

REFINITIV STREETEVENTS

# EDITED TRANSCRIPT

LOW.N - Q4 2022 Lowe's Companies Inc Earnings Call

EVENT DATE/TIME: MARCH 01, 2023 / 2:00PM GMT

## OVERVIEW:

LOW reported 4Q22 sales of \$22.4b and GAAP diluted EPS of \$1.58. Co. expects FY23 sales to be \$88-90b and EPS to be approx. \$13.60-14.00.

## CORPORATE PARTICIPANTS

**Brandon Sink** *Lowe's Companies, Inc. - Executive VP & CFO*

**Joseph Michael McFarland** *Lowe's Companies, Inc. - EVP of Stores*

**Kate Pearlman** *Lowe's Companies, Inc. - VP of IR*

**Marvin R. Ellison** *Lowe's Companies, Inc. - President, CEO & Chairman*

**William P. Boltz** *Lowe's Companies, Inc. - EVP of Merchandising*

## CONFERENCE CALL PARTICIPANTS

**Brian William Nagel** *Oppenheimer & Co. Inc., Research Division - MD & Senior Analyst*

**Gregory Scott Melich** *Evercore ISI Institutional Equities, Research Division - Senior MD*

**Karen Fiona Short** *Crédit Suisse AG, Research Division - Research Analyst*

**Michael Lasser** *UBS Investment Bank, Research Division - MD and Equity Research Analyst of Consumer Hardlines*

**Patrick Aaron Hollander** *Goldman Sachs Group, Inc., Research Division - Research Analyst*

**Peter Sloan Benedict** *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

**Simeon Ari Gutman** *Morgan Stanley, Research Division - Executive Director*

**Steven Paul Forbes** *Guggenheim Securities, LLC, Research Division - Analyst*

## PRESENTATION

### Operator

Good morning, everyone, and welcome to Lowe's Companies Fourth Quarter 2022 Earnings Conference Call.

My name is Rob, and I'll be your operator for today's call. As a reminder, this conference is being recorded.

I will now turn the call over to Kate Pearlman, Vice President of Investor Relations and Treasurer.

---

### Kate Pearlman - Lowe's Companies, Inc. - VP of IR

Thank you, and good morning. Here with me today are Marvin Ellison, Chairman and Chief Executive Officer; Bill Boltz, our Executive Vice President, Merchandising; Joe McFarland, our Executive Vice President, Stores; and Brandon Sink, our Executive Vice President and Chief Financial Officer.

I would like to remind you that our notice regarding forward-looking statements is included in our press release this morning, which can be found on Lowe's Investor Relations website.

During the call, we will be making comments that are forward-looking, including our expectations for fiscal 2023. Actual results may differ materially from those expressed or implied as a result of various risks, uncertainties and important factors, including those discussed in the risk factors, MD&A and other sections of our annual report on Form 10-K and our other SEC filings.

Additionally, we'll be discussing certain non-GAAP financial measures. A reconciliation of these items to U.S. GAAP can be found on the quarterly earnings section of our Investor Relations website.

Now I'll turn the call over to Marvin.

**Marvin R. Ellison** - *Lowe's Companies, Inc. - President, CEO & Chairman*

Thank you, Kate, and good morning, everyone. In the fourth quarter, our total company comparable sales declined 1.5%, while U.S. comps decreased 0.7%.

For the quarter, commodity deflation impacted U.S. comps by 75 basis points. Our investments in the Pro customers continue to pay dividends for the company reflected by our continued strong Pro sales in the fourth quarter. In fact, this is the 11th consecutive quarter that we've driven double-digit Pro growth in the U.S. despite stronger-than-expected commodity deflation.

And while there was continued solid DIY demand in core home improvement categories, as expected, we saw a DIY pullback on holiday gift buying. Despite a modest decrease in sales, we once again improved our adjusted operating margin by maintaining our disciplined focus on productivity.

During the quarter, adjusted operating margin expanded approximately 88 basis points leading to adjusted diluted earnings per share of \$2.28, a 28% increase compared to last year. These results cap off solid financial performance for fiscal 2022 with sales of \$97.1 billion, adjusted operating margin of 13%, and adjusted earnings per share of \$13.81 up 15% over the prior year.

With these results, we're awarding \$220 million in discretionary and profit-sharing bonuses to our associates, which includes an incremental \$70 million for our assistant store managers and supply chain supervisors who hold 2 of the most critical frontline leadership roles in the company. This builds on our recent \$170 million investment in permanent wage increases for our frontline, hourly associates, which went into effect in December.

Since 2018, we've invested over \$3 billion in incremental wages and share-based compensation for our frontline associates, including increasing associate wages by over 20%. And as we mentioned at our December Analyst and Investor Conference, we are committed to additional frontline wage investments over the next several years, which are contemplated in our long-term targets. These compensation investments are just one reflection of our commitment to becoming the employer of choice in retail, which Joe will discuss in more detail.

Throughout the quarter, we continued to gain traction with our Total Home Strategy as consumers remain engaged in home-related activities. In Pro, we delivered U.S. growth of 10% and 36% on a 2-year basis. We are capitalizing on our momentum with our Pro by growing our MVPs Pro Rewards and Partnership Program, building relationships through our CRM tool and continuing to enhance our product assortment to meet Pro needs.

One example of enhancing our Pro product assortment is the exciting news that Klein tools will be coming back to Lowe's. We know that our Pros are officially loyal to certain national brands and Klein is the #1 hand tool brand among electrical and HVAC professionals. This creates immediate credibility across trades. Bill will share more detail on this exciting addition to our assortment later in the call.

Now one question many of you have asked is about our Pro backlog and if they're still healthy. We're in constant communication with our Pros through formal surveys, our Pro council and countless day-to-day conversations. In our January survey, more than 70% of Pros stated that they were booked out the same or more compared to 2022, and they remain confident in their ability to find jobs and hold on to their backlog. We believe this dynamic is being fueled by all the things we talked about at our December Analyst and Investor Conference, which includes homeowners with strong balance sheets and record levels of equity.

On Lowes.com, sales grew 5% on top of 11.5% growth in the fourth quarter of 2021, partly due to strong appliance sales. This represents a 2-year comp of 17% and more than 11% sales penetration. We continue to remove friction from the customers' online experience, which includes adding Apple Pay this quarter to improve conversion.

