Jul 23, 2020

The Coca-Cola Company (KO)

$48.48 (As of 07/22/20)

Price Target (6-12 Months): **$51.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 06/04/19) Prior Recommendation: Underperform	**Neutral**
Short Term: 1-3 Months	**Zacks Rank:** (1-5) Zacks Style Scores: Value: D | Growth: F | Momentum: F	**3-Hold** VGM:F

Summary

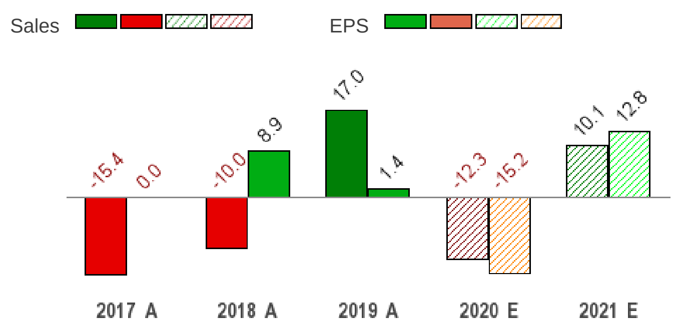
Shares of Coca-Cola have surged and outpaced in the past three months, thanks to the robust earnings surprise trend that continued in second-quarter 2020. This marked the third straight quarter of earnings beat. Gains from aggressive cost management and timing of expenses aided the bottom line. It is poised to gain from the streamlining of portfolio by exiting of Zombie brands that will help divert resources toward brands with more growth potential. It is also accelerating investments to expand presence in digital channel driven by shift in consumer preference amid coronavirus. However, the company's top line missed estimate on declines in away-from-home channels, which account for nearly half of its revenues. It also lost global value share in NARTD beverages driven by negative channel mix owing to softness in the away-from-home channel.

Price, Consensus & Surprise

Data Overview

52 Week High-Low	**$60.13 - $36.27**
20 Day Average Volume (sh)	**16,856,906**
Market Cap	**$208.2 B**
YTD Price Change	**-12.4%**
Beta	**0.54**
Dividend / Div Yld	**$1.64 / 3.4%**
Industry	**Beverages - Soft drinks**
Zacks Industry Rank	**Bottom 39% (153 out of 252)**
Last EPS Surprise	**5.0%**
Last Sales Surprise	**-0.1%**
EPS F1 Est- 4 week change	**-1.9%**
Expected Report Date	**10/16/2020**
Earnings ESP	**0.2%**
P/E TTM	**25.1**
P/E F1	**27.1**
PEG F1	**3.8**
P/S TTM	**6.1**

Sales and EPS Growth Rates (Y/Y %)



Sales Estimates (millions of $)

	Q1	Q2	Q3	Q4	Annual*
2021	8,669 E	9,307 E	9,395 E	9,370 E	35,974 E
2020	8,601 A	7,150 A	8,077 E	8,731 E	32,676 E
2019	8,020 A	9,997 A	9,507 A	9,068 A	37,266 A

EPS Estimates

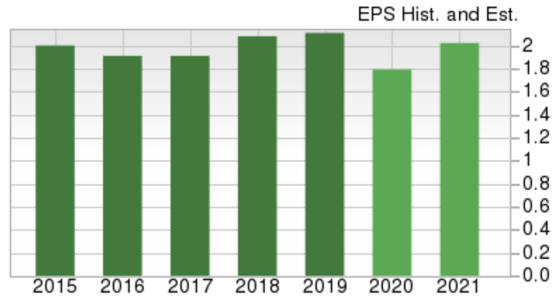
	Q1	Q2	Q3	Q4	Annual*
2021	$0.50 E	$0.57 E	$0.57 E	$0.51 E	$2.02 E
2020	$0.51 A	$0.42 A	$0.46 E	$0.43 E	$1.79 E
2019	$0.48 A	$0.63 A	$0.56 A	$0.44 A	$2.11 A

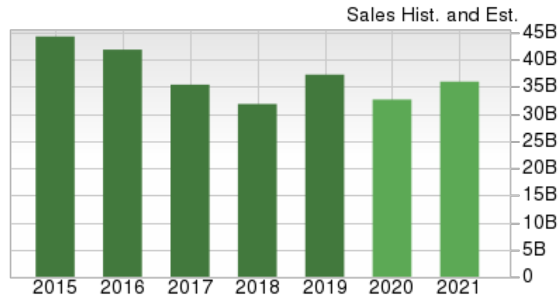
*Quarterly figures may not add up to annual.

The data in the charts and tables, including the Zacks Consensus EPS and Sales estimates, is as of 07/22/2020. The reports text is as of 07/23/2020.

Overview

The Coca-Cola Company's strong brand equity, marketing, research and innovation help it to garner a market share of more than 40% in the non-alcoholic beverage industry. The company is putting its best foot forward to evolve its business model to become a total beverage company with something for everyone to drink.





The company has coped up with the industry-wide flattening of soda sales over the years by going on a buying spree and making investments in healthier alternatives like coffee, sparkling water and sports drinks. The roll out of Coca-Cola Energy, Coca-Cola Plus Coffee, Powerade Ultra and Powerade Power Water are some notable additions on these lines.

The Atlanta, GA-based global beverage giant's portfolio includes more than 4,700 beverage products (and more than 500 brands), spanning from sodas (or sparkling beverages) to energy drinks. In addition to its primary sparkling soft drinks (carbonated), the company sells a large range of still (non-carbonated) beverages including water, enhanced water, juices and juice drinks, sports drinks, ready-to-drink teas and coffees, and dairy and energy drinks.

Popular sparkling beverage brands include Coke, Diet Coke, Fanta and Sprite while still beverage brands include Minute Maid and Powerade. Most of the company's beverages are manufactured, sold and distributed by independent bottling partners. It sells products in more than 200 countries.

Coca-Cola currently reports operating results under the following segments — Europe, Middle East and Africa (17.3% of 2019 total revenue); Latin America (11%); North America (31.9%); Asia Pacific (12.7%); Global Ventures (6.9%); Bottling Investments (19.9%); and Corporate (0.3%). Intersegment eliminations were $1,248 million in 2019. Intersegment revenues were $624 million for Europe, Middle East & Africa, $9 million for North America, $604 million for Asia Pacific, $2 million for Global Ventures and $9 million for Bottling Investments.

Reasons To Buy:

Driven by the coronavirus crisis, Coca-Cola is accelerating digital expansion, with growth rates for the channel doubling in many countries. This provides an avenue for sustainable long-term growth.

- **Solid Earnings Surprise Trend:** Shares of Coca-Cola have gained 6.7% in the past three months compared with the industry's growth of 4.3% owing to is robust earnings trend, despite the impacts of the coronavirus pandemic. Coca-Cola has been benefiting from the effective execution of strategies to evolve as a consumer-centric total beverage company. This has been aiding its quarterly performances. Notably, the company's bottom line surpassed the Zacks Consensus Estimate in second-quarter 2020. This marked the third straight quarter of earnings beat. Though the top line remained soft, gains from aggressive cost management across all segments and the timing of expenses aided the bottom line.

- **Unit Case Volume Reflect Sequential Gain:** Coca-Cola's total unit case volume was down 16% in the second quarter on declines in all operating segments owing to pressures in the away-from-home channels due to the coronavirus outbreak. However, the company pointed out that global unit case volume increased on a sequential basis since April, with a 25% decline recorded in April and a 10% fall witnessed in June. Additionally, July-to-date unit volume fell by mid-single digits. The sequential gain is mainly attributed to a gradual improvement in the away-from-home channels due to the easing of restrictions related to the lockdowns, alongside sustained growth trends in the at-home channels. Further, it expects the trend to continue in the second half of 2020.

- **Effective Cost Management Cushions Margins:** Though Coca-Cola's gross margin declined 300 basis points in the second quarter, we note that aggressive cost saving measures across the organization helped cushion operating margin. The company's gross margin reflected volume declines in capital intensive businesses like Costa, foodservice in North America and Bottling Investments, as well as negative package and channel mix pressure. However, the decline in top line and gross margin was largely offset by effective management of SG&A expenses and timing of marketing spend. Consequently, comparable operating margin declined only 30 bps year over year in the second quarter. Looking into second half of 2020, the company expects continued cost savings in to aid operating margin, though it expects the marketing investments to accelerate in some markets.

- **Streamlining Portfolio of Brands:** In an effort to weed out the unproductive brands and focus on more successful and smaller brands with potential, Coca-Cola outlined a strategy to exit what it calls the Zombie brands from its portfolio and not just Zombie SKUs. The company notes that of the 400 master brands in its portfolio, nearly 50% accounted for 98% of revenues, while the remaining 50% contributed just 2% to revenues. However, these brands with less potential attracted significant financial resources in the form of salaries, advertising expenses, and other overhead costs. By exiting these Zombie brands the company is looking to redirect resources to explorers and challenges with most growth potential. As part of the first elimination of these brands, the company shut its Odwalla juice brand and its chilled direct store delivery effective Jul 31. The company expects this brand exit provides flexibility to support investments in brands like Minute Maid and Simply, as well as improve scale for leading brand like Topo Chico sparkling mineral water. Overall, the company expects the streamlining of portfolio to enhance supply chain and accelerate recovery in the post COVID environment.

- **Digital Efforts Amid Coronavirus:** Driven by a shift in consumer behavior due to the coronavirus pandemic, Coca-Cola has been witnessing a splurge in e-commerce with the growth rate of the channel doubling in many countries. The company has been accelerating investments to expand presence in this channel compared with the pre-crisis levels. In North America, it is investing in e-commerce to support retailers and meal delivery services, shifting toward fit-for-purpose package sizes for online sales, and redeploying consumer and trade promotions toward digital. It is strengthening consumer connections and further piloting numerous different digital-enabled initiatives through fulfillment methods, be it B2B to home or B2C platforms in many countries, to capture online demand for at-home consumption. The company has seen favorable results initially and is looking to scale similar partnerships with more customers. The company focus on accelerating expansion in digital channel is likely to be sustainable, positioning it for long term growth.

- **Financial Flexibility:** Even amid the coronavirus crisis, Coca-Cola remains financially sound to run its business and meet obligations. The company's cash and short term investments at the end of second-quarter 2020 increased 12.2% sequentially to $19,816 million. Notably, the company's cash position remains sufficient to fund its short term obligations of about $14,604 million as of Jun 26, 2020. Further, in an effort to extend the duration of outstanding debt in the first half of 2020, the company issued $11.5 billion of long-term maturities, which enhances long term debt profile. Based on all of the aforementioned factors, the company believes its current liquidity position is strong and will be sufficient to fund its operating activities and cash commitments in the foreseeable future.

- **Sustainable Shareholder Returns:** Coca-Cola remains committed toward rewarding shareholders with dividends and share repurchases. In February 2020, management raised its annual dividend for 2020 to $1.64 per share from $1.60 paid out in 2019. Despite adjustments to its capital plan in the wake of the coronavirus crisis, the company does not intent to alter its approach toward paying dividends. In July, the company declared a quarterly dividend of 41 cents per share, payable Oct 1. Notably, Coca-Cola has a dividend yield of 3.38%, dividend payout ratio of 85% and free cash flow yield of 4.46%. With an annual free cash flow return on investment of 18.63%, ahead of the industry's 15.75%; the increased dividend is likely to be sustainable.

  Further, share buybacks continue to be significant as the company repurchased shares worth of $2.6 billion in 2014, $2.3 billion in both 2015 and 2016, $3.7 billion in 2017, $1.9 billion in 2018, and $1.1 billion in 2019. It currently has an outstanding authorization to repurchase 150 million shares. The company does not expect to repurchase shares in the near term.

Reasons To Sell:

Coca-Cola's second-quarter 2020 revenues fell 28% owing to declines in away-from-home channels like restaurants, sporting events, and movie theaters, which account for nearly 50% of revenues.

- **Stock Appears Overvalued:** Considering price-to-earnings (P/E) ratio, Coca-Cola looks overvalued compared with the broader industry and the market at large. The stock has a trailing 12-month P/E multiple of 22.65x, higher than the industry's P/E of 22.16x and that of the S&P 500's figure of 21.04x. The company's P/E ratio is below the median level of 25.38x and the high level of 28.5x scaled in the past year. Given the factors, we believe that the stock is quite stretched from the P/E aspect.

- **Soft Q2 Top line:** Coca-Cola's revenues for second-quarter 2020 declined 28% and missed the Zacks Consensus Estimate, driven by decline in away-from-home channels like restaurants, sporting events, and movie theaters, which account for nearly half of its total revenues. During the quarter, concentrate sales declined 22% and price/mix was down 4%. Moreover, total unit case volume was down 16%. Price/mix was hurt by adverse channel and package mix in key markets due to the coronavirus outbreak. Also, negative mix in the Global Ventures and Bottling Investments segment impacted price/mix. Concentrate sales were 6 percentage points below unit case volume, backed by the cycling of the timing of shipments from the prior year along with rationalization of stock levels after safety stock building in the first quarter. Though the company reiterated that the second-quarter will remain the most impacted in 2020, it expects revenues for the third quarter to depend on the level of mobility of consumers and the health of the away-from-home channels.

- **Decline in Market Share:** During the second quarter, Coca-Cola lost global value share in total non-alcoholic ready-to-drink (NARTD) beverages. The decline was attributed to negative channel mix due to softness in the away-from-home channels, where it has a majority share position. This more than offset the overall positive underlying performance due to share gains in the at-home channel. As the economy reopens, the company has started witnessing revival in the on-premise, which is likely to aid a return to share growth. Notably, the company is witnessing sequential improvements in monthly share trends. However, the uncertainty regarding the coronavirus pandemic may impact trends.

- **Currency Headwinds Remain:** Coca-Cola's results for second-quarter 2020 continued to be hurt by adverse currency rates. Adverse currency translations impacted revenues and earnings by 3% and 5%, respectively, in the second quarter. Though the company did not provide guidance for the third quarter and 2020 due to the uncertainties related to the coronavirus pandemic, it outlined the expected currency impacts on its results for both periods. It expects unfavorable currency to affect comparable net revenues by 3-4% and comparable operating income by 7-8% in third-quarter 2020. Unfavorable currency is likely to impact comparable net revenues by 3-4% and comparable operating income by high-single digits in 2020.

Last Earnings Report

Coca-Cola Q2 Earnings Beat Estimates, Revenues Miss

Quarter Ending	06/2020
Report Date	Jul 21, 2020
Sales Surprise	-0.05%
EPS Surprise	5.00%
Quarterly EPS	0.42
Annual EPS (TTM)	1.93

Coca-Cola has delivered second-quarter 2020 results, wherein earnings beat estimates, while sales lagged. Comparable earnings of 42 cents per share beat the Zacks Consensus Estimate of 40 cents but declined 33% from the year-ago period. Currency translations negatively impacted earnings by 5%. Comparable currency-neutral earnings per share fell 28%.

Revenues of $7,150 million missed the Zacks Consensus Estimate of $7,153.5 million and declined 28% year over year. Organic revenues were down 26% from the prior-year quarter. The company's top line was primarily hurt by a decline in away-from-home channels, which accounts for nearly half of its total revenues. During the quarter, concentrate sales declined 22% and price/mix was down 4%. Moreover, currency headwinds hurt the company's top line by 3%.

During the quarter, it lost global value share in total non-alcoholic ready-to-drink (NARTD) beverages. The decline was attributed to negative channel mix due to softness in the away-from-home channels, where it has a majority share position. This more than offset the overall underlying share gains.

Volume and Pricing

Price/mix was down 4%, driven by adverse channel and package mix in key markets due to the coronavirus outbreak. Also, negative mix in the Global Ventures and Bottling Investments segment impacted price/mix. Concentrate sales were 6 percentage points below unit case volume, backed by the cycling of the timing of shipments from the prior year along with rationalization of stock levels after safety stock building in the first quarter.

Coca-Cola's total unit case volume was down 16% in the second quarter on declines in all operating segments owing to pressures in the away-from-home channels due to the coronavirus outbreak.

Moreover, the company pointed out that global unit case volume increased on a sequential basis since April, with a 25% decline recorded in April and a 10% fall witnessed in June. Additionally, July-to-date unit volume fell by mid-single digits. The sequential gain is mainly attributed to a gradual improvement in the away-from-home channels alongside sustained growth trends in the at-home channels. The company attributes gains in the away-from-home channels to the easing of restrictions related to the lockdowns. Further, it expects the trend to continue in the second half of 2020.

Category Cluster Performance: Sparkling soft drinks' unit case volume fell 12% (compared with a 2% decline in the prior quarter), driven by declines in India, Western Europe and the fountain business in North America, mainly owing to a decline in away-from-home channels. The Coca-Cola trademark fell 7%, with Coca-Cola Zero Sugar declining 4%. Volume for juice, dairy and plant-based beverages declined 20% (compared with a 6% fall in the last reported quarter). This category was primarily impacted by softness in the Asia Pacific, and Europe, Middle East & Africa operating segments.

Water, enhanced water and sports drinks fell 24% (compared with 2% growth in first quarter), mainly owing to declines in the Asia Pacific, particularly for the lower-margin water brands. Tea and coffee volume dropped 31% (compared with a 6% decline in the first quarter), owing to temporary closures of nearly all of the Costa retail stores in Western Europe.

Segmental Details

Revenues declined 16% for North America, 25% for Latin America, 23% for the Asia Pacific, 37% for Europe, Middle East & Africa ("EMEA"), 38% for Bottling Investments and 53% for Global Ventures segments.

Organic revenues fell 13% in Latin America, 18% in North America, 22% in the Asia Pacific, 35% in EMEA, 52% in Global Ventures segments and 30% in Bottling Investments.

Margins

Comparable currency-neutral operating income declined 25% year over year, driven by soft revenues stemming from the pandemic, partly offset by effective cost management across all segments and the timing of expenses. Comparable operating margin contracted 30 basis points (bps) to 30%. In dollar terms, comparable operating income declined 28.9% to $2,154 million.

Guidance

Though the company did not provide guidance for the third quarter and 2020 due to the uncertainties related to the coronavirus pandemic, it outlined the expected currency impacts on its results for both periods.

For 2020, it estimates currency headwinds of 3-4% on comparable net revenues and of high-single digits on comparable operating income, based on current rates and hedge positions. The company expects underlying effective tax rate of 19.5% for 2020.

For the third quarter, it expects currency impacts of 3-4% on comparable net revenues and 7-8% on comparable operating income.

Recent News

Coca-Cola Declares Quarterly Dividend – Jul 16, 2020

Coca-Cola declared a quarterly cash dividend of 41 cents per share, payable Oct 1, to shareholders of record as of Sep 15.

Valuation

Coca-Cola shares are down 12.4% in the year-to-date period and 9.9% for the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Consumer Staples sector are down 8% and 9.5% in the year-to-date period, respectively. Over the past year, the Zacks sub-industry and the sector are down 5.9% and 8.2%, respectively.

The S&P 500 index is up 1.4% in the year-to-date period and 8.6% in the past year.

The stock is currently trading at 25.27X forward 12-month earnings, which compares to 23.28X for the Zacks sub-industry, 20.02X for the Zacks sector and 23.06X for the S&P 500 index.

Over the past five years, the stock has traded as high as 26.41X and as low as 17.03X, with a 5-year median of 22.43X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our $51 price target reflects 26.58X forward 12-month earnings.

The table below shows summary valuation data for KO

Valuation Multiples - KO

		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	25.27	23.28	20.02	23.06
	5-Year High	26.41	23.28	22.37	23.06
	5-Year Low	17.03	18.35	16.63	15.25
	5-Year Median	22.43	21.49	19.58	17.52
P/S F12M	Current	6.03	4.47	9.47	3.61
	5-Year High	6.68	5.31	11.15	3.61
	5-Year Low	3.63	3.66	8.1	2.53
	5-Year Median	5.73	4.51	9.89	3.02
EV/EBITDA TTM	Current	21.94	19.19	34.31	12.12
	5-Year High	24.08	21.08	45.1	12.86
	5-Year Low	12.05	12.2	27.23	8.25
	5-Year Median	16.14	17.69	38.4	10.88

As of 07/22/2020

Industry Analysis Zacks Industry Rank: Bottom 39% (153 out of 252)

Top Peers

Company (Ticker)	Rec	Rank
AnheuserBusch InBev SANV **(BUD)**	Neutral	3
Keurig Dr Pepper, Inc **(KDP)**	Neutral	3
The Kraft Heinz Company **(KHC)**	Neutral	2
Mondelez International, Inc. **(MDLZ)**	Neutral	3
Monster Beverage Corporation **(MNST)**	Neutral	2
Nestle SA **(NSRGY)**	Neutral	3
PepsiCo, Inc. **(PEP)**	Neutral	3
Unilever PLC **(UL)**	Neutral	3

Industry Comparison Industry: Beverages - Soft Drinks

Industry Peers

	KO	X Industry	S&P 500	KDP	MNST	PEP
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	2	3
VGM Score	F	-	-	B	C	B
Market Cap	208.22 B	236.76 M	22.74 B	42.64 B	39.88 B	188.71 B
# of Analysts	8	1	14	8	8	8
Dividend Yield	3.38%	0.00%	1.81%	1.98%	0.00%	3.01%
Value Score	D	-	-	C	D	B
Cash/Price	0.09	0.05	0.06	0.01	0.02	0.05
EV/EBITDA	17.43	5.17	13.19	18.01	26.30	16.92
PEG Ratio	3.82	4.54	3.05	1.90	4.24	4.54
Price/Book (P/B)	10.85	3.03	3.14	1.88	10.30	14.99
Price/Cash Flow (P/CF)	19.84	9.80	12.31	17.58	34.72	18.58
P/E (F1)	27.08	22.23	22.34	21.92	36.43	25.45
Price/Sales (P/S)	6.07	1.55	2.40	3.80	9.24	2.79
Earnings Yield	3.69%	4.02%	4.27%	4.55%	2.75%	3.93%
Debt/Equity	1.97	0.23	0.75	0.55	0.00	3.05
Cash Flow ($/share)	2.44	0.31	6.94	1.72	2.18	7.32
Growth Score	F	-	-	A	A	B
Hist. EPS Growth (3-5 yrs)	1.54%	8.02%	10.82%	-26.61%	19.54%	5.05%
Proj. EPS Growth (F1/F0)	-15.05%	-0.47%	-9.08%	13.32%	2.40%	-3.37%
Curr. Cash Flow Growth	4.40%	9.45%	5.51%	26.76%	9.91%	-2.46%
Hist. Cash Flow Growth (3-5 yrs)	-1.10%	8.15%	8.55%	22.17%	18.17%	1.04%
Current Ratio	1.09	1.33	1.30	0.33	2.92	0.97
Debt/Capital	66.29%	35.44%	44.41%	35.44%	0.00%	75.30%
Net Margin	26.77%	3.04%	10.46%	10.51%	26.07%	10.13%
Return on Equity	41.44%	7.96%	15.29%	7.71%	27.77%	54.77%
Sales/Assets	0.38	0.79	0.54	0.23	0.85	0.82
Proj. Sales Growth (F1/F0)	-10.70%	0.00%	-2.27%	2.35%	2.39%	1.72%
Momentum Score	F	-	-	C	D	F
Daily Price Chg	2.71%	0.00%	0.60%	1.41%	0.97%	1.18%
1 Week Price Chg	3.70%	0.15%	3.82%	1.99%	3.59%	0.15%
4 Week Price Chg	8.58%	0.00%	7.55%	6.69%	11.25%	4.98%
12 Week Price Chg	2.89%	2.89%	7.51%	13.53%	21.87%	1.99%
52 Week Price Chg	-9.86%	-26.88%	-3.37%	9.15%	16.98%	5.26%
20 Day Average Volume	16,856,906	165,587	2,037,153	2,502,363	2,003,816	4,514,153
(F1) EPS Est 1 week change	-0.42%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	-1.92%	0.00%	0.14%	-0.18%	0.48%	0.40%
(F1) EPS Est 12 week change	-1.92%	-2.39%	-3.51%	1.19%	-4.21%	-5.77%
(Q1) EPS Est Mthly Chg	-5.84%	0.00%	0.00%	0.00%	0.57%	-3.86%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	D
Growth Score	F
Momentum Score	F
VGM Score	F

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

Disclosures

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