REFINITIV STREETEVENTS

EDITED TRANSCRIPT

LPLA.OQ - Q4 2021 LPL Financial Holdings Inc Earnings Call

EVENT DATE/TIME: FEBRUARY 03, 2022 / 10:00PM GMT

OVERVIEW:

Co. reported 4Q21 EPS prior to intangibles and acquisition costs of $1.63.

©2022 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

CORPORATE PARTICIPANTS

Dan Hogan Arnold *LPL Financial Holdings Inc. - President, CEO & Director*

Matthew Jon Audette *LPL Financial Holdings Inc. - CFO*

CONFERENCE CALL PARTICIPANTS

Alexander Blostein *Goldman Sachs Group, Inc., Research Division - Lead Capital Markets Analyst*

Brennan Hawken *UBS Investment Bank, Research Division - Executive Director and Equity Research Analyst of Financials*

Gerald Edward O'Hara *Jefferies LLC, Research Division - Equity Analyst*

Kyle Kenneth Voigt *Keefe, Bruyette, & Woods, Inc., Research Division - MD*

Michael J. Cyprys *Morgan Stanley, Research Division - Executive Director and Senior Research Analyst*

Michael Masters Young *Truist Securities, Inc., Research Division - VP & Analyst*

Steven Joseph Chubak *Wolfe Research, LLC - Director of Equity Research*

William Raymond Katz *Citigroup Inc., Research Division - MD & Global Head of Diversified Financials Sector*

PRESENTATION

Operator

Good afternoon, and thank you for joining the Fourth Quarter 2021 Earnings Conference Call for LPL Financial Holdings Inc. Joining the call today are our President and Chief Executive Officer, Dan Arnold; and Chief Financial Officer, Matt Audette. Dan will offer introductory remarks, and then the call will be open for questions. (Operator Instructions)

The call posted its earnings press release and supplementary information on the Investor Relations section of the company's website, investor.lpl.com.

Today's call will include forward-looking statements, including statements about LPL Financial's future financial and operating results, outlook, business strategies and plans as well as other opportunities and potential risks that management foresees.

Such forward-looking statements reflect management's current estimates or beliefs and are subject to known and unknown risks and uncertainties that may cause actual results or timing of events to differ materially from those expressed or implied in such forward-looking statements. For more information about such risks and uncertainties, the company refers listeners to measures set forth under the caption Forward-Looking Statements in the earnings press release as well as the risk factors and other disclosures contained in the company's recent filings with the Securities and Exchange Commission.

During the call, the company will also discuss certain non-GAAP financial measures. For a reconciliation of such non-GAAP financial measures to the comparable GAAP figures, please refer to the company's earnings release, which can be found at investor.lpl.com.

With that, I'll turn the call over to Mr. Arnold.

Dan Hogan Arnold - *LPL Financial Holdings Inc. - President, CEO & Director*

Thank you, Jonathan, and thanks to everyone for joining our call today.

Over the past quarter and throughout 2021, our advisors continue to provide their clients with personalized financial guidance on the journey to help them achieve their life goals and dreams. And at the same time, we remain focused on our mission of taking care of our advisors so they can

©2022 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

take care of their clients. This combination positioned us to deliver another quarter and year of solid results while continuing to make progress on our strategic plan. I'd like to review both of these areas, starting with our fourth quarter business results.

In the quarter, total assets reached a new high of $1.2 trillion, which was up approximately $300 billion or 34% from a year ago. This increase was primarily driven by continued organic growth, our acquisition of Waddell & Reed's Wealth Management business and complemented by equity market appreciation.

With respect to organic growth, fourth quarter net new assets were $26 billion, which translated to 9% annualized growth, driven by continued strength across new store sales, same-store sales and retention. Over the past year, organic net new assets totaled $119 billion or 13% organic growth, up from 7% a year ago.

In the fourth quarter, recruited assets were $17 billion, bringing our full year total to $89 billion, which is more than double a year ago. Our continued growth in recruited assets reflects our ongoing progress with enhancing the appeal of our model and expanding our addressable market.

Looking at same-store sales, with the backdrop of a continued strong investor engagement, our advisors remain focused on serving their clients and differentiating their solutions in the marketplace. As a result, advisors are both winning new clients and expanding wallet share with existing clients, a combination that continued to drive solid same-store sales.

At the same time, we further enhanced the advisor experience through the continued delivery of new capabilities and technology as well as the ongoing modernization of our service and operations functions. As a result, asset retention was approximately 98% in the fourth quarter and over the past year.

Our fourth quarter business results led to solid financial outcomes with $1.63 of EPS prior to intangibles and acquisition costs, which brought our full year total to $7.02, an increase of 9% from a year ago.

Let's now turn to the progress we made on our strategic plan. As a reminder, our long-term vision is to become the leader across the entire advisor-centered marketplace, which for us means being the best at empowering advisors to deliver great advice to their client and to be great operators of their businesses. To bring this vision to life, we are providing the capabilities and solutions that help our advisors deliver personalized advice and planning experiences to their clients.

And at the same time, through human-driven technology-enabled solutions and expertise, we're supporting advisors in their efforts to be extraordinary entrepreneurs. Doing this well gives us a sustainable path to industry leadership across the advisor experience, organic growth and market share.

Now to execute on our strategy, we have organized our work into 4 strategic plays, which I'd like to review in turn. Our first strategic play involves meeting advisors and institutions where they are in the evolution of their businesses by winning in our traditional markets while also leveraging new affiliation models to expand our addressable market.

In our traditional markets, fourth quarter recruiting continued to be a significant source of growth with a new high of approximately $15 billion in assets. Ongoing enhancements to our platform and the efficacy of our business development team continued to increase our win rates and expand the depth and breadth of our pipeline despite advisor movement in the industry remaining at lower levels.

