Barclays Back to School Conference

Company Participants

- Zein Abdalla, President

Other Participants

- Michael Branca, Analyst, Barclays Capital
- Unidentified Participant, Analyst, Unknown

Presentation

Michael Branca {BIO 1500916 <GO>}

Started with our next presentation this morning. We are very pleased to have Zein Abdalla, the President of PepsiCo, here with us today.

In recent quarters PepsiCo has made great strides improving the underlying performance of its business and returning back to its long-term growth algorithm. We look forward to hearing Zein's perspective on the business from here, as well as the strategic and structural issues facing the Company today.

With that I will hand things over to Zein.

Zein Abdalla {BIO 15978616 <GO>}

Thank you, Mike. Good morning, everyone. It really is a pleasure to be here with you today and to have the opportunity to talk to you about the transformations that we have driven at PepsiCo. But also how we are now in a position to really leverage our global scale and drive growth going forward.

Now before I start would just like to find the clicker. There we go. Let you take note of our safe harbor statement. Then as I kick off, because most of my career has been in the international business. And although I know some of you, is just to give you a brief introduction to myself.

I spent most of my career in international, over 30 years in fast-moving consumer goods. All of that time in food and beverages split between Mars, Incorporated, snack foods and pet foods company. And the last half of my career with PepsiCo. Multifunctional career; I started in engineering. I've done time in everything from sales, marketing, human resources. And, of course, general management.

Before taking my current role I was the President of PepsiCo's business in Europe, a large Power of One business, where we made significant transformations in the portfolio, broadening it both geographically, weighting it towards Central and Eastern Europe, the faster growth markets; and in terms of breadth of portfolio capturing many, many more consumer and daypart occasions.

Of course, most recently -- just under a year ago -- taking over as President of PepsiCo. Running the global groups, that is global beverages, snacks and nutrition; driving the marketing programs and innovation programs; and also running our global functions that underpin the capabilities in procurement, operations, business information systems. And corporate strategy. So that is a few sentences on me.

Now let's turn to the real subject at hand, which is PepsiCo. PepsiCo is truly a scale company. But it is a scale company with a great track record of success. And it is a picture of a consistent performing consumer goods company with over $65 billion in revenue, very handsome operating margins, strong bottom-line growth and, of course, strong shareholder returns.

Throughout 2012, our most recent full performance year, we have continued that trajectory performance with 5% organic growth and we deliver an ROC, or return on invested capital, of 15%.

The key thing about PepsiCo is not just the track record of success going back, it is how well-positioned the portfolio is for growth going forward. Well-positioned both from a category point of view.

We have a very balanced portfolio between convenient foods and beverages. And both of these categories, convenient foods and beverages, are set to grow in the mid-single digits when you look at them globally. So these are attractive growth categories and we are balanced between the two.

But the other thing about our portfolio that is very well-balanced is our geographic mix. And this is something again that we have made great strides on in the last six years, getting a more than 10-point shift between our developed market ratio and our developed and emerging market ratio. And developing and emerging markets now, which for most companies account for the lion's share of projected forward growth, now over a third of our revenues.

And our portfolio is built on incredibly strong brands. We have over 22 brands that deliver $1 billion or better at retail sales value. But just as importantly, we have a pipeline of powerful brands coming through what we call the future billion-dollar brands. Over 40 brands that are in that $250 million to $1 billion retail sales value level.

Now this would be the envy of any FMCG company and truly is peer leading. Within that portfolio, though, more recently we have really focused on 12 global brands that we believe capture the lion's share, not just of our current business today. But of opportunity going forward. So we have power both in terms of the breadth of our brands and the power of those brands. But also in terms of the depth and where we can focus to drive growth going forward.

The important thing about these brands is not just their scale. But it is how well-positioned they are competitively in each of the categories in which they compete.

Lay's is an absolute super brand in the macro snack arena and actually, in fact, Lay's is the largest macro snack grand globally, significantly larger than the next. It is present virtually in every single geography across the globe and sits on an incredibly advantaged business model.

Turning to Quaker, Quaker is one of the most respected and trusted brands in the nutrition space globally and clearly a very strong competitive brand within the hot cereals market. Gatorade, the most advantaged sports nutrition brand globally, with a leading and commanding position in sports hydration.

