Q2 2018 Earnings Call

Company Participants

- Edison Ticle, Chief Financial Officer
- Fernando Queiroz, Chief Executive Officer

Other Participants

- Botir Sharipov, Analyst
- Marcelo Inoue, Analyst
- Unidentified Participant

Presentation

Operator

Good afternoon. Ladies and gentlemen, and thank you for waiting. At this time, we would like to welcome everybody to Minerva Second Quarter of 2018 Results Conference Call. Today with us we have Fernando Queiroz, Chief Executive Officer; Edison Ticle, Chief Financial Officer, and Eduardo Puzziello, Investor Relations Officer.

We wish to inform you that this event is being recorded and all participants will be in listen-only mode during this company's presentation. (Operator Instructions) The audio and slide show of this presentation are available through a live webcast at www.minervafoods.com/ir and MVIQ platform. The slide show can also be downloaded from the webcast platform in the Investor Relations section of this website.

Before proceeding, we wish to mention that forward-looking statements may be made during this presentation, relating to Minerva's business prospects, operating and financial estimates and goals. They are based on the beliefs and assumptions of company management and on information currently available. They involved risks, uncertainties and assumptions because they relate to future events, and therefore depend on circumstances that may or may not occur in the future. Investors should understand that general economic conditions, industry conditions and other operating factors could also affect the future results of Minerva, and could cause results of to differ materially from those expressed in such forward-looking statements.

I will now turn the conference call over to Mr. Fernando Queiroz, CEO who will begin the presentation. Mr. Queiroz, you may start the presentation.

Fernando Queiroz {BIO 15387377 <GO>}

Good morning, everyone, and thank you for participating in Minerva's conference call on the results for the second quarter of 2018. We will begin the earnings conference talking about the highlights for the quarter.

Starting on slide two. Minerva closed the second quarter of 2018 with a positive operating cash flow of BRL396 million and a positive free cash flow to equity of BRL244 million. In the 12 months ended June, free cash flow totaled approximately BRL200 million. The company's consolidated gross revenue totaled about BRL4 billion in the second quarter, and BRL15.6 billion in the last 12 months, which is a record for Minerva's revenue.

The breakdown of gross revenue by division shows that the Brazilian industry contributed with BRL1.7 billion, mean 43% of the total gross revenue in the quarter, while the international industry division contributed with BRL1.6 billion or 40% of the total. The trading division contributed with BRL660 million or 17% of the total.

Minerva's consolidated exports accounted for 64% of the revenues in the second Q of '18 and were 50.3% higher than second Q '17, also 7.5% higher than the first Q of '18. The domestic market sales grew 32% against the second quarter 2017, and 2% over the first Q '18. The company is focusing the food service segment and expansion of portfolio through origins expansion were crucial for this performance.

Minerva's net revenue totaled BRL3.7 billion in the second Q of '18, 45% more than in the second Q '17. We can consider the pro forma figures of the assets acquired in Mercosur, net revenues totaled BRL14.9 billion in the last 12 months, 52% higher than in the same period of last year. We would also like to point out that the revenues in the last 12 months were higher than the guidance provided last June of the range of BRL13 billion to BRL14.5 billion, especially due to the company's export profile in an environment of a more depreciated FX rates.

Second quarter EBITDA reached BRL353 million 27% more than in the same period of last year. While the adjusted EBITDA margin for the period was 9.5%. EBITDA for the last 12 months adjusted for the non-recurring items and pro forma figures was 40% higher than in the same period of last year at BRL1.4 billion with an adjusted margin of 9.1%.

At the end of June, our cash position remained comfortable at approximately two times higher than the short-term maturities, while the debt duration was around six years. We concluded in early July the buyback and cancellation of approximately $53 million in bonds during 2026 and 2028, which was not reflected on our second quarter figures, because it took place after the end of the quarter. This moment then shows one more time our commitment to prioritize a better capital structure.

Minerva continue to account for 25%, that means one-fourth of South American beef exports, and consolidate its position as the largest beef exporter in the continent. If we take into consideration the latest estimates from the USDA for beef exports that indicates that South America is responsible for 30% of the global exports. So we can conclude that Minerva is responsible for approximately 8% of the total global sales on the international markets.