With respect to our new affiliation models, Strategic Wealth, Employee and our enhanced RIA custody offering, we recruited approximately $2 billion in assets in fourth quarter. In each of these three models, we continue to see growing demand and expanding pipelines, which position them going forward for increased contributions to organic growth.

Large financial institutions were a new source of recruiting in 2021 with the addition of BMO Harris and M&T and will continue to contribute this year with the planned onboarding of CUNA. Our insights and progress over the last 18 months have led to the continued enhancement of our value proposition and consequently, our demand and pipeline in this market continue to build. Given our experience and more seasoned view

©2022 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

from this work, we see large financial institutions as a more accessible market opportunity for us and another new and distinct affiliation model that can drive sustainable organic growth over time.

Our second strategic play is focused on providing capabilities that help our advisors differentiate in the marketplace and drive efficiency in their practices. In 2022, we will maintain our focus on developing capabilities and solutions in three key areas. The first is to enrich the end-client experience with expanded digital solutions that increase personalization and self-service and enable advisors to create customized experiences for their businesses.

Second, we will continue to enhance our wealth management platforms to help advisors provide their clients with differentiated advice, products and pricing. Third, we will continue to advance ClientWorks, our core operating platform, with additional digitized workflows to help advisors operate more efficiently and increase their scalability to serve more clients, all of which contributes to enhanced performance of their practices. We believe these evolving capabilities will help drive increased advisor growth, productivity and retention.

Let's next move to our third strategic play, which is focused on creating an industry-leading service experience that delights advisors and their clients and, in turn, helps drive advisor recruiting and retention. As a reminder, over the past 2 years, we have transformed our service model into an omnichannel client care model, including voice, chat and digital support, giving advisors flexibility for when and how they access service. In 2022, we will continue to fine-tune this model to drive additional efficiency and an enhanced experience for our advisors.

And this year, we will also advance to the next phase of our transformation, which is the streamlining and automation of our back-office operations. We will leverage Six Sigma process optimization and robotics and machine learning to re-engineer our core clearing functions, including new account opening, account transfers and money movement. And these efforts will increase speed and accuracy for our advisors and their clients.

In the future, we plan to extend this transformation from the service and operations organization to trading and compliance. Doing so better positions us to create frictionless, efficient processes throughout our operating model that enhance service levels, delight advisors and increase the scalability and efficiency of our platform.

Our fourth strategic play is focused on helping advisors run the most successful businesses in the independent marketplace. One of the key components of this play is our portfolio of Business Solutions, which helps advisors more effectively operate their businesses so they can focus on serving their clients and growing their practices.

In the fourth quarter, our subscription base continued to grow, more than doubling year-over-year to approximately 3,000 subscriptions, demonstrating increasing demand and appeal.

And while working with advisors on evolving our suite of Business Solutions, we identified a new category of opportunity that will help advisors more efficiently and effectively deliver comprehensive financial advice and planning solutions. And to help solve for this need, we are innovating on services that provide expertise and leverage to do this planning in a scalable way across their entire client base.

Our first offering in this area is Paraplanning, which is a service that builds financial plans for advisors who then in turn utilize them to establish an investment strategy to help clients achieve their goals and objectives. This service launched last month and is receiving positive early feedback and engagement in the marketplace. We're also incubating other solutions, including tax planning and high net worth services. As we look ahead, we remain focused on innovating and expanding our services to help advisors run extraordinary businesses and provide differentiated planning and advice for their clients, and in turn, drive gross profit and organic growth over time.

In summary, in the fourth quarter and throughout the year, we continued to invest in the value proposition for advisors and their clients, while driving growth and increasing our market leadership. And as we look ahead, we remain focused on executing our strategy to help our advisors further differentiate and win in the marketplace, and as a result, drive long-term shareholder value.

With that, I'll turn the call over to Matt.

©2022 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

Matthew Jon Audette - *LPL Financial Holdings Inc. - CFO*

Alright. Thank youDan, and I'm glad to speak with everyone on today's call. Before I review our fourth quarter results, I'd like to highlight our progress during 2021.

Looking at the year, we are proud of what we accomplished within our framework for driving long-term shareholder value. We entered 2021 with momentum as we grew assets organically in both our traditional and new markets, and successfully onboarded Waddell & Reed, BMO and M&T, all while continuing to invest to provide an industry-leading value proposition for our advisors to serve their clients and win in the marketplace.

This commitment to enhancing the support we provide our advisors resulted in the highest level of organic net new assets in our history. By leveraging the investments in our platform and the financial strength we built over the last several years, we again enter the new year with positive momentum.

Now let's turn to our fourth quarter business results. Total advisory and brokerage assets increased to a new high of $1.2 trillion, up 7% from Q3. The key driver of this increase was organic growth, which totaled $26 billion or a 9% annualized growth rate. For the full year, organic net new assets were $119 billion, which translates to a 13% annualized growth rate, up from 7% a year ago. This was driven by strength across all three channels of growth: recruiting, same-store sales and retention.

Looking more closely at recruiting, in Q4, recruited assets were $17 billion, which brought our 12-month total to a new high of $89 billion.

Moving on to our business mix, we continued to see positive trends in Q4. Advisory net new assets were $24 billion or a 16% annualized growth rate. With this growth, our advisory assets are now 53% of total assets as we continue to deliver differentiated capabilities and benefit from the secular trend towards advisory.

Now let's turn to our Q4 financial results. Strong organic growth, combined with expense discipline, led to EPS prior to intangibles and acquisition costs of $1.63, which brought our full year total to $7.02, up 9% from a year ago.

