

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 6, 2020

UPWORK INC.

(Exact name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction
of Incorporation)

001-38678

(Commission File Number)

46-4337682

(IRS Employer
Identification No.)

2625 Augustine Drive, Suite 601

Santa Clara, California

(Address of Principal Executive Offices)

95054

(Zip Code)

Registrant's Telephone Number, Including Area Code: (650) 316-7500

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, \$0.0001 par value per share	UPWK	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On May 6, 2020, Upwork issued a press release and will hold a conference call regarding its financial results for the quarter ended March 31, 2020. A copy of the press release is furnished as Exhibit 99.1 to this report.

The information furnished with this Item 2.02, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filing under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such a filing.

Upwork is making reference to non-GAAP financial information in both the press release and the conference call. A reconciliation of GAAP to non-GAAP results is provided in the attached Exhibit 99.1 press release.

Upwork uses its Investor Relations website (investors.upwork.com/), its Twitter handle (twitter.com/Upwork) and Hayden Brown’s Twitter handle (twitter.com/hydnbrwn) and LinkedIn profile (linkedin.com/in/haydenlbrown) as a means of disseminating or providing notification of, among other things, news or announcements regarding its business or financial performance, investor events, press releases and earnings releases and as a means of disclosing material non-public information and for complying with its disclosure obligations under Regulation FD.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press release dated May 6, 2020
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Upwork Inc.

Date: May 6, 2020

By: _____
Brian Kinion
Chief Financial Officer
(Principal Financial and Accounting Officer)

Upwork Reports First Quarter 2020 Financial Results

- Revenue grew 21% year-over-year to \$83.2 million
- Marketplace revenue grew 24% year-over-year to \$74.8 million
- Gross margin expanded three percentage points year-over-year to 72%

Santa Clara, CA – May 6, 2020 – Upwork Inc. (Nasdaq: UPWK), the largest online talent solution, as measured by gross services volume (“GSV”), today announced its first quarter 2020 financial results.

“With the global spread of the coronavirus significantly accelerating the adoption of remote work and increasing the value that companies place on workforce flexibility, Upwork’s solutions for customers are more relevant than ever,” said Hayden Brown, President and CEO of Upwork. “We have smoothly pivoted to a fully remote work model for our own teams and are focused on fulfilling the critical needs of our customers at this moment, from supplying them with the skilled talent they need to deliver on changing demands, to helping them migrate their existing team members onto our platform to enable continuous operations. We see promising indicators in our business, and continue to be very optimistic about our future.”

Response to COVID-19 Pandemic

In response to the COVID-19 pandemic, Upwork has taken numerous steps to support customers and community members:

- Upwork was a founding partner of the Freelancers Relief Fund, established by the Freelancers Union to assist independent workers experiencing financial hardship as a result of the pandemic.
- Upwork created the Work Together Talent Grants program, funding \$1 million in talent grants to provide much-needed talent to businesses with projects that mitigate the impact of COVID-19.
- Upwork accelerated earnings payouts to Top Rated professionals on hourly contracts by 50%.
- Upwork launched a new product, Direct Contracts, which provides freelancers the payments protection of Upwork’s escrow service for fixed-price engagements outside of the Upwork marketplace.
- Upwork also made it easier for clients to centrally manage both their Upwork and non-Upwork contractors and agencies on our platform so that they can take advantage of our global payroll and Work Protection products, which enable businesses to classify and pay independent professionals compliantly in over 160 countries.
- Upwork is supporting clients as they pivot to remote work via a COVID-19 Remote Work Resource Center showcasing best practices from 20 years of experience building and managing a remote workforce, and created 54 customized job templates that clients can leverage for critical crisis-related projects.
- Upwork assembled trusted information to help eligible freelancers and small business owners understand government assistance for which they may be eligible, and expanded tax form and other document processing services to support filing needs.

First Quarter 2020 Financial Results

- **Gross services volume (GSV)** increased by 15% year-over-year to \$559.5 million;
- **Revenue** grew 21% year-over-year to \$83.2 million;
- **Marketplace revenue** grew 24% year-over-year to \$74.8 million;
- **Marketplace take rate** was 13.6%, up from 12.6% a year ago;
- **Gross margin** expanded three percentage points year-over-year to 72%;
- **Net loss** was \$10.0 million, or \$(0.09) per share, compared to a net loss of \$5.2 million, or \$(0.05) per share, in the first quarter of 2019;
- **Non-GAAP net loss** was \$3.6 million, or \$(0.03) per share, compared to non-GAAP net income of breakeven, or \$0.00 per share, in the first quarter of 2019; and
- **Adjusted EBITDA**, a non-GAAP financial measure, was negative \$1.0 million compared to \$0.8 million in the first quarter of 2019.

