

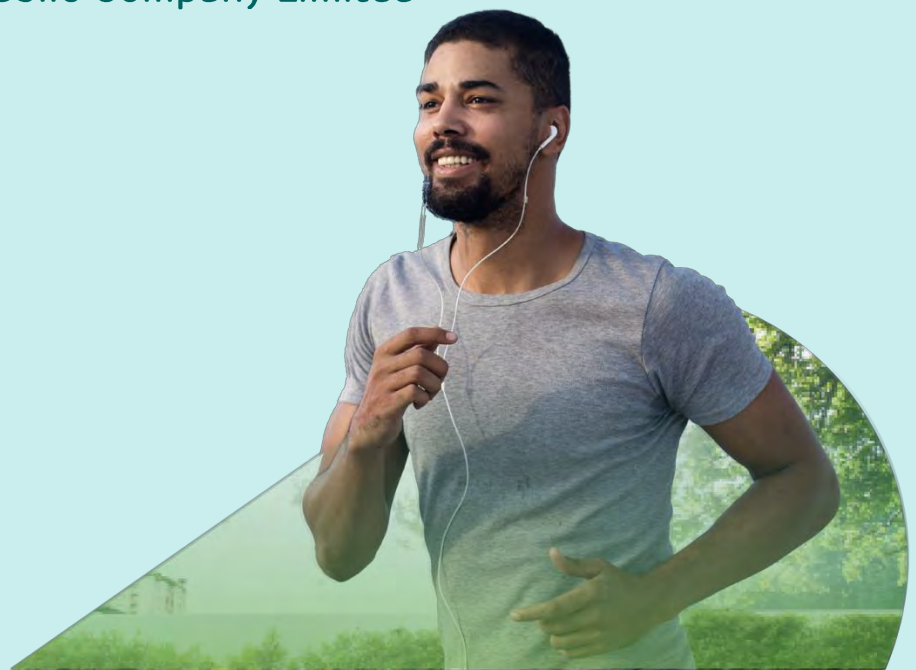


# MANAGEMENT DISCUSSION AND ANALYSIS

## 1Q2023

MEGA Lifesciences Public Company Limited

**Forbes Asia**  
**BEST** UNDER A  
BILLION  
2022



# BUSINESS OVERVIEW

Mega Lifesciences PCL (MEGA) is a leading participant in the health and wellness industry in developing countries. Our core business may be categorized into below segments:

## Mega Lifesciences PCL



### 1. MEGA WE CARE™

#### BRANDED PRODUCTS BUSINESS:

We develop, manufacture, market and sell our own brand of market leading nutraceutical products, prescription pharmaceutical products and OTC products which are mostly sold in developing countries with market leading presence in Southeast Asia and growing reach in Sub-Saharan Africa. Our branded products include products where we own perpetual license to third party trademarks.



### 2. MAXXCARE™

#### DISTRIBUTION BUSINESS:

We market, sell and distribute various branded prescription pharmaceutical products, OTC and consumer products. We operate our Maxxcare™ distribution business in three countries, namely, Myanmar, Vietnam and Cambodia. Our clients for this business segment include leading domestic and international pharmaceutical and consumer goods companies. This segment also includes business arising from markets other than aforementioned countries where MEGA has distribution rights for third party products.

# ANALYSIS OF FINANCIAL STATUS AND PERFORMANCE 1Q23



## CONSOLIDATED INCOME STATEMENT SUMMARY

**Overall Operating Revenue**

**THB**  
**3,728** mn 1Q23

Overall operating revenue for 1Q23 down by 2.4% YoY, mainly de-growth coming from Maxxcare™ distribution business.

**Gross Profit**

**THB**  
**1,626** mn 1Q23

Gross profit for 1Q23 at 43.6% of operating revenue compared to 44.8% for 1Q22.

