Client Id: 77

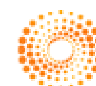
THOMSON REUTERS STREETEVENTS

EDITED TRANSCRIPT

GE - General Electric Co at Barclays Industrial Select Conference

EVENT DATE/TIME: FEBRUARY 21, 2018 / 3:55PM GMT

©2018 Thomson Reuters. All rights reserved. Republication or redistribution of Thomson Reuters content, including by framing or similar means, is prohibited without the prior written consent of Thomson Reuters. 'Thomson Reuters' and the Thomson Reuters logo are registered trademarks of Thomson Reuters and its affiliated companies.



CORPORATE PARTICIPANTS

Jamie S. Miller *General Electric Company - Senior VP & CFO*

CONFERENCE CALL PARTICIPANTS

Julian C.H. Mitchell *Barclays PLC, Research Division - Research Analyst*

PRESENTATION

Julian C.H. Mitchell - *Barclays PLC, Research Division - Research Analyst*

All right. So we better get started. We're not going to get drowned by this pool here, hopefully.

So my pleasure to introduce Jamie Miller, CFO of General Electric Company. Obviously, a fast introduction, I'm sure, to the job since you took the role.

QUESTIONS AND ANSWERS

Julian C.H. Mitchell - *Barclays PLC, Research Division - Research Analyst*

I guess, going straight into the question that has been coming up sort of more and more in recent days and weeks is just around the aggregate health of the balance sheet, some of the risks and strain that you might have uncovered since you took the CFO role. And I guess, how do you assess the kind of the probability of any need to issue equity, for example, versus whenever we look to have more flexibility around the balance sheet?

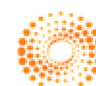
Jamie S. Miller - *General Electric Company - Senior VP & CFO*

Sure. So as I've come in, as you've mentioned, I've been there about 3 months, but we've gone through fairly deep dives into the different elements of the company. And we have no plans for an equity raise. It's not been discussed. We ended 2017 with $11.2 billion of cash on the balance sheet, which was higher than we expected. We had strong fourth quarter performance in working capital. As we enter into '18, the other thing to think about in terms of the balance sheet is we -- our dividend is $4.2 billion for '18. We expect free cash flow of $6 billion to $7 billion. And our capital allocation plan has us exiting the year with more than $15 billion of cash on the balance sheet. The thing -- another thing to factor in there is some of the announced dispositions that we've talked about. And if you look at GE Capital, GE Capital had $31 billion of cash on its balance sheet at the end of '17. We have excess debt there over the next 3 years, which we'll pay down. We've also announced a series of exit actions there and asset sales to really reposition GE Capital as we work through the insurance funding and really position it for a longer haul there. So I think our goal in 2018 is to really execute to a more conservative balance sheet profile. I would say the other thing that -- to think about is, as we think about a potential rising interest rate environment, that's not something we've factored into our plans, and that actually helps us from a pension perspective. A 25 basis point increase in interest rates for our principal U.S. plan reduces that deficit by $2.2 billion. So that's another tailwind as well when you think about the balance sheet construct that we haven't factored in.

Julian C.H. Mitchell - *Barclays PLC, Research Division - Research Analyst*

Understood. And if we think about GE Capital, some of those other claims or liabilities, WMC is one that comes up more, having been quiet for several years. Have you had a chance to think about how large that potential cash impact could be via how adequate the reserve level is on the balance sheet today?

©2018 Thomson Reuters. All rights reserved. Republication or redistribution of Thomson Reuters content, including by framing or similar means, is prohibited without the prior written consent of Thomson Reuters. 'Thomson Reuters' and the Thomson Reuters logo are registered trademarks of Thomson Reuters and its affiliated companies.



THOMSON REUTERS

Jamie S. Miller - *General Electric Company - Senior VP & CFO*

Sure. So as you know, in fourth quarter, we did take a large charge in our insurance business there and announced some related actions. When you look at WMC, I'd really break it into 2 parts. First is sort of the reps and warranties lawsuits element of that. We've been through a lot of work on that so far. We have a reserve on the balance sheet there that we think is sufficient for what we see as risk in that portfolio going forward with respect to those kinds of claims. On the other side, we've got a FIRREA investigation being done by the Department of Justice. And I would say it's early days there in terms of speculating on how that could land. As we talked about on our earnings call, I think that's something that will play out over time. Could it be material? It's something we're going to have to work our way through. But that's probably the one I watch.