We're also focused on removing friction from our customers' omnichannel shopping journeys, like for appliances where customers often shop our showrooms before making their purchase online. We also continue to make strides in the rollout of our market delivery model for appliances and other big and bulky products.

We added 2 new geographic areas this quarter, bringing us to 10 geographic regions across the country supporting more than 1,000 stores. And as a reminder, in the market-based delivery model, big and bulky products flow from our supply chain directly to customers' homes replacing our inefficient store delivery model. This delivery model is enabling us to further consolidate our industry leadership position in appliances and it positions us for profitable growth in other big and bulky product categories like grills, riding lawnmowers and stock cabinets.

Turning to Canada. We completed the sale of our Canadian retail business to Sycamore Partners this quarter. As a result, we are now solely focused on the transformation of our U.S. business, where we estimate we have a \$1 trillion addressable home improvement market, enabling us to invest more into higher-return opportunities to grow our business and to take market share. I'd like to extend my appreciation to the entire Canadian team for their commitment to serving our customers, and I wish them the best as they move forward under new ownership.

Before I close, I'd like to share my perspective on the home improvement market. And as you know, there is a wide range of conflicting opinions on what's going to happen in the macro environment in 2023. From our perspective, the core drivers of our business, disposable personal income, home price appreciation, and the age of housing stock, remain supportive. Consumer savings are still roughly \$1.5 trillion higher than pre-pandemic with 85% concentrated in the top 40% of income earners who are more likely to be homeowners. Homeowners continue to enjoy record levels of equity in their homes, nearly \$330,000 on average. Even if there is a modest decline in home prices, the level of equity built up during the pandemic would not be meaningfully eroded. And the housing stock continues to age with 50% of U.S. homes over 41 years old, the oldest since World War II.

These factors, along with strong millennial household formation, baby boomers' increasing preference to age in place and more widespread remote work will continue to be tailwinds for our business.

And given the slowdown in housing turnover is driven by higher rates and low supply rather than demand, we continue to see a nationwide trend of trading up in place with consumers opting to upgrade their existing home to meet their evolving needs. All of these dynamics give us confidence in the medium- and longer-term outlook for the industry.

That being said, we also know that consumers are weary of a potential recession, which is reflected in some of the discretionary pullback we experienced during the holiday season. We're closely monitoring trends and we have a proven playbook to pivot quickly if the macro softens.

Our results in the fourth quarter demonstrate our operational agility, which is reflected in our ability to leverage expenses and deliver productivity in a negative comp sales environment. This gives our experienced leadership team confidence in our ability to effectively manage the business in a wide variety of macro scenario.

In closing, I'd like to thank our frontline associates for their commitment to serving customers day in and day out. As I travel to country every week visiting stores, I continue to be impressed by their passion for helping customers and their communities.

And with that, I'll turn the call over to Bill.

---

**William P. Boltz** - Lowe's Companies, Inc. - EVP of Merchandising

Thanks, Marvin, and good morning, everyone. In the fourth quarter, U.S. comparable sales decreased slightly by 0.7%, though sales were up 34.4% on a 3-year basis, reflecting continued momentum with the Pro and resilience in core DIY home improvement demand.

We delivered positive comps in home decor, fueled by key categories like appliances, paint, and kitchen and bath. And we delivered strong growth in our Building Products division, excluding the impacts of commodity deflation. We are particularly encouraged by the Pro strength we're seeing across categories, including rough plumbing, building materials, paint and millwork as we continue to expand our product and service offerings to meet their needs.

And consistent with our Total Home Strategy, we continue to add brands relevant to Pros, including 4 new partnerships. First, we're adding a portfolio of drinks from Coca-Cola to reduce the number of stops Pros make before going to the job site, which is important since time is money for these customers.

Second, we are adding Carhartt Apparel that's popular with both our Pro and our DIY consumer, especially in our rural stores.

Third, we have entered a new national partnership with Hubbell, giving us access to all of their Pro branded electrical boxes, including Bell, TayMac and RACO.

And fourth, we are excited to be bringing back Klein tools. As Marvin mentioned, this is the #1 hand tool brand among electrical and HVAC professionals. So this is just a big deal for us and our Pros.

We are also really excited to announce that Lowe's will offer the widest selection of Klein products anywhere in the home improvement retail channel, which will be available in the second half of 2023.

Our initial selection of Klein tools will include hand tools and electrical test and measurement tools, followed by a multiyear rollout of new product innovations.

Klein Tools, Hubble, Carhartt and Coca-Cola are strong additions to our Pro brand arsenal, which already includes other great brands like Bosch, DEWALT, Eaton, Estwing, FastenMaster, FLEX, GRK, ITW, LESCO, Little Giant, Lufkin, Mansfield, Marshalltown, Metabo, SharkBite, Simpson Strong-Tie, SPAX, Spyder and Werner.

As we gain momentum with the Pro, we continue to see brands come to Lowe's and in many cases, come back to Lowe's because they recognize our newfound recommitment to the Pro and see the opportunity to grow with us.

Shifting to our merchandising division performance for the quarter. In home decor, appliances, paint and kitchens and baths led the way.

Appliances grew across both Pro and DIY as we continue to gain market share in this critical category. Growth was bolstered by our new instant savings capability that automatically applies supplier rebates to a customer's order, making it much easier and faster for them to take advantage of these offers, which are supported by the manufacturer. This replaces our cumbersome mail-in rebates with real-time savings, both in stores and online, to remove friction for the customer and improve conversion. This innovation is another example of Lowe's leapfrogging the competition with technology that not only improves the customer experience, but also drives labor productivity.

Paint was another standout category with solid pro-growth fueled by our MVPs Pro Paint Rewards and Pro jobsite delivery. We're also seeing an uptick in paint attachments items like applicators, paint sundries and caulk as we upgrade our paint departments across our stores. This upgrade is strategically designed to make it easier for our customers to get everything they need in one trip.

We also began the launch of STAINMASTER paint, a high-quality, high-value solution for busy families looking to protect their walls from fingerprints and other messes. This is Lowe's first-ever private brand paint and early results are already outperforming our expectations.

Our focus on driving private brand penetration is well timed enabling us to capitalize on the nationwide trend of increasing customer preference for private brands.