Note: Reported figures are rounded; unless otherwise noted, comparisons of the first quarter of 2020 are to the first quarter of 2019. All financial measures are GAAP unless cited as non-GAAP. Certain operating metrics used here, including “GSV” and “marketplace take rate,” are defined in our Annual Report on Form 10-K for the full year ended December 31, 2019 and our most recently filed Quarterly Report on Form 10-Q.

A reconciliation of GAAP to non-GAAP financial measures has been provided at the end of this press release. An explanation of these measures is also included below under the heading “Non-GAAP Financial Measures.”

Impact of COVID-19 on Guidance

Recognizing the uncertainties related to the ongoing COVID-19 pandemic and rapidly shifting macroeconomic conditions, we are withdrawing full-year 2020 revenue guidance issued on February 26, 2020. Our second quarter revenue guidance factors in the expected impacts of the COVID-19 pandemic that we have visibility into today.

As of May 6, 2020, Upwork is providing the following guidance for its second quarter:

- Revenue in the range of \$79 million to \$81 million
- Weighted average shares outstanding in the range of 116 million to 118 million

First Quarter 2020 Financial Results Conference Call and Webcast

Upwork will host a conference call today at 2 p.m. Pacific Time/5 p.m. Eastern Time to discuss the company’s first quarter 2020 financial results. An audio webcast archive will be available following the live event for approximately one year at investors.upwork.com. The prepared remarks corresponding to the information reviewed on today’s conference call will also be available on our Investor Relations website, once the call has concluded.

We use our investor relations website (investors.upwork.com/), our Twitter handle (twitter.com/Upwork) and Hayden Brown’s Twitter handle (twitter.com/hydnbrwn) and LinkedIn profile (linkedin.com/in/haydenlbrown) as a means of disseminating or providing notification of, among other things, news or announcements regarding our business or financial performance, investor events, press releases and earnings releases and as a means of disclosing

material non-public information and for complying with our disclosure obligations under Regulation FD. The content of our websites and information that we may post on or provide to online and social media channels, including those mentioned above, and information that can be accessed through our websites or these online and social media channels are not incorporated by reference into this press release or in any report or document we file with the SEC, and any references to our websites or these online and social media channels are intended to be inactive textual references only.

Safe Harbor Statement

This press release includes forward-looking statements, which are statements other than statements of historical facts, and statements in the future tense. These statements include, but are not limited to, statements regarding the future performance of Upwork and its market opportunity, including expected financial results for the second quarter of 2020, expectations regarding the impact of the COVID-19 pandemic on our business and industry, and expectations for capturing market share and regarding the changing landscape of work, as well as statements regarding our planned investments to support growth. Accordingly, actual results could differ materially or such uncertainties could cause adverse effects on our results. Forward-looking statements are based upon various estimates and assumptions, as well as information known to Upwork as of the date of this press release, and are subject to risks and uncertainties, including but not limited to: the impact and duration of the COVID-19 pandemic on our business and global economic conditions; the impact, severity and duration of safety measures put in place to mitigate the impact of the COVID-19 pandemic; our ability to attract and retain a community of freelancers and clients; our limited operating history under our current business strategy and pricing model; our focus on the long-term and our investments in sustainable, profitable growth; our ability to develop and release new products and services, and develop and release successful enhancements, features, and modifications to our existing products and services; the impact of new and existing laws and regulations; our ability to generate revenue from our marketplace offerings and the effects of fluctuations in our level of client spend retention; our ability to develop, maintain, and enhance our brand and reputation cost-effectively; competition; challenges to contractor classification or employment status of freelancers on our platform; the possibility that the market for freelancers and the services they offer will develop more slowly than we expect; user circumvention of our platform; our ability to sell to mid-market, large enterprise, and global account clients; the success of our investments in our enterprise sales organization and our related marketing efforts, and expectations for the ability for enterprise sales to drive incremental revenue and GSV growth; changes in the amount and mix of services facilitated through our platform in a period; changes in our level of investment in sales and marketing, research and development, and general and administrative expenses, and our hiring plans for sales personnel; the market for information technology; future changes to our pricing model; payment and fraud risks; security breaches; privacy; litigation and related costs; and other general market, political, economic, and business conditions. Actual results could differ materially from those predicted or implied, and reported results should not be considered as an indication of future performance. Additionally, these forward-looking statements, particularly our guidance, involve risks, uncertainties and assumptions, including those related to the impacts of COVID-19 on our clients' spending decisions. Significant variation from the assumptions underlying our forward-looking statements could cause our actual results to vary, and the impact could be significant.