Finally, I would like to briefly talk about the studies to possible holding an IPO in our entities outside Brazil in the Chilean Stock Exchange. Edison will comment on for any further details in the end of this presentation, but I think that is worth to point out that the capital markets in Chile is well developed and shows a lot of opportunities for the company. That means that Minerva is an actual player on it. It's also worth mentioning that there is no protein company listed in the Chile's Stock Exchange. This process, when completed, will be an important step for the company, because we believe this will unlock the value of our South American assets contributed to deleveraging the process and to improve our capital structure.

Lastly, as we disclosed yesterday, our guidance for net revenue for 2018 was updated and now we are considering a dollar average of BRL3.7 and ARS27 for Argentina. We believe that in this new FX scenario, and due to our exports profile, company's net revenue will now be between BRL15 billion and BRL16 billion as the new guidance.

We will now move to slide three, where we will talk briefly about the industry overview. Starting with Brazil, second quarter slaughter volume totaled BRL5.7 million, 4% up year-on-year and only 2% less than in the first Q of '18. The decline may be attributed to the truckers strike, which suspended the transport activities and consequently is largely for around one week. Despite this non-recurring event in the second Q '18, it's worth noting that the animal supply remains positive for the rest of 2018 and should extend for 2019. This increase in animal supply was due to the rotation of females and calves birth initiated in 2013 and 2014.

In the second Q '18, beef exports came to 250,000 tons, 80% less than in the same period of last year. Please note that as of April there has been a change through the data system in the Ministry of Development. Exports went mostly to Asia, especially China and Hong Kong, also Middle East countries where -- are highlight. Chile stood out increasing its share of Brazilian exports by 6%, as Brazilian export to replace with Paraguayan to that country. Paraguay used to be Chile's main supplier and now because that the country is increasing its exports volume to Russia, Brazil is focusing on replacing Paraguay in the Chilean market. This is a positive big move for Brazil.

On the other hand, the strike has a positive impact on the domestic beef prices on the week of the event due to the limited supply that showed in the local market. As a result, the price difference between beef and other proteins, especially chicken dropped significantly. They really benefiting that these producers.

Moving on to Paraguay slaughter. Volume totaled 526,000 heads, 21% higher than in the first Q '18, and virtually in line with the second Q '17. The quarter-on-quarter increase was due to the weaker performance recorded last quarter impacted by weather conditions. In the second Q '18 Paraguayan exports were 90% higher than in the previous quarter. Once again, the main destination of Paraguay exports was Russia, which accounted for 42% of the country's total exports in the second Q '18. 24 percentage points more than in the same period last year, driven by the ban on Brazilian Beef in Russia. Slaughter volume in Uruguay totaled 543,000 heads and was 11% lower than in second Q of '17, 17% lower than in first Q '18.

We would like to remind you that the slaughter of many animals was brought forward from there to the first quarter due to the drop caused by the La Nina effect, which is why the market was already expecting a decline. Uruguayan export, so were 9% lower than in the second Q of '17 and 17% lower than in the first Q '18. The main destination of Uruguayan exports were China and United States, which accounted for more than half of the country exports of the period.

Finally, we have Argentina, which accounted for around 90% of our slaughter capacity. Second quarter slaughter volume totaled 3.2 million heads in Argentina, 5% higher than in the second Q '17, but 3% lower than in the first Q '18. It's worth noting that is like in Uruguay, Argentina also went through a drop caused by La Nina. However, Argentina is going through a period of higher slaughter availability due to the recovery of the country's herds, which started in 2015.

It's also important to talk about Argentine exports, which continue to rise. In the second Q '18, Argentine exports volume moved up 50% over the second Q '17. China was the main destination of Argentine exports in the period, and accounted for 43% of its total. In the second quarter, domestic consumption in Argentina was affected by the depreciation of the country's currency, and more important by a rising inflation. As a result, we saw greater consumption of alternative proteins and processed foods that benefited our operation there.

Let's move on now to slide four to discuss Minerva's performance starting with our exports. In the second quarter, Minerva consolidated its position as South America's leading exported with 25% market share in the continent. Our share of beef exports came to 25% in Brazil and 39% in Paraguay confirming our position of country's leading beef exporter. Meanwhile, our exports market share came to 24% in Uruguay, 15% in Argentina, and 66% in Colombia.

Let's now have a look on the breakdown of exports by region on slide five. In the last 12 months ended June, Asia and the Middle East were the main destination of exports from the Brazilian industry division, accounting for 53% of total exports in line with the same period in 2017. However, I would like to point out that this division exports volume climbed 22% in the period, which means that although the percentage of exports remain unchanged, we exported more than in the previous period. Demand for beef has been growing in this region, due to urbanization, development process and a progressive change in consumption habits.