Another category that outperformed this quarter is kitchens and bath. We were particularly encouraged to see a strong increase in demand for custom cabinets driven by improved lead times as well as an expanded suite of digital tools, along with our team of talented virtual designers, all of which help our customers tailor the right solutions for their budgets and design preferences.

Turning to the Building Products division. We delivered strong, broad-based growth, excluding the impacts of commodity deflation across copper and lumber. We delivered strong positive comps across rough plumbing, building materials and millwork driven by Pro demand and continued DIY investment in the home.

Our performance in hardlines was consistent with broader consumer trends as we saw a decrease in holiday gift buying compared to the prior year. However, the team still delivered a solid holiday season with sell-throughs above 2019 levels. As expected, consumers reverted to more typical holiday buying patterns as compared to last year when we saw a widespread early buying due to supply chain concerns.

As we look ahead, we continue to build on our customers' preference for new and innovative products with continued enhancements to our product assortments. We are expanding on our popular Kobalt 24-Volt platform with new tools and technology that customers have been asking for, including a cordless Kobalt nailer that can instantly fire 1,100 nails on a single charge, eliminated the need to drag an air compressor and a hose around the job site.

We're also excited about our new EGO zero turn radius mower with the industry's first e-STEER technology. With the sleek, intuitive steering wheel that increases the driver's control and precision, powered by the EGO battery system that now allows this unit to mow 3 acres on a single charge.

We are ready to capitalize on spring with the best in-stock positions that we've had in 3 years, right on time to support our biggest selling season of the year. In addition to an enhanced assortment and strong in-stock levels, we're also making strides in driving merchandising productivity as part of our enterprise-wide perpetual productivity improvement initiatives.

As one of the larger importers in the U.S., we continue to leverage our scale and carrier relationships to secure capacity and reduce our import and domestic transportation costs. As the cost of transportation and raw materials come down, we are working with our suppliers to ensure that our prices are competitive to support sales and to protect our margins.

We have sophisticated cost optimization tools that track prices of the underlying components of the products we sell. So the teams are well informed for these discussions. We are also holding our suppliers accountable to drive out costs through their productivity just as we are doing throughout our own organization.

We are also partnering with our suppliers through our Lowe's One Roof Media Network. Some of our top suppliers have already locked in sizable contracts for 2023, and we are excited to partner with them to strategically target the home improvement shopper to drive traffic on Lowes.com and convert to sale.

Before I close, I'd like to extend my appreciation to our merchants and our inventory and supply chain teams, along with our vendor partners for their hard work and continued support throughout 2022. I'm looking forward to what we will accomplish together in 2023 as we continue to find ways to provide value to our shared customers.

Thank you. And I'll now turn the call over to Joe.

---

**Joseph Michael McFarland** - Lowe's Companies, Inc. - EVP of Stores

Thank you, Bill, and good morning, everyone. I'd like to start by thanking our associates for their unwavering commitment to serving our customers and delivering another solid year of operating results. Associates are the heart of any retailer, but even more so in our industry where customers rely on our associates' product knowledge as they look for the right solutions to repair and upgrade their homes. That's why we are so focused on becoming the employer of choice in retail, where associates chose to stay to build their careers.

As Marvin mentioned, we've made substantial wage investments over the last 4 years, and we constantly review each market and monitor candidate flow to help us remain competitive and maintain a robust hiring pool in all geographic areas of the company.

Beyond competitive compensation, we offer comprehensive benefits, flexible scheduling options and bonus opportunities. As we close out the year, we are excited to award \$220 million in discretionary and profit-sharing bonuses. This includes \$70 million for our assistant store managers and supply chain supervisors with an incremental \$7,500 bonus this quarter on top of their annual incentive bonus, and we are one of only a handful of retailers to offer share-based compensation for our ASMs and which incentivizes them to build their careers at Lowe's. These critical leaders are undoubtedly some of the hardest working leaders in our company, and they are at the forefront of creating a culture focused on exceptional customer service.

In addition to recognizing these leaders, we are also awarding \$150 million to eligible hourly associates in recognition of their efforts this year. Based on continuous associate listening we also added other improvements this quarter, including sick leave for part-time associates in revamping our store break rooms with higher quality, lower-cost, food options.

Our investments in our people have helped us build more than 80% of leadership positions from within over the last year with more than 90% of our store leaders starting as hourly associates. As we enter spring, our busiest time of year, I'm pleased that we have the best staffing levels that we've had in 3 years.

Our focus on associates also translates into how we're serving the Pro, which is our biggest opportunity for growth. This quarter, we launched a Know the Pro training, helping our associates understand how to better serve Pro customers across the entire store, not just at the Pro desk. This training supported storewide participation in key Q4 Pro events, including the most successful PROVember we've ever had as well as our MVPs bonus days, which exceeded expectations.

I would like to thank our associates, especially our Pro team for delivering outstanding results, driving U.S. Pro comps of 10% for the quarter, 36% on a 2-year basis despite commodity deflation.

We continue to leverage our MVPs Pro Rewards and Partnership Program to capitalize on this demand by engaging Pros, incentivizing purchases and building long-term loyalty. Our program is designed to make every Pro feel like an MVP regardless of their size, giving small- to mid-size Pros, access to bonus points, savings and exclusive offers that they can't get elsewhere.

We're pleased to see the results continue to exceed expectations as reflected in our 200 basis points increase in Pro customer satisfaction scores in Q4.

Shifting gears to our focus on productivity. We continue to make progress with our PPI or perpetual productivity improvement initiatives. One of the key objectives of PPI is simplifying our associates' jobs while removing friction for our customers. This approach allows us to generate productivity and cost savings in the store while simultaneously improving customer service.

One great example of this is the transition of our outdated legacy technology to our new modern omnichannel systems. We just completed the conversion at our returns desk with easy-to-use touchscreens that enable associates to quickly scan items and process to correct return value, with the system automatically accounting for return policies and promotions. This simplifies the return experience for customers, gives our suppliers more insights to improve product quality, while also making it easier for associates to enforce our policies and manage complex returns.

We also continue to roll out new tools, including 90,000 additional Zebra smartphones by the end of June, to ensure all associates walking the sales floor have a device, including our MST associates.