In juice and juice drinks we have a very strong position as the number two player. But within pure juice, within 100% juices, we actually have the market-leading position globally. Then within carbonated soft drinks, based on brands like Pepsi and Mountain Dew, a very strong position globally and a very strong competitive position as the number two brand in that category.

So a powerful portfolio of brands with competitive positions. But the other thing about our portfolio that is incredibly compelling is how broad it is in terms of serving our consumer and customer base from a daypart, from a target group, cohort group, the need state. And the occasion. This allows us to compete across many, many what we call consumer demand spaces. Whether it is the mixed breakfast occasion, the midmorning snack, the afternoon snack, or the early evening indulgence and reward, the aperitif, we have a brand and a proposition, whether in a snack or a beverage, in a convenient format that can satisfy the consumer demand.

And that allows us to compete across the full spectrum from physiological to emotional needs, from nourishment needs to treat needs. This is incredibly important for us because all consumers, all consumers, have different need states across the different dayparts that cover that full spectrum.

Sometimes we misconstrue this as there is a nutrition consumer and a treat and a reward consumer, there is no such thing. There is a single consumer who at different dayparts or at different need states, different stages in the development of their life will consume for different targeted reasons.

So a broad portfolio in terms of how we satisfy consumer needs. But an equally broad portfolio from a geographic base. We operate in more than 200 countries globally. That is largely operating across both our snack and our beverage business.

In many of those geographies we operate our snack and beverage businesses as consolidated businesses. And certainly in every single geography those businesses leverage each other for scale, for competing for talent. And developing capabilities to win in the marketplace.

Just like we have competitive position within our brands and categories, we have competitive positions from a geographic point of view as well. We have the number one food and beverage company -- we are the number one food and beverage company across a number of highly strategic markets, like the US, Russia, India, Egypt -- all very high growth potential markets going forward. And a very strong number two position in markets like the UK and Mexico. So we are very well-positioned competitively geographically as well.

Then when you think about the (world of) PepsiCo in each of these geographies, in other words you think about our total system. So our partner systems, we actually occupy the number one position in other strategic geographies like China. Our recent re-franchising in China, developing the partnership with the Tingyi company, gives us the number one food and beverage company in that geography by some order of magnitude. And China, as you all know, is going to be the single largest driver of growth for any FMCG company going forward.

Even in the UK, where when you combine us with our bottling partner Britvic we have the number one food and beverage company, again by some order of magnitude, which is critically important in a highly consolidated trade environment. Then in Brazil, as a result of our scale partnership with ABI, we have the number two food and beverage position. So again, very competitively well-placed from a geographic point of view.

The other thing that is compelling about our categories and how we bring them together is just how complementary they are to each other. Whether in foods or in beverages, we operate in branded, impulse, high velocity categories and these categories share many characteristics across our consumer customer, from a market characteristic base. And of course, the capabilities that underpin their development.

There is a very high level of coincidence of both purchase and consumption between snacks and beverages. And when we look at it from a capability point of view, whether it is procurement, brand building, R&D, innovation, methodology, or even in many, many developing and emerging markets our whole go-to-market system capability, there is much, much to share between these categories.

All of that results in significant synergies that exist across this portfolio. These are synergies, whether you look at it from a cost point of view, capability point of view, or the share top-line commercial benefits that you can drive.

Looking at it from a cost point of view, the very obvious one I have already touched on is procurement. We buy across categories for each of our food and beverage businesses and when you think about that relative scale position and the partnership philosophy that we can drive with many vendors and the strategic preferred supplier status we can get as a result of that you can see the benefit of a combination of these portfolios.

But equally the cost leverage comes in terms of driving common infrastructure, common corporate functions, common back office. And wherever we can share we share.

The second clear thing is about capability building. Here again, one that maybe not so obvious but is a huge driver for us is R&D capability that can be shared -- long-term R&D capability that can be shared across both food and beverages.

Things that are incredibly common across these two platforms or across these two categories is that taste and convenience drive consumer preference. The science behind taste and convenience can be leveraged, whether it is in the form of sweetener technology, in the form of texture, in the form of product formulation, for cost. All of these are benefits from an R&D point of view that can be driven across both categories.

But equally, there is plenty in capability around go-to-market. Joint planning methodology with key customers, how do you approach the organized trade most efficiently -- these are all again capabilities that can be shared between our beverage and snack businesses.

