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Convatec Trading Update for the 10 months ending October 2025

Thursday 13 November 2025

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Introduction

Jonny Mason
CEO, ConvaTec

Welcome

Good morning, everybody. Thank you for joining us today. I would like to start with a few words about our former CEO, Karim. Since we met last time, we have had the terribly sad news that Karim has passed away. He was the architect of ConvaTec's FISBE strategy and drove our successful turnaround. He was liked and highly regarded internally and externally to ConvaTec, a visionary leader, a mentor to many, a close colleague and a friend. We miss him.

But he set up a great team. We were intimately involved in the development and delivery of the strategy, and the turnaround that has been successful. Now there is lots more to do, lots of opportunity to go for to take the business to the next level. Karim would expect us to get on with the job, and so we will, and the organisation would not miss a step.

Today, I am joined by our new CFO, Fiona. Together, we will present a summary of our trading performance for the first 10 months of the year before taking any questions that you have got.

Over to you, Fiona.

Financial Review

Fiona Ryder
CFO, ConvaTec

Broad-based revenue growth

Thank you, Jonny, and good morning, everybody. I will talk first about sales, excluding InnovaMatrix, which represented 97% of the Group total. Organic revenue growth of 6.3%, excluding InnovaMatrix, was broad-based across all four categories. On a reported basis, revenue growth was 6.2%.

In Advanced Wound Care, organic growth, excluding InnovaMatrix, remained mid-single digit. Growth was strong in both North America and in Global Emerging Markets, while in Europe, growth is building. We have seen strong cumbersome growth, particularly in the USA, and is starting to build in Europe.

We remain confident of delivering our 2025 category revenue guidance, which is unchanged at mid-single digits, excluding InnovaMatrix. And with four wound products launching in the next year or so, we are confident of strong future growth.

In Ostomy Care, organic growth was mid-single-digit, with good growth in North America, Europe and Global Emerging Markets, particularly LATAM. Our Home Services Group continued to support new patient referrals in North America and in Europe. We are delighted with progress and positive customer feedback on Esteem Body, a One-Piece Soft Convex product. We are growing share in all key markets. We expect strong growth contributions from Esteem Body for years to come. Our Ostomy guidance for 2025 is unchanged at mid-single-digit rate.

In Continence Care, organic growth remains mid to high single-digit. In North America, which is around 90% of category sales, we saw future growth in patient volume, driven by our focus on excellent customer service at 180 Medical, our market-leading service company. We continue to modestly grow the US market taking share.

Outside of the US, growth was again very strong off a small base. We expect growth outside the US to contribute at least a point of growth to the category as it did last year. Our guidance for the full year is unchanged at mid to high single-digit.

In Infusion Care, organic growth was double-digit, as expected. We continue to see strong demand for our infusion sets in both diabetes and particularly, non-diabetes treatments, further diversifying with faster growth from new customers, new products and new therapies.

Our guidance for the full year remains double-digit. And as expected, H1 growth will be higher than H2.

On track to deliver 2025 financial targets

Moving to the next slide. I am pleased to say that we are on track to deliver our 2025 financial targets. We have narrowed the range for revenue growth, excluding InnovaMatrix, to between 6% and 6.5%. Revenue growth guidance for each category is unchanged.

InnovaMatrix represented around 3% of Group revenue. As previously reported, local coverage determinations in the USA and the CMS price level per skin substitute have led to increasingly challenged market conditions, particularly in recent months. The headwind for InnovaMatrix is bigger than we thought, and we now expect revenue in 2025 of around \$70 million.

We continue to expect adjusted operating profit margin to be between 22% and 22.5%, despite incurring around 30 bps of tariffs in non-chronic care products. And we expect to deliver another year of double-digit EPS growth, with cash conversion of around 80%.

I will now hand back to Jonny, who will go through strategy and outlook.

Strategy & Outlook

Jonny Mason
CEO, ConvaTec

Strategic Progress

Thank you, Fiona. We are making good progress with our new product launches and the highlights are set out on this slide called Strategic Progress.

In Advanced Wound Care, we enjoyed strong growth in the USA, which was driven by ConvaFoam. This new product is very well received by healthcare practitioners. It is taken a while, but sales are building very nicely now in the US, and we expect that success to follow in Europe as well.

