S&P Global
Market Intelligence

J.Jill, Inc. NYSE:JILL

Earnings Call

Wednesday, June 10, 2026 8:00 AM EST

CALL PARTICIPANTS 2

PRESENTATION 3

QUESTION AND ANSWER 7

Call Participants

EXECUTIVES

Mary Ellen Coyne
CEO, President & Director

Mark W. Webb
Executive VP, Chief Financial & Operating Officer and Interim Principal Accounting Officer,

ANALYSTS

Dana Lauren Telsey
Telsey Advisory Group LLC

Janine Marie Hoffman Stichter
BTIG, LLC, Research Division

Jungwon Kim
TD Cowen, Research Division

Marni Shapiro
The Retail Tracker

Corey Tarlowe
Jeffries

Presentation

Operator

Thank you for standing by. My name is JL, and I will be your conference operator today. At this time, I would like to welcome everyone to the J.Jill Inc. First Quarter 2026 Earnings Call. [Operator Instructions] Before we begin, I need to remind you that certain comments made during these remarks may constitute forward-looking statements and are made pursuant to and within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 as amended. Such forward-looking statements are subject to both known and unknown risks and uncertainties that could cause actual results to differ materially from such statements. Those risks and uncertainties are described in the press release and J.Jill's SEC filings.

The forward-looking statements made on this recording are as of June 10, 2026, and J.Jill does not undertake any obligation to update these forward-looking statements. Finally, J.Jill may refer to certain adjusted or non-GAAP financial measures during these remarks. A reconciliation schedule showing the GAAP versus non-GAAP financial measures is available in the press release issued June 10, 2026. If you do not have a copy of today's press release, you may obtain one by visiting the Investor Relations page of the website at jjill.com. I would now like to turn the conference over to Mary Ellen Coyne, CEO and President. You may begin.

Mary Ellen Coyne
CEO, President & Director

Good morning, and thank you for joining us. As I have said on previous calls, J.Jill is in the early stage of evolving both the brands and the business amidst the dynamics of a complicated external environment. We began 2026 with a sharp focus on expanding the customer file, making progress through disciplined execution in 3 key areas: evolving our product assortment, enhancing the customer journey and advancing the way we work. This strategic framework is essential to build a solid foundation for sustainable long-term growth.

Evolution takes time and requires patience as our product and marketing strategies are introduced to both new and existing customers. Insights gained in the first quarter, particularly in stores where customers can touch, feel and experience our new assortment, supported by our exceptional sales associates, give us confidence in our ability to achieve success. We delivered first quarter results in line with our expectations for both sales and profitability. And while it was a challenging period for a number of reasons, we are actively applying learnings that should continue to drive momentum throughout the rest of this fiscal year and beyond.

We know through both customer research and feedback from our sales associates that customers want J.Jill to evolve as their approach to building a wardrobe has evolved. But we also know that we must take care with the pace and scale of that change. We are being thoughtful about infusing newness while retaining the essential elements our most loyal customers value.

From a product perspective, our assortment in Q1 reflected the start of a transition, still dominated by legacy product, but with some new styles and silhouettes representing where we are headed. Notable successes in the quarter were jackets and accessories. Accessories are only a small part of the business today, but they showed strong growth, and we see more opportunity. As we know, accessories are often an entry point into a brand for new customers or an impulse purchase that reactivates lapsed customers. In terms of key learnings, tops assortment skewed too far into shorter length and did not offer enough breadth in print.

Another highlight in the quarter was our new-to-brand customer acquisition, which had slight year-over-year growth, driven primarily through the retail channel. Our store teams continue to perform at a high level, engaging existing, returning and new customers and doing a great job speaking to the brand's evolution. We saw a meaningful improvement in the profile of these new customers who are younger than our existing customers' average age.

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

While the new-to-brand segment of our customer file remains relatively small, we believe its growth is key to our long-term success. This progress is encouraging. We are also leveraging learning to make enhancements to our e-commerce site, such as fabric guides, look books and stronger product storytelling, all of which help to educate online customers on our product evolution, the way our sales associates are already doing in-store. While the e-commerce channel continues to be more price sensitive, we expect these new tools and enhancements to more fully animate our product assortment and move someone from discovery to purchase.