Our leadership team knows that when we make things easier for our associates, they make things easier for our customers. And our new returns process is just one example of the dozens of initiatives underway to do just that. And of course, none of this would be possible without our associates.

For our associates tuning in, thank you for your ongoing focus on serving customers and driving productivity. We appreciate your hard work.

And with that, I'll turn the call over to Brandon.

**Brandon Sink** - *Lowe's Companies, Inc. - Executive VP & CFO*

Thank you, Joe, and good morning, everyone. Let me begin with our Q4 results. We generated GAAP diluted earnings per share of \$1.58 compared to \$1.78 last year. Now my comments from this point forward will include certain non-GAAP comparisons where applicable.

Excluding the \$441 million of pretax transaction costs associated with the sale of our Canadian retail business, we generated adjusted diluted earnings per share of \$2.28, an increase of 28% compared to the fourth quarter of 2021. This increase was driven by our continued focus on productivity as well as disciplined capital allocation. Q4 sales were \$22.4 billion, which includes approximately \$1.4 billion in sales generated in the 14th week. Comparable sales declined 1.5%.

U.S. comp sales were down 0.7% in the quarter with comp average ticket up 4.8% driven by product inflation and higher Pro sales partly offset by 75 basis points of lumber deflation. This was offset by a comp transaction decline of 5.5%.

Sales in Canada totaled \$958 million, a decline of 18% in USD on a comparable basis, partly driven by exchange rate unfavorability due to a stronger dollar and lumber deflation.

FX represented a 25 basis point headwind to consolidated comps. Of note, both the Canadian sales decline and lumber deflation pressured our Q4 comps more than expected. U.S. Pro sales were up 10% in the quarter despite lumber and copper deflation.

On Lowes.com, sales increased 5% in the quarter, partly driven by continued strength in appliance. Our U.S. monthly comps improved as we moved through the quarter, with comps down 3.1% in November due to DIY pullback on discretionary holiday spending. In December, comps were down 0.2%, with comps turning positive in January, up 1.4%, reflecting continued DIY investment in the home.

Gross margin was 32.3% of sales in the fourth quarter, down 60 basis points from last year. Product margin rate improved 15 basis points versus the prior year. Gross margins also benefited from 30 basis points of favorable product mix due to a lower percentage of lumber sales.

Higher product margin rate was offset by 40 basis points related to the expansion of our supply chain network, 30 basis points of pressure from shrink and 35 basis points of pressure from our private label credit portfolio.

Adjusted SG&A of 20.9% of sales levered 131 basis points relative to Q4 2021 despite a modest decline in sales as we executed on our PPI initiatives across the company.

Adjusted operating margin rate of 9.6% of sales levered 88 basis points as adjusted SG&A leverage was partly offset by lower gross margin rate.

The adjusted effective tax rate was 24% below prior year levels. Inventory ended the quarter at \$18.5 billion, which now solely reflects the inventory for our U.S. business as we closed on the sale of the Canadian retail business on February 3.

Inventory is up \$0.9 billion from the same quarter last year, largely driven by product inflation with units down slightly to prior year. We continue to shift our inventory mix more towards Pro categories as we invest to drive future growth.

Now let me turn to capital allocation. In 2022, we generated \$6.8 billion in free cash flow driven by outstanding operating results, and we returned \$16.5 billion to our shareholders through both share repurchases and dividends.

During the fourth quarter, we paid \$643 million in dividends at \$1.05 per share and repurchased 10 million shares for \$2 billion. This brought the total to \$14.1 billion in share repurchases for the year, ahead of our expectations for approximately \$13 billion. This reflected better-than-expected operating performance and our commitment to return excess cash to shareholders.

We ended the quarter at 2.44x adjusted debt-to-EBITDA. And finally, we delivered return on invested capital of 30.4%, inclusive of an 800 basis point impact related to transaction cost associated with the sale of our Canadian retail business.



Turning to our 2023 financial outlook, which we introduced this morning. As Marvin indicated, the long-term outlook for home improvement remains strong. However, in 2023, residential investment will be under some pressure. Given elevated levels of inflation, higher interest rates and a more cautious consumer, we are forecasting a slight decline in the home improvement market.

We expect to continue to outperform the market in 2023 with sales ranging from \$88 billion to \$90 billion. Comparable sales are expected to be in a range of flat to down 2%. Keep in mind that 2023 comparable sales will be calculated based on weeks 2 through 53 in fiscal 2022.

Pro sales growth is expected to exceed DIY again in 2023 as we expect to continue to outpace the broader Pro market growth by 2x. We will continue to build on our momentum with the Pro with our new MVPs Pro Loyalty Program, CRM tools, and our expanded Pro brand lineup. We are expecting operating margin in the range of 13.6% to 13.8% as we continue to drive productivity through our PPI initiatives across the organization in part to offset our planned wage investments.

For 2023, we are expecting to invest \$350 million in incremental wages for our frontline associates, which includes the 2023 portion of the \$170 million permanent wage investment that went into effect in December.

We expect capital expenditures of up to \$2 billion this year and with our planned share repurchases -- we also expect to reach our 2.75x leverage target in 2023, while maintaining our BBB+ credit rating. Our strong operating performance and shareholder-focused capital allocation strategy is expected to deliver approximately \$13.60 to \$14 in earnings per share for the year.

Keep in mind that there was an approximate \$0.25 contribution to adjusted EPS from the 53rd week in our Canadian business in 2022. I would like to spend a moment discussing our expectations for first half performance, which is an easier comparison from a sales perspective.

However, when we consider the impact of lower lumber prices, we are expecting a nearly 300 basis point headwind to sales in the first quarter and a 100 basis point headwind to sales in the second quarter. Given these impacts, we expect our first quarter sales comps to be below our full year guidance range and our second quarter sales comps to be above our full year guidance range.

In closing, I'm confident that the combination of our strong operating results and our shareholder-focused capital allocation strategies will continue to deliver meaningful, long-term shareholder value.

And with that, we will open it up for questions.

---

## QUESTIONS AND ANSWERS

### Operator

(Operator Instructions)

And our first question is from the line of Simeon Gutman with Morgan Stanley.

---

**Simeon Ari Gutman** - Morgan Stanley, Research Division - Executive Director

First, I have a macro and then a micro question. So you just comped -- roughly minus -- minus 1 in the U.S. with some rounding and the midpoint of the guide is minus 1. I know the monthlies -- when Brandon gave the monthlies that kind of answered it.