Looking at our top line growth. Gross profit reached a new high of $643 million, up $12 million or 2% sequentially. Looking at the components, commission and advisory fees net of payout were $200 million, down $2 million from Q3, primarily driven by the seasonal increase in production bonus. In Q4, our payout ratio was 87.6%, up about 45 basis points from Q3, primarily due to the seasonal build in the production bonus. Looking ahead to Q1, a reminder that the production bonus resets at the beginning of each year, so we anticipate our payout ratio will decline to approximately 86.5%.

Moving on to asset-based revenue. Sponsor revenue was $220 million in Q4, up $9 million sequentially. This was driven by an increase in average assets due to organic growth and market appreciation, as well as synergies related to Waddell & Reed assets being on our platform.

Turning to client cash revenue, it was $82 million, down $9 million from Q3. As anticipated, this was primarily driven by a fixed rate contract maturity at the end of the third quarter. Looking at overall client cash balances, they were $57 billion, up $7 billion from last quarter.

Looking more closely at our ICA yield, it was 101 basis points in Q4, unchanged from Q3. Within our fixed rate portfolio, in Q4, we added a new $500 million 3-year fixed contract. Looking ahead to Q1, we have a fixed rate maturity of $1 billion.

I would like to highlight that we were able to renew that contract at maturity into a new, four-year fixed rate contract. So, given these factors and where interest rates, client rates and cash balances are today, we expect our Q1 ICA yield to decline by a few basis points.

Next I want to highlight an update we made to our income statement this quarter to provide additional insight into our financials. We separated Transaction and Fees into two lines: Service and Fee and Transaction. We hope this additional transparency allows you to more clearly see the revenue generated from predominantly recurring advisor- and investor-based services, apart from our transaction revenues. We have provided a summary of these changes on page 12 of our Key Metrics presentation.

©2022 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

So looking at Service and Fee revenue, in Q4, it was $110 million, up $5 million sequentially. This was primarily driven by continued growth in Business Solutions revenue and the seasonal increase in IRA fees. Looking more closely at Business Solutions, we ended the quarter with over 3,000 subscriptions, which is up approximately 400 from last quarter and more than double a year ago. These services now generate roughly $28 million of annual revenue, while also contributing to organic growth by helping drive recruiting, same-store sales, and retention.

Looking ahead to Q1, based on typical seasonality and the growth of Business Solutions, we expect Service and Fee revenue to increase by a few million sequentially.

Moving on to Q4 transaction revenue, it was $39 million, up $4 million sequentially, due to higher trading. As we look ahead to Q1, we have seen an increase in trading activity in January. That said, I would note there are two fewer trading days in the quarter, so that would likely offset that increase. So based on what we have seen to date, we would expect transaction revenue to be relatively flat with Q4.

Now let's turn to expenses, starting with core G&A. It was $299 million in Q4, bringing our full year core G&A to $1.58 billion. As expected, this was near the upper end of our outlook range, driven by the variable expenses associated with our strong organic growth. Looking at the full year for 2021, and prior to the impact of Waddell & Reed, we grew core G&A by approximately 8%.

Turning to our outlook for 2022. Our long-term strategy is unchanged. We plan to continue to invest to drive organic growth and create incremental operating leverage. Over the last few years, we have increased our investments to drive organic growth. Those investments are yielding positive results including the highest levels of organic growth in our history. And so, as we look ahead to 2022, we plan to continue with the same approach. More specifically, we plan to increase our core G&A in the range of 7% to 9.5%, which is a similar growth rate to 2021.

I would note that these investments will be focused in two primary areas: first, to support our core business growth, including investments in technology and capabilities, as well as a full year of Waddell & Reed expenses; and second, to support growth in our expanded addressable markets and to scale our new services.

Also, to give you a sense of the near-term timing of the spend, as we look ahead to Q1, we would expect core G&A to be in the range of $280 to $285 million. We will of course remain dynamic to adjust for the pace of our growth and changes in the macro environment, but based on what we see today, we are excited about our opportunities to invest.

Moving on to Q4 promotional expense. It was $86 million, up $2 million sequentially, primarily driven by costs to support our organic growth, specifically, transition assistance and large financial institutions.

Turning to Q1, we anticipate promotional expense will increase to the low $90 million range, primarily driven by transition assistance, large financial institution onboarding, and conference spend as we have 2 of our largest conferences of the year in Q1.

Now let's move to Waddell & Reed. The integration work is going well and remains on track to be completed by the middle of this year. With respect to run rate EBITDA, it was roughly $70 million in Q4. Based on current asset levels and our continued progress on the integration, we now expect the run rate EBITDA benefit to be at least $90 million by the middle of 2022, up from our prior estimate of $85 million.

Looking at share-based compensation expense, it was $10 million in Q4, relatively flat to Q3. As we look ahead, Q1 tends to be our highest quarter of the year, given the timing of our annual stock awards. So we anticipate this expense will increase by a few million dollars sequentially.

Turning to depreciation and amortization. It was $41 million in Q4, up $2 million sequentially. Looking ahead to Q1, we expect depreciation and amortization to increase by roughly $5 million sequentially. This is primarily driven by the deployment of technology to support the integration of Waddell & Reed, as well as core technology spend to enhance our industry-leading platform. Given the non-recurring nature of the integration spend, beyond Q1 we expect a more gradual rise in depreciation and amortization for the remainder of 2022.

Moving on to capital management. Our balance sheet remained strong in Q4, with the leverage ratio at 2.26x and corporate cash of $237 million. As for capital deployment, our framework remains focused on allocating capital aligned with the returns we generate: investing in organic growth

©2022 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

first and foremost, pursuing M&A where appropriate, and returning excess capital to shareholders. In Q4, we allocated capital to both organic growth and share repurchases, buying back $50 million of our shares to roughly offset dilution. We anticipate a similar level of share repurchases in Q1, while remaining flexible and dynamic, as our capacity and opportunities to deploy capital evolve.