Julian C.H. Mitchell - *Barclays PLC, Research Division - Research Analyst*

Got it. And looking on the sort of the brighter side, at what point -- what needs to happen, I guess, within GE Capital for that dividend to GE Industrial to resume? What are the kind of the main parameters you're looking at and the likely nearest point in time when that could happen?

Jamie S. Miller - *General Electric Company - Senior VP & CFO*

At this point, we don't see a GE Capital dividend restarting, really, for the foreseeable future. As we announced the actions we took with respect to the insurance portfolio, a component of that was that we are contributing $15 billion of cash over 7 years into the insurance subsidiaries. As we really reposition GE Capital over the next 2 to 3 years around both exits of certain businesses, certain asset sales, our plan is to really reposition it and really set it on a path so, over time, it works through that issue on its own. So at this point, I don't foresee any GE Capital dividends coming back to the parent, but that's something that we're working over the next 2 to 3 years.

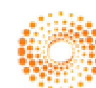
Julian C.H. Mitchell - *Barclays PLC, Research Division - Research Analyst*

Understood. And switching maybe to some of the Industrial segments, the Power business has been a focus of a lot of attention, huge backlog, $100 billion round numbers. How happy -- how much have you gone through that backlog given all the changes in management at the Power segment level as well? How comfortable are you that some of those cost overruns we had last year, extra field costs and so forth, how quickly do you think those should shrink in 2018 and '19?

Jamie S. Miller - *General Electric Company - Senior VP & CFO*

As we enter 2018, we think we've taken a pretty pragmatic approach towards how to think about that. The backlog at Power, as you talk about, is significant. And we feel pretty good about both the pricing in that backlog as well as just sort of the long-term nature of it. When you really deconstruct Power's performance in 2017, there were a number of different components to really think about, a lot of which you heard us talk about in the third and the fourth quarter. First, the market really shifting, and we'll see that shifting as we get into '18 as well. We're planning for between 30 to 35 gigawatts of power in '18. In '17, it was 35, 36. We've seen both AGPs and aero units down in '17, and we expect those to be down again in '18. So part of this is markets. Part of it, as you also talk about, is the execution side of it, so project overruns and/or just project execution. Now as we've launched new technologies, so take the H, we've had some issues in project execution. I think some of that's been pretty well discussed as we've really launched. Some of that is to be expected. I mean, new technology, very deep differentiated technology, these are not technology issues, they are sort of milestone project execution issues. So I feel really good that they're fixable. We've made a ton of changes in our leadership at Power. Russell has really dug in. Russell is a real operator in terms of really grinding through and really resetting and fixing execution. We view 2018 to be a bit of a reset and stabilization year for Power, and I think you'll see that come through. Might there be a little bit more noise along that front? I expect it, but I think you'll see that start to stabilize as we get through '18. And the last piece of Power I would just stop for a minute and talk about is services. And we've got a very big installed base in Power. We expect those units to be utilized well out into the future. We've got 2 components of our services business: one is what's under contract, so contractual services; the other is outage management, we do parts consumption that comes through non-covered units. And as we talked about in the second half of last year, the contractual services business continues to perform well. We've made some very important investments there in terms of our cost profiles, taken out a lot of costs, really running that portfolio well. The place where we're really investing a lot of time right now, both in leadership bandwidth and in just focus on reorientation,

©2018 Thomson Reuters. All rights reserved. Republication or redistribution of Thomson Reuters content, including by framing or similar means, is prohibited without the prior written consent of Thomson Reuters. 'Thomson Reuters' and the Thomson Reuters logo are registered trademarks of Thomson Reuters and its affiliated companies.



THOMSON REUTERS

Client Id: 77

is in the transactional services piece of it. As we came into the second half, what we saw was that the scope, the share and the price of what we were seeing come through in that business had really shifted. Part of that was a little bit of market. Part of that was because we had really shifted some of how we approach that business over the last couple of years. So Scott Strazik is our new leader there. He is very focused on not only coming up with a very deep both identification of the units, the plan, the outage timeframe but then the reconstruct of how the organization really needs to attack that. It's not a 2-month shift there. I think that's something that will take a good 12 to 18 months to really refocus, but that's something that we're very focused on in '18 as well.