But ignoring comparisons, I guess the guidance assumes that largely the backdrop holds up. And I wanted to re-question that, given some of the deceleration in some of the housing metrics. So -- and what drives that?

---

**Marvin R. Ellison** - *Lowe's Companies, Inc. - President, CEO & Chairman*

I'll take the first part, Simeon. I'll kind of go back to what I said in some of the prepared comments. When we take a look at what our demand drivers are for home improvement -- and just to be specific, these are historical demand drivers that have held up over time. They still remain supportive.

And things like disposable personal income, which I mentioned, is roughly \$1.5 trillion in savings above pre-pandemic levels. The average equity in U.S. homes, roughly \$330,000 on average, the age of homes, and a reminder, 2/3 of everything we sell is nondiscretionary. And there are other tailwinds, millennial household formation trends, baby boomers aging in place, and more widespread, sustainable remote work. So all of these things give us some confidence that the backdrop remains supportive.

But as Brandon said, we still have some degree of caution when we think about discretionary buying, and that is factored into the guide.

So I'll let Brandon add anything additional to that.

---

**Brandon Sink** - *Lowe's Companies, Inc. - Executive VP & CFO*

Yes, Simeon, this is Brandon. I'll talk to your question specifically on Q4. As I said in the prepared remarks, inflation, interest rates, we are seeing a bit more of a cautious consumer, one that's anticipating and responding to value.

We saw this play out in November with discretionary holiday categories, but we did see a nice progression of performance across the quarter as we hit the January exit. And we continue to see solid DIY demand in core home improvement categories like appliances.

So as we turn and look at the guide in the next year, we feel comfortable with what we're seeing in Q4, very much in line with what we shared back in December in terms of the moderate scenario. And it's consistent with the market being down, call it, low single digits 2% to 3%. So I think we got a lot of good consistency with what we're seeing again in Q4 with what we're anticipating for the full year next year.

---

**Simeon Ari Gutman** - *Morgan Stanley, Research Division - Executive Director*

Okay. And the follow-up is more micro. Within this, the long-term guidance that you gave in December, the 14.5% to 15%, there's about \$150 million to \$200 million or so from OpEx productivity and then I think the -- some of the PPI initiatives. And I guess that's the stuff you can control.

I forget, if we discussed, if that's ratable. Meaning even across the time frame or are there things that you can pull forward this year or any year, if you need it? And/or is the cost environment going up such that it makes the achievement of that bucket any different?

---

**Brandon Sink** - *Lowe's Companies, Inc. - Executive VP & CFO*

Yes. Simeon, I would say ratable as we look at the 3-year period with what we shared in December. I mean, when we look at the algorithm for the guide for '23, we are expecting roughly flat gross margin. So the bulk of the 60 to 80 basis points of EBIT expansion that's reflected in the guide is coming from SG&A leverage, and it's being largely driven by our productivity initiatives.

So that's specifically just translating and transitioning from what we shared on the 3-year to what we're expecting from an SG&A standpoint in '23.

---

**Marvin R. Ellison** - *Lowe's Companies, Inc. - President, CEO & Chairman*

And Simeon, this is Marvin. The only thing I'll add is, if you take a look at Q4, just as an example, it just -- it shows that even in a flat to negative sales environment, we still have the ability to leverage productivity, whether that's expenses or operating margin. And I think that is consistent with the

PPI initiatives not being solely focused in one functional area, but as you heard at our December Analyst and Investor Conference, it's across all functions, merchandising, supply chains, to operations.

And so although it's ratable, we're very confident in our ability to deliver upon that in a variety of macro scenarios.

---

**Operator**

Next question is from the line of Kate McShane with Goldman Sachs.

---

**Patrick Aaron Hollander** - *Goldman Sachs Group, Inc., Research Division - Research Analyst*

This is Patrick Hollander on for Kate. We just wanted to ask about price elasticity. Another item discussed at the December Analyst Day was kind of the confidence in prices sticking but your competitor mentioned that they saw more price sensitivity in the fourth quarter than they had in the third quarter.

So first, are you guys seeing something similar? And then how do you address some of the price sensitivity, do prices need to come down? Will we see more markdown activity?

---

**Brandon Sink** - *Lowe's Companies, Inc. - Executive VP & CFO*

Yes. Patrick, this is Brandon. As it relates to the question on elasticity, stepping back, we look at the last 3 years through the pandemic, we saw consumers who were very resilient with higher prices, not necessarily impacting demand that we were seeing for our business.

As I mentioned in the last response, we are seeing more normal consumer trends with consumers anticipating and responding to value. So as we look at '23, we are expecting a modest inflation lift across the portfolio. Most of that is going to be wrap of inflation that we're seeing in 2022 lapping into 2023.

We're expecting that inflation to continue to slow, and we're seeing minimal activity in terms of new pipeline requests coming in from our supplier base. And that inflation is going to impact mostly first half as those benefits are expected to normalize as we move through the year, next year.

And then on the transaction side, we expect that inflation to be offset by a modest decline in transactions, which we also expect to see that improve across the year. So we're looking back half of the year and then into 2024 a more traditional balance between ticket and transaction.

---

**Operator**

Our next question comes from the line of Scot Ciccarelli with Truist.

---

**Unidentified Analyst** - *Truist Securities*

This is Joe on for Scot. I was really impressed by the Pro commentary. I was just wondering, is there any sort of regional thing that you'd break out whether or not people are more or less bullish on their outlooks and backlogs in areas where there's been more housing price correction?

---

**Marvin R. Ellison** - *Lowe's Companies, Inc. - President, CEO & Chairman*

So Joe, good question. What I'll tell you, there are a couple of markets around the country that had a more accelerated, what I would call, appreciation of home prices during the pandemic. And let's call out markets like South Florida, Phoenix, as an example.

And as you can imagine, we pay really close attention to those markets. We've not seen any material difference in sales performance in those markets as those prices tend to come -- are coming down than in the broader U.S.

And so when I cited the statistic that 70% of our Pros in our survey from January are very confident in their backlog being consistent to last year and being able to sustain it, that is pretty much a universal statement across all geographies.