Additional risks and uncertainties that could affect our financial results are included under the caption "Risk Factors" in our Annual Report on Form 10-K filed with the SEC on March 2, 2020 and our other SEC filings, which are available on the Investor Relations page of our website at investors.upwork.com and on the SEC website at www.sec.gov. Additional information will also be set forth in our Quarterly Report on Form 10-Q for the three months ended March 31, 2020 when filed. All forward-looking statements contained herein are based on information available to us as of the date hereof, and we do not assume any obligation to update these statements as a result of new information or future events.

Undue reliance should not be placed on the forward-looking statements in this press release. These statements are based on information available to Upwork on the date hereof, and Upwork assumes no obligation to update such statements.

Non-GAAP Financial Measures

To supplement our condensed consolidated financial statements, which are prepared in accordance with GAAP, we present non-GAAP cost of revenue (and as percentage of revenue), non-GAAP gross profit (and as a percentage of revenue), non-GAAP operating expenses (total and each line item, and total and each non-GAAP operating expense item as a percentage of revenue), non-GAAP loss from operations (and as percentage of revenue), non-GAAP net income (loss) (and as a percentage of revenue and on a per share basis), and adjusted EBITDA in this press release. Our use of non-GAAP financial measures has limitations as an analytical tool, and these measures should not be considered in isolation or as a substitute for analysis of financial results as reported under GAAP.

We use these non-GAAP financial measures in conjunction with financial measures prepared in accordance with GAAP for planning purposes, including in the preparation of our annual operating budget, as a measure of our core operating results and the effectiveness of our business strategy, and in evaluating our financial performance. These measures provide consistency and comparability with past financial performance, facilitate period-to-period comparisons of core operating results, and also facilitate comparisons with other peer companies, many of which use similar non-GAAP financial measures to supplement their GAAP results. In addition, adjusted EBITDA is widely used by investors and securities analysts to measure a company's operating performance. We exclude the following items from one or more of our non-GAAP financial measures: stock-based compensation expense (non-cash expense calculated by companies using a variety of valuation methodologies and subjective assumptions), depreciation and amortization (non-cash expense), interest expense, other (income) expense, net, income tax (benefit) provision, and, if applicable, other non-cash transactions.

Investors are cautioned that there are material limitations associated with the use of non-GAAP financial measures as an analytical tool. In particular, (1) stock-based compensation expense has recently been, and will continue to be for the foreseeable future, a significant recurring expense for our business and an important part of our compensation strategy, (2) although depreciation and amortization expense are non-cash charges, the assets subject to depreciation and amortization may have to be replaced in the future, and adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements, and (3) adjusted EBITDA does not reflect: (a) changes in, or cash requirements for, our working capital needs; (b) interest expense, or the cash requirements necessary to service interest or principal payments on our debt, which reduces cash available to us; (c) tax payments that may represent a reduction in cash available to us; or (d) expense from our common stock warrant issued to the Tides Foundation, which is recurring and will be reflected in our financial results for the foreseeable future. The non-GAAP measures we use may be different from non-GAAP financial measures used by other companies, limiting their usefulness for comparison purposes. We compensate for these limitations by providing specific information regarding the GAAP items excluded from these non-GAAP financial measures. A reconciliation of these non-GAAP measures has been provided in the financial statement tables included in this press release and investors are encouraged to review the reconciliation.

About Upwork

Upwork is the largest online talent solution, as measured by GSV, that enables businesses to find and work with highly-skilled independent professionals. We empower businesses with more flexible access to quality talent, on demand. Through Upwork's matching technology and services, companies have access to a global pool of proven professionals so they can scale their teams dynamically to meet business needs. Upwork also provides skilled professionals and agencies access to more opportunities.

Upwork's mission is to create economic opportunities so people have better lives. The community of independent professionals working via Upwork spans many categories including software development, creative & design, finance & accounting, consulting, operations and customer support—over 8,000 skills are represented.

More than thirty percent of the Fortune 500 use Upwork. Clients include Airbnb, Automattic, BISSELL, GE, and Microsoft.