Our recent capital investments include new capacity for ConvaFoam, and that will be coming on stream in 2026, and that will set us up to meet demand for many years to come. In 2026, we also have three more products launching. We have talked previously about ConvaNiox, our breakthrough nitric oxide dressing. Here, we are effectively creating a new category. So

we expect the buildup of sales to be slow, but we are excited as ever about its long-term prospects.

With ConvaFiber and ConvaVac launching as well next year, this all adds up to what we think is the richest new product pipeline in the Advanced Wound Care sector.

In Ostomy Care, Esteem Body continued to launch very strongly, and it is now gaining share in all of our major markets. We should expect that growth to continue into 2026. Then in 2027, we are looking forward to the launch of the companion product, Natura Body, the two-piece equivalent in soft convexity.

Just recently, we were very pleased to secure our first US Ostomy GPO win in over five years with Captis/Vizient. This shows that the ConvaTec Ostomy business is truly on the road to recovery, and it is a demonstration of a significant improvements in commercial execution made by Bruno and his team.

Moving to Continence Care. Our market-leading 180 Medical business continues to set the standard for patient service and care and is outgrowing the market. We are ready for the upcoming catheter code changes and well-positioned, because we think this will be positive for the adoption of hydrophilic products, which we have been leading in the US.

Our new hydrophilic product, GentleCath Air for Women, is launching well and is gaining share.

Then in Infusion Care, growth continued strongly for diabetes therapies and other therapies. In particular, our new infusion set products, the Extended wear for Medtronic and the Neria Guard for AbbVie grew quickly. Sales growth was fastest for new customers and for other therapies, further diversifying the revenue of the category. And other therapies now account for over 15% of the total.

We see strong growth in Infusion Care sales for years to come, which is why we are accelerating CAPEX to bring online new capacity to service the strong demand.

2026 outlook

Now for 2026, we wanted to share some initial guidance early as we did last year because of the high level of uncertainty around InnovaMatrix. As Fiona has said, for InnovaMatrix, 2026 will be a weaker year, and we have pointed to a headwind of 1% to 2% of Group revenue. Or it could be more, if the restrictions of the LCD are not removed, as we expect them to be.

But as last year, the rest of the business, i.e., 98% of our Group revenue is growing very nicely. We expect to deliver again 5% to 7% organic revenue growth, further operating margin expansion and another year of double-digit adjusted EPS growth.

With margin expansion and double-digit EPS growth, delivery, irrespective of the regulatory outcome for InnovaMatrix.

Summary

In summary, we continue to perform strongly in 2025, demonstrating the broad base and the resilience of the business, and we are on track to deliver our financial targets. We are also on track to deliver our medium-term targets. And ConvaTec is focused on providing high quality, chronic care solutions for customers, patients and healthcare professionals.

Growth is increasingly coming from new products, and our innovation pipeline is stronger than ever. Our commitment to that innovation and to patient care has never been stronger as we improve the lives of millions of people globally who rely on our trusted medical solutions every day.

Thanks very much. We would now be happy to take any questions that you have got.

Q&A

Hassan Al-Wakeel (Barclays): I am so sorry for your loss and the loss to the ConvaTec family. Can I squeeze in three questions, please? Firstly, thank you for the detail on next year. Can you help us understand the building blocks for double-digit EPS growth? Do you expect less than 5% to 7% growth on the top line inclusive of InnovaMatrix? And how do you intend to mitigate the bottom line impact given that you expect to expand margins in 2026?

Secondly, can you talk a bit about the expectation for higher CAPEX and to what extent is this a pull forward? I know Infusion Care is a business that has driven higher CAPEX in the past. So I wonder how you think about your CAPEX needs beyond this year, and whether CAPEX should still run around 5% of sales over the medium term, as you have previously talked to?

Then finally, with your richest Wound Care pipeline, can you please talk about the potential to accelerate underlying Wound Care franchise growth. And if high single digit, ex InnovaMatrix, is possible as soon as 2027?

Jonny Mason: Fiona, do you want to talk about the EPS?