**SG&A Expenses**

**THB**  
**1,028** mn 1Q23

SG&A expenses for 1Q23 remained steady at 27.6% of operating revenue compared to FY22 SG&A expenses which were at 27.8% of the operating revenue.

**Adjusted Net Profit<sup>1</sup>**

**THB**  
**546** mn 1Q23

Adjusted net profit for 1Q23 down by 4.3% YoY, de-growth mainly arising due to abnormally high gross margins of Mega We Care™ business in 1Q22.

**Reported Net Profit**

**THB**  
**453** mn 1Q23

Reported net profit for 1Q23 down by 26.1% YoY, de-growth mainly arising from higher forex loss due to appreciation of THB to USD in 1Q23, lower than normal spending of SG&A in 1Q22 and abnormally high gross margins of Mega We Care™ business in 1Q22.

**Operating Cash Flow**

**THB**  
**311** mn 1Q23

Operating cash flow for 1Q23 representing 69% of reported net profits.

<sup>1</sup> Adjusted net profits are net profit adjusted for losses from newly started businesses including startups, net foreign exchange gains or losses, normalizing SG&A expenses and non-recurring material income or expenses, based on best estimates, to reflect normal business performance.

For details, please see summarized income statement on Page 6 of this report.

# HIGHLIGHTS



**Overall operating revenue for 1Q23 was**

**THB 3,728mn**

lower by 2.4% YoY.

Mega We Care™ revenue was THB 1,953mn for 1Q23, flat as compared to 1Q22. Southeast Asia remained flat and Africa grew at 5.6%. Mega We Care™ revenue for 1Q22 grew at a high rate of 32.6% and in 1Q23 we have been able to maintain revenue of Mega We Care™ branded products compared to 1Q22.

Maxxcare™ revenue was THB 1,717mn for 1Q23 (down by 4.0% YoY). Normalizing for the dual currency rate effect in Myanmar<sup>2</sup>, the Maxxcare™ revenue for 1Q23 was down by 12.8%. The de-growth in Maxxcare™ revenue is partly attributable to loss of one principal in Myanmar.

**Overall gross margin for 1Q23 was**

**43.6%**

compared to 44.8% for 1Q22.

Overall the decline in 1Q23 gross margin compared to 1Q22, was mainly a result of Mega We Care™ business higher gross margin in 1Q22 which were abnormally high at 69.0%, which has been at sustainable level of 64.6% in 1Q23, as guided. The gross margins of Mega We Care™ business are influenced by revenue growth, product mix, country mix and level of output amongst other factors.

Maxxcare™ business gross margin normalized for 1Q23 was 19.9% similar to 18.8% for 1Q22. Despite loss of a principal in Myanmar, the normalized gross margins were stable at 19.9% in 1Q23. The reported higher gross margins in 1Q23 of 20.4% was mainly attributable to dual currency rate effect in Myanmar<sup>2</sup>, not materially impacting profitability.

Maxxcare™ business net margins (EBITDA/gross profits) for 1Q23 has remained steady at 56.2% after normalizing as mentioned above, as compared to 55.1% in 1Q22. Despite loss of a principal in Myanmar, the net margins in 1Q23 remained steady.



<sup>2</sup> Based on best estimates, the impact of Dual currency rate effect in Myanmar, is due to difference between bank rate of exchange by Central bank of Myanmar adopted for financial reporting per International Financial Reporting Standards vs Actual transacted market rates, resulting in inflated sales, gross margins and SG&A, not materially impacting the overall profitability.

**Selling and administrative expenses (SG&A) was**

**THB 1,028 mn**

for 1Q23, remained steady, representing 27.6% of operating revenue compared to FY22 SG&A expenses which were at 27.8% of the operating revenue.

**Adjusted net profit <sup>1</sup> for 1Q23 came in at**

**THB 546 mn**

Adjusted net profit for 1Q23 down by 4.3% YoY, de-growth mainly arising due to abnormally high gross margins of Mega We Care™ business in 1Q22.

