang, Analyst
- Unidentified Participant

Presentation

Operator

Good morning, and thank you for waiting. Welcome to the Conference Call for Companhia Paranaense de Energia Copel for the earnings, to discuss the results of the third quarter of 2018. All participants are in listen-only mode during the Company's presentation and later we will hold a Q&A session when further instructions will be given. (Operator Instructions)

Before proceeding, we should mention that forward looking statements that might be made during this conference call related to Copel's business outlook, projections, operating and financial projections and goals are based on beliefs and assumptions of the Company's management and on information currently available to the Company. Forward-looking statements are no 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. General economic conditions, industry conditions and other operating factors may also affect the future results of Copel, and could cause results to differ materially from those expressed in such forward-looking statements.

With us today in the call, we have Mr. Jonel Nazareno lurk, CEO of Copel; Mr. Adriano Rudek de Moura, CFO and IR Officer; Ms. Ana Leticia Feller, Business Management Officer; Mr. Vicente Loiacono Neto, Governance, Risks and Compliance Officer; and Mr. Antonio Justino Spinello, CEO of Copel Comercializacao. The presentation that will be delivered by Copel's management may be followed on the Company's website ir.copel.com.

Now, we turn the floor to Mr. Jonel lurk, CEO of the Company.

Jonel Nazareno lurk {BIO 18463563 <GO>}

Good morning, everyone. Thank you very much for participating in our conference call for the results of the third quarter of 2018. I would like to start by highlighting that we are delivering another results with relevant improvements vis-a-vis the same period of last year and our adjusted EBITDA of almost BRL750 million in the third quarter, is 52% higher than the one that we had in 3Q '17. Therefore, we have already accumulated almost a 2.4 billion in the year, also better than the prior year as we will see in details further ahead.

I'm sure, these results to show that we are on the right track and that -- and despite of all economic and political uncertainties, as well as some unexpected situations which we will mention further on, we are doing our own part, we are following our strategic plan and delivering consistent improvements in the results.

Right now, we are focused on the conclusion of ongoing work trying to put into operation a series of undertakings because this will bring us a relevant additional cash generation. In addition to the transmission line of Araraquara-Taubate included in July of this year, which is already generating additional cash, we started this quarter the operation of the Cutia Wind complex, with 86% of the wind turbines already in the test stages, just waiting for the operating license to start commercial operation.

Also, we highlight that we have started this week the tests for the Bento Miguel Wind complex with the operation of 14% of wind turbines that are part of this farm. We should highlight also that Bento Miguel Wind complex had it's start up plan for January of 2019. That is, we are starting the operation of this wind farm ahead of time.

Baixo Iguacu is a partnership between Copel and Neoenergia and it's in its final stage of construction and the second stage of diversion actions have been concluded with the positioning and locking of the 16 steel weight gates. The Rio Iguacu -- Iguacu River is flowing through the openings and the right margin dam already has one-fourth of the land sale in place. And the power house assembly certification is underway. We already have a pre-test sub-machines 1 and 2, as well as we are taking all the measures to implement the substation, the transmission system, as well as property and social environmental programs.

The beginning of commercial generation for Unit 1 is estimated for the end of January of 2019 and for units 2 and 3 for February and March of 2019, respectively. As we have mentioned before, we had to change our schedule for Colider, because during the commissioning trials for the unit -- generating Unit number 1, we found an unexpected problem in the downstream floodgates. At that moment based on the best estimates of engineers and technicians, we expected to solve the problem within two months. But while protective measures were being carried out, we concluded that the final solution would need us to change the project of floodgate guides and that would demand additional time. Considering that the operating start date for the first operating or generating unit has been revised for the month of December of '18. And the third, and last turbine should start working in April of 2019.

FINAL

In addition to that, as part of our strategy of improving profitability in our current portfolio, we are evaluating several projects and we won several of them. And they are going to be important for our strategy. They will add value to our business.

And at Eletrobras' auction we bought for BRL105 million Lot J, which corresponds to 75% of SPC Uirapuru Transmissora de Energia, which is a transmission line that has a 120 km of extension going from Ivaipora to Londrina, which will be in commercial operation with an annual allowable revenue of 34.2 million. And considering also our undertakings for Copel GeT, we will have synergy in using the resources for operation and maintenance, therefore, diluting operating costs.