In closing, we delivered another quarter of strong business and financial results. As we look forward, we remain excited about the opportunities we see to continue investing to serve our advisors, grow our business, and create long-term shareholder value.

With that, Operator, please open the call for questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Our first question comes from the line of Alex Blostein from Goldman Sachs.

Alexander Blostein - *Goldman Sachs Group, Inc., Research Division - Lead Capital Markets Analyst*

So maybe we'll start with organic growth. Not surprisingly, super strong end to the year. Obviously, wrapping up a good year for you guys from a net new assets and recruiting perspective. Given the sort of change in macro backdrop with both more equity market volatility and obviously down equity markets year-to-date but rising rate dynamics, curious how you think that will impact recruiting and sort of the broader competitive landscape. So are we likely to see FAs being sort of more reluctant to move given the kind of sharp move down in the asset values? Are there likely to be more competition because, again, people are more profitable so that maybe you can afford to pay a little more? So hoping you can sort of flesh out how that plays into your organic growth outlook into next year.

Dan Hogan Arnold - *LPL Financial Holdings Inc. - President, CEO & Director*

Alex, it's Dan. Thanks for the question. So look, I think we always look at sort of the structural opportunities, first and foremost, relative to organic growth. And as we stated in our remarks, right, you've got new store sales, you've got same-store sales and certainly retention. And as it relates to new store sales, again, I think the flexibility and optionality around our model, continued investment in differentiation and the capability set of our platform and then using our rate-driven sort of underwriting process, we think that is a really appealing combination that continues to create that sort of structural differentiation out in the marketplace as we move forward. And I think that drives the primary sort of activity and results at the end of the day.

Now to your point, certainly, you have to overlay some market conditions that may influence that overall trajectory in the short run. There are cases to where you could have a significant market displacement that could occur that could temporarily disrupt the overall trend of opportunity out in the marketplace, i.e., advisors not moving as much because they're focused on those market conditions in serving and supporting their clients. And we've certainly seen that historically in the past. Up to this point, the volatility that we're seeing in the early part of the year, I think, is more aligned with sort of what we've played in the last couple of years. And so we're not seeing, thus far, some outsized impact for disruption in the overall movement out in the marketplace.

I do think there's an overall, as we noted in our remarks, a bit slower movement in certain parts of the industry. But again, don't see necessarily thus far the macro influence in that. That's always subject to change if something more dramatic should shift as we move forward.

And I think with respect to interest rates, you're suggesting is if there's greater economics built into recruiting, how does that influence transition assistance and/or financial incentives. And again, we've seen no reflection of changing in the underwriting across the marketplace. And we continue to use a return-based approach to that concept. And we factor in, certainly, I think, the characteristics of our overall economics factored in with

©2022 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

the macro. And so again, we haven't seen any shift at this point in the overall pricing out in the marketplace for cost of acquisition. I don't know if you want to add anything to that.

Matthew Jon Audette - *LPL Financial Holdings Inc. - CFO*

No. All set.

Alexander Blostein - *Goldman Sachs Group, Inc., Research Division - Lead Capital Markets Analyst*

A follow-up for Matt, maybe why don't we start with Waddell. Great to see the guide increase to $90 million plus from previous. Can you maybe expand a little bit what the plus depends on. Again, is that market related, so asset levels and rates? Or are you seeing potential for sort of incremental synergies, whether it's on the revenue side or the expense side? So just maybe a little more color on what could drive the upside there.

Matthew Jon Audette - *LPL Financial Holdings Inc. - CFO*

Yes, definitely. I think as we move towards completing the integration by the middle of this year, the work that's really left is really on the expense synergy side. So as we complete that work, I think the plus is if we end up getting more synergies than expected. So it's kind of a small part of the work is left, and I think that's where the upside would be.

Operator

Our next question comes from the line of Bill Katz from Citigroup.

William Raymond Katz - *Citigroup Inc., Research Division - MD & Global Head of Diversified Financials Sector*

So Dan, maybe a question for you. It sort of seems like from your commentary that the momentum is accelerating across the pipeline. So one clarification. Was that also in that the largest size of the financial institution group that the sort of the group you've historically not been able to go after, that $300 billion? But more broadly, can you just talk about what's resonating in the marketplace as, obviously, your organic growth is accelerating?

Dan Hogan Arnold - *LPL Financial Holdings Inc. - President, CEO & Director*

Thanks, Bill. So yes. Look, organic growth is a key part of our strategy, as we've talked about, and we've stayed very intentional and focused on how do we deliver those results. And I think if you think about our growth going forward, perhaps if you look at the last couple of years as a framework for that, you've got 7% growth in 2020 and 13% growth in 2021, and those are probably pretty nice bookends as a way to think about a range of potential growth over the long run or as we go forward. Obviously, as we talked about in the last question, macro conditions at any point in time, could influence that overall opportunity set.

I think, Bill, what we do to drive that to get specifically to the second part of your question is we continue to look at investing in our traditional markets, growing the appeal of those markets so it drives continued new store sales growth and continues to keep retention in that 2% range that we've talked about before. And we believe that investing in continued capabilities that help those advisors differentiate and win out in the marketplace is key to that. So think about that as focus #1.

I think second is expanding and accelerating the growth in our new markets. And you said it, we see continued momentum building there. Some of that was a go-to-market. We're new to the marketplace. We continue to iterate and refine those models to make sure they're well positioned and appealing as they can be and create the value that they should for those different segments of the marketplace. And we're seeing that versatility

©2022 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

and that flexibility ultimately open up new opportunities. And frankly, it's even helping advisors in our existing platform who have one model, and potentially were thinking about transition to another, staying on our platform because we have that flexibility now.

And so we do see continued momentum there, and we've gotten off to a good start here in Q1 relative to the Strategic Wealth solution as an example. So continued growing contribution from those new markets.