Upwork is headquartered in Santa Clara, Calif., with offices in Chicago and San Francisco, as well as distributed team members around the world. For more information, visit Upwork's website at www.upwork.com, or its Investor Relations website at investors.upwork.com, or join Upwork on Twitter, Facebook, and LinkedIn.

Upwork is a registered trademark of Upwork Inc. All other product and brand names may be trademarks or registered trademarks of their respective owners.

UPWORK INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except for per share data)
(Unaudited)

	Three Months Ended March 31,	
	2020	2019
Revenue		
Marketplace	\$ 74,782	\$ 60,455
Managed services	8,414	8,021
Total revenue	83,196	68,476
Cost of revenue	23,485	21,125
Gross profit	59,711	47,351
Operating expenses		
Research and development	19,348	15,800
Sales and marketing	30,678	20,518
General and administrative	17,824	15,661
Provision for transaction losses	912	637
Total operating expenses	68,762	52,616
Loss from operations	(9,051)	(5,265)
Interest expense	230	373
Other (income) expense, net	731	(479)
Loss before income taxes	(10,012)	(5,159)
Income tax provision	(9)	(1)
Net loss	\$ (10,021)	\$ (5,160)
Net loss per share, basic and diluted	\$ (0.09)	\$ (0.05)
Weighted-average shares used to compute net loss per share, basic and diluted	114,119	106,639

UPWORK INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

	March 31, 2020	December 31, 2019
ASSETS		
Current assets		
Cash and cash equivalents	\$ 65,635	\$ 48,392
Marketable securities	79,693	85,481
Funds held in escrow, including funds in transit	123,556	108,721
Trade and client receivables, net	35,260	30,156
Prepaid expenses and other current assets	8,387	7,885
Total current assets	312,531	280,635
Property and equipment, net	24,989	21,454
Goodwill	118,219	118,219
Intangible assets, net	2,668	3,335
Operating lease asset	22,620	21,908
Other assets, noncurrent	1,040	829
Total assets	\$ 482,067	\$ 446,380
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 1,719	\$ 652
Escrow funds payable	123,556	108,721
Debt, current	22,589	7,584
Accrued expenses and other current liabilities	23,394	18,342
Deferred revenue	14,386	13,799
Total current liabilities	185,644	149,098
Debt, noncurrent	8,814	10,699
Operating lease liability, noncurrent	22,489	21,186
Other liabilities, noncurrent	6,384	5,973
Total liabilities	223,331	186,956
Stockholders' equity		
Common stock	11	11
Additional paid-in capital	440,703	431,370
Accumulated deficit	(181,978)	(171,957)
Total stockholders' equity	258,736	259,424
Total liabilities and stockholders' equity	\$ 482,067	\$ 446,380

UPWORK INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (10,021)	\$ (5,160)
Adjustments to reconcile net loss to net cash used in operating activities:		
Provision for transaction losses	767	415
Depreciation and amortization	2,308	1,532
Amortization of debt issuance costs	13	13
Amortization of discount on purchases of marketable securities	(174)	(283)
Amortization of operating lease asset	969	1,072
Tides Foundation common stock warrant expense	188	252
Stock-based compensation expense	5,537	4,295
Changes in operating assets and liabilities:		
Trade and client receivables	(5,891)	(26,149)
Prepaid expenses and other assets	(464)	(886)
Operating lease liability	(459)	(378)
Accounts payable	994	(596)
Accrued expenses and other liabilities	3,881	(4,125)
Deferred revenue	650	603
Net cash used in operating activities	(1,702)	(29,395)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of marketable securities	(26,789)	(71,713)
Proceeds from maturities of marketable securities	33,000	—
Purchases of property and equipment	(1,288)	(3,604)
Internal-use software and platform development costs	(1,999)	(1,210)
Net cash provided by (used in) investing activities	2,924	(76,527)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Changes in escrow funds payable	14,834	21,899
Proceeds from exercises of stock options	3,165	764
Proceeds from borrowings on debt	15,000	25,000
Repayment of debt	(1,893)	—
Net cash provided by financing activities	31,106	47,663
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	32,328	(58,259)
Cash, cash equivalents, and restricted cash—beginning of period	159,603	230,067
Cash, cash equivalents, and restricted cash—end of period	<u>\$ 191,931</u>	<u>\$ 171,808</u>

The following table reconciles cash, cash equivalents, and restricted cash as reported in the condensed consolidated balance sheets to the total of the same amounts shown in the condensed consolidated statements of cash flows as of March 31, 2020 and December 31, 2019 (in thousands):