Julian C.H. Mitchell - *Barclays PLC, Research Division - Research Analyst*

On the transactional service aspects, it's naturally shorter cycle, so you can always get surprised positively or negatively versus the contractual piece. Has that been sort of a market issue? Or it was just GE had unrealistic expectations of what the market was going to do? What was the cause of the transactional aspect?

Jamie S. Miller - *General Electric Company - Senior VP & CFO*

Of the shift there?

Julian C.H. Mitchell - *Barclays PLC, Research Division - Research Analyst*

Specifically.

Jamie S. Miller - *General Electric Company - Senior VP & CFO*

I'd say it was both. We saw a shift in the market, as did our competitors. I would also say that on the transactional side, as we made changes over the last 2 to 3 years to how we ran the business, we both regionalized certain of our players. We took cost out in certain areas in terms of how we manage some of our parts flow. We made certain changes in the business that, frankly, took our eye off the ball a little bit in that market. And that's exactly what Scott is very focused on, which is really reconstructing sort of exactly the go-to-market, getting people back on those turbine decks, making sure the engineers are in the field in a different way, and that's really how you go back. I talked about scope, share and price, that's really the playbook to go back after that.

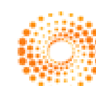
Julian C.H. Mitchell - *Barclays PLC, Research Division - Research Analyst*

But the sense is that the overall services market in Power is actually okay. So once you fix your own house, it should be a good business in the long run still?

Jamie S. Miller - *General Electric Company - Senior VP & CFO*

That's why I'm really excited about the opportunities we have in Power. 2017 was a very tough year. I think we both adjusted our own market expectations around equipment and services, but we also felt a lot of the operational execution pain we talked about. But when we get into '18 and really construct how to think about this business, '18 and really '19, '20, I think exactly what you're talking about is what we have to focus on. Number one, huge installed base globally, and that installed base will run for a few decades plus here, which really generates a services profile that can be quite substantial for the company. And I think this reset and just the reorientation that Russell and Scott are undertaking is really what sets us up to really run that play, I think, in a much better way than we did in '17.

©2018 Thomson Reuters. All rights reserved. Republication or redistribution of Thomson Reuters content, including by framing or similar means, is prohibited without the prior written consent of Thomson Reuters. 'Thomson Reuters' and the Thomson Reuters logo are registered trademarks of Thomson Reuters and its affiliated companies.



THOMSON REUTERS

Client Id: 77

Julian C.H. Mitchell - *Barclays PLC, Research Division - Research Analyst*

On the sort of -- looking beyond 2018 in Power, I guess, the former CEO used to say that, well, if you stay in GE, you have to earn a double-digit margin. That was something that was discussed for a few years. If you look at Power and the renewable division this year, a bit below that. How quickly can we see the margins in Power and, I guess, renewables as well, move up, do you think, in the next, call it, 3 years?

Jamie S. Miller - *General Electric Company - Senior VP & CFO*

I'll take both of those maybe separately. On the Power side, I think in the next couple of years, we will have good line of sight to that shift. I think the team has come in with real clarity on how to reset, change and renew that business profile. I think that involves a ton of cost out. We announced back in December, 12,000 people out of Power. We are really rightsizing our supply chain operation there, both in the core equipment side and the parts side. And as we get into '18 and '19, you're going to continue to see us just go very deep on restructuring in that business to make sure that we get that right. On the renewables side, competitive market. And certainly, there's pricing pressure there. We've done a really nice job on product cost and really making sure that product cost outpaces, as best we can, with that price dynamic that we see. We think the market is going to be very healthy there over the next couple of years, in particular. The thing you have to remember on renewables as well is that from a return on capital perspective, in spite of the single-digit return profile you see on op margin, you still see a pretty healthy ROIC there. And the team, again, the team is very focused. I think from a supply chain variable cost perspective, that's their primary focus area.

Julian C.H. Mitchell - *Barclays PLC, Research Division - Research Analyst*

Understood. And on the Power OE restructuring, is the size of it -- 12,000 people, and there were some before and there'll be, I'm sure, additions to that plan. But is the current cost-out plan, is that predicated on a 30-ish gigawatt market for large gas? Or it builds in some kind of recovery on the OE side in the next 3 years?