Then the third block, of course, is the share commercial benefit that you can get as a result of leveraging that coincidence of both purchase and consumption between snacks and beverages. We are the largest supplier to the US retail trade and we have nine -- in food and beverages -- and we have nine out of the 40 top trademarks. So when a retailer is looking for growth in the US, PepsiCo is a very logical partner for them to play their activity and to coordinate their activity with.

We can leverage a lot of our joint properties, whether it is our football properties, baseball, basketball, or hockey, around occasion. So the whole how we bring it to life and activate it within store. It is not just in retail. But also in food service. The strength and the penetration of our beverage business in food service allows us to develop (these growth) propositions for our snack business and get higher penetration for our snacks in food service.

So clearly, a significant commercial benefit as a result of the consistency of the characteristics of these two categories.

Now turning to the transformation journey that we have been on. I have already touched on the first two, which is how we broaden our portfolio to make sure that we capture that much broader set of needs -- of consumer need states. Not just the treat and indulgence, the fun-for-you side of the business. But also the more nutrition-based side of the business.

How we have evolved our geographic footprint to make sure that we not only have our strong developed market base and strengths and the capabilities that come from those. But how we leverage those capabilities to drive much faster growth in developing and emerging markets. And as a result of that a much more balanced global footprint.

So as a result of those two changes now we are very well-positioned for growth. Then the third underpinner, of course, is how do we, as a company, get much more leverage as a result of our scale. We have historically had a very strong market-by-market -- optimizing our business market by market and now we are looking to keep that entrepreneurial spirit, keep that strength market by market. But get much more horizontal leverage as a result of the way we connect these businesses globally.

From there we are really focused against that topic on five properties. First of all is how do we get leverage and synergies in our global brand building. So instead of campaign by campaign, country by country, how do we get the platform of global campaigns that can be made truly locally relevant? A phrase that we use which is a global campaign built off global properties, global positioning. But entirely locally relevant.

Again, as a result of cutting horizontally, how do we amplify our innovation processes so that we don't just drive refresh innovation, which is important and has a very important role to play in the highly impulse sensitive categories, because refresh innovation gives you news, gives you display space. But how do we build on that as a result of scaling up our approach to innovation to get much more refresh, reframe. And breakthrough type innovation.

On execution, as I have mentioned, we have optimized locally and we execute market by market. But how do we continue to do that. But also get a much better sharing of global best practices so we get much more leverage across the globe for our execution.

We have a great track record of continuous improvement on productivity. A phrase that we have used to describe that is making sure that we make every penny a prisoner within our business. But how do we evolve from that to freeing up what we called trapped dollars by really reinvigorating and adapting and evolving our business model to free up costs that can be reinvested in the business?

Of course, all of this underpinned by an incredible discipline on capital location so that we can generate cash returns and increase the returns to our shareholders. So let me just touch on each of those briefly.

First of all, global brand building. One of the things that we have done across the last 12 months is harmonize our global brand building model. So for each of those 12 global brands we start with a common framework, what we call our global brand positioning wheel, which ensures global consistency that allows us then to drive these global campaigns and get much more global leverage.

What it means is we can shift a lot more of our advertising and marketing from nonworking to working, because we can reduce production costs. We can drive things like new platforms like digital much more rapidly because we can take them globally much more rapidly. And I will give you some examples of that.

Then within global brand building also how do we make sure that there is science that underpins the art form of this. That there is a very disciplined set of metrics in place that we can continuously refine and improve where we invest and how we invest. And we use a number of both input and output metrics to drive the decision-making process here.

On the input, how competitive are we from a share of voice, how rich is our innovation pipeline. And how much of our revenue is being driven by innovation. But from an output both a short-term measure of return on investment to how much uplift do we get in our brand programs as a result of the advertising and marketing investment. But we don't just drive the decisions based on short-term ROI, because clearly we are looking for the long-term brand building equity which is what we focus on as a long-term ROI measure over advertising and marketing effectiveness.

Turning to innovation. Again, what we have done recently led by our Frito-Lay business in North America is to drive a proprietary way of defining that consumer opportunity, what we call our consumer demand space framework.

What we have taken is literally millions of consumption occasions and the drivers of those consumption occasions and used them to map how does a consumer make a decision about what to buy and consume against the different demand spaces. Demand space is defined by who that consumer is, the occasion on which they are making that decision and having that consumption. And clearly the who, the target group of who that consumer is.