Turning to our 3 key areas of focus. First, evolving our product assortment. We are excited by customers' initial reactions to our summer assortment so far in the second quarter. These assortments reflect better alignment between our merchandising and design teams, represent a real step forward in terms of product evolution and are a good indication of where the brand is headed. These positive early reads are encouraging and position us for gradual sequential improvement in the second quarter and further throughout the remainder of the year as indicated in our guidance.

Second, enhancing the customer journey. As part of our plan to reinvigorate the brand and expand the customer file, we have already begun to enhance how people engage with J.Jill across channels. During the quarter, we saw growth in the SMS file. And in March, we launched a new nontender loyalty program called J.Jill Collective to a small subset of our customer base. We have plans to roll this out and we'll share more in the coming months.

Leading this program and all customer and marketing strategies is our new Chief Marketing Officer, Kimberly Wallengren, who joined us at the end of April. Previously with Coach and American Eagle, she brings a proven track record of leveraging marketing to drive brand evolution, boost relevance and broaden the customer base. Kimberly's expertise is perfectly matched to our objectives, and we are delighted to welcome her to J.Jill.

Our third area of focus is advancing the way we work. In addition to developing the right strategy, we have also been building the right capabilities. Our executive leadership team has the right balance of institutional knowledge, new insights and transformation experience to deliver on this strategy. Our strategies and capabilities will also be reinforced with new tools, starting with a merchandise planning and allocation system later this year.

The new system will move us from a manual and time-intensive approach to one with more predictive and data-driven forecasting that will allow us to better assess demand planning and allocate more effectively, which we expect will support higher full price sell-through and greater markdown yields beginning in earnest in 2027.

In summary, we are still in the early days of our transformation, but I'm encouraged by our progress and the discipline with which our team is executing against our strategic priorities. With that, I'll turn it over to Mark to speak to the details of the financials and our outlook.

Mark W. Webb
Executive VP, Chief Financial & Operating Officer and Interim Principal Accounting Officer,

Thank you, Mary Ellen, and good morning, everyone. I'll begin with a review of first quarter performance before discussing our outlook. Regarding first quarter, total company sales for the quarter were about $144 million, down 6% compared to Q1 2025, inclusive of total company comparable sales decline of 8.7%, which was partially offset by sales from new stores opened last year.

Retail sales for Q1 were down about 4% compared to Q1 2025, driven by soft conversion, partially offset by higher average unit retails and supported by net 6 new stores compared to the first quarter of 2025. Direct sales were down approximately 8% compared to Q1 2025 and represented about 46% of total sales. Sales declines were driven by conversion and a mix to markdowns as consumers continue to demonstrate price sensitivity, especially in the direct channel.

Q1 total company gross profit was about $98.7 million, down about $12 million compared to Q1 2025. Gross margin rate for Q1 was 68.3%, down 350 basis points versus Q1 2025, driven by approximately $4.7 million in net tariff costs and a higher mix of markdown sales, primarily in the direct channel. SG&A

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

expenses for the quarter were about $90 million compared to approximately $91 million in Q1 2025. Lower marketing costs driven by a timing shift of the April catalog into May, lower G&A overhead and lower technology project costs were all partially offset by new store costs, occupancy inflation and merit increases.

Adjusted EBITDA for the quarter was $16.7 million compared to $27.3 million in Q1 2025. Interest expense was $1.9 million in Q1 compared to $2.8 million in Q1 2025. Adjusted net income per diluted share was $0.45 compared to $0.88 last year, which reflected a diluted share count of 15.0 million shares this year versus 15.4 million shares last year. During the quarter, we repurchased 68,500 shares for approximately $790,000. And as of today, we have approximately $13 million remaining on the $25 million share repurchase authorization.

Turning to cash flow. For the quarter, we generated about $1.7 million of cash from operations, resulting in ending cash of about $36.3 million. Free cash flow was an outflow of $1.1 million in the quarter. Please refer to today's press release for reconciliations of non-GAAP financial measures to their most comparable GAAP financial measures, adjusted EBITDA, adjusted net income and adjusted net income per diluted share to net income and free cash flow to cash from operations.

Looking at inventory. Total reported inventories, excluding tariffs, were down about 3.5% at the end of the first quarter compared to end of first quarter last year. As reported inventory, inclusive of the cost of tariffs was up 5.6%. Capital expenditures for the quarter were $2.8 million compared to $2.7 million last year. Investments were focused primarily on stores as well as the new merchandise planning and allocation project. With respect to store count, we closed 2 stores during the first quarter and opened one new, resulting in end-of-quarter store count of 255 stores compared to 249 stores at the end of Q1 last year.