In auction A6 from August 31, '18, we won SHP Bela Vista, an investment up to 100 million and SHP Bela Vista has a capacity of 29 megawatts of installed capacity and assured power of 16.6 megawatts and will be built in River Chopim in the South West of the State of Parana. We have sold 14.7 average megawatts in an agreement to start of supplying on January 1st of 2024, term of 30 years and annual adjustment by the IPCA.

This focus on operating efficiency also motivated a swap of assets with Eletrosul, especially with Costa Oeste, Marumbi, and Transmissora Sul Brasileira de Energia, which were then controlled jointly. With a swap of assets, now Copel GeT holds 100% on Costa Oeste and Marumbi, which will allow us to have scale gains with integration of the management of these undertakings with the other assets of the Company, considering they are all in Parana State.

I would like to highlight the capital allocation for these new investments have followed a strict criteria of risk and profitability evaluation and that we will keep on following sustainable projects made with safety, improved profitability and always something that fits into our financial ability. Talking about investments, we have already invested 1.9 billion up to September of '18 and of that 1 billion was exclusively to investments that are being concluded. And again, I should highlight the Cutia Wind complex that has 673 million invested. In Copel Distribuicao, we invested 462 million up to September, following our increased plan on the remuneration base and improvement in productivity. For Copel Telecom investments were of 220 million, focused on the expansion of the fiber optics network in Parana, increasing scale and profitability.

Finally, I should mention the reduction of the program of investments for 2018 for approximately 300 million, which has been approved by the Board of Directors in last -- yesterday's meeting. Because of the change in the construction works schedule, we are still considering the facts of the compensation agreement with suppliers of Brisa Potiguar Wind complex, the estimate now is that we are going to invest 2.6 billion in 2018, considering the amount that we have already invested up to September.

As we always highlight, the reduction of manageable cost also has been a priority. And as we can see on the slide number four, the results of the third quarter has shown a drop of 2.3% in costs with headcount, figures that grow, when they are compared to the inflation of 4.5% in the same period. This effort has been reflected in the results of Copel

Distribuicao that has reached an EBITDA of BRL261 million, a growth of 94% vis-a-vis 3Q '17.

As you can see on the chart, we have been able to get Copel Distribuicao's results close to the regulatory stance. And thanks to the cost reduction, the difference is going to be even lower starting 2019. It's important to say that this improvement seen in the distributing company's results is also thanks to the market growth. And the grid market had an increase of 1.7% in the quarter, as well as the full application of a tariff adjustment. In addition to that, Copel Distribuicao has been working hard to reduce delinquency, which had an improvement, in the end of September at 1.24%, the lower level in the past eight years, while allowances for doubtful accounts have ended the third quarter at 13.4 million, a drop of around 48% of the amount that we had in the same period of '17.

What is most important is that this growth is also in line to an increase in the quality indicators, which is also a consequence of investments in new technologies, especially related to the program called Mais Clic Rural, being that the installation of 3,000 automatic reclosers, known as TripSavers have allowed us to reduce 35 minutes in the total DEC of Copel.

Before turning the floor to Moura for detailing the results, I should mention another step of Copel in the consolidation of the best practices of corporate governance with the publishing in October 31st of 2018, of the corporate governance bulletin which is available in our website and also in CVM. I still want to highlight two achievement that make us very proud. In August, we received the award Viva Voluntario 2018, an acknowledgment from the federal government to entities and citizens that favor volunteer work in Brazil. The ceremony happened in the National Day of the Voluntary and Copel was awarded in the category of public sector.

And also, we are still one of the 150 better companies to work as -- the ranking was published in the Vocce S/A magazine. To be once again among those people or those companies are real award for us. For us that works every day, we dedicate ourselves to turn Copel a company that so many people admire. So this is what I wanted to tell you.

Now, I will turn to Moura to detail the results in the period.

Adriano Rudek de Moura {BIO 3590957 <GO>}

Thank you, Jonel. Good morning, everyone, I also would like to thank you for being here with us in this conference call. As Jonel has already mentioned, I think it's clear that we are going forward in several aspects, but still the execution of our strategic plan is following strictly our goals.