What this has allowed us to do is make sure that our innovation is synergistic so that we don't get overlapped either in terms of our brand or the innovation we drive. That the innovation is very clearly targeted against what are those biggest opportunities by consumer demand space, what we call unmet needs that exist in the marketplace today. And of course, where there is opportunity, because there is a common demand space between our beverage and snack business but how do we solve for it holistically across both food and beverages.

The result of this approach and the underpinning capabilities is that we now have a global portfolio pipeline of innovation that we have transparency to across the whole company that means that we can drive fewer. But bigger, better innovations. So we are placing a lot of activity with more focused, bigger groundbreaking type, innovation type initiatives.

We have underpinned it with a very clear global stage gate process, which again gives transparency across the globe. So somebody sat in Australia can see what recently worked in the US and this accelerates the whole lift and adapt. It means that we can get innovation for many of those 200 markets simply and purely as a result of what they can lift from other scale-adjacent markets.

We can drive for global platforms rather than one-off innovation initiatives, which means that as something works we can take the technology that underpins it and leverage that technology more broadly against more demand spaces. And finally, the global capabilities around R&D and introducing new capabilities like the design-led innovation capability at PepsiCo, which allows us now to generate consumer propositions that are much more rich, much more rewarding. And much more holistic from inception right the way through to execution.

And pitching on some examples of this, Trop 50, which was a lighter orange juice that was launched and has been incredibly successful in the US, has now been rolled out to the UK and Western Europe and is proving to be equally successful there. But lift and adaptive is not just about product innovation it is also about innovation in consumer engagement.

So Do Us a Flavor, which has just recently been executed in the US, was an initiative that started about five years ago in the UK and has now been launched across multiple markets. Taking the same digital engagement platform, the same way of engaging the consumer across an involvement in designing and developing the optimum Lay's and building a program around it.

Looking at scalable innovation platforms, Kickstart is a great example of this. We launched Kickstart Your Day, a morning proposition for Millennials who would rather drink a Mountain Dew proposition than a coffee. And this has proved incredibly successful, building a greater than $100 million business in its first year of launch.

But again, thinking about that as a platform, Kickstart Your Day can equally translate into Kickstart Your Night. And that will follow leveraging, again, a lot of the same technology but tapping a different consumer demand space.

As we stand today one of the things that we feel really good about when we look back across the last couple of years is how much richer now our innovation pipeline is as we stand today than it was then as a result of rolling out our global model.

The third priority is execution this has always been something that PepsiCo has been outstanding at, as well as being something that is incredibly important and underpinned for the success of our business. And it is execution across the whole value chain, right the way from plan and buy to make, move. And sell.

What we are doing now is making sure that we can transfer best practice across each of these pillars and make sure that what we have that is competitively advantaged pillar by pillar can transfer between markets -- can be transferred between markets very rapidly.

I have touched again on procurement, how we buy globally. But it is also about innovation within the whole procurement supply chain. On make, clearly there are different make requirements between snacks and beverages. But there are a lot of common processes in terms of things like sanitation, maintenance, benchmarking for efficiency, Lean Six Sigma. There are many best practices that can be leveraged across plants that have different category responsibilities.

Move, we can now deploy a whole host of both third-party supply logistics solutions. Again, in many of the developing and emerging markets getting scale and leverage between the categories. But also in markets where we have different separate go-to-market systems between snacks and beverages, how do we leverage the capabilities such as things like handheld devices, the underpinning technology, which are equally applicable across both categories, to make sure that our route system is as efficient as possible.

And of course, in terms of selling, joint approach to the organized trade but equally building selling capabilities that are consistent in the up and down (discrete) businesses across our emerging and developing markets. There is probably no better example of where we have done this holistically in the PepsiCo business than Russia, where we have pulled together all four businesses -- our beverage business, our juice business, our snack business. And our dairy business -- and operate as a fully integrated Power of One business.

This has given us a really commanding position in the marketplace. It is our largest business globally outside of North America. We have a two-to-one advantage relative to the nearest competitor. And if you think about it in terms of growth for the retail trade, 10 out of the top 25 brands are PepsiCo brands across that breadth of portfolio.