In international industry division, the main export destination was Asia with 31% of the total exports, and the American region, especially Chile with 26%. We think that it's important to say that the Commonwealth of Independent States, also known as CIS, having Russia as its main destination, increased the share of exports to 30% in the last 12 months, 7% more than in the same period last year. This result was due to the growing demand from Russia which is served by this division.

Now we'll go into larger details of the financial and the operation, that I'll hand it to Edison to take the floor.

Edison Ticle {BIO 15435343 <GO>}

Thank you, Fernando. And I will present Minerva's financial and operating highlights as of slide six. Gross revenue from the Brazilian industry division came to BRL1.7 billion in the second quarter, around 6% higher than in the second quarter of '17.

Gross revenue from the International industry's division, which will be Athena Foods reached BRL1.6 billion, 139% higher than in the second Q of '17, as shown in the chart on the top right corner of the slide. It happened thanks to the fact that the Mercosur assets were only consolidated as of August 1st or -- August 1st of 2017 or the third quarter of '17, which means that these operations were not included in the company's results in the second quarter of '17.

Gross revenue from the Trading division stood at BRL660 million in the quarter, up 36% over the second Q of '17. This performance was related to the recovery of live cattle exports, protein trading operations in the export market, and the company's increased point of sales capillarity in the local markets where we operate.

As shown in the bottom right chart, gross revenue from the Brazilian industry division represented 43% of the total in the quarter, while Athena Foods and the Trading divisions accounted for 40% and 17% respectively.

Moving to the next slide, we will continue showing our financial and operating results. Minerva's net revenue reached BRL3.7 billion in the second Q of '18, a 45% growth when compared to the second Q of '17. Adjusted EBITDA amounted to BRL353 million in the second quarter, up 27% over the first Q of '18 with an adjusted EBITDA margin of 9.5%. It is worth noting that EBITDA non-recurring items were exceptionally higher this quarter as a result of the Rural Tax Regularization Program that we used to make the payments of Funrural debt. For those who would like to know more about these, we included in on our notes, describing the main points of Funrural in our earnings release. The adjustment is made because the government offers the option to pay the tax that with accumulated tax credits that we already have in our balance sheet, which means that the settlement had virtually no cash impact on our results.

In our quarterly financial report, if you take a look at the note number 18, you will find the movement of the credits used to pay the debt. So in a nutshell, we had around BRL196 million of tax credits at the end of 2017. We recognized BRL570 million of new credits along the first half of the year, and we used BRL470 million of those credits to pay down the Funrural debt and other fiscal debt at the end of the second quarter. So the balance at the end of the quarter was BRL297 million in tax credits or roughly BRL100 million more than what we had at the end of '17.

The chart on the bottom-left corner shows the capacity utilization rate broken down by division and on a consolidated basis. We got capacity utilization rate of 72% in the Brazilian industry, 78% [ph] in Athena Foods. So the consolidated basis reached -- stood, in fact, it stood flat at 75% of total capacity utilization in line with previous quarters. We were able to reduce our cash conversion cycle to 29 days in the second quarter of '18 in line with the figures that we recorded in 2017.

Let's go now to slide eight, which shows the company's net results for the second quarter. In the second quarter of '18 Minerva had a net loss of BRL926 million after income and social contribution taxes in the second quarter. In the second quarter results -- sorry the second quarter results was impacted by the non-cash exchange FX variation, which was negative by BRL957 million due to the FX exposure of our debt that was around 77% at the end of the quarter. I remind that the real depreciated around $0.54 during the quarter from the end of the second quarter comparing to the beginning -- comparing to the end of the first quarter. We also had an impact coming from the Funrural settlement that was a non-cash impact of BRL580 million. So if you exclude all those impacts Minerva would have recorded net income of around BRL600 million in the quarter.

Let's move now to the next slide, where we will talk briefly about the company's operating cash flow. Operating cash reached BRL396 million in the second quarter of '18. The main highlight was the positive variation coming from the working capital that was around BRL672 million. In this line, the deferred tax line returned 470 million because of the Funrural debt as we have already mentioned. Although, on the working capital, we have said the lines that contributed positively were receivables with around BRL12 million, inventories and biological assets positive by BRL46 million, and suppliers that returned BRL74 million to cash, because we were able to increase the tenure with the suppliers to buy raw materials. Well, as a result, our cash conversion cycle reduced to 29 days at the end of the quarter, as we have already mentioned. In the last 12 months ended in June, operating cash flow was positive by around BRL464 million.

