

28-Apr-2015

Cirrus Logic, Inc. (CRUS)

Q4 2015 Earnings Call

CORPORATE PARTICIPANTS

Thurman K. Case
Chief Financial Officer, Vice President of Finance and Treasurer

Chelsea Heffernan
Investor Relations Manager, Cirrus Logic, Inc.

Jason P. Rhode
President, Chief Executive Officer & Director

OTHER PARTICIPANTS

Blayne Curtis
Barclays Capital, Inc.

Erik P. Rasmussen
Stifel, Nicolaus & Co., Inc.

Ruben Roy
Piper Jaffray & Co (Broker)

John N. Vinh
Pacific Crest Securities LLC

Christopher Longiaru
Sidoti & Co. LLC

MANAGEMENT DISCUSSION SECTION

Operator: Ladies and gentleman thank you for standing by. Welcome to the Cirrus Logic Fourth Quarter and Full Fiscal Year 2015 Financial Results Q&A Session. At this time, all participants are in a listen-only mode. After a brief statement, we will open up the call for questions from analysts. Instructions for queuing up will be provided at that time. As a reminder, this conference call is being recorded for replay purposes.

I would now like to turn the conference call over to Mr. Thurman Case, Chief Financial Officer. Mr. Case, you may begin.

Thurman K. Case
Chief Financial Officer, Vice President of Finance and Treasurer

Thank you and good afternoon. Joining me on today's call is Jason Rhode, Cirrus Logic's President and Chief Executive Officer, and Chelsea Heffernan, our Manager of Investor Relations.

Today, we announced our financial results for the fourth quarter and full fiscal year 2015 at approximately 4 P.M. Eastern. A Shareholder Letter discussing our financial results, the earnings press release including a reconciliation of non-GAAP financial information to the most directly comparable GAAP information, along with the webcast of this Q&A session are all available at the company's Investor Relations website at, investor.cirrus.com. This call will feature questions from analysts covering our company, as well as questions submitted to us via email at, investor.relations@cirrus.com.

Please note that during this session we may make projections and other forward-looking statements that are subject to risk and uncertainties that may cause actual results to differ materially from projections. By providing

this information, the company undertakes no obligation to update or revise any projections or forward-looking statements, whether as a result of new developments or otherwise.

Please refer to the press release issued today which is available on the Cirrus Logic website, and the latest Form 10-K and 10-Q as well as other corporate filings made with the Securities and Exchange Commission for additional discussion of risk factors that could cause actual results to differ materially from current expectations.

Now, I'd like to turn the call over to Jason Rhode, our President and Chief Executive Officer.

Jason P. Rhode

President, Chief Executive Officer & Director

Thank you, Thurman. Before we begin taking questions, I'd like to make a few comments. For a detailed account of our financial results, please read the Shareholder Letter posted on our Investor Relations website.

We are extremely pleased with Cirrus Logic's financial results for the March quarter and full fiscal year 2015 as strong demand for portable audio products drove revenue above our expectations. In FY 2015, we are excited to have achieved our long-term targets of 15% organic revenue growth and 20% non-GAAP operating profit on revenue of \$916.6 million. In Q4, we delivered revenue of \$255.2 million.

FY 2015 was a transformative year for Cirrus Logic. In addition to exceeding our expectations for revenue growth, we transitioned to 55-nanometer, broadened our product portfolio and strengthened our customer base through the acquisition of Wolfson Microelectronics in August of 2014. Further, during the quarter we accelerated production of our latest smart codec that is shipping with the largest OEM in the Android space.

As we move into FY 2016, we are excited to continue ramping our new custom and general market products that target low-power audio and voice applications, with an extensive strategic roadmap that includes sophisticated products intended for both flagship and mid-tier mobile devices, our technical marketing, engineering and sales teams remain focused on delivering innovative new products and cross-selling components such as boosted amplifiers into existing customers. As the markets for audio and voice continue to evolve in the coming years, Cirrus Logic is leveraging its advanced technology, world-class engineering teams and solid relationships with many of the industry leaders to position the company for future growth.