From the cost side of the equation, this integration has allowed us to drive over $100 million worth of operating synergies as we have harmonized everything across that value supply chain. But much more importantly, it has allowed us to develop new capabilities to accelerate growth; building out R&D capabilities, go-to-market capabilities through a mosaic of different go-to-market systems to tackle the different trade channels; and, of course, probably one of the most important capabilities in a developing and emerging market, an ability to attract talent really ahead of any other company.

The importance about all of this platform for Russia is not just to serve the Russian market but to serve the geography that is contiguous to Russia. So it is not about the 140 million consumer base in Russia. But it is about the 400 million consumer base that is in the Ukraine, Belarus, Kazakhstan, etc.

Another great example of execution and execution as we pulled together Power of One is the Bring Happiness Home campaign that we ran in China. Again, not any one of our single businesses could have done this. But when you put Pepsi together with Lay's together with Tropicana we were able to produce a film that tapped into one of the biggest emotions in China because a lot of the migrant population labor forces -- how do you get and encourage people to come home to celebrate Chinese New Year?

We tapped into the whole emotion of that occasion and built this digital film that got over 700 million views without a single dollar of media spend. And that is just a phenomenal thing that you can do as a result of pulling these categories together.

The fourth priority is productivity. I have touched on this right the way through. But really we drive it against this, of course, three big buckets. Clearly, productivity in our operations, what we call there driving to zero. Through automation, zero touches; both automation of our manufacturing and automation of our wire housing. And how do we amplify our asset utilization.

Commodities, innovating within the whole supply chain how do we reduce -- work with our vendors to reduce the amount of raw material that we use. But also to reduce their conversion costs of producing that raw material by making decisions early in our conversion process.

In A&M also we have a huge productivity drive which is about not cutting the A&M. We want to clearly spend more A&M. But how do we make sure two things -- one that it is spent on the right things, a shift in nonworking to working. And then when we spend it we spend it in the most effective way possible.

Then our fifth priority is returning cash to our investors. Here we have a very strong track record, returning over $53 billion worth of cash across the last decade and that is continuing in 2013 as we return $6.4 billion worth of cash to our investors this year. A big driver of that has been our discipline around capital allocation and how we view our capital allocation. And we really have for very clear priorities there.

The first. And without the shadow of a doubt the first is we are going to invest in our business. But we are going to do that in a very disciplined way. We are going to maintain our capital investment in the business at less than 5% of our revenue. And I can tell you every single one of the investments that we make as we take it through our CapEx process delivers a return far better than the cost of capital and amplifies our ROIC.

The second priority is what we have touched on, is paying dividends and returning cash to our shareholders. The third, as we look at our strategic priorities across the globe, is what tuck-in acquisitions will strengthen our portfolio from a category. But just as importantly from a geographic point of view. But only tuck-ins.

Then the fourth priority is how do we return additional cash to our shareholders through share repurchases. So four very clear priorities and when we sum these up against the growth of our business we can see clearly a roadmap to improving our ROIC by on average 50 basis points each year.

Then when you sum all of those five priorities together and we execute against them we feel that we are very well-positioned to deliver top-tier, long-term performance in a very sustainable manner for many years to come. Top-tier performance as a result of the very clear strategies that we have that drive that mid-single digit revenue growth, organic revenue growth on the basis of these categories that we compete within and the diversity of our geographic base. Then how that translates into top-tier financial performance across our earnings and across the cash that we return to our shareholders.

All of this clearly underpinned by our brand building, innovation, our flexible approach to supply chain and the costs that we can drive out of that. And building world-class talent. And of course, leveraging the power of one which I have touched on right the way through this presentation.

So pulling it all together what I hope you walk away from this discussion with is that clearly we have a significant opportunity ahead of us in terms of the strength of our portfolio and the growth that it maps out for us. And that we are well-positioned to realize that growth as a result of our ability to leverage our global scale. But maintain that local focus and execution. How we can build brands and global innovation with a very disciplined approach to our investments and how Power of One is a significant enabler for us across the business because of the synergies that exist between our categories.

With that let me pause there and take any questions.

Questions And Answers

Q - Unidentified Participant

Zein, over the past year you have obviously significantly stepped up your brand investments. Now as you evaluate that spending how does that scorecard look in terms of the returns you generated and the growth delivery. And more importantly, what does that assessment inform you about the rate of investments going forward?