Now for more on our outlook. For full year, we are reaffirming our prior guidance for sales, comparable sales, gross margin, adjusted EBITDA and free cash flow. We still expect full year sales to be flat to down 2%; full year comp sales to be down 1%, to down 3%; year-over-year gross margin to decline approximately 50 basis points; and adjusted EBITDA of $70 million to $75 million. In addition, full year free cash flow is still expected to be about $20 million.

We are continuing to invest in new stores but are adjusting our targeted net opening store count this year and related capital spend to reflect the current operating environment. As such, we now expect to spend between $20 million and $25 million of CapEx during the fiscal year compared to prior guidance of approximately $25 million, and we now expect to open between 1 and 5 net new stores this year versus prior guidance of about 5 net new stores. These expectations reflect about 6 to 8 new stores, offset by closures.

Our full year guidance reflects our expectation that strategies will show gradual improvement into Q2 before gaining more traction into Q3 and further momentum into Q4. For second quarter, we expect sales to be down 1% to down 3%, comp sales to be down 2% to down 4% and adjusted EBITDA to be in the range of $18 million to $20 million. This guidance includes the expectation for second quarter gross margin to decline approximately 100 basis points compared to last year, primarily driven by approximately $4 million of net tariff costs.

With respect to tariff refunds, though we received early in the second quarter a small portion of our IEEPA tariff refund claim, we are not assuming any refund benefit in our guidance at this time, given ongoing uncertainties related to the timing and ultimate amount of any remaining reimbursement. Embedded in our guidance is an assumed average 20% reciprocal tariff rate on applicable inventory received prior to February 28, 2026, an assumed average 10% tariff rate on applicable inventory received after February 28, 2026, through the second quarter of fiscal 2026 and an assumed average 15% tariff rate thereafter.

These assumptions equate to approximately $14.5 million of net tariff costs in our expected fiscal 2026 gross profit, down slightly versus our prior expectation with the benefit assumed to be offset by higher fuel and other input costs within our outlook.

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Lastly, we remain committed to executing on our total shareholder return strategies. As announced on June 3, the Board declared a quarterly dividend of $0.09 per share payable July 8 to shareholders of record as of June 24 and we will continue to opportunistically repurchase shares, though we'll do so at an appropriate pace.

Now I'll hand it back to Mary Ellen for a few remarks before we go to Q&A.

Mary Ellen Coyne
CEO, President & Director
Thanks, Mark. As our product continues to evolve and our new marketing strategies take hold, we expect to see gradual sequential improvement in our business. We are encouraged by the learnings gained in Q1 and the green shoots we have seen to date, most notably the growth in new-to-brand customers and the strength in emerging product categories. Our enthusiasm for the potential of J.Jill is balanced by an understanding that successful transformations take time. We are confident we are making the right decisions today to position the brand for sustainable long-term growth and value creation. Thank you. And now we'll take your questions.

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Question and Answer

Operator

[Operator Instructions]

Your first question comes from the line of Jonna Kim with TD Cowen.

Jungwon Kim
TD Cowen, Research Division

How would you assess sort of the macro impact to your consumer in the first quarter and second quarter versus sort of assortment still that needs to improve? And could you give us a little bit more color on how Mother's Day trended for you? I know it's a big event for you. So what are some learnings from this year versus last year and how you sort of evolve that event going forward?

Mary Ellen Coyne
CEO, President & Director

Thanks for the questions. I'll start with consumer. So in our most recent surveys, our consumer continues to exhibit caution and admittedly is more choiceful. But what we also see is she truly believes in the hallmarks of this brand in quality and customer service, and she is -- has had a very positive response to our latest collections.

So the way that we think about this in an environment that is challenging and promotional, we know that we need to focus internally on getting her to -- on putting product in front of her that she will respond to. And that's what we've seen really as we're heading into Q2. We're very encouraged by the latest floor sets. What I would say is that includes Mother's Day, right?

So as we entered Q2, we saw positive reads on the floor sets, certainly the one that dropped right before Mother's Day. We saw a more coordinated marketing effort this year and know that as we move forward, there is opportunity for us to continue to build on that as it is such an important holiday for us. Stores performed stronger than direct, which you would expect, again, with some activations in stores that were very positive.