Before we begin the Q&A, I would also like to note that, while we understand there is intense interest related to our largest customer, in accordance with our policy we do not discuss specifics about our business relationship.

Operator, we are now ready to take questions.

QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] Your first question comes from the line of Blayne Curtis with Barclays. Your line is now open.

Blayne Curtis

Barclays Capital, Inc.

Q

Thanks for taking my question and great results, guys. Just in your letter, you talked about a leveling of business with Q1, Q2; but then you also referenced a significant build-up of inventory for kind of your typical seasonal December quarter. So just wanted to understand what you're really referencing there?

Jason P. Rhode

President, Chief Executive Officer & Director

A

Yeah, it's nothing we can get into the details on, it's just there's a moving parts to it and the fiscal year is getting off to a stronger start than our historical seasonality, would imply. Obviously part of that is due to a pretty strongly ramping product that we started shipping last quarter, but there's a number of other factors involved, and so we just didn't want anybody to get too far ahead of themselves going forward. But overall, that's all in the context of what we expect to be an outstanding FY 2016 with great year-over-year growth over the course of the year. But it's just a recognition that probably Q1 is weighted a little bit more heavily than historical trends might suggest.

Blayne Curtis

Barclays Capital, Inc.

Q

Great. And then I don't know if you can answer this as well, but in terms of shipping your 55-nanometer part, do you expect to do that in the June quarter?

Jason P. Rhode

President, Chief Executive Officer & Director

A

Let's see. There's some possibility of that, I mean the real ramp that we're expecting is more traditional kind of support of the Christmas season timeframe. But I'll note that, relative to a lot of the messaging that we had prior to the acquisition, the UK team have been shipping 65-nanometer for a good long while. Some of their new developments have transitioned to 55-nanometer as well. 55-nanometer as you has an optical strength to 65-nanometer, so relative to our plans, prior to the acquisition, a number of things have moved around a little bit relative to 55-nanometer and 65-nanometer and the timing they're out, but either way we're already shipping the 65-nanometer stuff and high volume and we're well on track relative to our other plans.

Blayne Curtis

Barclays Capital, Inc.

Q

Great. And just finally you mentioned several growth drivers beyond this content gain this year. I was wondering if you could just kind prioritize those. You mentioned amps. Is that the nearest term opportunity, and when would you the ability whether you will get those gains and then kind of if you can outline where you see your best opportunities over the next couple of years?

Jason P. Rhode

President, Chief Executive Officer & Director

A

Sure yeah, I appreciate it. I'm sure there's folks that would draw a parallel to calendar of 2012 and the best difference is that we do have a number of other layers to our growth strategy at this point. The first, as you mentioned is, cross-selling our amplifiers for example with the smart codecs that we derived from the Wolfson acquisition. So that's a good opportunity. You never count your chickens until they hatch. As far as the visibility is concerned, we like to be conservative on that front, so we'll keep you posted as things unfold.

But that's the kind of thing that if things go well from the time we started working at it, customers conceivably in the space they're in, design their products over the course of a year. Of course, what we do is sticky, so there is other factors involved in designing out somebody else that's in there and achieving the win for ourselves, but we do think our opportunities are very, very good there. It's an area of significant investment for us. It's something that's grown significantly over the years that we've been in the amplifier market which is just over the past handful of years.

So beyond that we see great opportunities on a couple of different fronts that can really move the needle for us. One being to take the technology that we've developed in or primarily for flagship model phones and start to push that in particular voice functionality down into the mid-tier of devices which is obviously a much higher volume segment, so we think by having a robust roadmap that targets specifically the different tiers of the phone market, we can participate in that market at margins that are supportive of where we want the company to be. And on a related note, we also see good opportunity to take the business that we've developed in a very top couple of handset manufactures and broaden that out to a number, hopefully, we'll broaden that out from number three through 10 and ideally in order of importance. We're making good progress there as well.