I should highlight that the continuous improvement of our results is thanks to great efforts from all the areas that are totally aligned to our sustainable growth strategy and also financial discipline. We were 52 up in our adjusted EBITDA of approximately BRL750 million in 3Q '18 compared to the prior year is explained in part by the post of losses in the equities in the third quarter of 2017, coming from impacts of tariff reviews and SPCs of

that period. But even if we exclude that fact, the EBITDA is still relevant for this quarter, reaching 32% vis-a-vis the same period of last year, which is supported by the growth of the distributing company as we would see ahead.

And also we have this consistent growth in the distributing company. As I said, we have already accumulated in the year 2.4 billion in EBITDA approximately, net the non-recurring effect, basically related to impairment of generation assets, some labor claims and voluntary redundancy program as you will see in details on page number five. Therefore, we have gone over a cash generation in the year of 2.6 billion, 18% better than the prior year. So we are meeting our investment demands and also we have been able to meet other commitments.

On the next page, we will see the cash generation for the business. Considering the results for subsidiaries, Copel GeT is still the main contribution in terms of EBITDA, around 44% of total. And when we compare that to '17, there was an increase of 37%, which was partially benefited by the losses that we had in the tariff reviews of past year as I have already mentioned.

I would like to highlight, once again, the adjusted EBITDA of 263 million of Copel distributing company, that had a growth of 86% compared to '17, which we consider the market growth as part of an explanation for, this growth applies since June of '18. Growth also thanks to several initiatives for productivity improvements that aim the reduction of costs with headcount and third party, as well as efforts to lower delinquency rates and to collect overdue bills. I should highlight that the regulatory EBITDA and the realized EBITDA have a difference of only 20%. Two years ago, it was up to 80% and last year it was 38%, so we are going forward in regards to have that regulatory EBITDA, which is very relevant for our operations.

In Copel Telecom there was a growth of almost 4% going from 42 million in 3Q '17 to 44 million in the 3Q '18, basically related to the client base expansion.

On page six, we can see the cash generation for operating activities, which have reached in the quarter BRL615 million, an improvement of 9% vis-a-vis the same period of '17. Once again, I should highlight the operating cash generation accumulated in the year of over 2.6 billion and that is almost of 411 million higher than the prior year. And you might check the details in the cash flow reports in the quarterly returns that were published last night.

And we should remind you that with the beginning of the operations of all projects that are already at the final stage of conclusion, as Jonel mentioned, we will increase our installed capacity in over 700 megawatts, which is equivalent to a growth starting next year of almost 13%. Therefore, we might consider an additional and relevant operating cash generation today estimated in BRL400 million based in current references.

Now turning to page seven, -- slide seven, we can see the details, the growth of operating revenue which is recurring of almost 18% in this quarter, vis-a-vis the same period of '17. And we have practically reached 4.3 billion in revenue, here already eliminated the extraordinary effects, so that we could compare that.

FINAL

The supply revenue grew around 21%, thanks to the growth of 6.1% in the energy sold for end consumers. We should highlight also the growth of almost 30% in the consumption of the three industrial markets served by Copel GeT and also the Comercializacao company and the tariff adjustment of Copel Distribuicao valid [ph] starting on 24th of June of 2018.

Adjusted the tariff for energy in 15.6%, supply revenue grew 5%, thanks to an increase of the energy supplied by Copel Comercializacao, that has sold 1,153 gigawatt hour in 3Q '18. The grid availability line had an increase of 20%, thanks to the improvement of 1.7% in the grid market in the quarter. As already mentioned, with the tariff adjustment of Copel Distribuicao with an increase of 16.4% in the TUSD starting in June of 2018 and higher effective interest revenue in transmission lines, thanks to the increase of the financial asset base stemming from investments related to the contract for the lots of transmission auction of 005, in addition to improvements that we had from the last tariff adjustment.

The revenue from Telecom had growth of 15% and it reflects the increase in the client base, as we have mentioned. The posting in the CVA line that reflects costs with energy purchased by Copel Distribuicao that was basically stable. There was a slight drop of less than 2%.