Let's talk about the free cash flow on the next slide. Adjusted EBITDA was BRL353 million in the second quarter, maintenance and expansion CapEx was BRL51 million, the cash financial expenses stood at BRL260 million and the working capital change was positive by 202 million. So free cash flow was positive in the quarter by BRL244 million. In the 12 months ended in June, our adjusted EBITDA reached BRL1.3 billion, including the pro forma figures of the Mercosur assets. CapEx came to BRL244 million, cash financial result was BRL890 million, and the variation in working capital was positive by BRL23 million. So as a result, recurring free cash flow was positive by almost BRL200 million in the last 12 months.

The free cash flow figures are once again that is the management's commitment to the company's financial deleveraging process. We are -- we continue being focused with -- on increasing efficiency, increasing returns and managing well our working capital needs.

Moving on to slide 11, we will now talk about the company's capital structure at the end of the quarter. At the end of June, our leverage, our net leverage measured by the net debt-to-EBITDA ratio was five times and the main reason for that increase was related to the FX depreciation that was more than $0.50 during this quarter. Our cash position stood at BRL4.2 billion, that provides a pretty comfortable situation to deal with the volatility, to deal with the worst scenarios that we can have in the short-term. And it is in line with our policy of keeping an amount of cash equivalent to at least three months of purchase of cattle.

At the end of June, approximately 77% of Minerva's debt was exposed to the FX variation and the duration of our debt was almost six years. It's also important to mention that we built almost BRL1 billion in hedges at the end of May, beginning of June. In order to protect our balance sheet against the more volatile and more uncertain scenario in the coming quarters.

The decision to buy this hedge was, in one hand, because of the more volatile scenario, especially because of elections in Brazil and also because of international scenario, dollar became even more -- becoming more strong and the trade, let's say, the trade war between China and US. And on the other hand, the decision was taken because of the cost of hedge that in Brazil today is around 500 to 600 basis points cheaper than it was 12 months ago. So this is the rationale behind the decision to buy hedges, and hedge protect around 50% of our long-term exposure.

Let's move now to the slide 12 to talk briefly about our guidance for net revenue. It's closer to the market -- to guidance for net revenues. In the first one, for the last year when we announced the depreciation of our -- of the new assets in Mercosur, we assumed the net revenue between BRL13 billion and BRL14.4 billion, due to a stronger FX with benefit -- due to a more depreciated FX that benefit companies like Minerva that are more exporters, we overcome this (inaudible) in the last 12 months ended in June, the company's net revenue reached BRL14.6 billion. If we also consider the pro forma numbers from Mercosur assets, the net revenue have been -- have reached BRL14.9 billion.

We also just quoted in May, a second guidance, but we can't for the full year of 2018. We had at that time and estimated the company's net revenue would range between BRL14.5 billion and BRL15 billion. However, yesterday, which closed a new target for this guidance between BRL15 billion and BRL16 billion. As Fernando mentioned in the beginning of this presentation, this update was made due to the current FX scenario. For Brazil we are now considering an FX average of BRL3.70 per dollar and in Argentina, we are now considering ARS27 per dollar for the year.

Let's now move to the last slide of our presentation, where we are going to comment on our strategy -- of comment our strategy regarding Athena Foods. As an additional strategy, try and work [ph] value and accelerate the deleveraging process, we were authorized by the Board of Directors to analyse the feasibility of holding IPO, an IPO for our subsidiaries outside Brazil in the following countries, Uruguay, Paraguay, Colombia, Argentina, Chile.

The preliminary conclusion of these studies indicate that the best structure at the moment would be to incorporate a non-operational holding company in Chile, where all Minerva's interests in those subsidiaries would be subscribe it. This company, that is called as Athena Foods and which is and that is represented by our International industry division, will be owned, fully controlled by Minerva and is the parent company of Minerva's ex-Brazil industrial operations.