Fiona Ryder: Yes. Thank you, Hassan. As you have seen, we are pleased to guide for Group organic growth, excluding InnovaMatrix next year of 5% to 7%. Now to be clear, we know that InnovaMatrix will be significantly lower in 2026 than 2025, but with continued margin expansion and on the basis that we will have similar tax and financing costs next year, we would easily achieve mid-single-digit operating profit growth. That will fall through easily to deliver double-digit EPS. I would also remind you that we have delivered a share buyback in the second half of 2025.

Jonny Mason: On the CAPEX, look, we think this is really good news. If you think about our capital allocation priorities, the best place for us to invest to drive future growth in the business is with projects like this capacity expansion. We did not spend that much on M&A in 2025. We have spent more on building organic capacity growth.

We do think 5% CAPEX is about right for the steady state going forward. But I think as we have said recently, for a couple of years, it is going to be higher than that because we are supporting stronger growth in these new products rolling off our pipeline. And Infusion Care is the biggest example of that.

It will be double-digit growth this year. We have said it is a high single-digit business going forward year in, year out. Could it be more? Possibly it could be more. But we are sure it will be at least high single-digit, and that is why we are adding the CAPEX to support that growth.

Then on Wound Care, you asked about high single digits. Look, I think, yes, we believe this will be a high single-digit growth going forward. And you just need to look at the pipeline to see why. Not next year, that is unlikely. But when these new products start to build, I think you should be looking for high single digits, yes, probably from 2027 onwards.

Anchal Verma (JP Morgan): Deepest condolences to Karim's family and the ConvaTec family. I do have two questions, please. The first one is just pushing you a bit more on the guide for next year. Thanks for providing the colour. But if we look at FY2026, you have guided for margin expansion and you have reiterated your medium-term guidance for mid-20s. So if we take the midpoint of that, that implies over 100 bps of margin expansion in FY2026. Is that fair? And can you please talk to the potential moving parts for the top line and the margin for next year?

Then the second one is just following up on the tariff impact. The tariff impact for this year is \$5 million to \$10 million. Is it sensible to just annualise that for next year, or do you have any offsetting measures? And do you have any further thoughts on the potential impact from Section 232? Or do you expect the Nairobi protocol to prevail?

Jonny Mason: Go ahead, Fiona, you kick off?

Fiona Ryder: All right. Thank you, Anchal. I will start with your second question. Tariff impact of around \$5 million to \$10 million this year, yes, and we would therefore expect an annualised impact next year. And yes, of course, we are looking at ways that we can minimise that.

With regards to Section 232, we expect the Nairobi protocol to remain in place.

With regards to your first question about the guidance for next year. Yes, I think it is a reasonable assumption. Your 100 bps margin expansion, we have delivered that and more for the last three years. And we have delivered that this year or have so far delivered that this year despite the InnovaMatrix hit.

Jonny Mason: Yes, exactly. Look, let me just build on what I have previously said, is the arithmetic. You will be able to run it through your models, expect similar margin expansion next year to what we have delivered recently. As Fiona said, you have got 5% to 7% on the base business. But then, of course, with a headwind on InnovaMatrix, call it 2% for modelling purposes.

And with roughly flat tax and interest, you get to double-digit EPS growth. We will guide in detail on 2026 at the full year results. But we just want to share that this headwind from InnovaMatrix does not knock us off track from delivering the targets that we have set out there.

Aisyah Noor (Morgan Stanley): My condolences as well. My first question is on the Ostomy wins on the US GPO contracts for ConvaTec, which is clearly good news. What in your view were the key success factors for this win? And what sort of growth contribution can we expect from the US GPO segment for Ostomy in 2026?

Then my second question is on the Infusion Care growth expectations going into 2026. It sounds like this AbbVie product is doing a bit better than you expected, and you are doubling down on the capacity there. Is it fair to assume this could be the biggest driver of potential

double-digit growth for Infusion Care next year, or are there other products you think have the potential to contribute to that as well?

Jonny Mason: Okay. Let me have a crack at those. US Ostomy win, really pleased with this. Obviously, ConvaTec used to be a big player in US Ostomy. Lost its way. We are back. And the new product launch, Esteem Body, is a contributing factor. But the main reason is because on the new leadership, Bruno Pinheiro and his team, the commercial execution in the US and elsewhere in the world has become much stronger. We are once again a reliable partner.

Healthcare providers want to work with us. And I think a big part of this return to GPO contract was the influence of the hospitals and the healthcare providers, saying to the GPOs, we want to work with these guys. We are getting a very good reception in the market. It is not just about the new product. We have got our me+ platform, which is offering service to healthcare professionals and to patients.