What I can tell you is that we're very pleased with the performance of our MVP Loyalty Program and how it's sustaining and giving us the ability to drive sales. And I'll let Joe just touch a little bit on that program and how we think that's going to allow us to build loyalty and continue to grow this very important business.

---

**Joseph Michael McFarland** - *Lowe's Companies, Inc. - EVP of Stores*

Yes. Thanks, Marvin. And Joe, thanks for the question. As it relates to the Pro and the market, Marvin made his prepared comments. But as you dig deeper, there's kind of 5 key areas that we look at, which is the jobs how far out the Pro is booked in the next 6 months. Materials, can they get what they need and is it the right cost? Can they get to Pro credit? What does the labor market look like? And then just the balance of the type of work they do.

So remodel versus new construction. And as we track these and as we roll out our Pro loyalty program, we're pleased with the trajectory of the business and the health of this small Pro that we're servicing.

---

**Operator**

Our next question is from the line of Brian Nagel with Oppenheimer.

---

**Brian William Nagel** - *Oppenheimer & Co. Inc., Research Division - MD & Senior Analyst*

I apologize. My question may sound like similar prior questions. Going back to the comments made by your competitor last week, they discussed what -- they termed kind of broadening, if you will, of consumer normalization, consumer weakness.

You called out weakness around the holiday, the gift giving, discretionary. But are you -- would you characterize also seeing that, what they discussed in this kind of this broadening, a weakness in normalization across your portfolio?

---

**Marvin R. Ellison** - *Lowe's Companies, Inc. - President, CEO & Chairman*

Brian, it's a fair question. And I'd start off by saying Q4 is typically our highest discretionary selling period of the year because of the holiday season. But when we look at core home improvement categories, we feel really good about the performance of the DIY customer.

And I think as Brandon gave that monthly comp cadence for the fourth quarter, you notice that every month, the business performed stronger with a positive comp in January, and that was almost directly correlated to the DIY customer being stronger each month of the quarter because we moved away from that discretionary period that was so heavily focused on the month of November because of holiday buy.

So as we look at the overall customer, we look at the health of the DIY discretionary spending. We don't see any really red flags that we're concerned about because the core home improvement discretionary categories held up really well for us, case in point, appliances, case in point, paint. So those are areas that really performed well. And I'll let Brandon add any additional comments.

**Brandon Sink** - *Lowe's Companies, Inc. - Executive VP & CFO*

Yes, Brian, I'll just connect that to the guide, Marvin highlighted with what we're seeing more with the DIY customer. But just looking at the Pro and expectations into '23, continuing to outpace DIY 11 quarters in a row, double-digit comp, we're continuing to see Pro across all ticket ranges, both comp and transaction growth.

And while we did see DIY lag in 2022 in the discretionary category, some of what Marvin was describing, we are seeing those overall transactions continue to improve across the year. So when we look at '23, still expecting outperformance with the Pro but expecting that gap between Pro and DIY to continue to close and tighten, and that's what's reflected in our guide for next year.

---

**Brian William Nagel** - *Oppenheimer & Co. Inc., Research Division - MD & Senior Analyst*

That's very helpful. And then my follow-up question, just with regard to lumber prices. So you discussed here -- and we get it, this is kind of a pass-along dynamic when prices declined as a negative for sales.

But if we've gotten to the point where lumber prices have declined so much of -- that's actually becoming a potential stimulant to demand, I don't know if you're seeing this in your business or maybe in some of pooling of your professional customers?

---

**Brandon Sink** - *Lowe's Companies, Inc. - Executive VP & CFO*

Yes, Brian, I'll take that and, again, kind of connect it to the guide. So our guide at the midpoint for lumber, in particular, assumes a normalized pricing environment, certainly considered to what we've seen for the last 3 years.

And within that lumber assumption, as you heard in my prepared remarks, expecting headwind in both Q1 and Q2. And I'll call out also if that -- when we look at lumber pricing currently, if that were to play out across the remainder of the year, it actually puts another 100 basis points of pressure on the midpoint of the guide.

But to your point, within that, we are expecting an offset in units, and there's potential that, that could be a stimulant for our business. But again, right now, we're expecting and have considered at the midpoint of our guide, just more normalized pricing and a slight rebound in units in the next year.

---

**Operator**

The next question comes from the line of Karen Short with Credit Suisse.

---

**Karen Fiona Short** - *Crédit Suisse AG, Research Division - Research Analyst*

So just on 2 questions. You guided to flat to down 2% comps. So that was kind of in between the robust and moderate scenarios that you offered. And then your margins, though, are only on the moderate range, not the robust range. So I'm wondering if you could give any color on that.

And then on the wage investments that you called out. Obviously, one of your competitors also announced very sizable wage investments. So wondering if you could just give a little color on your wage investment versus industry and/or one of your largest competitors.

---

**Marvin R. Ellison** - *Lowe's Companies, Inc. - President, CEO & Chairman*

So Karen, this is Marvin. I'll take the wage question, then I'll let Brandon take the first part of the question.

So 2 things. First, we feel great about the financial commitment we've made to our front line associates. And we're also very confident in our long-term financial plan. So since 2018, as we mentioned, we've invested over \$3 billion in incremental wages and share-based compensation for front line associates, including \$170 million wage investment we made last year.

And over the past 4 years, we've increased our wages by more than 20%. And Brandon mentioned that we're going to be investing \$350 million this year in frontline wages. And over the next 3 years, we're going to invest nearly \$1 billion. So when you contemplate all this together, it's factored in our 2023 guidance and our long-term financial guidance.

And as an investor community, sometimes we get challenged by our rural footprint of stores as a competitive disadvantage. When you discuss wage, it's actually an advantage because most of the small and rural markets where we operate, we're the highest paying retailer. And where we're not, the local operators have a very, very specific process to follow to get wage adjusted.

So our approach to wage is our strategy, and we feel really good about it, and our associates have responded well. And what I'll do before I hand it to Brandon, I'm just going to let Joe McFarland talk a little bit about staffing levels and spring hiring, which, as you know, is a really big deal for us this time of the year.

---

**Joseph Michael McFarland** - *Lowe's Companies, Inc. - EVP of Stores*

Yes. Karen, thanks for the question. And as it relates to our frontline associates, I'm very pleased with our staffing right now. This is the best staffing we've had in 3 years. And our spring hiring as the markets come into season is ahead of expectations. So very pleased with the team's ability to staff and pivot wherever the challenges are.