And then finally, in the very long-term sense, we see a great opportunity to take the technology that we're perfecting in mobile today and migrate that out into other form factors, other applications, automotive, smart home, wearables, smart mobile accessories, we see a lot of good opportunity for that. Not a big opportunity revenue wise in the near-term for us, but it's kind of that final leg of the stool in terms of the growth strategy going forward.

Operator: Your next question comes from the line of Ruben Roy with Piper Jaffray. Your line is now open.

Ruben Roy
Piper Jaffray & Co (Broker)

Q

Thank you and congratulations as well for the great results and outlook. Basing the follow-up on that discussion around growth drivers; on the new products mentioned in the Shareholder Letter around the mid-tier market, it sounds like you'll have some release to market over the next six months on the early end and extending out over the next 24 months. First question on that, was some of this development customer-driven – customers requesting this type of product in the mid-tier Android space? And then secondly, would you expect with some of those – the products coming out over the six month timeframe to generate revenues in this fiscal year?

Jason P. Rhode
President, Chief Executive Officer & Director

A

Well, we'd like to not get too far ahead ourselves in terms of talking about one things we're going to ramp out in the future, but the color on it would just be that that's something we're working on, that's something we feel very good about. Everything we do is customer driven, whether it's specific to a customer or a custom which is obviously a fairly good bit of our revenue. Even in the case of general market products we always work very closely with the targeted customers and make sure that we're targeting features that are really on point and things that they are looking real anxious to figure how to implement in their product.

So the neat thing that we've developed with our smart codec platform is a very scalable solution. So what we sell in the flagship devices today you can see in our investor relations pitch. For example, you can see a pretty good caricature of what that looks like, many cores, a lot of memory, very high-performance, many channels of data conversion. If the customer simply wanted to implement voice wake, for example, or voice command or some other subset of the functionality you find in a flagship device, we're developing products that are a subset, that could implement a subset of those functions, but are exactly instruction-set compatible, use the same tools, use the same algorithms whether they are third-party algorithms, whether they are our own algorithms or whether it's stuff that the customer provided, and ideally it's a mix of all three of those of things that we help bring together with our tools. So that gives us pretty good visibility about what customers want, we're making good progress on that initiative, and we'll certainly keep you posted as that gets closer to being materialized in revenue.

Ruben Roy

Piper Jaffray & Co (Broker)

Q

Okay. Thanks for that Jason, and as a follow-up for Thurman, on the OpEx, is this the right – the Q1 guidance, is this the right neighborhood to think of as a percentage of revenue as we look out, as you guys start to look at some of these broader initiatives?

Thurman K. Case

Chief Financial Officer, Vice President of Finance and Treasurer

A

Well, not necessarily as a percentage of revenue because that will change from quarter-to-quarter. But we would look at this OpEx rate as something that could still – would still we would expect to grow around 2% on the R&D level on a quarter-over-quarter basis throughout the year. But SG&A would really remain relatively flat for the fiscal year.

Ruben Roy

Piper Jaffray & Co (Broker)

Q

Great. That's all I had. Thank you, guys.

Jason P. Rhode

President, Chief Executive Officer & Director

A

Thank you.

Operator: The next question comes from the line of Christopher Longiaru with Sidoti & Company. Your line is now open.

Christopher Longiaru

Sidoti & Co. LLC

Q

Hey, guys, I'll echo my congratulations. Great quarter, great guidance.

Jason P. Rhode

President, Chief Executive Officer & Director

A

Thanks, Chris.

Christopher Longiaru

Sidoti & Co. LLC

Q

So my question has a little bit to do with, so you have all these opportunities, your revenue is going up, obviously the OpEx is going up, but can you – are you talking about kind of choosing between which opportunities. Can you comment on some of the other things that you had been working on like the LED market for instance, are those kind of on the back burner now, are they all set from an R&D perspective, can you comment there?