We have got healthcare practitioner education programmes. So the whole package put together is being very well received in the market. And we hope this will be the first step of a few more to come.

As for US growth or growth in general, well, look, it builds slowly, right? We have been delivering mid-single-digit growth in Ostomy for the last couple of years, which is a step-up on where it was previously. This will just firm that up. We would look to the Ostomy categories growth to be building over the next few years. I would not say more than that for now. But we are optimistic about the prospects for Ostomy, let me just say that.

Then on Infusion Care, yes, AbbVie's Parkinson's treatment is growing very nicely, and it is driving the growth in other therapies much faster than the growth in diabetes therapies, which is contributing to our optimism and our acceleration of capital expenditure. It is not the only Parkinson's treatment. We have got Mitsubishi Tanabe coming along shortly after that. And then there is another one, which I do not think has been commercially announced yet, so I would not.

But we will have three Parkinson's treatments running within 2026 is our estimate, probably towards the end. But the growth in diabetes therapies is also strong. We have got our two core customers, but we are growing with other customers as well. And so in diabetes therapies, the growth there is high single digits. Yes. So all in all, it is a picture of broad-based growth, which is increasing diversification and improving our confidence of future prospects.

Thyra Lee (UBS): Our deepest condolences to the loss of the ConvaTec family as well. Thank you for taking my questions this morning. I just have two, please. CAPEX is a signal of improved growth prospects, and you said it is mostly driven by Infusion Care. We were just wondering if you get any visibility from customers on the demand here, maybe minimum volumes and contracted volumes and so on and so forth?

Then my second question is on ConvaNiox. It is super exciting. We were just wondering what kind of work you are doing now to understand where to position it going forward? And whether you could provide some colour on what typical reimbursement looks like for an antimicrobial product?

Jonny Mason: Fiona, you start with Infusion Care, and I will pick up on ConvaNiox.

Fiona Ryder: Yes. Thank you. Yes, we have brought forward some CAPEX into this year to support growth, that is for Infusion Care and Wound Care. But with regards to Infusion Care, we are investing a lot to support the strong demand. And yes, we do have clear forecasts from our customers, and we include minimum volume requirement commitments in our contracts as well.

Jonny Mason: Yes. Then ConvaNiox, look, what work are we doing? We have started launching that product in a very limited manner so far. Over 100 patients have been treated with good results. We are deliberately being selective. We want to build knowledge of the efficacy of the product among key opinion leaders. So it started in key teaching hospitals in Europe. From there, we will build up the evidence and build out the reputation of the product.

We expect to start launching in the US during next year. We are building the reimbursement information portfolios as we speak. Look, we think this could become ConvaTec's biggest brand, but it will take five years. And the contribution in 2026, we should not expect to be material. It will be a slow start. I hope that helps.

Sam England (Berenberg): Firstly, I wanted to echo everyone else's comments and send condolences to ConvaTec and also to Karim's family. In terms of questions, can you maybe give us a sense of the cadence of the various new product launches during 2026? Are there any coming earlier in the year that could be meaningful growth drivers during 2026, or should we think about the launch as being more of a benefit to 2027 growth?

Then in terms of mid-term margin target, what would need to happen in 2026 for you to hit the mid-term margin target next year versus 2027? And do you think you will look to provide new mid-term targets or sometime next year, given we are getting towards the end of the original plan period?

Jonny Mason: Thanks, Sam. New product launches. Let me start with that, and then Fiona will talk to margin. The main growth drivers next year will be the products that we have already started to launch. Think ConvaFoam in Europe, Esteem Body everywhere. The Infusion Care products that we have just talked about, remember, Neria Guard for AbbVie, Extended wear from Medtronic, those are all new products and growth drivers.

The launches in 2026 are spread through the year. As I have already said, ConvaNiox will be tiny, that would not contribute to growth. ConvaFiber is launching early in the year, maybe even at the end of this year. That is nearly ready to go, and that will contribute to growth in Wound Care.

ConvaVac is more back-end weighted. But in Wound Care, therefore, you have got ConvaFoam growing, ConvaFiber adding, ConvaVac coming later, ConvaNiox long term.