And financial institutions, what I was referring to as large financial institutions, this being somewhat of a new market for us. It wasn't a place that we always looked at for opportunity. I don't think we had demonstrated being able to bring a new solution to the marketplace that resonated. And it was actually a different context and sort of solution for that segment of the marketplace.

And I think through a couple of the wins that we've had, it's helped us learn, understand, refine, and ultimately see that segment of the marketplace as a more sustainable avenue for growth and for contribution to come. So that's the way to think about the large financial institution markets, if that's helpful.

And then finally, the last one is helping our existing advisors grow. And they've certainly done a great job of that over the last couple of years in tough markets, and we continue to see opportunity to invest to help them differentiate their advice, expand their advice, solve new problems for clients and generate net new assets from that. So those are the primary sort of drivers underneath that growth. And I think if you try to apply all of that to 2022, as we think about this year, knowing that a large financial institution is onboarding in CUNA in the first half of the year, we believe we're in the upper half range of that 7% to 13%. So hopefully, that gives you some helpful color.

William Raymond Katz - *Citigroup Inc., Research Division - MD & Global Head of Diversified Financials Sector*

That does. And just a follow-up for Matt or maybe yourself, Dan. So just to play devil's advocate for a moment. If your rate guidance is correct, and if we get rates, hopefully we will, and we get four or five rate hikes this year, all else being equal, your guidance would suggest about $2.50 a share of incremental earnings power just based on page 16 of the supplement. So if you assume that your recruitment remains solid, but your organic growth is bookend here, how do you think about deploying that incremental cash? And maybe you could speak to the M&A pipeline versus buyback at the margins for your choices.

Matthew Jon Audette - *LPL Financial Holdings Inc. - CFO*

Yes. Sure, Bill. I'll take that one. I think when you look at our plans for the year, and I think you see those well in the core G&A specifically in the 7% to 9.5% range, I think the primary driver where that's going to land, I think, really is the level of organic growth. I think Dan just gave you some nice range of outcomes and opportunity set that we see there.

But really, interest rates, we don't see that driving that this year. I think when you look early in a rate cycle, that those increases and those benefits would typically fall to the bottom line and improve margin. So as we look beyond that and apply those excess funds to your question to our capital allocation framework, I think that the approach that we've taken in the past is really the same framework that we have today. And I think that will guide us. And it's back, first and foremost, to looking at opportunities to drive more organic growth, right? It could be things like new capabilities for advisors, things like further enhancing the service experience, expanding services to help advisors run their businesses as a few examples.

I think to your question on the M&A front, I think there's two, call it, categories of opportunities there. That's a place where you can accelerate the delivery of capabilities through M&A. We've done a few small acquisitions there. And then the more, call it, standard or classic growth acquisitions as long as the returns are compelling, which obviously is key. And then lastly, returning capital to shareholders, which we also see as a compelling way to deploy capital.

So I think we're going to remain flexible and adjust if needed, and to your point, as we go through this year and with expected rate increases occurring, I think we'll apply those funds at that time to our framework and see what makes the most sense at that time.

©2022 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Operator

Our next question comes from the line of Steven Chubak from Wolfe Research.

Steven Joseph Chubak - *Wolfe Research, LLC - Director of Equity Research*

So wanted to start with a question on rate optionality. Matt, since your rate sensitivity disclosure, the $310 million increase in gross profit from four hikes, it is based on a static balance sheet. And I was hoping to unpack some of the sources of rate upside that maybe aren't captured in that figure. And in particular, with money market balances running at very elevated levels, I was wondering how we should be thinking about both the capacity and timing to move money fund balances back into ICA as the Fed begins hiking. And with signs of bank demands also coming back for both floating and fixed rate agreements, a bit sooner than we were expecting, how should we be thinking about the glide path to getting back to that fixed target range of 50% to 75%?

Matthew Jon Audette - *LPL Financial Holdings Inc. - CFO*

Yes. So great question, Steven. I think when you look at the money market, the balances in the money market overflow, and I think we put it in font size that folks at my age are just even hard to see, but I think you see a footnote there. If those balances go back into ICA, that would be an additional $30 million upside for rate hike for those overflow balances. So it just gives you a sense as if demand does come back to the market and those overflow balances move, it gives you a sense of the benefit.

I think where that market stands, and I think you started to hint at it well in your question, I think where we sit today, the market and the -- therefore, the ability to do that hasn't really changed much. I'd say, if anything, it's improved a little. I think when you look at the things that would drive that, we're starting to see some positive signs, right? Consumer spending continuing to increase. Loan balances starting to grow off their lows at the big lenders. And then the biggest factor of all, the Fed, right, not only talking about raising interest rates and tapering, but actually talking about shrinking the balance sheet, their balance sheet. And those are the things that if all that occurs, I think, really removes a lot of liquidity from the system, and then we're naturally in a place to be a provider of that liquidity.

So it feels like the winds are blowing in the right direction, but things haven't really moved much yet. And I would highlight some things we were able to do in the quarter. Like on the floating rate side, we are seeing pricing in the Fed funds plus five zone, where I think you were flat to negative when you think about more last year. And then on the fixed rate side, we were able to add a new contract this quarter, the $0.5 billion that I talked about in the prepared remarks. And the maturity that's upcoming in Q1, we're able to renew that into a new four-year contract at 140 basis points. Right, we haven't had that rate, I think, since pre-COVID or pre-pandemic.

So the market, I think, remains challenging. But I think there's a lot of good signs that if those things play out, it would improve. And I think pulling that through to the last part of your question is how does that fit into us getting to the 50% to 75% target range of the fixed rate portfolio, I think I'd just emphasize, that remains our target. We're sitting at 25% now. I think in periods of low interest rates like we're in now, if demand is there, we'd probably want to stay shorter and closer to that 50%. And if rates are much higher with a steep curve, we want to be closer to 75%. And I think right now, the limiting factor there is more just the demand itself, which -- as I just commented on, which is why we're at 25%. So hopefully, that helps, and I think I got -- I think it was a three-parter, Steven. I think I got them all.