Finally, an increase of 53% in other operating revenues reflects mainly a growth of 40% in gas distribution revenue because of an increase of 18% of natural gas consumption and tariff adjustment.

On page eight, now, we go into the details of costs and operating expenses, recurring ones that were 3.8 billion in the third quarter of 2018. Approximately, 15% higher to what we had in the same period of 2017. That is explained by an increase in cost with energy purchase that totaled 2.3 billion in 3Q '18, an increase of 351 million vis-a-vis 3Q '17. Also reflects of a higher amount of gigawatts hour purchased by Copel Comercializacao that has reached in this quarter 1,611 gigawatts hours versus 1,103 gigawatts hour in the same period of '17. The charges for the use of the grid had an increase of 24% because of CCEE decisions in 3Q '17, in transferring the exceeding funds -- accrued funds to the (inaudible) account to the market. That generated a reversal and the line of ESS, in addition to an adjustment in the tariff of energy transmission in Itaipu. The line of provisions and reversals adjusted by extraordinary events had an increase of 15 million compared to the third quarter of 2017. And that was especially because of new labor claim provision for 3Q '18.

Recurring manageable costs had a drop of 7% or BRL15 million, mainly because of the recovery of Copel Distribuicao invoices and the reduction of the financial compensation by using water resources. Finally other results or other costs have increased 28%, mainly because of an increase of 65.9 in costs with natural gas and also FX variation and also greater gas consumption in the period.

In the next page, we have our PMSO performance where we can see that if we do not consider their provisions for the voluntary redundancy program, costs with personnel, including pension plans had an increase of 2.2% only. And that is mainly explained by the adjustment of 1.6% applied to wages in October of 2017. But considering inflation of 4.5%

FINAL

in the last 12 months, the costs with personnel had a real reduction of 2%, thanks to the reduction in our headcount that ended September of '18 with 8,064 employees, a drop of 354 employees in the last 12 month.

Copel today is a more efficient company. Our plan of productivity improvement and cost reduction is consistent and it is already showing positive results. We also count on the help of experts and consultants and we have goals for improvement in the short and the medium term. We are investing in technologies to support productivity in operating areas. Therefore, we are already including in our budget reviews and also in our business plan for 2019 that has approved yesterday, important reductions of costs in several areas as well as an improvement of cash generation.

The costs for third-party services had an increase of 4.7%, in line with the period's inflation. And the line on others had a reduction of almost 42%, thanks to efforts to recover overdue invoices, as we already mentioned and they help in explaining the growth in our results. Therefore, manageable costs has dropped a little over than 7% in the quarter, but if we consider the inflation of 4.5% in the last 12 months, manageable costs did have a real drop of around 12%.

On page number 10, we highlight the maintenance of our leverage. This is very important for us, and here we can show you that we have been able to keep -- actually we are lower than the covenant limit and we have ended the quarter at 3.2 times in our net debt-EBITDA ratio. We understand that we are working hard to be under 3. I think this is our goal by extending the debt and also we understand that additional cash generation for new undertakings that we mentioned already, 400 million, aligned to the combination of several initiatives, some of them already implemented, such as cost reduction, process improvements that could reach an annual additional economy of -- or savings of BRL200 million for next year, as well CapEx reduction, which is already estimated for next year, after we conclude several projects, this will contribute to consisted drop in our leverage.

Right now, we are focused on the ending that debt. Right now we have an average duration of four years with maturities that are relevant in the next 12 months. Additionally, our funding plan which is totally adjusted to meet the demands of investments focused and including the ongoing works as we already said, as well as in rolling out the investments of the short term. All of that is following as planned. And we have just concluded a funding process of 1 billion for Copel Distribuicao and 290 million for Copel GeT. Therefore, we have fundings of almost BRL3.5 billion in 2018 so far.

Simultaneously, to capital market operations, BNDES has approved two loans to Copel, being that is 619 million for Cutia Wind complex and 194 million for HPP Baixo Iguacu. Relevant amounts of these funds should be transferred to Copel in November, and they represent an important step in our strategy of extending our debt and also it's very important for our projects. Considering all market operations -- or capital market operations and BNDES, this year 2018, we should be funding -- be funded in BRL4 billion, showing that we do have a great financial capacity and that we can execute this funding plan for 2019.