---

**Marvin R. Ellison** - *Lowe's Companies, Inc. - President, CEO & Chairman*

And so Karen, in summation on that, we have a strategy, we feel great about it. We feel like it's working for us, and we believe that our investment cycle, our commitment to our associates is something that is leading us to being truly an employer of choice in retail. And I'll hand it over to Brandon to answer the other part of your question.

---

**Brandon Sink** - *Lowe's Companies, Inc. - Executive VP & CFO*

Yes. Karen, your first question on operating margin. We look at what we shared in December, a midpoint of the guide down 1% and 13.7% in that moderate scenario. Our guidance is right in line, purely consistent with that with the range that we provided just bookending those midpoints. So very consistent there.

---

**Operator**

Our next question comes from the line of Michael Lasser with UBS.

---

**Michael Lasser** - *UBS Investment Bank, Research Division - MD and Equity Research Analyst of Consumer Hardlines*

So first, at the analyst meeting in December, you pointed to the most likely scenario being the robust market scenario or the moderate market scenario. The guidance now at the midpoint is squarely on the moderate market scenario, and at the low end could be closer to the weak market scenario.

So what's changed in the last 90 days or so to moderate your expectations for 2023? And then I have a follow-up.

**Marvin R. Ellison** - *Lowe's Companies, Inc. - President, CEO & Chairman*

Yes. So Michael, this is Marvin. At a high level, it's lumber deflation. That pretty much sums it up. As Brandon mentioned, we're going to have 300 basis points of headwind in Q1 and 100 basis points of headwind in Q2.

Going into 2023, we looked at the first half of the year as our easiest compares. That remains. But when you throw in that lumber deflation, that pretty much sums up what's different between what we discussed in December and what our guidance is.

---

**Brandon Sink** - *Lowe's Companies, Inc. - Executive VP & CFO*

Yes. And Michael, I'll just add that the weak scenario that we called out still very much sort of off the table for us. I think we called out at that point, it would require significant economic shock, and we don't see that playing out.

So we're still very squarely in line with that moderate view. And just as a reminder, the downside, even in that weak scenario was a 13.3% operating margin, so still 30 basis points of expansion even in that scenario.

---

**Michael Lasser** - *UBS Investment Bank, Research Division - MD and Equity Research Analyst of Consumer Hardlines*

Understood. My follow-up is on the gross margin outlook for this year. What's a realistic expectation, especially as the consumer environment gets a little tougher, the consumer may shop or want to shop a bit more on promotion. And how are you thinking about the private label credit card contribution to the overall P&L this year?

---

**Brandon Sink** - *Lowe's Companies, Inc. - Executive VP & CFO*

Yes, Michael, I'll talk about the guide as it relates to margins. So very focused next year on delivering operating margin expansion, and that's on flat to slightly negative comps.

As you mentioned, the gross margin we are expecting that to be roughly flat in '23. And there's a few different puts and takes that we're managing on the headwind side, continued rollout and expansion of our supply chain, specifically market delivery. We're going to continue to see mix pressure from our Pro strategic initiative investments.

The flip side a number of productivity efforts. You mentioned private brand penetration, also lower commodity and transportation costs and then continued benefit from our pricing initiatives. So the large part of the leverage is going to come from SG&A and continued PPI productivity efforts that you've heard called out from the team.

So that's sort of the formula as we look at margins and flow through next year. And Bill, I don't know if there's anything else you want to add on private brands and some of the momentum that we're seeing there?

---

**William P. Boltz** - *Lowe's Companies, Inc. - EVP of Merchandising*

Well, Brandon, and for Michael, what we talked about in December, private brands certainly gives us an opportunity in categories where a national brand isn't relevant. Private brands carry a better margin. They offer the consumer some additional choices.

As it relates to promotional activity, we want to continue to offer the customers value, but we're not adding new promotions for 2023.

**Michael Lasser** - UBS Investment Bank, Research Division - MD and Equity Research Analyst of Consumer Hardlines

That's helpful. And just to clarify, referring to the private label credit card, that was a drag on the gross margin in the fourth quarter.

**Brandon Sink** - Lowe's Companies, Inc. - Executive VP & CFO

Yes. Got it, Michael. So -- yes, drag in Q4 mainly given the interest rate environment that we're seeing. But as we turn into 2023, again, a number of puts and takes, but we feel like the bulk of that for the most part has been absorbed, and we have that factored into '23.

**Operator**

Next question comes from the line of Greg Melich with Evercore ISI.

**Gregory Scott Melich** - Evercore ISI Institutional Equities, Research Division - Senior MD

I'll start with a follow-up on that last question before I get to mine. On other gross margin puts and takes, shrink was also I think a headwind in the fourth quarter. Could you just quantify that and give us your expectations for that into '23?

**Brandon Sink** - Lowe's Companies, Inc. - Executive VP & CFO

Yes. So sure, Greg. On shrink, in particular, it was a bit of a pressure point, a bit worse than expected. It's been approximately 30 basis point pressure. We saw that Q3 and Q4, largely driven by what we're seeing more broadly in retail with organized crime.

But again, as we turn and look at '23, that pressure largely absorbed in 2022. We feel like we got great efforts within the team and the organization in terms of what we're doing to protect against shrink, and I'll maybe let Joe call that out.

**Joseph Michael McFarland** - Lowe's Companies, Inc. - EVP of Stores

So thanks for the question. And listen, we're really pleased with the asset protection team. The entire industry has pressure from ORC. Our asset protection team has rolled out some new, innovative things for safety, for shrink, and so we see the outlook good.

**Gregory Scott Melich** - Evercore ISI Institutional Equities, Research Division - Senior MD

Great. And then I guess, my key question was on the traffic and inflation and how that sort of comes in through the year. So if you think about the cadence through the year, it sounds like first quarter is below the range, second quarter is above the range. Should we assume the second half is better than the first half or worse than the first half or in line?

**Brandon Sink** - Lowe's Companies, Inc. - Executive VP & CFO

Yes. Second half, Greg, very much in line.