**Reported net profit for 1Q23 came in at**

**THB 453 mn**

Reported net profit for 1Q23 down by 26.1% YoY, de-growth mainly arising from higher forex loss due to appreciation of THB to USD in 1Q23, lower than normal spending of SG&A in 1Q22 and abnormally high gross margins of Mega We Care™ business in 1Q22.



## Future Outlook

MEGA remains focused on further cementing its leadership position in Southeast Asia and deepening presence in the Sub-Saharan African countries, driven by market leading brands, healthy pipeline of new products, underlying potential in these regions, strategic tie-ups, partnerships, joint ventures and acquisitions. MEGA has the strategies in place to double its 2019 business by 2025. However, due to the nature of the developing and underdeveloped markets we do business in, growth may not be a straight line up but with occasional impacts that may be caused by economic, political and other factors.

# SUMMARIZED INCOME STATEMENT



## INCOME STATEMENT

Figures in THBmn	1Q22	1Q23	YoY Gr.
Operating revenue	3,819.7	3,728.3	(2.4%)
Gross profits	1,710.4	1,626.3	(4.9%)
Gross margin (%)	44.8%	43.6%	
Selling and Admin. exp (SGA)	988.8	1,027.7	3.9%
SGA (% to operating revenue)	25.9%	27.6%	
Reported net profit	612.7	453.0	(26.1%)
Net losses from new businesses	9.1	11.7	29.1%
Net foreign exchange loss/(gain)	12.8	81.1	535.1%
Normalizing SG&A spending	(64.2)	0.0	(100%)
<b>Net profit (Adjusted)</b>	<b>570.4</b>	<b>545.8</b>	<b>(4.3%)</b>

Higher forex loss due to appreciation of THB to USD in 1Q23, lower than normal spending of SG&A in 1Q22 and abnormally high gross margins of Mega We Care™ business in 1Q22., resulted in de-growth in 1Q23 net profits.

## 1. Overall Revenue

Overall operating revenue for 1Q23 was

**THB 3,728 mn**

lower by 2.4% YoY,

Mega We Care™ revenue was THB 1,953mn for 1Q23, flat as compared to 1Q22. Southeast Asia remained flat and Africa grew at 5.6%. Mega We Care™ revenue for 1Q22 grew at a high rate of 32.6% and in 1Q23 we have been able to maintain revenue of Mega We Care™ branded products compared to 1Q22.

Maxxcare™ revenue was THB 1,717mn for 1Q23 (down by 4.0% YoY). Normalizing for the dual currency rate effect in Myanmar<sup>2</sup>, the Maxxcare™ revenue for 1Q23 was down by 12.8%. The de-growth in Maxxcare™ revenue is partly attributable to loss of one principal in Myanmar.

Southeast Asia<sup>3</sup> and Indochina<sup>4</sup> contributed 86.8% and 78.1% of overall operating revenues for 1Q23.

<sup>3</sup> Thailand, Myanmar, Vietnam, Cambodia, Malaysia, Philippines, Indonesia and Singapore.

<sup>4</sup> Thailand, Myanmar, Vietnam and Cambodia



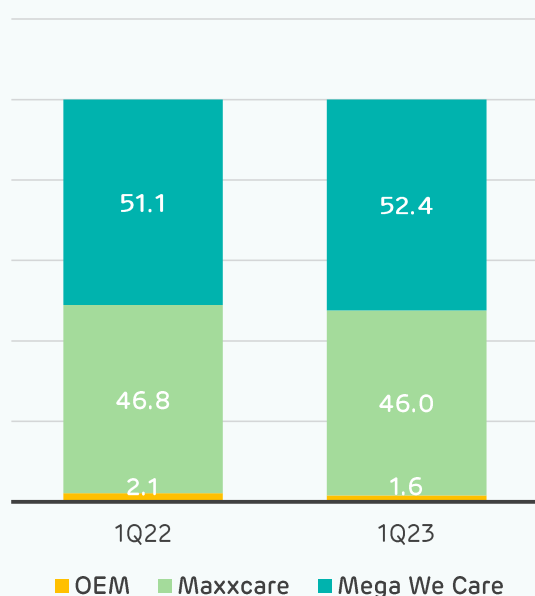
The following table represents the revenue generated under each operating segments.