We are still abiding by a strict financial discipline in the evaluation of our projects. And that has been proven by the well succeeded auctions in the PCH (sic) SHP of Bela Vista and as well as in transmission line of Ivaipora. As Jonel has mentioned, this is part of our strategy in improving our current portfolio regarding profitability.

Finally, on page 11, we have our net income for the third quarter of 2018, which has totaled BRL361 million, a drop of 13% vis-a-vis the 417 million reported in 3Q '17. But in the third quarter of '17, there was an extraordinary gain because Copel Distribuicao entered into the special program for tax settlement purge at the time. The main contribution for the figures of 3Q '18, still being coming from Copel GeT that has contributed to 54% of the net income.

Now, we'll turn to the Q&A session.

Questions And Answers

Operator

We will now start our Q&A session. (Operator Instructions) Our first question is from Andre Sampaio, Santander.

Q - Andre Sampaio {BIO 19422379 <GO>}

Good morning. I have two questions actually. The first one is about the divestment plan. Do you have an update there? Are you planning concluding this plan or could you have anything done still in 2018? And my second question is on Araucaria. Can you let us know anything about the gas contracts, the public hearing? These are my two questions. Thank you.

A - Adriano Rudek de Moura {BIO 3590957 <GO>}

Hello, Andre. Good morning. Thank you for your question. This is Moura speaking. About the divestment plans, we have nothing different from what we already mentioned in the past quarter. We might have something in the beginning of the year. And obviously, we'll bring that forward to our Board of Directors as soon as we have anything, but right now, we have nothing to add.

About Araucaria, I will turn the floor to Jonel and he will comment on that.

A - Jonel Nazareno lurk {BIO 18463563 <GO>}

Good morning, Andre. I understood that your question is regarding the dispatch of the plant of Araucaria is that it?

Q - Andre Sampaio {BIO 19422379 <GO>}

Yes. My concern is about the gas contract. If this is a settled, then if you will be able to dispatch from there?

FINAL

A - Jonel Nazareno lurk {BIO 18463563 <GO>}

Well, if there is a dispatch out of the order of merit, we do have a contract with Petrobras and we would not have a supply problem. We are ready to dispatch, we are enabled for that, we already had the approval by the ANEEL and we have no problems there. We are just waiting for the demand in order to dispatch it. We are also preparing ourselves to participate on the auction of A -1 and there are no difficulties related to gas agreements.

Q - Andre Sampaio {BIO 19422379 <GO>}

Okay. Thank you for your answers.

Operator

(Operator Instructions) Lilyanna Yang from HSBC has a question. Lilyanna Yang, the floor is your's please. Caroline from Credit System [ph] has a question.

Q - Unidentified Participant

Good morning, everyone. Thank you for the call. I would like to take this opportunity and ask about cost performance, especially in provisions. The consolidated under release probably you had an impairment reversal of 38 million, but the results of the distributing company also -- and the manageable costs, your provision line -- actually there is a provision line that is a little bit better year-on-year. So did you have any other provision reversal, that is specific -- or any specific action that might have explained this performance? Can you give us more color on that?

A - Unidentified Speaker

Hello. Good day. Thank you for your question. Well, we did have some significant improvements in terms of costs and productivity. So in terms of relevant factor, a non-recurring, we did have some labor claims in addition to that. And for generation had the impairment reversal for Cutia that was very relevant and despite of the delay in Colider, which has generated an adjustment this is positive. If you check the presentation on page five, this will be clear.

Q - Unidentified Participant

Okay. Thank you very much.

Operator

(Operator Instructions) Lilyanna Yang from HSBC has a question.

Q - Lilyanna Yang {BIO 14003234 <GO>}

Good morning. Thank you for this opportunity. You mentioned the strategic plan that has been approved by the Board of Directors yesterday. Can you give us some details about the pillars or the priorities and the targets of this plan? And how do you intend to deliver this plan? Thank you.