Jason P. Rhode

President, Chief Executive Officer & Director

A

Well, at this point, as we indicated I think pretty close to a year ago that we were having to shelve the LED stuff in light of the fact that our opportunities in audio were so much bigger and so much nearer, and frankly more valuable to the company. So it was a difficult step we had to make, so relative to what burner LED is on, I would say it's not on a burner at this point. We really can't come close to staffing all of the opportunities that we see in front of us, a big portion of which are software related, tons of different algorithms that we either need to work with third parties to bring in-house, we need to develop ourselves, customers require a lot of support. There's a broad roadmap of products that where we are clearly staffing the very best opportunities that we see in front of us and not just the merely good ones, which is a great position to be in, but we would definitely like to figure how to do even more than we're already doing in the core space of audio that we serve. So at this point, people should definitely think about us as a mobile audio company.

Christopher Longiaru

Sidoti & Co. LLC

Q

And then just in terms of your movement, I mean historically what you've done is you've gotten on some boards and you've infiltrated those boards and it seems like you're doing that with some other companies, newer companies you have exposure to. Can you just talk about how many kind of new boards you're seeing now relatively and how that kind of plays into your longer term strategy and all the opportunities that you just talked about?

Jason P. Rhode

President, Chief Executive Officer & Director

A

Well, yes sure. So again on the two trends, one being to move from flagships down to the mid-tier and then also from the accounts that we serve in a big way today try to broaden that out to be a little more systematic in the accounts kind of number three through 10 in the mobile space. We've sold to a number of those accounts in the past as have the UK team, but I would say those opportunities in the past were fairly opportunistic. And so, we'd really like to penetrate those accounts with something a lot more sticky, like a smart codec and then start to broaden that out around the board with the amplifier products. So I'll decline to throw out a number of boards, because I think it'd probably – there's some of them that matter a lot more than others obviously. But I think we do pretty well at accounts number one and two and so we prioritize three through 10 sort of in the order that you would imagine and I think we're making real good progress there.

Christopher Longiaru

Sidoti & Co. LLC

Q

Great. I'll jump out. Thanks again, guys.

Jason P. Rhode

President, Chief Executive Officer & Director

A

Thanks, Chris.

Operator: [Operator Instructions] Your next question comes from the line of Tore Svanberg with Stifel. Your line is now open.

Erik P. Rasmussen

Stifel, Nicolaus & Co., Inc.

Q

Hi, guys. It's Erik calling in for Tore. I'll also echo the congrats on the quarter and the guide. Jason, you talked a little briefly about some of the things outside of handsets. Can you give us sort of update on progress in these other emerging areas wearables, automotive? And when you start to see may be a notable increase in revenues from these segments. I know these are longer term opportunities, but just trying to get a grasp of that?

Jason P. Rhode

President, Chief Executive Officer & Director

A

Erik. Yeah, as we say they're out there. It's good to have opportunities in front of us for the technologies that we're shipping in high volume in mobile and continuing to expect growth in mobile. In the near to mid-term, we expect our growth opportunities to be driven and dominated by continued success in handsets, but we've got a good presence really across the board in audio elsewhere. We're in a lot of great applications from Internet of Things to other devices. We've had an automotive business for many years, but it's definitely something that we expect over the coming years to take that technology, target these other applications very specifically with more voice based. For example, voice wake, we think is a – or voice command, is a great opportunity in really just about every avenue of audio you can imagine. So it's not – not in the near-term, we've got plenty of opportunity to drive growth in the near-term. It's something that's out there a little further out on the horizon.

Erik P. Rasmussen

Stifel, Nicolaus & Co., Inc.

Q

Okay, thanks. And you know it looks like I think this – when we talked about this last quarter, this kind of no more the typical seasonality now with the Wolfson acquisition. And it looks like that again is probably driving a lot of the growth into the June quarter. But then a little bit, you're calling it a leveling in Q1 to Q2 which is into the September quarter. I'm assuming there is a drop-off on the Wolfson side, but then kind of a pick as we go into the second half which is traditionally your stronger period as a standalone – former standalone company. Is that the right way to think about it? And then with Wolfson coming in at \$54 million, almost \$55 million, is this considered the high mark for them on a quarterly base? I know you're not breaking out, but is that still considered something of a high watermark for them or is it continued growth into the June quarter?