## Revenue\* by Business Segment

Figures in THBmn	1Q22	1Q23	YoY Gr.
Mega We Care™	1,953.7	1,952.6	(0.1%)
Maxxcare™	1,787.4	1,716.6	(4.0%)
OEM	78.6	59.1	(24.9%)
<b>Total</b>	<b>3,819.7</b>	<b>3,728.3</b>	<b>(2.4%)</b>

\*Revenue is net of inter-segment charges & eliminations relating to consolidation

## Revenue mix by segments (%)



Proportion of Mega We Care™ business revenue to total operating revenue improved and was at 52.4% for 1Q23 compared to 51.1% for 1Q22.

Maxxcare™ business revenue to total operating revenue was 46.0% for 1Q23 compared to 46.8% for 1Q22.

Mega We Care™ revenue contribution to overall revenue improved for 1Q23.



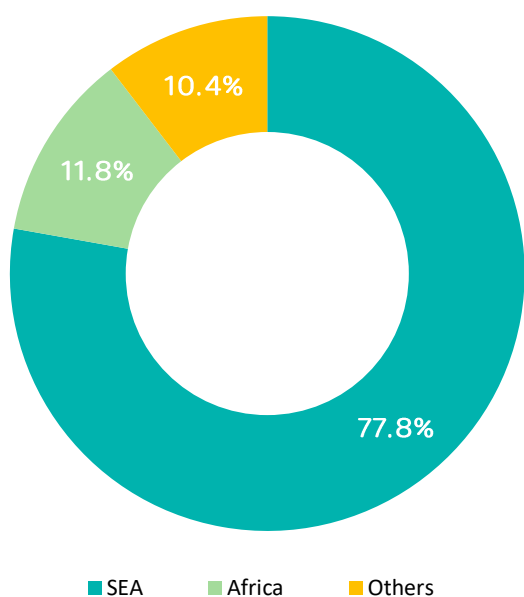
## Mega We Care™ Branded Products Revenue

Mega We Care™ revenue was THB 1,953mn for 1Q23, flat as compared to 1Q22. Southeast Asia remained flat and Africa grew at 5.6%. Mega We Care™ revenue for 1Q22 grew at a high rate of 32.6% and in 1Q23 we have been able to maintain revenue of Mega We Care™ branded products compared to 1Q22.

### Mega We Care™ Branded Products Revenue by Geography

Figures in THBmn	1Q22	1Q23	YoY Gr.
Southeast Asia	1,512.4	1,519.3	0.5%
Africa	218.3	230.5	5.6%
Others	223.1	202.8	(9.1%)
<b>Total</b>	<b>1,953.7</b>	<b>1,952.6</b>	<b>(0.1%)</b>

### Mega We Care™ Branded Products Revenue by Geography (1Q23)



**Southeast Asia contributed**

**77.8%**

while Indochina contributed 61.2% of Mega We Care™ branded products business revenue.

**Africa, the second largest region contributed**

**11.8%**

of the Mega We Care™ branded products business revenue.