	March 31, 2020	December 31, 2019
Cash and cash equivalents	\$ 65,635	\$ 48,392
Restricted cash	2,740	2,490
Funds held in escrow, including funds in transit	123,556	108,721
Total cash, cash equivalents, and restricted cash as shown in the condensed consolidated statement of cash flows	<u>\$ 191,931</u>	<u>\$ 159,603</u>

UPWORK INC.
COST OF REVENUE AND GROSS MARGIN
(In thousands, except percentages)
(Unaudited)

	Three Months Ended March 31,			
	2020	2019	Change	
Cost of revenue	\$ 23,485	\$ 21,125	\$ 2,360	11 %
Components of cost of revenue:				
Cost of freelancer services to deliver managed services	6,962	6,763	199	3 %
Other components of cost of revenue	16,523	14,362	2,161	15 %
Total gross margin	72 %	69 %		

UPWORK INC.
RECONCILIATION OF GAAP TO NON-GAAP RESULTS
(In thousands, except for percentages and per share data)
(Unaudited)

	Three Months Ended March 31,	
	2020	2019
GAAP Net Loss	\$ (10,021)	\$ (5,160)
Add back (deduct):		
Stock-based compensation expense	5,537	4,295
Depreciation and amortization	2,308	1,532
Interest expense	230	373
Other (income) expense, net	731	(479)
Income tax provision	9	1
Tides Foundation common stock warrant expense	188	252
Non-GAAP Adjusted EBITDA	<u>\$ (1,018)</u>	<u>\$ 814</u>
Cost of Revenue Reconciliation:		
Cost of revenue, GAAP	\$ 23,485	\$ 21,125
Stock-based compensation	(174)	(144)
Cost of revenue, Non-GAAP	<u>\$ 23,311</u>	<u>\$ 20,981</u>
% of revenue, GAAP	28 %	31 %
% of revenue, Non-GAAP	28 %	31 %
Gross Profit Reconciliation:		
Gross profit, GAAP	\$ 59,711	\$ 47,351
Stock-based compensation	174	144
Gross profit, Non-GAAP	<u>\$ 59,885</u>	<u>\$ 47,495</u>
% of revenue, GAAP	72 %	69 %
% of revenue, Non-GAAP	72 %	69 %
Operating Expenses Reconciliation:		
Research and development, GAAP	\$ 19,348	\$ 15,800
Stock-based compensation	(1,950)	(1,380)
Research and development, Non-GAAP	<u>\$ 17,398</u>	<u>\$ 14,420</u>
% of revenue, GAAP	23 %	23 %
% of revenue, Non-GAAP	21 %	21 %
Sales and marketing, GAAP	\$ 30,678	\$ 20,518
Stock-based compensation	(928)	(642)
Sales and marketing, Non-GAAP	<u>\$ 29,750</u>	<u>\$ 19,876</u>
% of revenue, GAAP	37 %	30 %
% of revenue, Non-GAAP	36 %	29 %
General and administrative, GAAP	\$ 17,824	\$ 15,661
Stock-based compensation	(2,485)	(2,129)
Amortization of intangible assets	(667)	(667)
Tides Foundation common stock warrant expense	(188)	(252)
General and administrative, Non-GAAP	<u>\$ 14,484</u>	<u>\$ 12,613</u>
% of revenue, GAAP	21 %	23 %
% of revenue, Non-GAAP	17 %	18 %
Loss from Operations Reconciliation:		
Loss from operations, GAAP	\$ (9,051)	\$ (5,265)
Stock-based compensation	5,537	4,295
Amortization of intangible assets	667	667
Tides Foundation common stock warrant expense	188	252
Loss from operations, Non-GAAP	<u>\$ (2,659)</u>	<u>\$ (51)</u>
% of revenue, GAAP	-11 %	-8 %

<i>% of revenue, Non-GAAP</i>		-3 %	— %
Net Loss Reconciliation:			
Net loss, GAAP	\$	(10,021)	\$ (5,160)
Stock-based compensation		5,537	4,295
Amortization of intangible assets		667	667
Tides Foundation common stock warrant expense		188	252
Net income (loss), Non-GAAP	\$	(3,629)	\$ 54
<i>% of revenue, GAAP</i>		-12 %	-8 %
<i>% of revenue, Non-GAAP</i>		-4 %	— %
Net Loss per Share Reconciliation:			
Weighted-average shares outstanding		114,119	106,639
Net loss per share, GAAP	\$	(0.09)	\$ (0.05)
Net loss per share, Non-GAAP	\$	(0.03)	\$ —