A - Zein Abdalla {BIO 15978616 <GO>}

We are very encouraged by the progress we have made on the investment, both in brand building and innovation. And we are starting to see that come through very well to our top line. What I would say, though, is that it's also as a result of the measure that we put in place, a continuous improvement process as well. Because what we are looking to do is define what generates the highest returns against those demand spaces and how do we then refine our investments going forward.

But whether I look at it from some of the output measures, like share progression, building of brand equity, innovation as a percentage of revenue, I would say against each of those metrics we have made significant progress.

Q - Unidentified Participant

If we could just take a look at your developing and emerging markets, clearly there macros have led to some slowdown. If you could perhaps update us on the performance of your businesses, particularly in the critical high-growth markets that you have targeted such as China. And what you are doing in those markets specifically in the current environment.

A - Zein Abdalla {BIO 15978616 <GO>}

As you will have seen in the presentation that I went through developing and emerging markets are a critical growth enabler for us and we have done well in developing and emerging markets across many years. Now, emerging and developing markets are volatile so you have to take a long-term perspective on them.

If I dial just through some of them, you highlighted China. Our re-franchising to Tingyi in China has gone exceptionally well. Despite some of the slowdowns in the China GDP we are driving tremendous growth there, peer-leading growth. And very strong performance in the China market.

Russia, again, is a market where there has been some slowdown in GDP growth. But we are performing strongly and our top line is doing well. Dialing across the rest of the emerging markets Brazil is one that again has had a pretty big correction in GDP growth rates, coming down to low single digits, even potentially flat. And in Brazil we have a smaller beverage business but we have a very strong and powerful snack business and we are actually seeing very strong performance across our snack business as we expand into some of those new demand spaces, adjacent spaces in the broader macro snack arena.

India, again, more challenged, where a combination of both GDP slowing down and ForEx have proved more challenging. But again, India is a tremendous long-term growth market. So we remain very confident about the role that developing and emerging markets can play in our long-term growth the equation. But it is about managing the balance between your developed and developing and emerging markets because they will remain more volatile.

Who would have predicted a few years ago that the Middle East would be where it is today? Now we have a very strong management team there. They know how to operate in the current environment and they know how to lead their business for the right way of running at the right time. But you have to be prepared to take those events when they come.

Q - Unidentified Participant

You spent much of the presentation pointing out the scale of the business and the complementary and synergistic features of the businesses -- beverage, snacks and nutrition. Nonetheless, as you think about the structure of the Company and obviously you have talked about that assessment, what are the more recent performance drivers of your business telling you about what is the optimum structure for PepsiCo over the long-term?

A - Zein Abdalla {BIO 15978616 <GO>}

We think we have got an incredibly powerful portfolio and that this portfolio is very well geared for long-term growth. We do think that a significant part of our growth going forward will come out of developing and emerging markets. And it is really important to be well-positioned to capture that growth. In the developing and emerging markets the synergies that come out of scale are really important. So structurally there it is very important for us to have all of those benefits that I talked to you about between snack and our beverage businesses.

Look at it from a category point of view, clearly the good for you end of the spectrum has tailwinds rather than headwinds. Tailwinds both from a regulatory point of view as well as from a consumer point of view. We see that as a growth opportunity going forward. But defensively and more importantly from an opportunity. So the nutrition category will be a real driver for our growth.

But global snacks, where we really compete today largely in core salty or in salty snacks, has tremendous opportunity to source occasions, those demand space occasion, from adjacencies. Both in broader savory snack propositions. But as well as in broader macro snack. So salty has a significant growth opportunity for it.

And beverages globally is a 5% growth category. It is a much more challenging category in North America. But the North American business gives us scale and gives us capabilities to compete internationally. Things like whether it is sweetener technology, whether it is the global campaigns that I talked about, you need the scale of the operating business of North America to drive.

So we think our portfolio holistically is very well positioned from a portfolio point of view. Productivity though and driving the operating model from a business model point of view is something that we will continuously examine and continuously look at finding what is the most efficient and optimum way of realizing the potential of that total portfolio.

Q - Michael Branca {BIO 1500916 <GO>}

Okay, then. We will adjourn to the breakout room. Please join me in thanking PepsiCo for providing snacks and beverages and the presentation.

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 2024, BLOOMBERG LP. All rights reserved. Any reproduction, redistribution or retransmission is expressly prohibited.*