## Maxxcare™ Distribution Revenue

### Maxxcare™ Distribution Business Revenue was

THB **1,717** mn

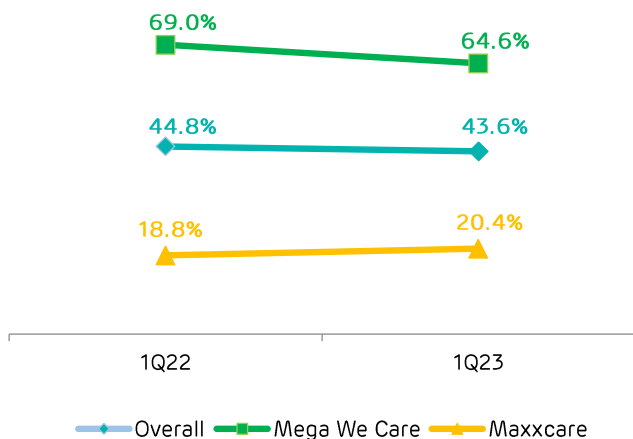
for 1Q23, a decrease of THB 71mn or 4.0% YoY.

Maxxcare™ revenue was THB 1,717mn for 1Q23 (down by 4.0% YoY). Normalizing for the dual currency rate effect in Myanmar<sup>2</sup>, the Maxxcare™ revenue for 1Q23 was down by 12.8%. The de-growth in Maxxcare™ revenue is partly attributable to loss of one principal in Myanmar.



## 2. Gross Profits

### Segmental gross profit (%) to segmental operating revenue



### Overall gross margin for 1Q23 was

**43.6%**

compared to 44.8% for 1Q22.

Overall the decline in 1Q23 gross margin compared to 1Q22, was mainly a result of Mega We Care™ business higher gross margin in 1Q22 which were abnormally high at 69.0%, which has been at sustainable level of 64.6% in 1Q23, as guided. The gross margins of Mega We Care™ business are influenced by revenue growth, product mix, country mix and level of output amongst other factors.

Maxxcare™ business gross margin normalized for 1Q23 was 19.9% similar to 18.8% for 1Q22. Despite loss of a principal in Myanmar, the normalized gross margins were stable at 19.9% in 1Q23. The reported higher gross margins in 1Q23 of 20.4% was mainly attributable to dual currency rate effect in Myanmar<sup>2</sup>, not materially impacting profitability.

Maxxcare™ business net margins (EBITDA/gross profits) for 1Q23 has remained steady at 56.2% after normalizing as mentioned above, as compared to 55.1% in 1Q22. Despite loss of a principal in Myanmar, the net margins in 1Q23 remained steady.



## Mega We Care™ Branded Products Business Gross Profit



**Mega We Care™ business gross margins remained normal at**

# 64.6%

for 1Q23 compared to 69.0% for 1Q22.

The gross margin in 1Q22 were abnormally high at 69.0%, which has been at sustainable level of 64.6% in 1Q23, as guided.

The gross margins are influenced by revenue growth, product mix, country mix and level of output amongst other factors.

## Maxxcare™ Distribution Business Gross Profit

**Maxxcare™ business reported gross margin was**

# 20.4%

for 1Q23 compared to 18.8% for 1Q22.

Maxxcare™ business gross margin normalized for 1Q23 was 19.9% similar to 18.8% for 1Q22. Despite loss of a principal in Myanmar, the normalized gross margins were stable at 19.9% in 1Q23. The reported higher gross margins in 1Q23 of 20.4% was mainly attributable to dual currency rate effect in Myanmar<sup>2</sup>, not materially impacting profitability.

Maxxcare™ business net margins (EBITDA/gross profits) for 1Q23 has remained steady at 56.2% after normalizing as mentioned above, as compared to 55.1% in 1Q22. Despite loss of a principal in Myanmar, the net margins in 1Q23 remained steady.

## OEM Business

**OEM business contributed**

# 1.6%

to overall operating revenue for 1Q23.

OEM revenue came in at THB 59mn for 1Q23 (down 24.9% YoY). Gross margins came in at 24.7% for 1Q23 compared to 33.1% for 1Q22. Gross margins are influenced by customer mix and level of output amongst other factors.

### 3. Consolidated Selling and Administration Expenses (SG&A)

**Selling and administrative expenses (SG&A) was**

**THB 1,028 mn**

SG&A expenses for 1Q23 remained steady at 27.6% of operating revenue compared to FY22 SG&A expenses which were at 27.8% of the operating revenue.