Ostomy Care, just going through in order, we would not unfortunately be launching Natura Body until 2027. We are very much looking forward to Natura Body coming. It is obviously the two-piece equivalent of Esteem Body. We think that will make a big difference for us in the US market, but not next year.

In Continence Care, we have got Cure Aqua coming along, and that will be midyear. So that will contribute a little bit to growth in Continence Care. That is a hydrophilic, more value-based product. I think that is all the categories. Have I missed any? No.

Fiona Ryder: Sam, I will pick up the second question about our mid-term guidance. So yes, we have consistently said that we could achieve a mid-20s operating profit margin by 2026 or 2027. And we have said during 2025 that it is more likely that that could be 2027. However, to be clear, we could achieve that. We could achieve it next year. The pathway is fairly narrow, but we are more likely to choose to invest in continued growth, as we have talked about on this call, and therefore, it will be more likely to be 2027.

Jack Reynolds-Clark (RBC Capital Markets): Echoing my condolences, too, for the loss of Karim. I had a couple of questions, please. The first is on the mid-term revenue guide. Not to front run the 2026 guide too much. But where do you see as being the biggest swing factors? So determining where you come within the range of the revenue growth over the mid-term. Is it really down to execution on these launches? Or is there something else that is driving that?

Then thinking about the mid-term margin guide, I think expectations currently are very much towards the lower end of the guidance range you set out between 2026 and 2027. Is what needs to happen for upside to that? Is that driven by InnovaMatrix or are there other levers you can pull to drive that?

Jonny Mason: Thanks, Jack. Yes, our mid-term guidance is 5% to 7%. What takes you to the bottom or the top? Successful launches are a key factor. Honestly, we are learning. This year, we have had very good reception for our products in the market. They are great products. We have not been as smooth as we could have been in the execution of the launches.

Honestly, sales growth could have been a bit faster if we had been a bit smoother. So we are learning, and that will help us get towards the top of the range.

On the other hand, and as we talked about quite a lot at the half year, stuff happens. Reimbursement headwinds are a part and parcel of this business. There is an unusual intensity of them at the moment, but they have always been there. So what we have got is a balance between new product growth driving sales and offsetting the market dynamics, which we don't know specifically what it is going to be in future years, but we expect there will be something, and that is why we have got the range.

Now this year, in 2025, we will be above 5% overall. Excluding InnovaMatrix, we will be above 6%. But that is an example of a headwind where this year is a classic example of the resilience of the business being demonstrated. We have got growth coming through and offsetting market headwinds.

Then on margin, just qualitatively, as we continue to grow, there will be operating leverage coming through. We will get to mid-20s as a result of completing our transformation and our simplification and productivity initiatives. We have not set out the ambition to increase any more than that. Maybe we might, but our ambition, our preference, our priority will be to be investing to drive growth and to keep that top line moving, to keep compounding at

sustainably above mid-digit sales growth dropping to double-digit EPS growth. That is the plan.

Kane Slutzkin (Deutsche Bank): Condolences, as everyone has said. Just quickly, could you talk a bit about your performance in China, particularly in Ostomy Care there?

Then just on skin subs. I know we have probably been quite nice not to talk too much about regulation, but just bringing it back to the worst-case scenario there, I guess, you have the price cap plus the LCDs and the InnovaMatrix is not on the list. I am just interested, what is your level of confidence now, conviction on the LCDs and whether fixed price will effectively mean the LCDs are cancelled? I am assuming if it is cancelled, you have universal coverage. Just some thoughts there would be interesting.

Jonny Mason: Thanks, Kane. Let me start, China and Ostomy. Look, the Ostomy business in China is growing. We are gaining share, we believe, but it is growing much slower than it used to be. We are still getting good reception in hospitals and in particular, direct-to-consumer business is growing healthily for us in China. But we have to recognise that the market is growing much slower than it was a few years ago.

A few years ago, we were in double-digit growth. That has now dropped to low single-digit/flat. Our growth is ahead of that, but it is not as strong as it used to be.

Then InnovaMatrix?

Fiona Ryder: Yes. Thank you. As we have said already, the impact of the price cap would be 1% to 2% Group revenue. With regards to the LCD, we do not know. We do not know whether the LCD will be enforced at the beginning of the year, whether it will be delayed or cancelled. But remember that our total Group revenue for InnovaMatrix is 3% of revenue. And as we laid out earlier in the call, we are still confident that in any scenario, we will be able to deliver double-digit EPS growth in 2026.