Jamie S. Miller - *General Electric Company - Senior VP & CFO*

The path that we see ourselves on is to rightsize for the market we see. So for right now, '18, we're focused on a 30 to 35 gigawatt of power market. We think rightsizing for what we see, we still have enough capacity and enough upside there to really make sure we can manage the market or respond to the market as to what we see in '19 and '20. But I'd say right now, we're really tracking towards $1 billion of cost-out this year for Power. Some of that will tail into '19, and then we'll be sort of continually evaluating that profile and where we need to go.

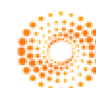
Julian C.H. Mitchell - *Barclays PLC, Research Division - Research Analyst*

And when you look at this power cycle versus previous ones, because every few years there's been a severe downturn in history, is there anything you think that's very different about this one or anything that would suggest that you do not get some kind of snapback in OE? Do you feel there's underinvestment in thermal power globally today? Or do you think this is a reasonable status quo?

Jamie S. Miller - *General Electric Company - Senior VP & CFO*

I think the impact of renewables certainly is different, this compared to prior. We think gas power over the next couple of decades continues to be a strong sort of player in the portfolio construct when you think about power generation. We don't necessarily see the kind of snapback that you reference. I think what we see is sort of a steady look over the next couple of decades. I think what's important to think about, it's less about the equipment side for us and more about the actual utilization side. And that services flow, you see as this installed base really runs and generates power over the next several decades.

©2018 Thomson Reuters. All rights reserved. Republication or redistribution of Thomson Reuters content, including by framing or similar means, is prohibited without the prior written consent of Thomson Reuters. 'Thomson Reuters' and the Thomson Reuters logo are registered trademarks of Thomson Reuters and its affiliated companies.



THOMSON REUTERS

Julian C.H. Mitchell - *Barclays PLC, Research Division - Research Analyst*

And is the assumption on that $1 billion of cost-out -- and then we can move on to other businesses. The $1 billion of cost-out in Power, is the assumption that the vast majority drops through into your EBIT? Or should we worry about a lot of it leaking out onto price or cost overrun? Or you're assuming or we should assume it's retained in the [reported]?

Jamie S. Miller - *General Electric Company - Senior VP & CFO*

I think you have to think about it. We guided in '18 to a range for Power, and I think you have to think about it as being realized within that range we guided to. Any time you're in a market transition, cost-out is going to get eaten in some respects by your volume transition. Take Transportation, when I was there, I came in, in '15, just as the market was really starting to shift, we took 30% of our structural cost out over a 2-year period, really, to hold and have positive leverage between our op margin rate and our revenue rate. But it was also at a point in time when the market was really downshifting, so you didn't necessarily feel that, but it really preserved a healthy op profit profile. And I think you have to think about some of these market shifts the same way.

Julian C.H. Mitchell - *Barclays PLC, Research Division - Research Analyst*

And I think one issue that people have sort of struggled to get their head around, and that's why you see, I guess, the consensus EPS is below the guidance range for this year, is the sense that you had guided for mid-single-digit Industrial profit growth in '18 back in November, then you ended the year a little bit lighter, but kept the guide. So the perspective seems to be, well, what's got better, then, if Power is a lot worse, to offset it? Is that -- has something got better in the other businesses? Or are people just thinking about it the wrong way?

Jamie S. Miller - *General Electric Company - Senior VP & CFO*

There's a few things to think about. One, I think we had a pretty pragmatic view of Power coming into '18 already anyway, and that may not have been fully reflected by how folks were thinking about it. I'd say number two, we do see a strong profile for some of our other businesses. I mean, Aviation, Healthcare, are continuing to look strong in '18. And then GE Capital, we talked about in January, the fact that we expect GE Capital to be about breakeven in '18 and '19. And that is a place where it splits a shift in terms of what we see going forward. And that is a case where I think what you should expect is we're probably more at the lower end of that range than we were before because of that. But I think those other offsetting pieces are really what you see.

Julian C.H. Mitchell - *Barclays PLC, Research Division - Research Analyst*

Got it. And for this year as a whole, I guess, we should think about it as a very back-end loaded year. You just cost out the restructuring, everything else lends itself to a very heavy sort of second half versus first half on the earnings front, I guess.

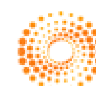
Jamie S. Miller - *General Electric Company - Senior VP & CFO*

We've always been a bit more of a second half to first half company. And there's some seasonality as you really look at the profile of GE. So I think that's not unfair, certainly. I think as you look at cash, that's probably a similar dynamic. We feel like we've got really strong line of sight to how we look at free cash flow and the components of where that will come from and which businesses. But again, the first quarter is always something that's a little seasonal as well there in terms of the last several years being negative, and I see that same profile in first quarter on free cash flow.