### 4. Consolidated Net Profit

**Reported net profit for 1Q23 came in at**

**THB 453 mn**

Reported net profit for 1Q23 down by 26.1% YoY, de-growth mainly arising from higher forex loss due to appreciation of THB to USD in 1Q23, lower than normal spending of SG&A in 1Q22 and abnormally high gross margins of Mega We Care™ business in 1Q22.

**Adjusted net profit for 1Q23 came in at**

**THB 546 mn**

Adjusted net profit for 1Q23 down by 4.3% YoY, de-growth mainly arising due to abnormally high gross margins of Mega We Care™ business in 1Q22.



## 5. Cash Flow

### Operating Activities

Operating cash inflow of THB 311mn for 1Q23. Operating cash inflow represents 69% of net profits.

### Core working capital

	Dec'22	Mar'22	Mar'23
Average receivable days	65	70	71
Average inventory days	165	174	166
Average payable days	(111)	(111)	(107)
Cash cycle (days)	119	133	130

Cash cycle days in Mar'23 was 130 days similar to 133 days in Mar'22.

### Investing Activities

In 1Q23, THB 53mn was invested in tangible assets<sup>5</sup> mainly driven by spending of THB 22mn towards Thailand manufacturing plant and THB 13mn towards renovation of office in Thailand.

**Capex plan:** Besides regular improvement and maintenance capex which are incurred every year, an amount of THB 340mn is expected to be spent during 2023-24 towards below projects:

Thailand : THB 137mn towards consolidation of manufacturing operations and capacity expansion and THB 43mn towards ESG.

Indonesia: THB 160mn towards adding new dosage form, warehouse and plant up-gradation in acquired Indonesian manufacturing plant.

We are looking at a possibility of building a manufacturing facility in Vietnam with a Capital investment of approximately USD 20 million. We are still in the process of getting finer details and more accurate information will be shared in due course.

### Financing Activities

In 1Q23, net cash outflow from financing activities was THB 26mn, mainly arising from payment of lease liabilities of THB 15mn.

<sup>5</sup> Capital advances are not considered as cash outflow towards acquisition of tangible assets in this report.



## 6. Balance Sheet

### Current Assets

Cash and bank balance (including cash and cash equivalents and term deposits with bank) was THB 2,992mn as at 31 March 2023, improved by Baht 203 million as compared to 31 December 2022 mainly due to steady operating cash flow.

Trade receivables were THB 3,048mn as at 31 March 2023, a decrease of THB 60mn compared to THB 3,107mn as at 31 December 2022. Inventories were THB 4,042mn as at 31 March 2023, a decrease of THB 67mn compared to THB 4,109mn as at 31 December 2022, Both, trade receivable and inventories as at 31 March 2023 are at similar levels of 31 December 2022.

As at 31 March 2023, Current ratio was stable at 2.1 times. The cash cycle days as at 31 March 2023 was 130 days compared to 119 days as at 31 December 2022.



### Non-current Assets

Non-current assets were

**THB 4,056 mn**

as at 31 March 2023, a decrease of THB 1mn or 0.0% from 31 December 2022.

### Non-current Liabilities

Non-current liabilities were

**THB 328 mn**

as at 31 March 2023, a decrease of THB 4mn or 1.1% from 31 December 2022 mainly a result of payment of lease liabilities.

As at 31 March 2023, net-debt to equity was (0.31) times, while debt to equity was 0.60 times and interest bearing debt to equity at 0.02 times.

### Current Liabilities

Current liabilities were

**THB 5,171 mn**

as at 31 March 2023, a decrease of THB 367mn or 6.6% compared to 31 December 2022. The decrease in current liabilities was mainly a result of payment for trade payables.