Jungwon Kim
TD Cowen, Research Division

Got it. Understood. And then just one follow-up. As you look at second half, I mean, you talked about gradual sort of improvement, but what really gives you confidence in that inflection? Is there a specific sort of product changes and marketing that you feel especially more optimistic on?

Mary Ellen Coyne
CEO, President & Director

Sure. So yes, what I would say is, as you know, Q1 was a period of testing and learning for us. It was the start of our evolution. The product was predominantly legacy products, but we did fast track new categories, new silhouettes and really are taking the learnings from that and using them appropriately as we're moving forward. A lot of learnings around product specifics, around communications to our consumer. We talked a little bit about the direct business and really the things that we are adding in terms of the book and fabric guide to move her from consideration to conversion.

So moving forward, we're taking those learnings. We're very encouraged by current results as Q2 has kicked off, assortments, assets, and we're adjusting appropriately. So we are rebalancing where we feel that we need to. We know that we did not have enough color in the first quarter. We know that she wanted more tunics in the first quarter. These are things that we have corrected as we move into the back half of the year, and we're very excited about it.

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

So again, we continue to underscore that this is an evolution and that evolution takes time. All of that is implied in our guidance in a gradual sequential improvement. But the way that I would say that we are very much thinking about the product and the way that we're building our product framework and strategy is around a Venn diagram that is very much 60% of what we do will be applicable to our existing as well as new customers, and then we'll have 20% on either side where we are protecting legacy and moving forward. And what we've learned is that balance in categories where we are having an assortment of silhouettes that address the middle and both ends is where we're seeing much success.

Mark W. Webb
Executive VP, Chief Financial & Operating Officer and Interim Principal Accounting Officer,

And Mary Ellen, Jonna, I would probably just build on that from sort of the implications in the guidance. Everything that Mary Ellen said about this year and relative to how different it was this time last year, this is the first quarter now where we're fully aligned with our merchants and design teams and everything that Mary Ellen just mentioned gives us the confidence that we'll continue to gradually build this year.

As compared to last year, this time where we had a relatively new team coming together, we were in the process of working forward to this moment and the business performance actually degraded a little bit through the end of the year into Q4. So it's a combination of both of those years. And just to underscore also the ending inventory period at the end of Q1 is in a better place than it's been in a while, and we've adjusted the buys as we go forward a bit as well. So feel like -- so that supports as well some of the full price and new product strategies that we're executing.

Operator

Your next question comes from the line of Janine Stichter of BTIG.

Janine Marie Hoffman Stichter
BTIG, LLC, Research Division

Congrats on the progress. I wanted to ask about the direct channel. How do you think about restoring the more full price nature of that channel? Or do you think of it as remaining more of a clearance channel? And then on the stores, you lowered the outlook for new stores. Just curious how new stores are performing. Is this more a function of adding less new stores just based on the environment or anything you're seeing on the stores you're closing? Is there any changes to how you're thinking about the hurdles for closing units?

Mary Ellen Coyne
CEO, President & Director

So I'll kick off and then Mark will join in for sure. On the direct channel, again, what we're seeing is stores are driving stronger results than direct at the moment. And again, we know that we are up against a promotional environment. But as I said earlier, we're very encouraged as we head into Q2 to see some improvement in full price selling. And we're actively taking steps to make sure that we can more fully engage that consumer in the lifestyle of the brand with the things that we talked about with a look book, with a fabric guide. The team has added video to the site. There are things that we're doing to really engage that customer because we know we're sitting in a promotional environment, but we know that we can stand out if we have the right product and the right messaging. So that's what I'll say about direct.

Mark W. Webb
Executive VP, Chief Financial & Operating Officer and Interim Principal Accounting Officer,

And I would just -- with respect to the store count and the capital, we just felt, Janine, at this point, it was prudent to nudge that down a bit. It's more about just the general environment and some of the uncertainty in the macro world and a little bit about some of the developments that are going on in the mall landscape, some of the remerchandising, the luxury additions, just to make sure that we're prudent in watching how those -- some of those efforts impact traffic and our customer, et cetera.

But we still feel very confident in the 300-store target we put out there before. I think more than anything, we're sort of reassessing the timing to that goal that feel like that's a very realistic goal. And

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

overall, the stores continue to perform as we've indicated on previous calls, better in markets that we're reentering where we're kind of know the customer, the customer knows us, a little longer ramp in some of the new markets. We'll continue to prioritize where we can lifestyle centers and reentry markets and a select few new markets as well in the guide that we provided.