Julian C.H. Mitchell - *Barclays PLC, Research Division - Research Analyst*

Yes, understood. And then it's sort of tricky to talk about, I guess, because it's a public entity in its own right, but how should we think about Baker Hughes-GE in the scheme of the divestment program and everything else?

©2018 Thomson Reuters. All rights reserved. Republication or redistribution of Thomson Reuters content, including by framing or similar means, is prohibited without the prior written consent of Thomson Reuters. 'Thomson Reuters' and the Thomson Reuters logo are registered trademarks of Thomson Reuters and its affiliated companies.



THOMSON REUTERS

Client Id: 77

Jamie S. Miller - *General Electric Company - Senior VP & CFO*

We've taken a good look at our investment in Baker Hughes-GE. And look, we want to make sure that whatever we do there, both the investments we're making, the partnership we have with management on synergies and how we think about our investment profile, that we think about that in the context of just creating value for both Baker Hughes-GE shareholders and for GE shareholders. We like that combination a lot. Management is doing a very nice job executing in the portfolio, and we have a lot of confidence in them and their plan. Obviously, given today's valuation levels, we see a lot of upside there. We like the macro trends. And at this point in time, we have no intent to change anything or execute prior to the expiration of any of the lockup periods.

Julian C.H. Mitchell - *Barclays PLC, Research Division - Research Analyst*

Yes, got it. And maybe we'll move quickly to the audience response. Questions, please?

(Voting)

Julian C.H. Mitchell - *Barclays PLC, Research Division - Research Analyst*

All right. Okay. More positive than many. And the next one, please?

(Voting)

Julian C.H. Mitchell - *Barclays PLC, Research Division - Research Analyst*

Okay. Next one?

(Voting)

Julian C.H. Mitchell - *Barclays PLC, Research Division - Research Analyst*

Sort of clear. Number four, please?

(Voting)

Julian C.H. Mitchell - *Barclays PLC, Research Division - Research Analyst*

Number five, please?

(Voting)

Julian C.H. Mitchell - *Barclays PLC, Research Division - Research Analyst*

Yes. Okay. And the last one, please?

(Voting)

©2018 Thomson Reuters. All rights reserved. Republication or redistribution of Thomson Reuters content, including by framing or similar means, is prohibited without the prior written consent of Thomson Reuters. 'Thomson Reuters' and the Thomson Reuters logo are registered trademarks of Thomson Reuters and its affiliated companies.

THOMSON REUTERS

Client Id: 77

Julian C.H. Mitchell - *Barclays PLC, Research Division - Research Analyst*

All right. And maybe one thing, Jamie, on the point on execution being a big factor for people. There's obviously the notion that, well, if you had fewer segments, however you want to call it, a more simple business, the execution would improve on what's left. What's the thinking on the portfolio now? You have the $20 billion of divestment. Has anything changed on that number because of, say, the tax cuts, so it's maybe more attractive for people to exit assets? Is there any scope for that number to be higher? And also, I guess, on what's left post that $20 billion figure, is there anything precluding a broad disaggregation of the business, the weight of the -- or the size and weight of the liabilities, for example, at GE Capital? Or is there a fair amount of flexibility even thinking about the pension and insurance cash and so forth?

Jamie S. Miller - *General Electric Company - Senior VP & CFO*

So maybe I'll take that in a couple of parts here. So first, on the tax element of it and the dispositions. We are currently on track and working through, some announced and many that have not been announced, dispositions. Tax is always an element we look at very carefully on that. I wouldn't say it's really changed the profile there, though. And then I'll talk about the portfolio maybe in 2 respects. Number one, I'd say right now as a company, we're focused on 4 big things: one is resetting the profile of the company; number two is making sure we run it for cash and for returns; number three is just running the company better operationally; and I would say the fourth is really making sure we've got the right construct and thinking around the portfolio as we go through it, which really gets to your last question. And I have to tell you, for the first part of that, which is running better, the second part of that is portfolio, I believe this is an and more than it's an or in terms of how you have to think about value creation for shareholders. From a portfolio perspective, as we -- as I've come into the job, I mean, one of the things we're doing very deeply right now is really building the long-term financial model of the company and building that with an equal weighted view towards both upside as well as downside risk. And then as we really parlay that and juxtapose it against sort of the portfolio and the structural piece of it, we'll look at dis-synergies as much as we'll look at synergies. So I'd think about this as being something that we're very committed to a more conservative balance sheet profile. We will make sure that all of our sort of constituents in the process, whether they're debt holders or pension holders, that we really manage that appropriately. But it's also something that I think the portfolio, the capital allocation piece of this is really going to be a journey for the company. And John talked about that a little bit in January. And I think what you'll see us discuss as we get later into spring and really throughout the rest of the year is what that really means for the company and how we see it and where we'll execute.