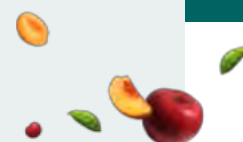
Trade payables were THB 2,443mn as at 31 March 2023, a decrease of THB 350mn or 12.5% from 31 December 2022 levels.

### Shareholders' Equity

Shareholders' equity was

**THB 9,202 mn**

as at 31 March 2023, an increase of THB 425mn compared to 31 December 2022, mainly driven by 1Q23 net profits.



# CONSOLIDATED BALANCE SHEET

Figures in THBmn	31-Mar-23		31-Dec-22		Change	
	Amount	%	Amount	%	Amount	%
<b>Current Assets</b>						
Cash and bank balances <sup>6</sup>	2,992.1	20.4%	2,788.9	19.0%	203.2	7.3%
Trade accounts receivable	3,047.5	20.7%	3,107.2	21.2%	(59.8)	(1.9%)
Inventories	4,041.7	27.5%	4,108.5	28.1%	(66.8)	(1.6%)
Other current assets	564.2	3.8%	585.4	4.0%	(21.2)	(3.6%)
<b>Total Current Assets</b>	<b>10,645.5</b>	<b>72.4%</b>	<b>10,590.0</b>	<b>72.3%</b>	<b>55.5</b>	<b>0.5%</b>
<b>Non-Current Assets</b>						
Property, plant and equipment <sup>7</sup>	1,932.8	13.1%	1,936.2	13.2%	(3.4)	(0.2%)
Intangible assets <sup>8</sup>	1,332.3	9.1%	1,329.2	9.1%	3.1	0.2%
Deferred tax asset	241.6	1.6%	250.3	1.7%	(8.8)	(3.5%)
Right-of-use assets	230.9	1.6%	249.3	1.7%	(18.3)	(7.4%)
Other non-current assets	317.9	2.2%	291.5	2.0%	26.5	9.1%
<b>Total Non-Current Assets</b>	<b>4,055.6</b>	<b>27.6%</b>	<b>4,056.4</b>	<b>27.7%</b>	<b>(0.9)</b>	<b>(0.0%)</b>
<b>Total Assets</b>	<b>14,701.0</b>	<b>100.0%</b>	<b>14,646.4</b>	<b>100.00%</b>	<b>54.6</b>	<b>0.4%</b>
<b>Current Liabilities</b>						
Bank overdrafts & short-term Loans	224.2	1.5%	229.2	1.6%	(4.9)	(2.2%)
Trade accounts payable	2,442.9	16.6%	2,793.4	19.1%	(350.4)	(12.5%)
Other payables	1,336.5	9.1%	1,286.5	8.8%	50.0	3.9%
Current portion of lease liabilities	75.6	0.5%	83.0	0.6%	(7.4)	(8.9%)
Income tax payable	241.9	1.6%	204.2	1.4%	37.7	18.5%
Accrued expenses	849.7	5.8%	941.8	6.4%	(92.1)	(9.8%)
<b>Total Current Liabilities</b>	<b>5,170.9</b>	<b>35.2%</b>	<b>5,538.0</b>	<b>37.8%</b>	<b>(367.2)</b>	<b>(6.6%)</b>
<b>Non-Current Liabilities</b>						
Lease liabilities	101.4	0.7%	108.7	0.7%	(7.3)	(6.7%)
Deferred tax liability	0.0	0.0%	-	0.0%	0.0	0.0%
Employees benefits obligation	226.5	1.5%	222.9	1.5%	3.6	1.6%
Other non-current liabilities	-	0.0%	-	0.0%	-	0.0%
<b>Total Non-Current Liabilities</b>	<b>328.0</b>	<b>2.2%</b>	<b>331.7</b>	<b>2.3%</b>	<b>(3.7)</b>	<b>(1.1%)</b>
<b>Total Liabilities</b>	<b>5,498.8</b>	<b>37.4%</b>	<b>5,869.7</b>	<b>40.1%</b>	<b>(370.9)</b>	<b>(6.3%)</b>
<b>Equity</b>						
Issued and paid-up share capital	435.9	3.0%	435.9	3.0%	-	0.0%
Premium on ordinary shares	2,304.5	15.7%	2,304.5	15.7%	-	0.0%
Retained earnings:						
Appropriated	76.1	0.5%	76.1	0.5%	-	0.0%
Unappropriated	7,048.1	47.9%	6,595.1	45.0%	453.0	6.9%
Other components of equity	(662.6)	(4.5%)	(635.0)	(4.3%)	(27.6)	4.3%
<b>Owner's Equity</b>	<b>9,202.1</b>	<b>62.6%</b>	<b>8,776.7</b>	<b>59.9%</b>	<b>425.4</b>	<b>4.8%</b>
Non-controlling interests	0.1	0.0%	0.1	0.0%	0.0	64.2%
<b>Total Equity</b>	<b>9,202.2</b>	<b>62.6%</b>	<b>8,776.7</b>	<b>59.9%</b>	<b>425.5</b>	<b>4.8%</b>
<b>Total Liabilities and Equity</b>	<b>14,701.0</b>	<b>100.0%</b>	<b>14,646.4</b>	<b>100.0%</b>	<b>54.6</b>	<b>0.4%</b>