Jason P. Rhode

President, Chief Executive Officer & Director

A

Well, yeah, no we're not breaking it out, but no not at all, I mean that we really just started ramping in the latter half of the January quarter, so another just a great, great job those guys did not cover off the ball and delivered a great product and supported a really heavy ramp extremely well. I was very pleased. A lot of people worked very hard under tough conditions to make sure that we brought that one home. So no, I wouldn't think that's a high watermark for them at all. As far as the leveling of the quarters, all I can say other than that Q1 was off to a great start is that there is just a number of factors involved that are kind of a lot of moving parts beneath the surface that's not appropriate for us to get into and that it's in the context of a fiscal year that we expect to be driven by really great growth in the face of new product introductions as we've highlighted in the past. So hopefully that's at least helpful a little bit.

Erik P. Rasmussen

Stifel, Nicolaus & Co., Inc.

Q

Okay thanks. Maybe just one more for Thurman, in the Shareholder Letter and I think you touched upon it a little bit, you're going to be introducing over the six months to 24 months a number of new devices mostly on, I guess, the general market products. Any change or expected change in your gross margin outlook or range that you're currently in?

Thurman K. Case

Chief Financial Officer, Vice President of Finance and Treasurer

A

No, I think the gross margins that we're seeing with the products that we're introducing are consistent with that mid 40% type of view in the long-term.

Erik P. Rasmussen

Stifel, Nicolaus & Co., Inc.

Q

Thanks so much.

Thurman K. Case

Chief Financial Officer, Vice President of Finance and Treasurer

A

You bet.

Operator: [Operator Instructions] Your next question comes from the line of John Vinh with Pacific Crest Securities. Your line is now open.

John N. Vinh

Pacific Crest Securities LLC

Q

Hi, thanks for taking my question. First question is on your microphones, I was wondering if you could just give us an update on how that's tracking and when we can start to think about meaningful revenue contributions from the microphone, Wolfson opportunity.

Jason P. Rhode

President, Chief Executive Officer & Director

A

Sure. Well, our overall revenue is at a pretty good run rate at this point and you got to sell a lot of microphones to move the needle at that revenue level. So the way I think I've indicated people should think about microphones for us today, we're shipping them in high volume, they are a relatively low ASP device. So if you look around, there is plenty of microphone suppliers. Typically, the margins in that industry are not what we would be interested in.

So our goal is to, as the only supplier that sells everything in the whole audio signal chain from microphones, smart codecs, amplifiers, all the software that stitches it together, our goal over the long run is to develop microphones in tandem with the smart codecs as they work better together, they deliver better performance for our customers, they deliver a compelling bill of materials for them and also increase our share of it. So that's the goal that we've got over the long-term with our participation in microphones. That goal is a ways out, but we think the business that we have today is a very valuable stepping stone to getting to that point.

So we're shipping microphones in some great devices with some great companies. We think that the way we won those is by delivering a premium microphone, delivers great performance in a very small package. So we're off to a good start there. We got a lot of good work to do to develop the capabilities to really embed a lot more smarts in the microphone to do optimal system partitioning between the smart codec and the multiple microphones that will be ultimately be in these systems. But we think our opportunities for doing that are very good over the coming years and we're certainly staffing it appropriately to go capitalize on that opportunity.

John N. Vinh

Pacific Crest Securities LLC

Q

Great, thanks. And then my follow-up is, it sounds like always-on is going to be a significant opportunity for you guys. Can you talk about what the incremental kind of ASP opportunity for you is for a customer who is ramping always-on capabilities?

Jason P. Rhode

President, Chief Executive Officer & Director

A

Well, so they always – so again what we sell as a smart codec and at the end of the day the price for one of our smart codecs is to – well, unless there's third-party software involved, for example, the price for our smart codec is essentially whatever we work out with the customer for the silicon. Whatever software and software services and system integration that we can provide along with that, is something that simply makes us more sticky, it makes the smart codec more valuable. And so, we think that's a significant, competitive advantage versus other more software oriented suppliers.