Janine Marie Hoffman Stichter
BTIG, LLC, Research Division

Great. And I know it's still early, but anything you can share on the initial pilot of the non-tender loyalty program?

Mary Ellen Coyne
CEO, President & Director

Yes. So it is early days. We've had a very strong response so far. As you know, this J.Jill Collective is -- it's a vehicle that we will use to continue to engage and retain our existing customers and the response so far in terms of engagement has been very high. So we're looking forward to rolling that out to a broader group as we progress through the balance of the year.

Operator

Your next question comes from the line of Dana Telsey of the Telsey Group.

Dana Lauren Telsey
Telsey Advisory Group LLC

Mary Ellen, as you enhance the product, one of the categories that wasn't mentioned was bottoms. How did they do, whether in skirts or in bottoms? And as you see the continued enhancement of the product like the takeaways you had on shirts that were a little bit shorter, what -- how much should remain the core? How much should remain new? Do you think of it as a percentage? And then on new customer additions, any new demographic profile of those customers? And lastly, Mark, in terms of, I think there was some marketing that goes to the second quarter, how do you think of gross margin and SG&A, any puts and takes for Q2 and beyond?

Mary Ellen Coyne
CEO, President & Director

Thanks for the question. I'll start with your first, which is around bottoms. And we saw a tougher first quarter in terms of bottoms. We saw growth in the other categories. Bottoms was tougher for us. And I think from what we've read, that seems to be an industry trend. We did see as the quarter progressed, our dress business picking up, which usually offsets bottoms, right? If they're buying one, they're generally -- don't need the other. So -- but we are -- we'll continue to watch as we move forward. That was one of the tougher categories. We saw great business in our jackets and outerwear as we keep talking about and again -- but dress is better.

To the point about core versus new, we are very measured about it. And as I mentioned earlier, we are making sure that the vast majority of what is in our assortment appeals to both customers. What we've seen is that when we then in any given category, offer a balanced assortment of silhouettes, 20% leaning toward new, 20% being very legacy, but the vast majority in the middle appealing to both, that's how we're building it.

In terms of shirt lengths, it's interesting. A year ago, our business in tunics was terrible. We had a terrible season. And yet this year, when we reduced them, the consumer came back and said she wanted more choice in tunics. So that's one that's fortunately easy to rebalance. And we have done that in the back half of the year. And -- so I would say -- and color was also a very, very obvious call out that February leading into March was too neutral and our customer response to color. And again, we've seen that improve the Q2 business, and we'll watch that as a percent of the business going forward.

When -- look at new-to-brand customers, we are very encouraged for a few reasons. One, this new-to-brand customer coming in is younger than our customers' average age; and two, she's spending higher.

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

And so both of those things encourage us. And so as we think about marketing efforts moving forward, right, we have things like the J.Jill Collective to retain our existing, we are focused on bringing new-to-brand in, but we are also focused on converting them to existing customers and keeping them within the brand. We're very excited about that set, which is growing and younger and has a high AOV.

Mark W. Webb
Executive VP, Chief Financial & Operating Officer and Interim Principal Accounting Officer,

And Dana, addressing your question on the marketing spend, we did -- so SG&A in Q1, we mentioned was down about $1 million, and that was driven in part by the catalog shift. It really was a 4-day shift or so from the last week in April into the first week in May. And that's a contributor to what I'll mention in a second in Q2 SG&A.

The other contributor to the upside in Q1 was project costs, given that last year, we were in OMS cutover in Q1. And this year, we have our merch planning and allocation project going on, but it's a much lower burn rate than the final effort of OMS last year. So those were contributing factors. As you get into Q2, we'll continue to invest in marketing and then we have the timing shift. So that puts a bit more pressure into Q2 than we had in Q1. And the project costs really start to normalize year-over-year before they become a little bit of a headwind in the back half of the year.

So the modeling with the guidance we provided for Q2 with margin down about 100 bps implies that the margin tariff -- the net tariff load that we gave insight into that we're expecting with the inventory positioning and some of the progress that we're expecting to get some better performance through full price and yield. And then the model would indicate something like a few million dollar pressure most likely on SG&A in Q2. And I would say the first half net is probably a good way to model the back half SG&A as well in terms of -- relative to the prior year.