Julian C.H. Mitchell - *Barclays PLC, Research Division - Research Analyst*

But the management changes that you've made in businesses like Power and elsewhere, those are, I guess -- it may make sense to see how those work out first before necessarily doing anything drastic in terms of extra exits. Is that fair?

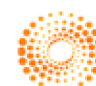
Jamie S. Miller - *General Electric Company - Senior VP & CFO*

Well, this is why I say it's an and, and not an or, because set anything else aside, the most important that we have to do is run this company well. And I think the reset of how we think about it, running it for cash and returns and having deep operational rigor as we do it, which involves leadership changes. It involves just really making sure we're reorienting folks on the right path. All of those things, we have to do to create value and make sure these businesses are really structured well to perform. And I think anything we do with respect to capital allocation decisions is something that's in addition to that. But no doubt, I think Power is a huge focus over the next couple of years.

Julian C.H. Mitchell - *Barclays PLC, Research Division - Research Analyst*

Any other questions from the audience? I guess, operationally, if we think about non-Power, how it gets no attention, but how -- just give us an update on profitability, the top line growth outlook in some of those other areas? Was the guidance set conservatively for those for 2018? Are you looking at Aviation and Healthcare, in particular?

©2018 Thomson Reuters. All rights reserved. Republication or redistribution of Thomson Reuters content, including by framing or similar means, is prohibited without the prior written consent of Thomson Reuters. 'Thomson Reuters' and the Thomson Reuters logo are registered trademarks of Thomson Reuters and its affiliated companies.



THOMSON REUTERS

Client Id: 77

Jamie S. Miller - *General Electric Company - Senior VP & CFO*

I think guidance was set pragmatically. I think we tried to think about -- we think Aviation and Healthcare, Aviation is in a great cycle right now. We see the LEAP launch being manageable as we get into '18. We see the wave of Aviation shop visits, particularly with the CFM engine being very strong as we get into '18. And the Aviation team is really executing well, running well, so we see a nice profile there. I'd say Healthcare should be pretty in line with '17. They've seen nice revenue growth. They've seen really a nice, steady operating margin expansion over the last 3 years. The team is running that business extraordinarily well right now, and I think you'll see that continue. We talked a little bit about renewables before. Transportation, you should expect volume to come down again as we get into '18. '18 is really that troughing and that floor in that cycle for the Transportation business. We are seeing some green shoots in the market there. We had a nice Class 1 order in the fourth quarter. We're seeing some nice sort of orders activities starting to take shape for 2018, so I think that's good for that business. And then Baker Hughes-GE, we talked about a little bit. I think the macro trends there look good. Baker Hughes is a little bit of a tale of 2 cities. We've got oilfield services, which is starting to really show some nice activity, but you also have the long cycle coupled with that, which hasn't really started to move yet. We haven't seen those macro sort of buying behaviors shift yet. But we do think, as we get into late this year and the next, we'll start to see some movement there. So that's a little bit about maybe the macro in the other businesses.

Julian C.H. Mitchell - *Barclays PLC, Research Division - Research Analyst*

Fantastic. Well, I think we're out of time, unfortunately. So thank you very much.

Jamie S. Miller - *General Electric Company - Senior VP & CFO*

Thanks, Julian. Okay.

DISCLAIMER

Thomson Reuters reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes.

In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES THOMSON REUTERS OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2018, Thomson Reuters. All Rights Reserved.

©2018 Thomson Reuters. All rights reserved. Republication or redistribution of Thomson Reuters content, including by framing or similar means, is prohibited without the prior written consent of Thomson Reuters. 'Thomson Reuters' and the Thomson Reuters logo are registered trademarks of Thomson Reuters and its affiliated companies.

THOMSON REUTERS