Steven Joseph Chubak - *Wolfe Research, LLC - Director of Equity Research*

It was actually a two-parter, Matt. But I'm still going to push with a related follow-up, but it will be related, rest assured. Just on cash balance growth expectations, you're entering the coming cycle with cash as a percentage of assets relatively close to the 4% floor that you had spoken to previously. And that's before the Fed has even started tightening or where we would typically expect to see some signs of cash sorting as you noted in response to my earlier question or multipart questions. So given the strong organic growth that you're generating and just the need for advisors to maintain

©2022 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

some minimum level of liquidity, should we still view that 4% as a reasonable floor on cash, which, all else being equal, would imply sustained growth in cash balances, at least in the mid- to high single-digit range even as the Fed begins to tighten this year?

Matthew Jon Audette - *LPL Financial Holdings Inc. - CFO*

Yes, I think the short answer is yes. I mean, I think when we look at the dynamics of this cash, right, which is operational cash, right, for rebalancing or a weighting investment, I don't think we've seen anything change in how advisors give advice, the dynamics of that rebalancing and trading that would cause us to have a different view. So I think 4% is a good way to think about a floor. Now that doesn't mean 3.9% is a problem and a possibility, but I think when you think about it as a range, I think 4% is still the good percent to think of.

Operator

Our next question comes from the line of Michael Cyprys from Morgan Stanley.

Michael J. Cyprys - *Morgan Stanley, Research Division - Executive Director and Senior Research Analyst*

Just wanted to follow up a little bit there just on those overflow balances. I guess to the point on the last question, just in a rising rate environment, I guess, what are the prospects, do you think, for those overflow ICA and overflow money fund balances to come back into an ICA floating? What really needs to happen? And how do rising rates impact the likelihood, the possibility and the timing for that to play out?

Matthew Jon Audette - *LPL Financial Holdings Inc. - CFO*

Yes, sure. So Michael, it was what we were just talking about. I think that the mechanics are demand really returning to the market. And I think -- so then you click down and you say what are the things that would cause that demand to return. And it's things that remove the excess cash off the banks that we will be placing that sweep to, right? So that's consumer spending going up. That's loan balances on those balance sheets going up. And then the big factor, when you look at the Fed and the cash that's injected into the system, ultimately, it makes its way onto the balance sheet to those large financial institutions that we place our sweep with. So it's really all connected. It's as simple as that. As demand returns, the mechanics of an overflow or when there's capacity in ICA, it goes back.

Michael J. Cyprys - *Morgan Stanley, Research Division - Executive Director and Senior Research Analyst*

Great. And then just a follow-up question on the expense front. You guys had flagged a more elevated promotional expense in the first quarter here just given some of the seasonality, but I was hoping you might be able to unpack what pieces of that come out as we go into the latter half of this year. How you see that trending, whether it's T&E, additional conferences? How do you see that trending?

Matthew Jon Audette - *LPL Financial Holdings Inc. - CFO*

Yes, sure. And maybe just to hit again the Q1 numbers. When you look at the Q1 promotional expense, the key thing that I would highlight is it's really a function of our conference schedule. And when you look at 2021, if you recall, we had our conferences entirely in the second half of the year given the COVID environment. And this year, it's going to be a more typical schedule with conference expense showing up primarily in Q1 and Q3. So that's probably the main, maybe, thing you can't intuitively see, right? The remaining drivers are all just connected to growth, the typical TA and the related amortization that comes from that as well as the cost to support the large financial institutions that we've talked a bit about here, M&T and BMO and then as we begin to support CUNA.

So as we get deeper into the year, and maybe just to think about the full year, right, just giving you the context on Q1, when we think about the full year, it's really similar drivers, right? The biggest driver is typically organic growth, the pace of that and the TA and associated amortization that

©2022 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

shows up when that recruiting happens. As Dan highlighted earlier, the rates haven't really changed for that. Those have been quite stable. So I think the key driver there is going to be really the level of recruiting that we have.

On the conference front for the year, we're really planning to return to in-person events, right, so that would likely bring our conference spend for the year back to pre-COVID levels. I'd estimate that around a $20 million increase for the full year '22 versus full year '21. And then lastly, the onboarding expenses associated with CUNA, right? Similar to M&T and BMO in '21, we'll have those expenses in '22 for CUNA. So those are really the 3 biggest drivers I'd highlight.

Operator

Our next question comes from the line of Kyle Voigt from KBW.

Kyle Kenneth Voigt - *Keefe, Bruyette, & Woods, Inc., Research Division - MD*

Maybe first, just a follow-up question on the cash balances, just with the meaningful cash build in December that you saw. Just wondering if you could share any information on whether those cash balances have been sticky thus far in January or you're seeing those kind of flow back into the market.

Matthew Jon Audette - *LPL Financial Holdings Inc. - CFO*

Yes. We would typically see that happen, right? You get a normal build in the fourth quarter of each year, and you start to see those balances go back into the market in the first few months of the year. But with all the volatility we've seen this year and then this January, we've actually seen the cash balances continue to build. So they're up about another $1 billion for the month of January. I would emphasize, though, I think when volatility falls and things get back to normal, whatever your definition of normal is, I think we would expect to see that cash start to go back into the market. It's a lot of tax positioning, tax planning that you'd see in December, a lot of dividends and interest that come in. So it is very natural for that to get deployed back into the market in the coming months.