Jonny Mason: Yes, totally agree with all that. It is probably just worth adding. We are in the background continuing to develop our RCTs. We think this is a strong product. We know it works. The feedback from healthcare professionals and from patients is strong. Our RCTs are developing well. We expect to report on those in 2026.

If the LCD continues to apply, 2026 is going to be a very weak year for us. But we will look to get back on to coverage based on the RCTs thereafter and regrow the business from there.

Kane Slutzkin: Okay. Do you win in 2026, sorry, if I may ask?

Jonny Mason: Uncertain. Not early. It will be late in 2026. So they would not be effective of sales coming back in 2026. That would be 2027.

Kane Slutzkin: Yes. Got you. Okay. Maybe just one final one, guys. Just following on Infusion Care and whether there is potential for double-digit more sustainable. Would it be fair to say the non-diabetes piece is surprising you positively? Can I just confirm that, or is this all part of the plan?

Jonny Mason: It is going very well. Yes, it is going very well. One has optimistic plans in base plots, right? It is certainly on the optimistic end. It is doing really well. We are very pleased with it.

Veronika Dubajova (Citi): Thank you guys for squeezing me in at the end. Let me also add my condolences to everybody else's this morning. A couple of questions for me, if I can, please. The first one is, just curious what your thoughts are around how the changes in the catheter reimbursement in 2026 might play into the growth rate? It does not seem like from a Group perspective, it is having any impact on your expectations, but just curious if you have any thoughts on that?

Then obviously, I know we do not have an outcome on competitive bidding. But if we could just get your updated thoughts on when you think, one, we might have an update from CMS, and two, more importantly, what is the earliest you think, given where we are, that competitive bidding to could come into play? That would be helpful.

Jonny Mason: Hi, Veronika. Yes, so Continence Care questions. As you know, when the new codes come into play, they are at the same price initially for hydrophilic and non-hydrophilic product. We do not think that will affect overall growth materially. We think over time, it might accelerate the penetration of hydrophilic products within the market. We are already at over 60% in terms of how much hydrophilic we sell, and that is versus the market average of 40%, which means everybody else is doing about 20%.

So we are already a long way ahead of others in terms of how much hydrophilic we do sell. We think that trend, which has been moving steadily in favour of hydrophilics for a few years anyway, is likely to accelerate if the healthcare practitioners can specify. Remembering though that hydrophilic does not suit everybody. So we are not expecting it to be 100% at any point.

Overall growth rates though, not a material impact in our view in 2026, and that is right. That is what is reflected in the guidance. As you go into future years then, you might see the prices diverge. Our thought at the moment is that that will play mostly to the penetration rate, rather than the market size in total itself.

Then on CBP, there is no fixed deadline, but we could hear the initial conclusion anytime soon. I think you know in response to their commentary, they had 900,000 pieces of feedback, and they have got to go through it all and in some way, answer all of it, albeit in groups.

We would not be surprised if their conclusion is that they clarify that they could, if they wanted to, include Ostomy and Continence products, but that would just be clarifying their framework. That is not the same as them deciding to do so. And there are quite a few steps to play out before that decision would come along.

There has been very strong lobbying by patients and healthcare providers against including these products in CBP. We support that view. We do think it could be harmful for patients reduce choice, reduce access. On previous occasions, as you know, that lobbying has been successful. Let us see.

We think probably 2028 is when it would come into play for the first time. They could rush it and drive it for 2027, do not see that as likely, more likely as it might slip and it could be even later than 2028. But our base case is, if anything happens, we would not know until during next year, and that would not impact until 2028.

Any more, David?

David Phillips: There are no more questions in the chat room. Is there any online coordinator?

Jonny Mason: Sounds like no.

David Phillips: Sounds like no. Well, if anyone has any questions, please contact us.

Jonny Mason: Yes. Super. So listen, thank you very much for joining us this morning. Some circumstances. But you know what, the business is in great shape and it keeps going. The whole team here in ConvaTec is looking forward very much to honouring Karim's legacy and driving ConvaTec to the next level. Thanks very much for your time.

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