Operator

Your next question comes from the line of [indiscernible] of Jefferies.

Unknown Analyst

I think you just touched on it a bit just now about second half gross margins. But can you just walk through the implied second half improvement for gross margin, especially after the improving tariff environment?

Mark W. Webb
Executive VP, Chief Financial & Operating Officer and Interim Principal Accounting Officer,

Sure, [indiscernible]. A couple of points on that, and it's -- I want to be really clear that we haven't factored anything related to refunds. We're sort of status quo to where we've talked previously about tariff load in the margin with the small exception that the 10% rates we had previously assumed would go through Q1. Now we're assuming they go through Q2, which is some upside in the tariff expectation.

We mentioned the full year load of $14.5 million. Last time we said about $15 million. It's about $1 million movement in that line, which does provide less year-over-year pressure from tariffs in Q3. And then we expect that at the current assumptions to be a tailwind into Q4. And at the same time, the inventory positioning, which ex all of the tariff load at the end of Q1 was down 3.5%. And we indicated in our press release today that we're positioning back half units down about mid-single digits.

We feel like that, along with the product strategies should help drive more fundamental margin at full price and yield across full price and markdown. So those are some of our assumptions, again, gradually improving and getting more so in Q3 and more so again in Q4, just as the product strategies solidify and we get reps under our belt with every floor set, and that's what's implied underneath the margin predominantly in the guide.

Operator

Your next question comes from the line of Marni Shapiro of The Retail Tracker.

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Marni Shapiro
The Retail Tracker

Sorry, I had to hop on 1 or 2 minutes early -- late, sorry. I just wanted to ask, I know you had a little bit of trouble with the colors. But where you had color from my vantage point, it's sold out immediately. You had a beautiful pop of pink that came in, some blues. So was it across the board? Or when those colors came in, they sold and sold very quickly and at full price?

Mary Ellen Coyne
CEO, President & Director

The latter, Marni. So yes, we struggled with color in Feb and March when it was much more neutral and the colors were muted. The minute that we dropped that pink delivery, the full price selling was very, very strong. Both pink solid and print that had pink in it followed up by a delivery that was all around a beautiful aqua color sold very strong. Then we go into Memorial Day, red, white and blue, very -- red always very strong for us. So color is working. And again, just something that we will be very cognizant of in terms of the percent of the assortment as we move forward.

Marni Shapiro
The Retail Tracker

Also, I felt like in and out of your stores instantaneously. Could we also just talk about the customer that's looking for the deals a little bit more? I guess, are these newer customers that are coming in online and looking for deals? Or are they across the file?

Mary Ellen Coyne
CEO, President & Director

They are across the file, and it's what we've seen the last several quarters just continuing with the promotional cadence online being so elevated and remaining elevated. Again, what we know we need to do is we need to cut through, and we're seeing some encouraging results as we started Q2 with some full price selling in the direct channel, and we'll continue to really elevate that experience online. And as we bring new people in, be sure that they are having a full -- the true J.Jill experience and that they are converting at full price.

Operator
With no further questions, that concludes our Q&A session and today's conference call. Thank you for joining. You may now disconnect.

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Copyright © 2026 by S&P Global Market Intelligence, a division of S&P Global Inc. All rights reserved.

These materials have been prepared solely for information purposes based upon information generally available to the public and from sources believed to be reliable. No content (including index data, ratings, credit-related analyses and data, research, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of S&P Global Market Intelligence or its affiliates (collectively, S&P Global). The Content shall not be used for any unlawful or unauthorized purposes. S&P Global and any third-party providers, (collectively S&P Global Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Global Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. THE CONTENT IS PROVIDED ON "AS IS" BASIS. S&P GLOBAL PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Global Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages. S&P Global Market Intelligence's opinions, quotes and credit-related and other analyses are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P Global Market Intelligence may provide index data. Direct investment in an index is not possible. Exposure to an asset class represented by an index is available through investable instruments based on that index. S&P Global Market Intelligence assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P Global Market Intelligence does not act as a fiduciary or an investment advisor except where registered as such. S&P Global keeps certain activities of its divisions separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain divisions of S&P Global may have information that is not available to other S&P Global divisions. S&P Global has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P Global may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P Global reserves the right to disseminate its opinions and analyses. S&P Global's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription), and may be distributed through other means, including via S&P Global publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.
© 2026 S&P Global Market Intelligence.