Kyle Kenneth Voigt - *Keefe, Bruyette, & Woods, Inc., Research Division - MD*

Okay. That's helpful. And then my second question is just on the D&A guidance. I think you gave some commentary on the first quarter being up $5 million and a gradual increase from there. I think that implies something likely over a 20% increase versus 2021. I'm just trying to get a sense of if you look out over the medium term, and maybe it's a question more for the CapEx side of the business, are you comfortable, I guess, with the level of spend on the CapEx side? And if you could just go into a little bit more detail on the drivers of the increase this year, that would be helpful.

Matthew Jon Audette - *LPL Financial Holdings Inc. - CFO*

Yes. Yes, definitely. I think when you look at our core technology portfolio investments there, which is driving that increase, we've been increasing that around 8% per year for a while, and we plan to do the same in 2022. I think what you're seeing, the big pickup is really the technology associated with integrating and onboarding Waddell & Reed, and we had a big deployment in that area in the fourth quarter that then is going to lead to that depreciation increasing in Q1. So I think the increase that may not make intuitive sense is really connected with the acquisition. We factor those costs into the overall multiple, which you can see in the materials we estimate at 4.5x. So it's really the core portfolio growing at 8%, I think is -- think about that as the ongoing run rate.

Operator

Our next question comes from the line of Gerry O'Hara from Jefferies.

©2022 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

Gerald Edward O'Hara - *Jefferies LLC, Research Division - Equity Analyst*

Just one for me this evening. Clearly, some strong momentum as it relates to the Business Solutions side. And apologies if I missed it, but what -- can you give us a little context about what's really resonating as it relates to the 400 incremental new subscriptions or perhaps what you see kind of on to come into 2022? And then also, can you help us maybe tie together just what the investment and spend looks like as it relates to the growth of these Business Solutions if that's part of that kind of core G&A number or if it shows up elsewhere? Any sort of color or context, I think, would be helpful.

Dan Hogan Arnold - *LPL Financial Holdings Inc. - President, CEO & Director*

How about I take part A. Matt can take part B. So thanks for the question. And look, with respect to Business Solutions, just as a bit of a context, if you remember, that was an opportunity originally around this hypothesis of how do we help advisors, not only to be great advisors but help them run thriving businesses. And we knew there was a significant amount of local level spend that advisors were trying to get help with anything, accounting or bookkeeping, to some sort of cash flow analysis to marketing support to tech support, all the things that you could think about in running a more entrepreneurial, smaller, mid-sized business. And so that was our original hypothesis. And then so as we've gotten in and continued to learn and serve and support them through our CFO solution, our Marketing solution and our Admin solution, I think those fundamentally and structurally resonate with them and the needs that they have associated with those types of roles resonate with them.

What we've learned along the way, though, was there's also discrete problems that we can solve that don't require a full CFO. And we've been able to come up with sort of second-generation products, if you will, across the CFO and marketing landscape that expand our product offering, give different price points that make those services more and more accessible to more and more advisors. And so we will continue to innovate around what I would call the business services and think there's a significant room for opportunity when you look out over [our existing base of 20,000] (corrected by company after the call) advisors. And so those, again, I think, are really interesting, not only in the fundamental core initial offering, but multiple generations from their product innovation.

And I think at the same time, as we've been innovating and working on those types of solutions, we learn more and more about new ways of new things that advisors are trying to solve for, and that's where we came up with help with succession planning around assurance plan. So our M&A Solutions where that was born out of how we think about succession planning and selling my business or an advisor wanting to grow through buying a business. And we realized that those were obstacles and obtuse things that others typically don't do, and we could come in with some expertise and leverage and help them execute around that to make those things more possible. So solving specifically again in and around how do I grow and or think about succession planning, have been valuable areas of innovation that could help drive that subscription base.

I think as we go forward, what we've also unlocked is a new category of opportunity where we were focusing on helping them be great business owners. Now we've unlocked this opportunity where they may share, hey, look, I want to provide a broader base of financial planning across my entire client base, but I need leverage to do that because that's time-consuming and hard to do. So hence, this concept of consulting, do the plans for them to position them then to go build the financial strategy and investment strategy associated with that. And so this has unlocked this full new category of helping them expand and broaden the comprehensive advice, which just makes them more appealing and differentiated from other options out in the marketplace and hence help us further this. So that's the opportunity set as we move forward with respect to Business Solutions. And to some degree, some of the initial products that have helped us get where we are up to this point, and I hope that helps.

Matthew Jon Audette - *LPL Financial Holdings Inc. - CFO*

Gerry, on the second part of your question on the cost front, I mean, the headline is that the costs that are included in our core G&A, are included in core G&A guidance for 2022. So that 7% to 9.5% range would include the cost to scale, our new services and specifically Business Solutions, as Dan just described.

©2022 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

Gerald Edward O'Hara - *Jefferies LLC, Research Division - Equity Analyst*

Okay. And actually, I just had one sort of, I guess, small follow-up, perhaps somewhat of a small point. But the interest rate sensitivity page, if I kind of compare this quarter-over-quarter, it looks like cash balances went up, but the incremental benefit from the next four rate hikes went down, granted it's a modest amount. And perhaps, you've already touched on it with some of the prior questions, so I apologize. But can you just maybe flesh that out a little? I would have maybe expected it to go the other way.

Matthew Jon Audette - *LPL Financial Holdings Inc. - CFO*

Yes, yes. I mean, I think it changed a little bit. I think the key is that you saw the growth in those overflow balances of money markets and actually a slight decline in ICA. So while the sensitivities that are front and center in those bar charts went down a little bit, if you look at that footnote of the benefit associated with if and when those money market overflows go back into ICA, that actually went up, right? So it kind of shows up in a couple of different places. But it's just a mix, and -- because we calculate those based on where we are at the end of the fourth quarter.

Operator

Our next question comes from the line of Brennan Hawken from UBS.