Bloomberg Transcript

FINAL

A - Unidentified Speaker

Good morning Lilyanna. This is Moura once again. Thank you for your question. I think our strategic plan has no surprises regarding what has already been done in the market. Our focus is cash generation. We are focused on our debt levels. This is a relevant figure. That is. Our investments and our investments of needed costs, they have to be fully adapted to our financial capacity. So we have a goal to reduce our leverage in a relevant fashion. For next year, we did not expect to start new investments except for these new investments, which are Ivaipora and Bela Vista. And those who are already bringing improvements to our profitability. So if we think in terms of generation and transmission, this will be our main focus to conclude the construction works, the current ones that we have, making sure that we will have that cash generation starting next year of around BRL400 million that will help and reducing our leverage.

Another important aspect is concentrated on the distribution company investments. Our target here is the remuneration basis started on '21, will be remunerated by the investments of these past few years. So we are focusing on investments in technology, so that this could also add and improve our productivity so that we can have a better costs. And the objective here is to meet our regulatory goal. As I mentioned today that regulatory goal is much closer than what we were last year and we are going to be much closer next year. I think that's clear for us.

About telecommunication business, we are making on needed investments so that the business is attractive and it may continue providing sustainable profitability. We are seizing all market opportunities in our market in Parana. And finally, the commercialization company, which is a relevant business is becoming more and more relevant to Copel. We will take all opportunities there. This is a business that has a lot of players in the market, but I think we have great opportunities. And remember that in this specific situation of the commercialization company, our main focus is the risk limit that Copel will take. This is very well aligned with the Board and also with the officers.

So our plan is consistent. Copel will start delivering the results of all investments made in the past years, always with a lot of financial discipline, clearer goals, with the support of the Executive Board. And I am very confident on the results we will provide. And I would say that really soon we will be disclosing figures. As I said, yesterday in the Board meeting, this plan was approved. And I think that we will be able to tell you a little bit more about the level of investment. Maybe in the coming weeks we will publish the detailed dates for that.

Q - Lilyanna Yang {BIO 14003234 <GO>}

Thank you very much. Now, a follow-up on the telecommunication areas and the scenario that you will be investing, so that this business is robust. How are you going to work on the return on investment? Because this is high investment right in that sort of figures, especially compared to operating income. Do you believe that this business is not mature yet, it has to be more mature to become profitable or maybe you want to have lower costs there?

A - Unidentified Speaker

FINAL

Hello, Lilyanna. I'll turn the floor to Adir, the CEO for Telecom. But I should start by saying that today Telecom has become a relevant business to Copel in terms of amount and value. This business was started almost from scratch. It was created with the objective of improving the synergy of business in Copel and today that's a very valuable asset. Do you have a reference of (inaudible) sold the telecom branch recently with very relevant multiples. So this is a business that while we do not decide where we are going to go with it, we will maintain that as an attractive business. This is our financial scenario and now Adir is going to comment on it as well.

A - Adir Hannouche

Good morning, Lilyanna. This is Adir. This company -- since 2013, up to today, the company has three pillars that ensure the assertiveness of what we have proposed in terms of business. The first is the capacity of telecommunications that we have created in 2013 is perennial, is updated, and it's already in its fifth generation to ensure that for the next five years, we can bring broadband for small and medium companies, any type of needs within that platform.

Second, digital transformation, that's very important because when you scale your company to retail, you need to have growth in order to have profitability. So you have to do more with less, with the team that you have, and digital transformation will scale the system and will bring us supports to do more with less and lower costs. And so today Copel Telecom is in Copel Group, therefore, we can maintain our main target, which is the EBITDA assured for the next five years.

And third, we are always add value to what we do and we assure that the Copel Group, being a sound group, and also it's an intensive capital company, it assures us the sustainable capital so that within this service chain that is already designed within our technological platform, but also reducing costs with digital transformation and making sure that customers will come for the product. With the quality and with the service we provide, I am sure that in the next five years, this will be a competitive company and we will maintain the same behavior it has shown in the these past five years, which is a model that is working.

Q - Lilyanna Yang {BIO 14003234 <GO>}

Perfect. Thank you very much for all your answers.

Operator

(Operator Instructions)

A - Unidentified Speaker

We thank you very much for your participation and have you all a nice day.

Operator

Ladies and gentlemen, the conference call for Copel about the results of the third quarter of 2018 has ended. Thank you very much.

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