Now the caveat to that of course is if one of our customers wants to run some third-party algorithm in concert with some of what we provide, then there's typically some sort of fee associated with that third-party IP. But obviously it's not my place to get into what different customers pay for what IP either. So, but nevertheless, the real meat of it is that always-on voice is a very valuable function, our role in that is to enable our customers to implement it with extremely low power and also in a lot of cases to try to augment that with functions such as our Automatic Speech Recognition enhanced software so that the thing works better in noisy environments, things like that.

So always-on voice is a great confluence of a bunch of things that Cirrus Logic does really, really well, so low power signal processing, very low power analog, potentially over time we can work in the microphones and make those work better with the smart codec in that environment which we think will be a difficult strategy for anyone else to follow. So it's a really neat feature that's unfolding in the market. I think we've yet to see the real true potential of what can be done there. But I think it's something that consumers will really value and that even mid-tier devices are going to want to along latch on to once it becomes mainstream.

John N. Vinh

Pacific Crest Securities LLC

Q

Got it. And let me squeeze in one more; you talked about the leveling of revenues into Q1 and Q2. Can you talk about whether you expect to see sequential growth into the December quarter given the leveling effect in the first fiscal quarters at this point in time?

Jason P. Rhode

President, Chief Executive Officer & Director

A

Well, we're already pretty far out past what we under normal course of things like to guide, so we're not going to guide any further other than I think if you do the math on the notion that we feel very good about year-over-year growth going forward through the year that that kind of gets you where you need to be.

John N. Vinh

Pacific Crest Securities LLC

Q

Great. Thank guys.

Jason P. Rhode
President, Chief Executive Officer & Director

A

Yes.

Operator: [Operator Instructions] And there are no further questions on the line. I'll now turn the call over to Chelsea Heffernan.

Chelsea Heffernan
Investor Relations Manager, Cirrus Logic, Inc.

A

Thank you, operator. We will conclude the call with the question we received via email. Can you discuss the opportunity to grow ASPs and cross-sell components going forward?

Jason P. Rhode
President, Chief Executive Officer & Director

A

Sure. Well, certainly our opportunity to grow ASPs and cross-sell components are closely related. So in some cases we have the opportunity to, for example, in the case of a smart codec, add memory, add more processors, add more analog I/O, for example, that's the way to grow the ASP of that device. But to grow the share of our bill-of-materials, for example if we have a smart codec if we can couple that with a boosted amplifier, make the two work better together, that's another way to grow the value that we're selling to a particular customer. And then further on down the road as we're successful in the microphone space, that's again an opportunity to grow – to cross-sell devices and grow ASPs.

And it's interesting to note that a number of years down the road, many of these devices are talking about, it's not one or two microphones, it's quite an array. So even though the devices themselves are at the moment fairly inexpensive, it can add up to a meaningful adder on the bill-of-materials going forward. So we see great opportunity in all those areas. We really never in my career, all the career has been an audio I've never had the opportunity to serve the market where what we do already today is in such great demand across the board from a great suite of customers.

Chelsea Heffernan
Investor Relations Manager, Cirrus Logic, Inc.

A

Thanks Jason. That was the final question. So I'll turn the call back over to you for final remarks.

Jason P. Rhode
President, Chief Executive Officer & Director

Thank you. In summary, FY 2015 was a great year for Cirrus Logic, as we delivered strong revenue growth, achieved our long-term non-GAAP operating profit target of 20% and expanded our product portfolio. We are even more excited about our outlook for the future. With an arsenal of innovative audio and voice products that we expect to ramp over the next year and solid relationships with key market leaders, the company is poised for meaningful growth in FY 2016.

If you have any questions that were not addressed, you can submit them to us via the Ask the CEO section of our investor website. I'd like to thank everyone for participating today. Good-bye.

Operator: This concludes today's conference call. You may now disconnect.

Disclaimer

The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC. FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2015 CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.