**Gregory Scott Melich** - Evercore ISI Institutional Equities, Research Division - Senior MD

Got it. And the difference would be better traffic in the second half, maybe still negative but less negative? And less...



**Brandon Sink** - *Lowe's Companies, Inc. - Executive VP & CFO*

Correct. Correct.

---

**Operator**

Our next question comes from the line of Peter Benedict with Baird.

---

**Peter Sloan Benedict** - *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

Just wanted to -- on the first quarter comp view that you laid out there. We understand the commodity impacts there. But just curious, any early season read? I know it is early, but some of your markets in the South, just curious how Spring seasonal demand is starting out here? That's my first question.

---

**Brandon Sink** - *Lowe's Companies, Inc. - Executive VP & CFO*

Yes. Peter, as we look at February sales consistent with our guidance, we called out the Q1 being below the full year guidance range. And again, that's primarily due to the lumber pricing pressure that we're seeing. We are encouraged to see early signs of strength in discretionary seasonal categories, in particular, South and deep South as our customers begin to prepare for spring, and I'll let Bill talk to that in a little bit more detail.

---

**William P. Boltz** - *Lowe's Companies, Inc. - EVP of Merchandising*

Yes. Thanks, Brandon. And Peter, we started setting our stores in the South, Deep South, early January. And I think what's nice to see is spring start to come in the way it's supposed to come. And you start to see sales of product in fertilizer, chemicals, landscape products start to occur the way they're supposed to occur. And so we're encouraged by that. February can always be a wildcard month. But certainly, in these months -- in these Deep south and South markets seeing it kind of progress the way it's supposed to.

---

**Peter Sloan Benedict** - *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

Got it. And then just back to the -- maybe the promotional plan that you have laid out for the year. I mean, you mentioned in your prepared remarks that the consumer is responding to value.

I'm just curious -- I mean, we've been through a period where there's been very limited promotion. So how do we think about the plan maybe for the first half of the year here in terms of your promotions? Things that you tend to do to drive traffic, how they compare to maybe what you've done in the last couple of years? That's my second question.

---

**Marvin R. Ellison** - *Lowe's Companies, Inc. - President, CEO & Chairman*

So Peter, I'll take the first part of that. At the highest level, you're not going to see any increased promotional activities by us. We're very fortunate to be in a very rational industry relative to promotions. And to be quite candid, a lot of the irrational activities came from old Lowe's.

And those practices and behaviors are along behind. Those are one of the first things that Bill Boltz and I discussed when we arrived 4.5 years ago was getting off the high-low promotional drug that we felt was not consistent with how you should run business in this industry. And it's taken us a while to get there, but we're very fortunate that we are there.

So we anticipate and see no increased promotional activities. Obviously, as you get out of these pandemic-driven demand cycles, customers are looking for value, but we believe we can offer value without getting to a high promotional environment. Bill, I don't know if there's anything you want to add?

---

**William P. Boltz** - *Lowe's Companies, Inc. - EVP of Merchandising*

No. I think the one area that the team may see different activity on is in appliances, and you guys have to remember that roughly 100,000 appliances break every day. And so there's always going to be an offer in the marketplace for appliances driven by the manufacturers, supported by the retailers.

So that's one area supply has improved. Those offers are out there for appliance products. But no additional promotions.

---

**Operator**

We have time for 1 final question, which will come from the line of Steve Forbes with Guggenheim.

---

**Steven Paul Forbes** - *Guggenheim Securities, LLC, Research Division - Analyst*

Marvin, Brandon, I just wanted to follow up with a quick modeling question given the exit of Canada. And so I'm not sure if you could help us think about the mix impact on gross margin because I would think the Canadian business and the exit of it has a positive impact on gross.

And can you help us quantify that relative to 60 basis point net impact and whether this is partially sort of supportive of the 2023 outlook for a flattish gross margin '23?

---

**Brandon Sink** - *Lowe's Companies, Inc. - Executive VP & CFO*

Yes, Steve, 60 basis points was a full year impact on operating margin. And when you think about the split there between gross margin and SG&A, it's roughly half and half.

---

**Steven Paul Forbes** - *Guggenheim Securities, LLC, Research Division - Analyst*

And then lastly, the ongoing compensation related investments that you noted during the prepared remarks, which is great to hear. I was curious, if we just take a step back and think about the dollar level of OpEx productivity initiatives you've highlighted at the Analyst Days in 2020 and 2022. Any contextualization about how much still remains in front of us in dollar terms?

And Marvin, I'm not sure, if you maybe talk about some specific PPI initiatives that you're most excited about this year?

---

**Marvin R. Ellison** - *Lowe's Companies, Inc. - President, CEO & Chairman*

Yes. Well, it's a really good question, Steve. A couple of things. Number one, as you can imagine, we have been working aggressively to update our IT infrastructure.

We still have a 30-year-old basically mainline system that we're getting ready to retire, and it's literally taken us 4.5 years to get to this point. The moment that system is officially retired, it gives us the ability to create so many technology advancements that will do 2 things, will simplify the associate's job and limit friction points for customers, which will reduce payroll and improve customer service. And that's what Joe cited in some of his prepared comments.

And so holistically, a lot of our PPI initiatives on the store and merchandising side, and candidly, the supply chain side are tied and correlates to the retirement of this 30-year-old operating system that we are excited is going to be going away over the next few months.

And as we look at that, you'll start to see more omnichannel type of systems available in the store. At point of sale, you'll start to see pricing initiatives and pricing systems advanced on the merchandising side.

You'll start to see us have the ability to do more relative to integrating gig network deliveries online in a more seamless way in addition to all the supply chain and some of the advanced sourcing logic we'll be able to do that, will give us the ability to ship merchandise, aggregate merchandise, from different points of stores, distribution centers without having to go out and build these monolithic DCs that some retailers have had to do.

So all of those things are tied together. But again, it's almost foundationally driven to a lot of the IT work that's been done the last 4-plus years.

---

**Kate Pearlman** - Lowe's Companies, Inc. - VP of IR

Thank you all for joining us today. We look forward to speaking with you on our first quarter earnings call in May.

---

**Operator**

Thank you. This concludes the Lowe's fourth quarter 2022 earnings call. You may now disconnect.

---

**DISCLAIMER**

Refinitiv 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 REFINITIV 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.

©2023, Refinitiv. All Rights Reserved.