Brennan Hawken - *UBS Investment Bank, Research Division - Executive Director and Equity Research Analyst of Financials*

SWS wins have really been impressive. You got over 20 on the board at this point. So far, what's been the feedback as you've built this offering out from advisors that you've onboarded? And are there any ways in which, based on that feedback, you're tweaking the offering or making adjustments in order to make it even more compelling?

Dan Hogan Arnold - *LPL Financial Holdings Inc. - President, CEO & Director*

Thanks for the question. And yes, we are encouraged by the offering in the marketplace. And I think we probably -- when we first went to market with this solution, I think we've done some good research in it with insights. And we'll call it a solid offering, but as people get in and begin to use that solution, you obviously begin to learn opportunities of probably creating some additional digital workflows that help them with efficiency inside the practices, which have been good feedback and learnings for us. Continuing to more fully integrate some of our banking solutions is another feedback that we've gotten that we've been working on to do that we think makes the solution more appealing. I think some of our high net worth solutions that we're working on have also been -- they've been a good source of feedback there to help us refine the development in those. So those are maybe some categories to think about where we've both made some improvements and continue to work to enhance the model.

But I think foundationally, if you think about 85%, 90% of the core solution and the feedback we're getting and the NPS scores that we're getting from this group, it would reflect a good, solid offering, delivering on what they had hoped, which is to help to transition to an independent practice and the ongoing support to operate and run a successful independent business. So we feel good about where we are and continue to take that feedback and apply it to an enhanced offering.

Brennan Hawken - *UBS Investment Bank, Research Division - Executive Director and Equity Research Analyst of Financials*

Alright. That makes sense. And then just one follow-up, Matt, on the promotional expense. And you spoke to the -- to this to some degree, so it might be embedded within the prior answer. But when we look at the pickup in promotional from 4Q into the low 90s that you expect next quarter, it's my understanding that we had a conference -- you guys had a conference in the fourth quarter, so I would think that would be a like-for-like. So is the delta quarter-over-quarter really just purely the other factors, the TA and maybe a bit of a step-up in the CUNA onboarding? Or is it part

©2022 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

of that embedded $20 million increase in the in-person conferences becoming larger and maybe the fourth quarter was a little smaller? Just understanding some of the complexion there would be helpful.

Matthew Jon Audette - *LPL Financial Holdings Inc. - CFO*

Yes, definitely. And it's where you just ended the question. So it's a combination of -- we've got two large -- two of our largest conferences in Q1. You're correct, there is a large conference in Q4 as well, but you now have more of an in-person expectation so you have overall a little bit of increase in conferences and then all the growth items that you just described. So it's a little bit of both.

Operator

Our next question comes from the line of Michael Young from Truist Securities.

Michael Masters Young - *Truist Securities, Inc., Research Division - VP & Analyst*

I wanted to follow up on the Business Solutions portion of the business again. And good to see you get up to 3,000 subscriptions, another year of kind of doubling that. Is there any reason why we shouldn't expect that to continue to double or even more than double? I mean are we accelerating there? Or just any thoughts along the kind of pace of growth, especially with the new product additions would be helpful.

Dan Hogan Arnold - *LPL Financial Holdings Inc. - President, CEO & Director*

Yes. I think you should think about that as the ongoing similar momentum that you've seen over the last year. With a bigger base requires obviously more incremental growth to create a doubling effect, if you will. But I do think that we've become better at offering these products. We've refined the existing version of products. And with new products coming out, that certainly will contribute to subscription growth. And again, we continue to try to refine our approach. And if we see opportunity or we've got gaps to fill in, then we certainly pivot and make those adjustments along the way. But I think the consistent sort of trajectory that we're on now feels like the best way to describe how we think about it over the future.

Michael Masters Young - *Truist Securities, Inc., Research Division - VP & Analyst*

Okay. And as a follow-up, sorry, I apologize for switching gears here. But just on the financial institution side of the business, BMO, M&T last year, you got CUNA this year. Just from a capacity standpoint, I mean, would you all be able to announce additional partnerships this year? And how soon would you be prepared to actually execute following CUNA? And given kind of the splashes that you've made in that market recently with the size of the deals, are you having more conversations today than maybe a year ago regarding partnerships there?

Dan Hogan Arnold - *LPL Financial Holdings Inc. - President, CEO & Director*

So if we go in reverse order, we are having more dialogue around the possibilities of serving or supporting larger financial institutions, also a larger set of institutions in different sort of categories. So that creates more dialogue and more opportunities.

With respect to the planning around these, I think we've got to be thoughtful and diligent around not just thinking about winning those deals, but making sure that we execute well behind them. And you've got to be thoughtful about your funnel and the pacing of that. These are also longer sales cycles because they're more complex than our typical other business development efforts and activity. And so without giving you a perfect timeline, I think we have to be thoughtful and factor in our ability to execute matched with that demand and opportunity and then plan those out so that we execute them well.

©2022 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

It's also worked on the other side with these institutions to work through and think through doing that. And so they also have their own execution limitations, if you will, that we've got to collaborate and partner up with them. And so without giving you some specific time frame around when some next deal may come, I think we have active dialogue going on with a broader set of prospects. And then we'll factor in their ability to execute, our ability to execute and time those in a way that makes sense for doing that well.

Operator

Thank you. This does conclude the question-and-answer session of today's program. I'd like to hand the program back to Dan Arnold for any further remarks.

Dan Hogan Arnold - *LPL Financial Holdings Inc. - President, CEO & Director*

Yes. I just want to thank everyone for taking the time to join us this afternoon, and we look forward to speaking with you again next quarter. Have a good evening.

Operator

Thank you, ladies and gentlemen, for your participation in today's conference. This does conclude the program. You may now disconnect. Good day.

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.

©2022, Refinitiv. All Rights Reserved.

©2022 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV