



# Earnings Briefing Materials for 2Q of the Fiscal Year Ending December 2024

08/09/2024

**Earth Corporation**

# Executive Summary



## 24.2Q Results

**Sales: 97.09 B yen (vs. forecast: 102.5% +2.39 B yen)**

**Operating Income: 10.75 B yen (vs. forecast: 136.2% +2.85 B yen)**

- Sales overperformance vs. forecast coupled with better-than-expected COGS ratio and SG&A results led to significant profit growth in 2Q.
- As of 2Q, cost pass-throughs have allowed us to absorb the impact of soaring raw material prices.
- Insecticides & Repellents: Results mostly in line with the forecast.
- Household Products: Our flagship categories of bath salts & oral hygiene products fell short of the results forecast.
- Overseas & General Environment and Sanitation businesses: Strong performance.

## Topics

**Shareholder returns: Completed share buyback**

- Buyback totaling 2.0 B yen; 1.9% of total shares outstanding.

**ESG investment:**

- Selected as a component company of the FTSE Blossom Japan Index & FTSE Blossom Sector Relative Index.



**Earth Corporation**

**Financial Result Highlights  
of 2Q FY 12/2024**

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# Financial Result Highlights



(Unit: 0.1 billion JPY)

- Increase in sales and income.
- Sales overperformance vs. the forecast coupled with ① COGS ratio and ② SG&A overperformance allowed the Earth Corporation to reach its income targets.
- Delays in the use of sales promotion expenses, leftover disposal-related costs, and the carryover of fixed SG&A expenses. We expect to incur these costs in 2H.

	23.2Q Realized		24.2Q Forecast		24.2Q Realized		Comparison			
	Amount	% Sales	Amount	% Sales	Amount	% Sales	YoY	YoY (%)	vs. Forecast	vs. Forecast (%)
<b>Sales</b>	903.2	100.0%	947.0	100.0%	970.9	100.0%	67.6	107.5%	23.9	102.5%
<b>COGS</b>	513.4	56.8%	546.4	① 57.7%	556.9	57.4%	43.4	108.5%	10.5	101.9%
<b>Gross Profit</b>	389.8	43.2%	400.5	42.3%	413.9	42.6%	24.1	106.2%	13.4	103.4%
<b>SG&amp;A</b>	290.6	32.2%	321.5	34.0%	306.4	31.6%	15.8	105.4%	- 15.1	② 95.3%
<b>Operating Income</b>	99.2	11.0%	79.0	8.3%	107.5	11.1%	8.3	108.4%	28.5	136.2%
<b>Ordinary Income</b>	104.2	11.5%	82.0	8.7%	113.3	11.7%	9.1	108.8%	31.3	138.3%
<b>Net Income attributable to owners of parent</b>	70.4	7.8%	54.5	5.8%	76.4	7.9%	6.0	108.6%	21.9	140.3%

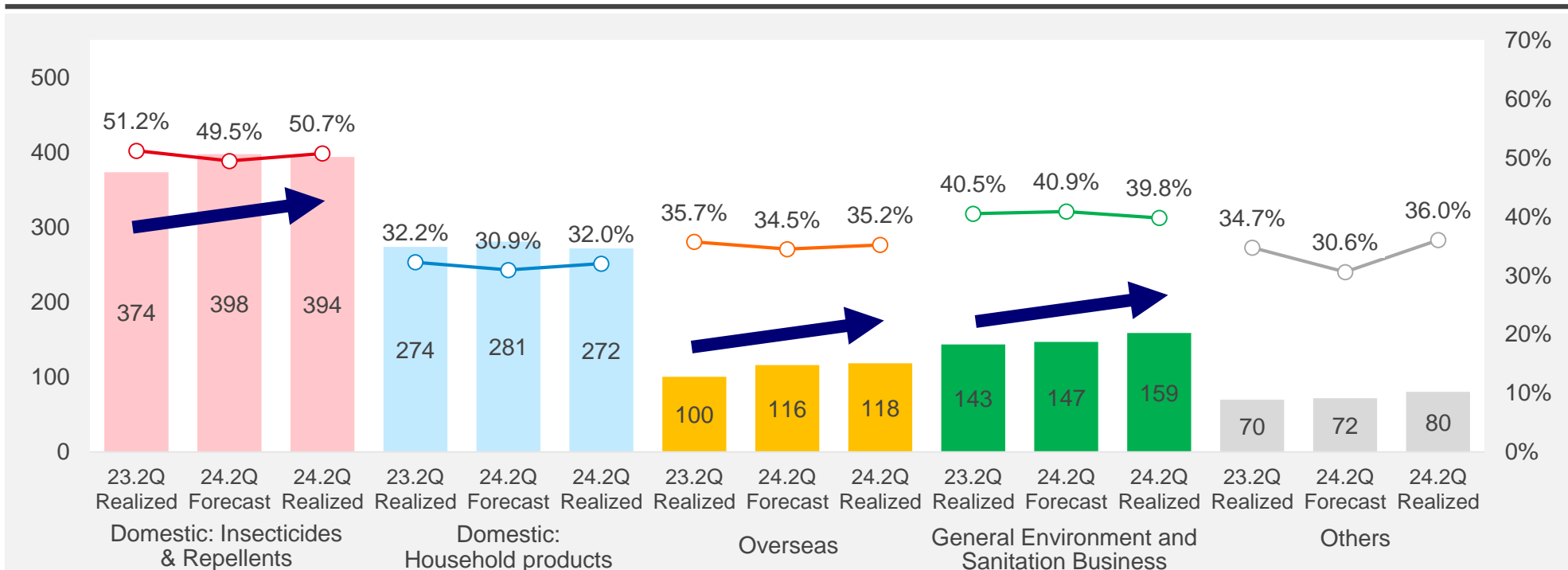
# Management Accounting Basis: Sales / GPM (2023 vs. 2024)



(Unit: 0.1 billion JPY)

- Domestic - Insecticides & Repellents: Sales mostly in line w/ the forecast while profit margin exceeded expectations.
- Domestic - Household products: Sales of bath salts & oral hygiene products didn't meet the forecast.
- Overseas: Strong results in ASEAN and China.
- General Environment and Sanitation Business: Strong results thanks to growth in contract numbers/amount.

Sales / GPM by Portfolio





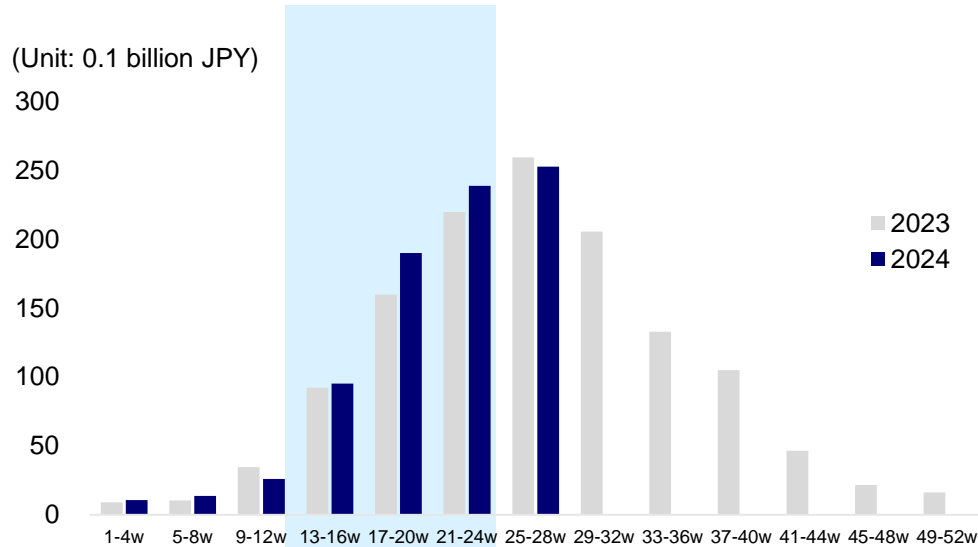
# Domestic: Insecticides & Repellents Status Update

- Strong April - June market performance lapping last year's results, also thanks to favorable weather.
- Market growth driven by sales of insecticides to eliminate cockroaches/pests, and repellents. Conversely, sales of fly and mosquito insecticide fell YoY.
- Strong progress in cost pass-through products.

## Market trends as of 6/30 and Earth's market share

【Market YoY growth】 【Earth's market share】

**106.3%**      **57.3%**



## Focused New Products Trends

**Gokishu!**  
【vs. forecast】  
**136%**

Price revisions (total of 83 SKUs) – sales trend

【YoY】      【vs. forecast】  
**+ 0.97B JPY**      **+ 0.34B JPY**

# Domestic: Household Products Status Update

- The Earth Corporation dropped in market share for bath salts and mouthwash products due to heightened market competition.
- We are preparing a strategy to regain ground in 2H.

## Bath salts (as of 6/30)

【Market YoY growth】 【Earth's market share】

**102.0%**      **43.7%**

### Flagship products – sales trends

- Onpo

vs. forecast **95%**



- Kikiyu

vs. forecast **81%**



## Oral hygiene (as of 6/30)

【Market YoY growth】 【Earth's market share (mouthwash)】

**101.8%**      **18.1%**

### Flagship products – sales trends

- Mondahmin (regular)

vs. forecast **96%**

- PREMIUM CARE

vs. forecast **81%**



# Overseas – Status Update (ASEAN)



(Unit: 0.1 billion JPY)

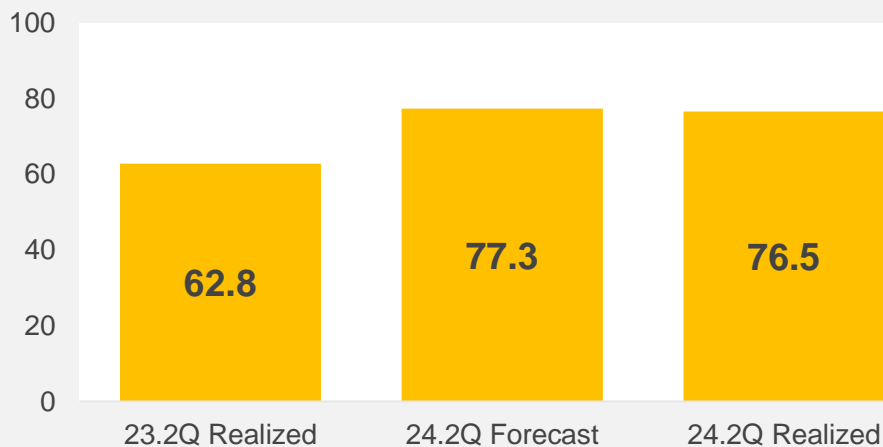
## ASEAN Core Area (Thailand & Vietnam)

Thailand

- While sales fell slightly short of the target on a local currency basis, this nevertheless represents significant YoY sales growth.
- Significant growth to core accounts.
- Release of new products "ARS Mos shooter."

Vietnam

- Products for MT overperformed, while products for GT fell slightly short. Overall results in line with the plan.
- Strong sales growth for our core category of household detergents, insecticides & repellents, air fresheners, etc.



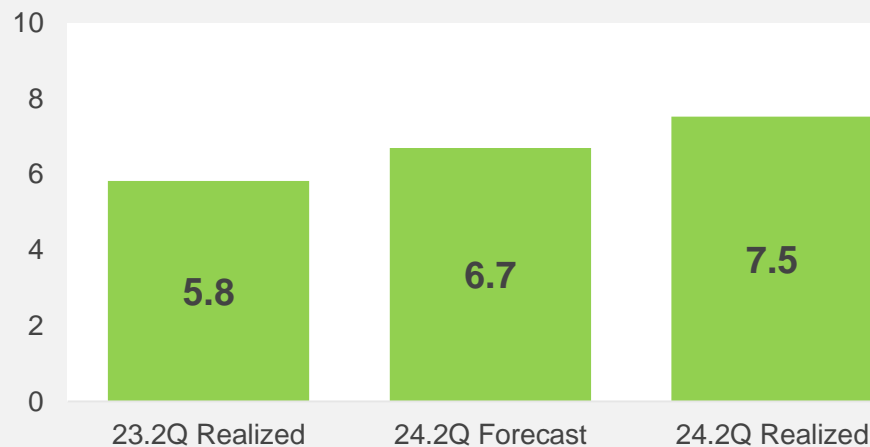
## ASEAN Expansion Area (Malaysia & Philippines)

Malaysia

- Significant sales overperformance.
- Strong results for insecticides & repellents and air fresheners.
- Increase in adoption of staple products by core client accounts contributed to this growth.

Philippines

- While short of the target, sales increased YoY.
- Shipment of new products is going well.
- Increase in sales promotion expenses, e.g., listings and in-store placement strategies.





# Overseas – Status Update (China & Exports Business)



(Unit: 0.1 billion JPY)

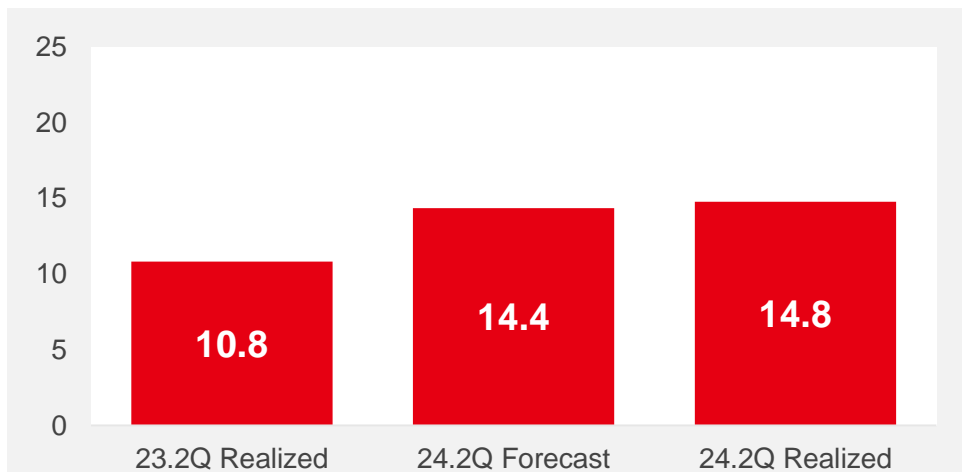
## China

Domestic  
(China)

- Significant sales growth for both offline & EC.
- Introduction of five priority sales items is going well. We will promote in-store sales in 2H and work to minimize product returns.
- Strong results exceeding the forecast in EC. Expect this trend to continue in 2H.

Cross-border

- Flagship products: results in line with LFY.
- Structural reform to further develop our cross-border business. Earth is currently in the process of selecting and developing new products.



## Exports Business

M. East

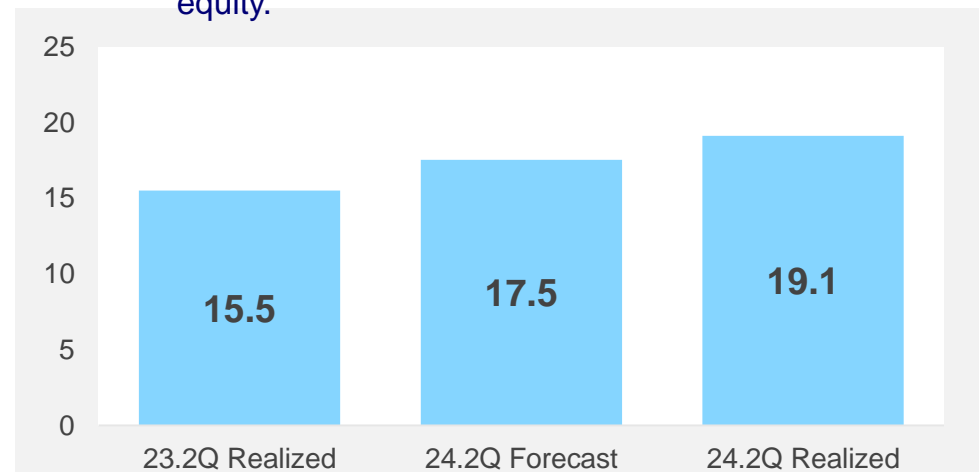
- Grow our offerings of insecticides & repellents.
- Continued LFY's strong performance with new products making a contribution to sales.

Hong  
Kong

- We offer primarily insecticides & repellents, insect prevention and humidity removal products.
- Recovered from LFY's sales slump, growing in 2Q.

Taiwan

- Offerings focused primarily on insecticides & repellents.
- Grow sales by attracting customers w/ products like our fly/roach baits, which boast material brand equity.

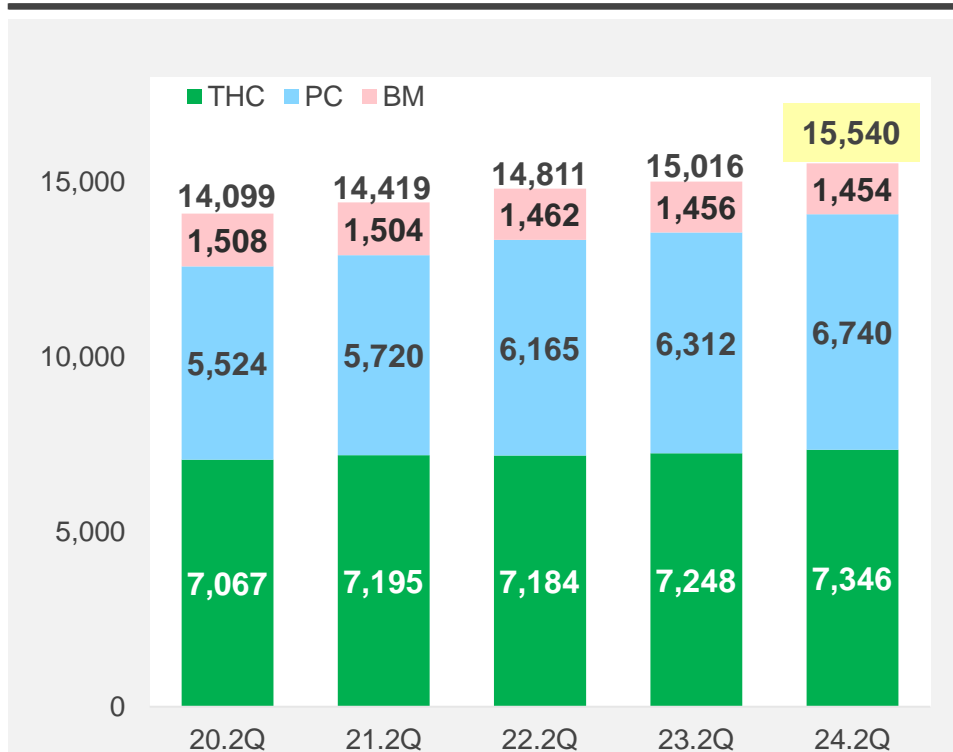


# General Environment and Sanitation Business – Status Update



- YoY: +1.5 B JPY (+10.7%); Vs. forecast: +1.2 B JPY (+8.1%); Significant sales growth.
- Steady growth in annual contract numbers drove growth.

General Environment and Sanitation Business –  
Trend in Annual Contract Numbers



Reasons behind this strong performance

- |                 |   |
|-----------------|---|
| <b>External</b> | <ul style="list-style-type: none"> <li>■ Recovery in corporate capex and spend on plant sanitation, which had been put on hold due to COVID.</li> <li>■ Increased interest by our clients following reports of foreign material contamination detected in products by prominent manufacturers.</li> </ul> |
| <b>Internal</b> | <ul style="list-style-type: none"> <li>■ Further enhance employee training through our Skill Development Center. → Improvement of basic management skills.</li> <li>■ Results from structural reorganization allowing us to operate as a Company boasting high levels of specialization.</li> </ul>       |

# Operating Income Change Factors (Vs. Forecast)

- As of 2Q, we have been able to offset the negative impact of soaring raw material prices through the execution of price revisions.
- We met our sales target, leading to an increase in gross profit. SG&A was also lower than expected and some of these expenses carried over due to the cutoff timing, leading to significant profit growth.

(Unit: 0.1 billion JPY)

**Decrease factors (-1.1)**

**Increase factors (+29.7)**

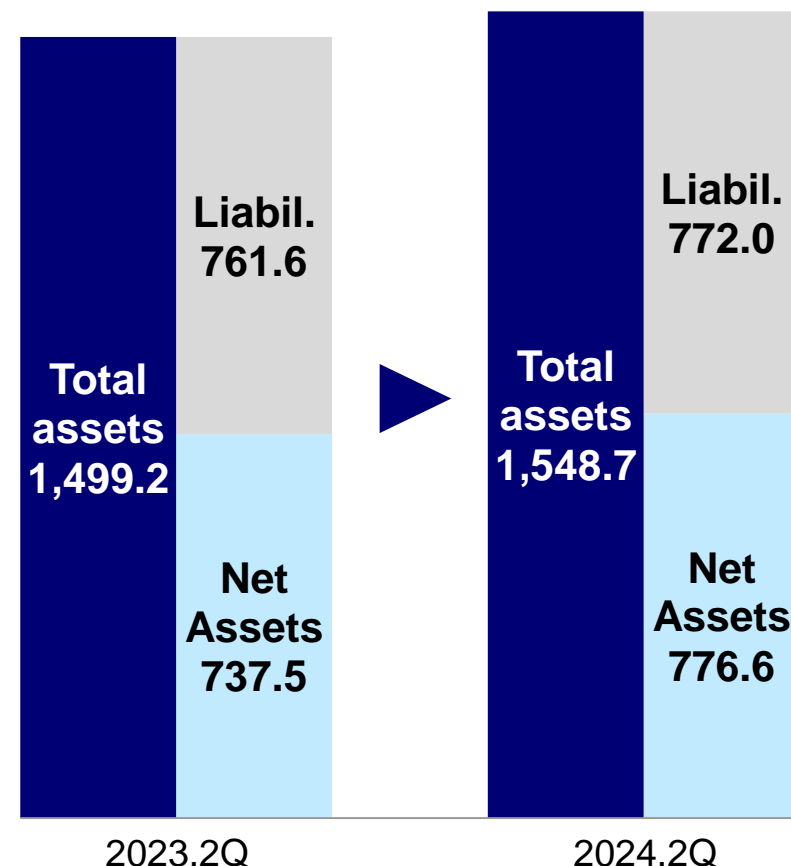


# Consolidated: Balance Sheet

(Unit: 0.1 billion JPY)

- ① Inventories (-4.3 B JPY): Benefits from inventory optimization starting in 2H LFY.
- ② Borrowings (-3.7 B JPY): Inventory optimization led to lower cash requirements.

	2023.2Q	2024.2Q	Change
<b>Total assets</b>	<b>1,499.2</b>	<b>1,548.7</b>	<b>+49.4</b>
Cash & deposits	187.2	236.0	+48.7
Trade receivables	381.1	394.0	+12.8
<b>Inventories</b>	<b>336.4</b>	<b>293.4</b>	<b>-43.0</b> ①
Property, plant, & equipment	311.4	314.5	+3.0
Intangible assets	80.5	87.7	+7.1
Investment & other assets	176.0	195.1	+19.0
<b>Liabilities</b>	<b>761.6</b>	<b>772.0</b>	<b>+10.3</b>
Trade payables	383.0	413.4	+30.3
<b>Borrowings</b>	<b>107.2</b>	<b>70.0</b>	<b>-37.2</b> ②
<b>Net assets</b>	<b>737.5</b>	<b>776.6</b>	<b>+39.0</b>
<b>Equity ratio</b>	<b>45.7%</b>	<b>46.6%</b>	<b>+0.9pt</b>





**Earth Corporation**

# Full Year Results Forecast

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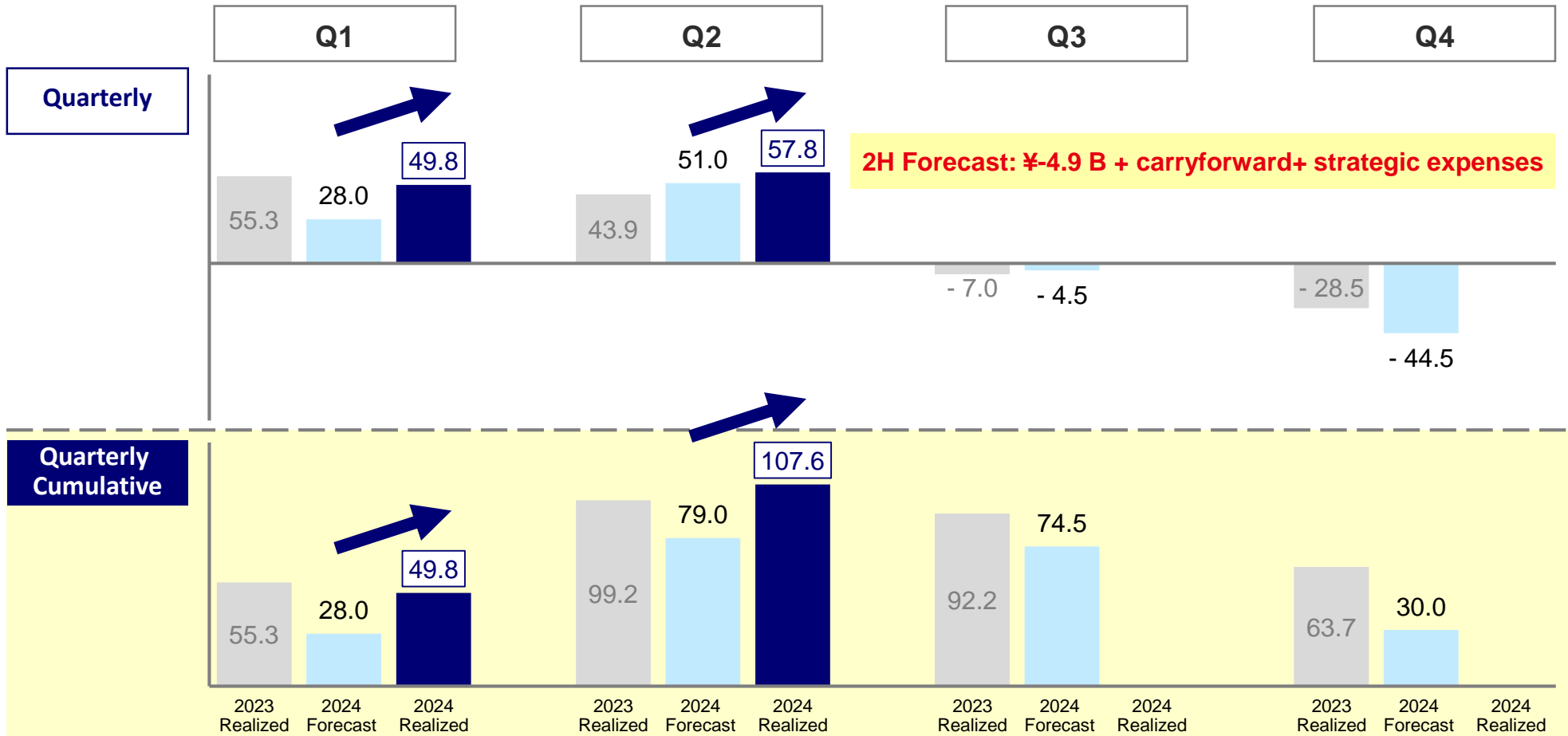
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# Progress Vs. OI Target (Quarterly/Cumulative)



- We do expect an overperformance for 2H, as well, but we face challenges from:
  - ① weather-related risk factors,
  - ② higher COGS than expected,
  - ③ recording of expenses not used in 1H. Additionally, we will also consider the strategic deployment of
  - ④ sales promotion/advertising resources.

(Unit: 0.1 billion JPY)





# 2024 Results Forecast



- While we are hopeful for a year-end results overperformance, the forecast targets disclosed 02/13/2024 remain unchanged.
- Earth Corp. is evaluating various factors/risk scenarios and will aim for transparent disclosure.

(Unit: 0.1 billion JPY)

	2024 Forecast	Topics	2023 Realized
<b>Sales</b>	<b>1,650</b>	<ul style="list-style-type: none"> <li>• We forecast sales growth in all 5 classifications within management accounting.</li> <li>• Plans to execute price revisions in Insecticides &amp; Repellents in Japan this fiscal year, as well.</li> </ul>	1,583
<b>Gross Profit</b>	<b>658.3</b>	<ul style="list-style-type: none"> <li>• Expected COGS impact from soaring raw material prices of 1.1 B yen</li> <li>• Profitability impact for Domestic Insecticides &amp; Repellents and Household products.</li> </ul>	636.2
<b>SG&amp;A</b>	<b>628.3</b>	<ul style="list-style-type: none"> <li>• This FY we expect 1.5 B yen in expenses related to structural transformation.</li> <li>• We expect +1.6 B yen in human resources investment and +1.1 B yen in brand incubation investment.</li> </ul>	572.5
<b>Operating Income</b>	<b>30.0</b>	<ul style="list-style-type: none"> <li>• Temporary decrease in OI due to structural transformation.</li> </ul>	63.7
<b>Net Income attributable to owners of parent</b>	<b>17.9</b>	<ul style="list-style-type: none"> <li>• Non-operating income &amp; expenses expected to be in line with LFY.</li> <li>• We don't expect any major extraordinary income/loss items.</li> </ul>	41.0
<b>ROE</b>	<b>2.7%</b>	<ul style="list-style-type: none"> <li>• Due to a temporary decrease in profitability.</li> </ul>	6.3%

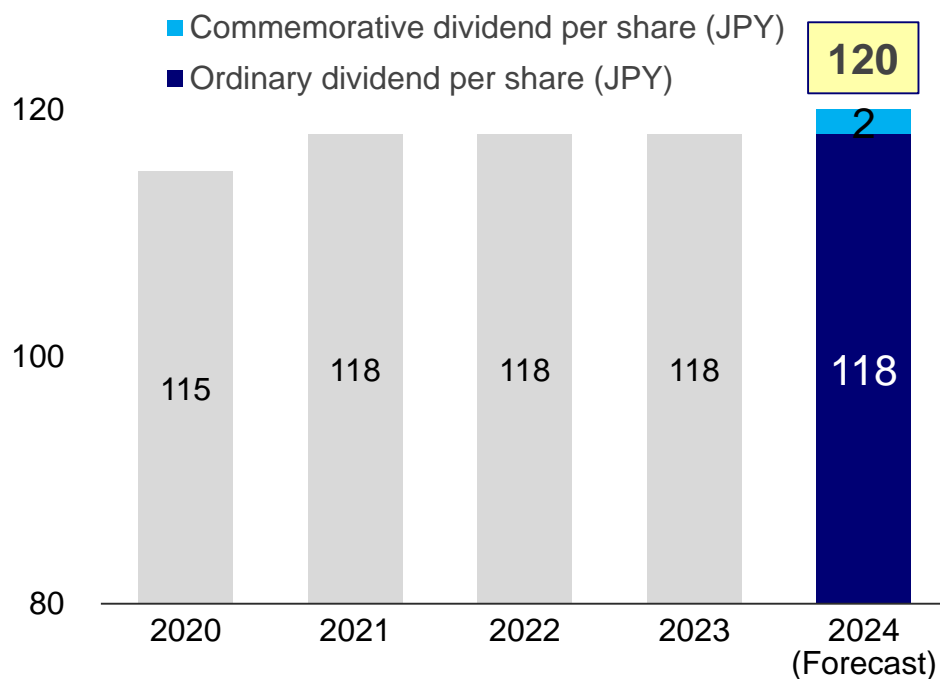
# Shareholder Returns



- Shareholder Returns Policy: Stable dividend distribution with a DOE target of around 4%. Consider an agile approach to dividend raises and share buybacks.
- 2024 dividend target: 120 JPY/share (incl. a 2 JPY/share commemorative dividend).
- Completed share buyback: 2.0 B JPY; 417,000 shares; 1.9% of shares outstanding.

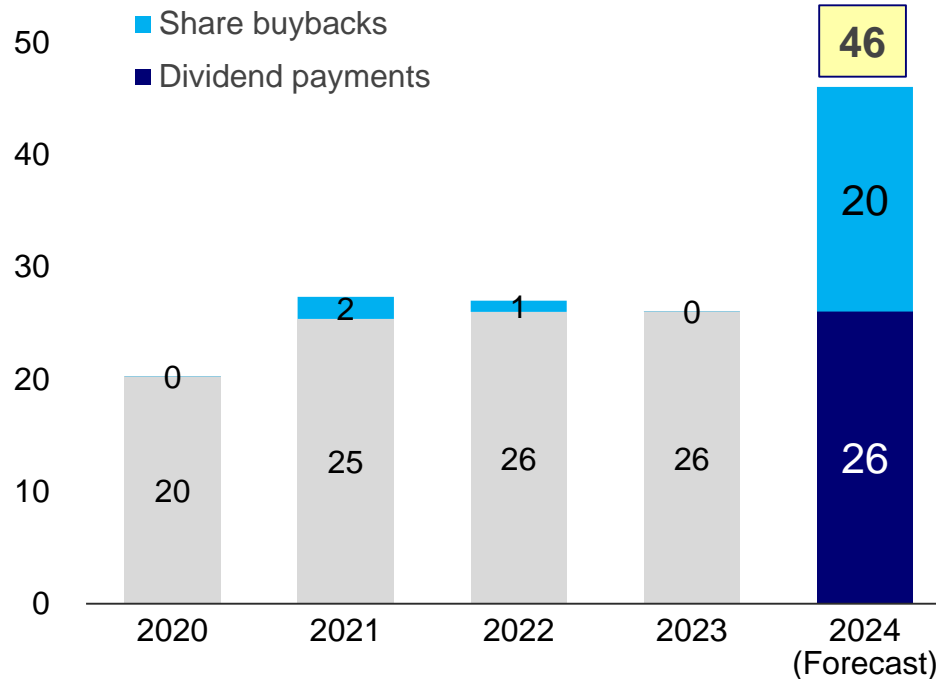
Ordinary dividend per share - trend

(Unit: JPY)



Total returns (Dividends + share buybacks)

(Unit: 0.1 B JPY)



# Topics: ESG Investment

- The Earth Corporation was selected as a component of the FTSE Blossom Japan Index and the FTSE Blossom Sector Relative Index – two indices related to ESG investment.



## FTSE Blossom Japan Index



## FTSE Blossom Japan Sector Relative Index

[Selected as a component of the ESG investment indices FTSE Blossom Japan Index and FTSE Blossom Japan Sector Relative Index for the first time. \(corp.earth.jp/en/\)](http://corp.earth.jp/en/)



**Earth Corporation**

**Supplementary Materials:**

**FY12/2024 2Q Results**

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# Consolidated: Statement of Income



(Unit : million JPY)

2Q累計

	2Q FY23	2Q FY24	2Q FY24	VS YoY		vs.FCT		FY12/24	
	Realized	Forecast	Realized	+/-	YoY	+/-	FCT	Forecast	YoY
Sales	90,329	94,700	97,095	6,765	107.5%	2,395	102.5%	165,000	58.8%
Cost of sales	51,346	54,644	55,695	4,348	108.5%	1,051	101.9%	99,168	56.2%
Gross profit	38,982	40,055	41,399	2,417	106.2%	1,344	103.4%	65,831	62.9%
SG&A expenses	29,060	32,155	30,641	1,580	105.4%	-1,514	95.3%	62,831	48.8%
Operating profit	9,921	7,900	10,758	836	108.4%	2,858	136.2%	3,000	358.6%
Non-operating income	543	350	626	83	115.4%	276	179.1%	700	89.6%
Non-operating expenses	42	50	46	4	109.5%	-3		140	33.0%
Ordinary profit	10,422	8,200	11,339	916	108.8%	3,139	138.3%	3,560	318.5%
Extraordinary income	5	0	43	37	810.2%	43		0	
Extraordinary losses	64	0	24	-39	37.8%	24		60	40.4%
Net income before income taxes	10,364	8,200	11,358	994	109.6%	3,158	138.5%	3,500	324.5%
Income taxes	3,136	2,650	3,464	328	110.5%	814	130.8%	1,370	252.9%
Net income	7,227	5,550	7,893	665	109.2%	2,343	142.2%	2,130	370.6%
Net income attributable to non-controlling interests	187	100	250	62	133.6%	150		340	73.5%
Net income attributable to owners of parent	7,040	5,450	7,643	603	108.6%	2,193	140.3%	1,790	427.0%
Gross profit ratio	43.2%	42.3%	42.6%	- 0.5pt	0.0pt	0.3pt	0.0pt	39.9%	

# Consolidated: Sales by Segment

(Unit : million JPY)

	2Q FY23	2Q FY24	2Q FY24	VS YoY	vs.FCT			FY12/24	Progress
	Realized	Forecast	Realized	+/-	YoY	+/-	vs.FCT	Forecast	ratio
Insecticides & Repellents	44,435	46,767	48,798	4,362	109.8%	2,031	104.3%	65,175	74.9%
Oral hygiene products	3,992	4,229	3,919	-73	98.2%	-310	92.7%	8,916	44.0%
Bath salts	11,605	11,990	11,266	-338	97.1%	-723	94.0%	26,375	42.7%
Other household products	17,013	18,080	18,548	1,535	109.0%	467	102.6%	34,319	54.0%
Household products	32,612	34,300	33,735	1,123	103.4%	-565	98.4%	69,611	48.5%
Pet products & others	4,984	5,533	6,196	1,211	124.3%	662	112.0%	10,292	60.2%
Household products business subtotal	82,032	86,601	88,730	6,697	108.2%	2,128	102.5%	145,079	61.2%
General environment & sanitation business subtotal	14,343	14,686	15,880	1,536	110.7%	1,193	108.1%	30,000	52.9%
Total sales include internal sales	96,376	101,287	104,610	8,234	108.5%	3,322	103.3%	175,079	59.8%
(Adjustments)	-6,046	-6,587	-7,514	-1,468		-926		-10,079	
Total sales	90,329	94,700	97,095	6,765	107.5%	2,395	102.5%	165,000	58.8%

(Composition ratio)

Insecticides & Repellents	46.1%	46.2%	46.6%	0.5pt		0.5pt		37.2%
Household products	33.8%	33.9%	32.2%	- 1.6pt		- 1.6pt		39.8%
Pet products & others	5.2%	5.5%	5.9%	0.8pt		0.5pt		5.9%
Household products busin	85.1%	85.5%	84.8%	- 0.3pt		- 0.7pt		82.9%
General environment & sar	14.9%	14.5%	15.2%	0.3pt		0.7pt		17.1%



# Consolidated: SG&A Expenses



(Unit : million JPY)

	2Q FY23	2Q FY24	2Q FY24	VS YoY	vs.FCT			FY12/24	Progress
	Realized	Forecast	Realized	+/-	YoY	+/-	vs.FCT	Forecast	ratio
Personal expenses	10,715	11,499	11,174	459	104.3%	-325	97.2%	23,215	48.1%
Shipping costs	2,337	2,612	2,464	126	105.4%	-147	94.3%	5,049	48.8%
Strage costs	1,518	1,480	1,524	5	100.4%	43	103.0%	2,859	53.3%
Advertising costs	4,204	5,101	4,723	518	112.3%	-378	92.6%	8,493	55.6%
Sales promotion expenses	551	613	560	9	101.6%	-52	91.4%	1,062	52.7%
R&D expenses	1,553	1,814	1,548	-5	99.7%	-266	85.3%	3,803	40.7%
Depreciation expenses	796	969	981	184	123.2%	12	101.2%	2,024	48.5%
Goodwill amortization	83	73	75	-8	90.4%	2	102.7%	146	51.4%
Travel&transportation expenses	723	849	748	25	103.5%	-100	88.1%	1,690	44.3%
Entertainment expenses	332	360	400	67	120.5%	39	111.1%	664	60.2%
Comission paid	708	799	786	77	111.0%	-13	98.4%	1,558	50.4%
Sales comission	618	650	615	-3	99.5%	-35	94.6%	1,309	47.0%
Miscellaneous expenses	394	781	404	10	102.5%	-377	51.7%	1,915	21.1%
Others	4,528	4,555	4,639	116	102.5%	83	101.8%	9,044	51.3%
<b>Total</b>	<b>29,060</b>	<b>32,155</b>	<b>30,641</b>	<b>1,580</b>	<b>105.4%</b>	<b>-1,514</b>	<b>95.3%</b>	<b>62,831</b>	<b>48.8%</b>

(Composition ratio)

Personal expenses ratio	11.9%	12.1%	11.5%	- 0.4pt	- 0.6pt	14.1%
Advertising costs ratio	4.7%	5.4%	4.9%	0.2pt	- 0.5pt	5.1%
R&D expenses ratio	1.7%	1.9%	1.6%	- 0.1pt	- 0.3pt	2.3%

# Consolidated: Balance Sheet



(Unit : million JPY)

		End of 2Q FY23	End of 2Q FY24	Final comparison +/-	End of FY23	VS 23 +/-
Current assets	Cash & deposits	18,724	23,602	4,877	17,505	6,096
	Trade receivable	38,114	39,403	1,288	25,639	13,764
	Inventories	33,645	29,343	-4,301	28,266	1,077
	Others	2,620	2,775	155	2,758	17
Non-current assets	Property, plant & equipment	31,148	31,455	307	31,383	72
	Intangible assets	8,059	8,772	713	8,774	-1
	Investments & other assets	17,609	19,516	1,906	18,079	1,436
<b>Total assets</b>		<b>149,922</b>	<b>154,870</b>	<b>4,947</b>	<b>132,407</b>	<b>22,462</b>
Current liabilities	Trade payables	38,303	41,340	3,036	30,005	11,335
	Short-term borrowings	10,720	7,000	-3,720	10,000	-3,000
	Others	24,722	26,347	1,624	17,488	8,858
Non-current liabilities	Long-term borrowings	0	0	0	0	0
	Others	2,418	2,514	96	2,912	-397
<b>Total liabilities</b>		<b>76,164</b>	<b>77,202</b>	<b>1,038</b>	<b>60,406</b>	<b>16,796</b>
Net assets	Total shareholders' equity	64,365	65,627	1,261	61,415	4,211
	Total accumulated other comprehensive income	4,198	6,530	2,332	5,130	1,399

# Consolidated: Statement of Cash Flows



(Unit : million JPY)

	End of 2Q FY23	End of 2Q FY24	Final comparison +/-	End of FY23
Cash flows from operating activities	4,336	15,199	10,863	7,524
Cash flows from investing activities	-6,415	-2,710	3,705	-10,135
Cash flows from financing activities	5,651	-6,967	-12,619	4,893
Effect of exchange rate change on cash and cash equivalents	378	574	195	450
Net increase (decrease) in cash and cash equivalents	3,951	6,096	2,145	2,732
Cash and cash equivalents at beginning of period	14,772	17,505	2,732	14,772
Increase in cash and cash equivalents from newly consolidated subsidiaries	0	–	0	0
Cash and cash equivalents at end of period	18,724	23,602	4,877	17,505

# Consolidated: Capital expenditure, Depreciation expenses

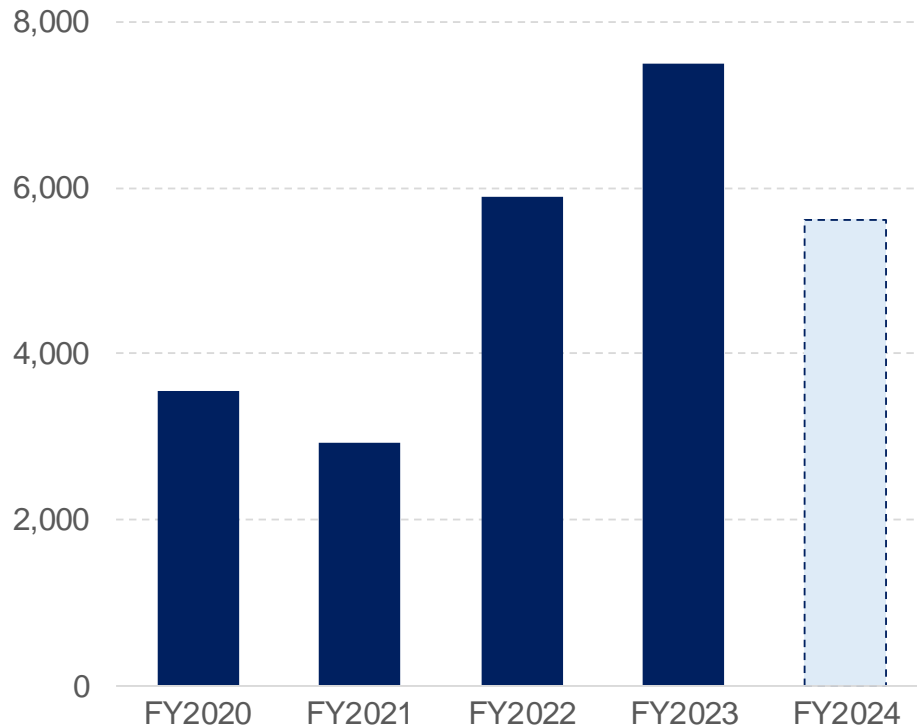


(Unit : million JPY)

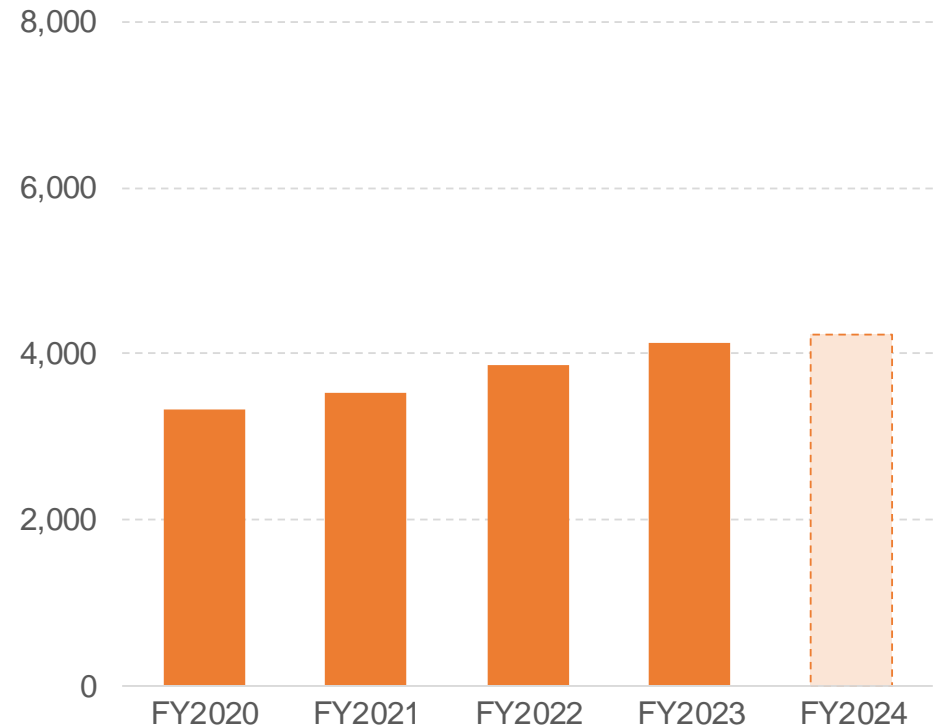
	FY2020	FY2021	FY2022	FY2023	FY2024
	Realized	Realized	Realized	Realized	Forecast
CAPEX	3,548	2,928	5,878	7,504	5,600

	FY2020	FY2021	FY2022	FY2023	FY2024
	Realized	Realized	Realized	Realized	Forecast
Depreciation	3,334	3,537	3,853	4,118	4,234

CAPEX



Depreciation



# Overview of Group Companies' Business Performance



(Unit : million JPY)

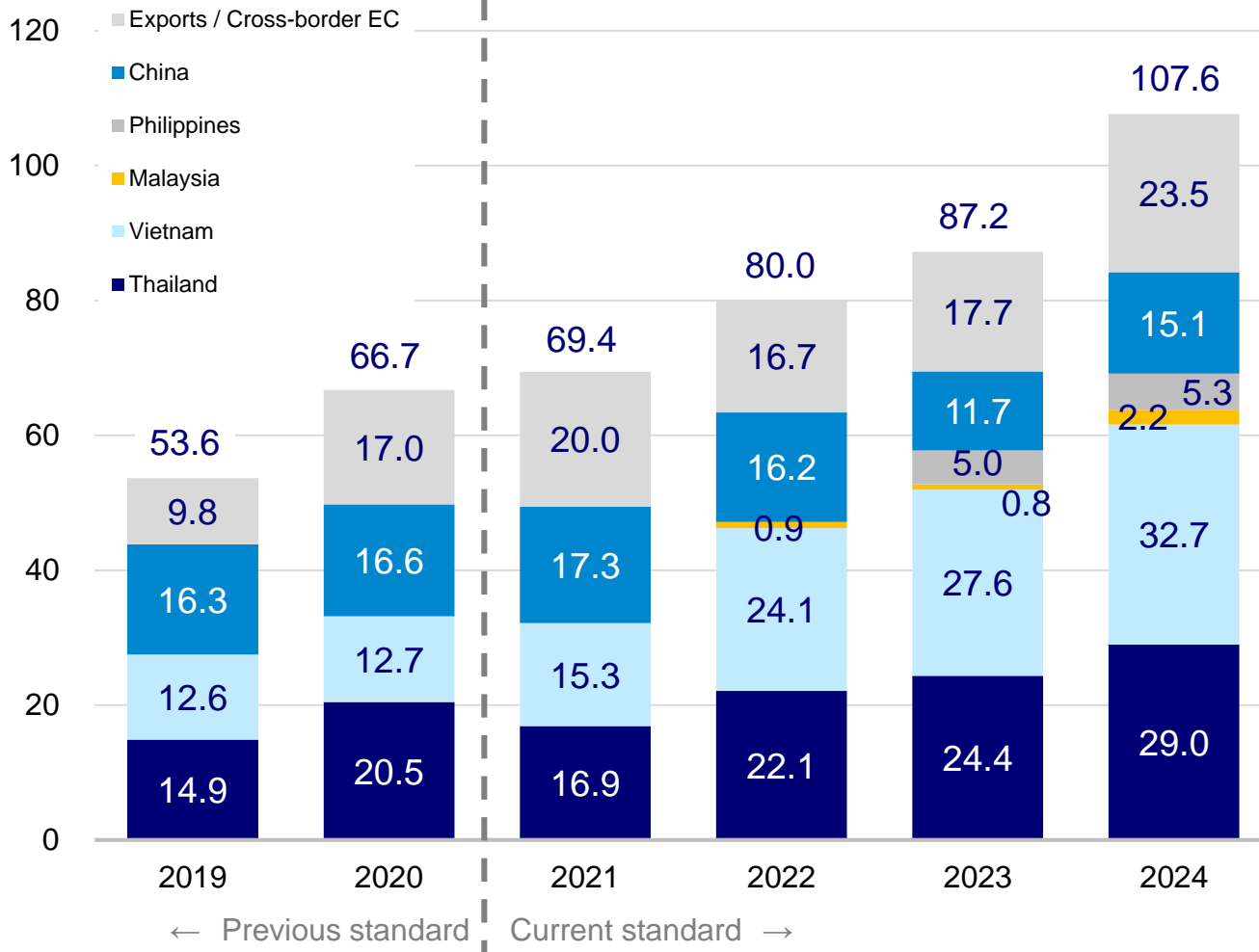
Earth Corporation				BATHCLIN Corporation			Hakugen Earth Co., Ltd.			Earth Pet Co., Ltd.		
	FY23.2Q	FY24.2Q	FY24.2Q	FY23.2Q	FY24.2Q	FY24.2Q	FY23.2Q	FY24.2Q	FY24.2Q	FY23.2Q	FY24.2Q	FY24.2Q
	Realized	Forecast	Realized	Realized	Forecast	Realized	Realized	Forecast	Realized	Realized	Forecast	Realized
Sales	52,149	55,160	55,746	7,143	7,656	7,005	8,951	9,196	8,900	3,563	3,614	3,734
Gross profit	23,073	23,332	24,309	2,680	2,788	2,577	2,894	3,009	3,029	1,370	1,278	1,368
Operatig income	7,955	6,340	8,107	129	172	12	149	310	468	236	110	202
Earth(Thailand)Co.,Ltd.				Earth Corporation Vietnam			EARTH HOME PRODUCTS (MALAYSIA)			EARTH HOMECARE PRODUCTS (PHILIPPINES)		
	FY23.2Q	FY24.2Q	FY24.2Q	FY23.2Q	FY24.2Q	FY24.2Q	FY23.2Q	FY24.2Q	FY24.2Q	FY23.2Q	FY24.2Q	FY24.2Q
	Realized	Forecast	Realized	Realized	Forecast	Realized	Realized	Forecast	Realized	Realized	Forecast	Realized
Sales	3,305	4,046	4,086	2,978	3,687	3,567	77	123	218	504	545	533
Gross profit	994	1,239	1,316	1,217	1,462	1,387	8	23	63	244	244	279
Operatig income	358	450	533	333	326	395	- 71	- 91	-66	77	- 46	67
Earth Corporation (Shanghai)				Earth Corporation (Tianjin)			Earth Corporation (Suzhou)			Earth Environmental Service Co.,Ltd.		
	FY23.2Q	FY24.2Q	FY24.2Q	FY23.2Q	FY24.2Q	FY24.2Q	FY23.2Q	FY24.2Q	FY24.2Q	FY23.2Q	FY24.2Q	FY24.2Q
	Realized	Forecast	Realized	Realized	Forecast	Realized	Realized	Forecast	Realized	Realized	Forecast	Realized
Sales	1,080	1,435	1,476	1,668	2,386	2,672	610	712	787	14,343	14,686	15,880
Gross profit	337	376	496	279	346	405	94	93	105	5,808	6,000	6,315
Operatig income	▲ 4	37	195	103	110	187	12	16	22	773	654	1,016

# Overseas Results

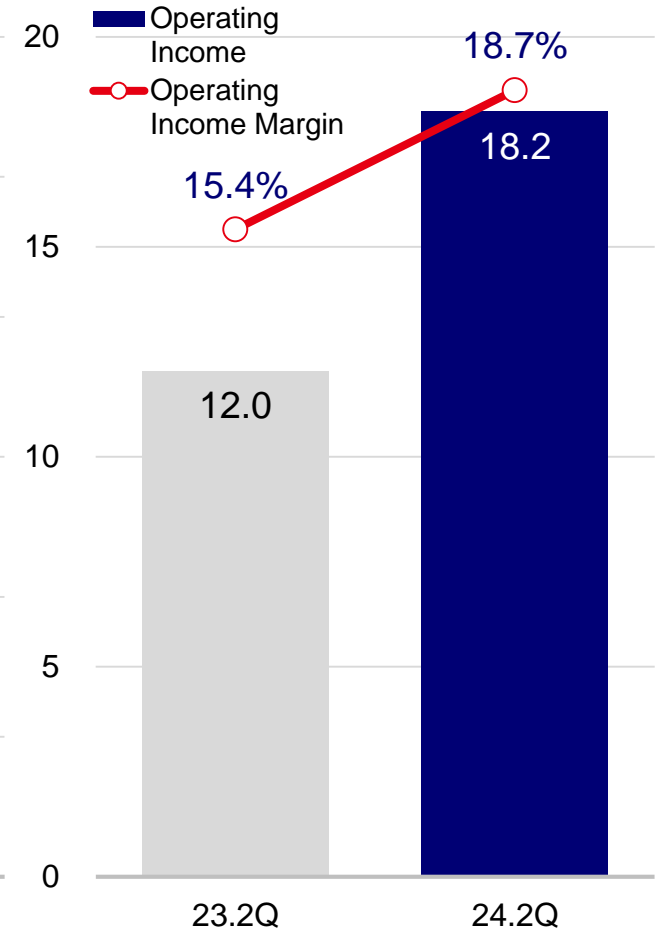


(Unit: 0.1 billion JPY)

## Overseas sales (Includes cross-border EC)



## Overseas OI (Simple sum)



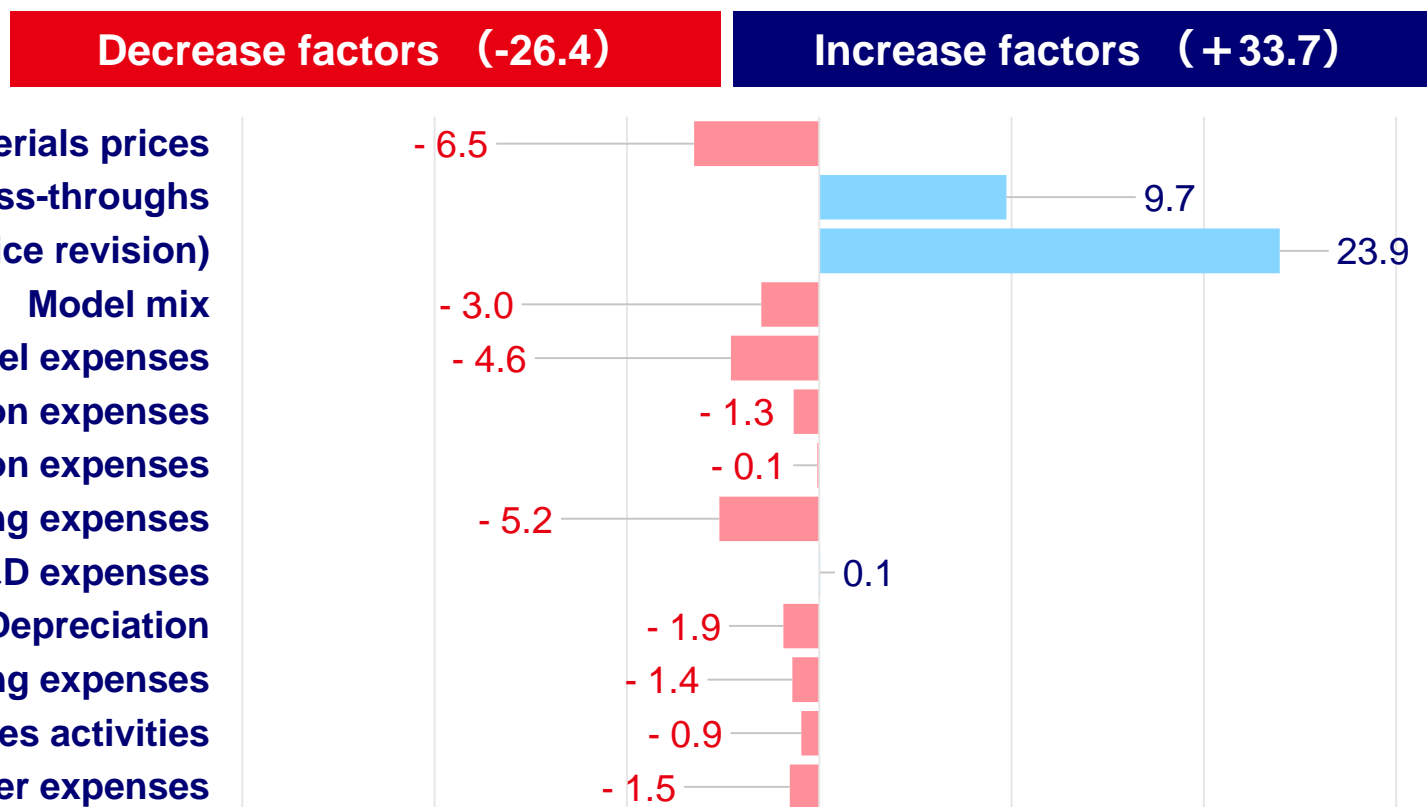


# Operating Income Change Factors (YoY)



(Unit: 0.1 billion JPY)

- In 2Q, the impact of raw material price hikes was absorbed by the effect of price revision measures.
- Significant increase in profit due to the effect of higher sales, mainly of insect care products.





# **EARTH**

**Act For Life**

This presentation contains forward-looking statements and financial results forecasts. These forward-looking statements and financial results forecasts were formulated on the basis of company assumptions based on the information available.

These statements and forecasts are subject to risks and uncertainties that could cause actual results to differ materially from those described.