6 Cash and bank balances as at balance sheet dates include non-restricted term deposits with banks

7 Includes asset classified as investment property of THB 34.2mn as at Mar'23 and THB 34.9mn as at Dec'22.

8 Includes goodwill of THB 470.1mn as at Mar'23 and THB 465.9mn as at Dec'22.



## CONSOLIDATED INCOME STATEMENT

Figures in THBmn	1Q22	1Q23	YoY Gr.
Operating Revenue	3,819.7	3,728.3	(2.4%)
Other income	13.8	17.6	27.7%
<b>Total Income</b>	<b>3,833.5</b>	<b>3,745.9</b>	<b>(2.3%)</b>
Cost of goods sold	2,109.4	2,102.0	(0.3%)
<b>Gross profits</b>	<b>1,710.4</b>	<b>1,626.3</b>	<b>(4.9%)</b>
Gross margin (%)	44.8%	43.6%	
Selling expense	607.6	611.0	0.6%
Administrative expense	381.2	416.7	9.3%
<b>Selling &amp; Administrative exp. (SGA)</b>	<b>988.8</b>	<b>1,027.7</b>	<b>3.9%</b>
SGA (% to operating revenue)	25.9%	27.6%	
Net foreign exchange loss/(gain)	12.8	81.1	535.1%
Depreciation & Amortization	66.8	69.3	3.8%
Finance cost	5.9	9.2	56.1%
Share of profit/(loss) from JV	(0.1)	0.2	(435.6%)
Profit before tax	716.6	526.0	(26.6%)
Tax expense	103.9	73.0	(29.8%)
<b>Reported net profit</b>	<b>612.7</b>	<b>453.0</b>	<b>(26.1%)</b>
Basic earning per share	0.70	0.52	(26.1%)
Net losses from new businesses	9.1	11.7	29.1%
Net foreign exchange loss/(gain)	12.8	81.1	535.1%
Normalizing SG&A spending	(64.2)	0.0	(100.0%)
<b>Net profit (Adjusted)</b>	<b>570.4</b>	<b>545.8</b>	<b>(4.3%)</b>
Net profit margin to operating revenue	14.9%	14.6%	
<b>Basic earning per share</b>	<b>0.65</b>	<b>0.63</b>	<b>(4.3%)</b>

### Disclaimer

The information contained in our analysis is intended solely for your personal reference only. In addition, any forward-looking statements reflect our current views with respect to future events and financial performance.

These views are based on assumptions subject to various risks and uncertainties. No assurance is given that future events will occur or that our assumptions are correct. Actual results may differ materially from those projected.