At this stage, the company is studying the possibility of holding an IPO for this company, Athena Foods in Chile. Because Chile, we believe is an important and growing market in South America, investment grade, high corporate governance standards, attractive multiples, which are on average, higher than those multiples of the Brazilian market. Chile has also a high domestic savings rate, which enables large local pension funds to allocate its investment in aggregate fueling demand and contributing to the -- to good pricing for local IPOs. Athena foods will be born with a substantial share of the Chilean beef market through our beef exports from Paraguay, Uruguay and Argentina directly to Chile. All those reasons, we believe, Chile is the ideal market for the incorporation and possible IPO of Athena Foods. We also believe that this operation can create value, and significant value our shareholders, accelerate the company's deleveraging process and create the financial conditions to continue growing our South American operations, especially in Chile, Argentina and Colombia.

I now pass the floor on to the operator to begin the Q&A session. Thank you very much.

Questions And Answers

Operator

Thank you. We will now start the questions-and-answer section for investors and analysts. (Operator Instructions) Marcelo Inoue -- of Citi now want to make a question.

Q - Marcelo Inoue {BIO 17177482 <GO>}

Hi, Fernando and Edison. I have a question on margin trend. I understand that margin started weaker in the quarter, basically because FX was not so high in April, and then in May, you had the truckers strike in Brazil, so only in June Minerva had a favorable macro environment. So I wanted to understand how steep was the margin curve throughout the quarter, and that if you could share with us what level of margin Minerva had in the end of the quarter in June?

A - Fernando Queiroz {BIO 15387377 <GO>}

Marcelo, thanks for the question. You are right that the margins have been improving through the quarter, in July it's a positive surprise over June, so it's a trend that the margins are consistently growing and this is due to FX, but is also due to the Minerva policy of being focused on exports, especially on some growing markets. So we see the perspectives as positive. We don't give guidance, though, on margin.

Q - Marcelo Inoue {BIO 17177482 <GO>}

Okay. Got it. And if you allow me, I have another question on working capital. Well, the reduction in working capital was notable in the first half of the year with cash conversion cycle coming back to the previous levels. But I wanted to understand how you are seeing working capital trends in the second half of the year, and if there is more opportunities to further reduce working capital? And if so in which lines, specifically, do you see?

A - Edison Ticle {BIO 15435343 <GO>}

We are always trying to improve the working capital cycle 29 days is -- we are returning to the levels of 2017. Obviously, we would like to have the working capital cycle more close to 27 days, 26 days. But to be conservative, I think it's going to be flat at this level of 29 days in the coming -- in the next few quarters of the year.

A - Fernando Queiroz {BIO 15387377 <GO>}

Marcelo, just to add -- that to add some, look, that we have significant increase on exports that normally increases the cash conversion cycle, so the achievements were really outstanding.

Q - Marcelo Inoue {BIO 17177482 <GO>}

Yeah. Great. Thank you. (inaudible) add some.

Operator

Next is (inaudible) from Mizuho [ph] would like to make a question.

Q - Unidentified Participant

Hi. Congratulations for the results. Just wanted to ask about how you see the leverage trend evolving for the remainder of the year. I understand that the second quarter, five times net leverage had the impact on the debt and it takes a few months for you to pass that on in terms of getting the benefit of the weaker BRL. So if you could comment on how you see that evolving in the second half of the of the year?

And then the second question just related to the range for the IPO of 1 billion to 1.5 billion, just wondering if you could share your assumptions in terms of the international business' percentage that you're planning to sell. While had a story, I think, suggesting 25% and that gets to a 1 billion price tag if you use eight times EV/EBITDA multiple. If you could just share to get to the 1.5, if you're expecting maybe higher than 25% or a different EV/EBITDA multiple? Thanks.

A - Fernando Queiroz {BIO 15387377 <GO>}

Firstly, regarding the Athena Foods IPO, unfortunately we cannot share any of the assumptions that we have. We are in the phase of preliminary studies. So what we can tell you is what I told during the previous call that the intention is to raise between BRL1 billion and BRL1.5 billion with this IPO keeping a controlling position for Minerva at Athena Foods.

Regarding your first question about leverage, you can see that the company is generating free cash flow. So if the FX wasn't stable, the company would be deleveraging in the past four quarters. Our expectation is to continue generating free cash flow, but the path of leverage is something that I cannot predict simply, because I don't know what is the path of the FX. And as you know FX is very important to define our leverage, because 77% of our debt is all linked.

So what I can tell you is that the company will continue committed to generate free cash flow in order to speed up the deleveraging process. If the FX is more depreciated the debt will be more volatile, if the FX is less depreciated the debt will be more favourable and less volatile.

Q - Unidentified Participant

Okay. Thank you.

Operator

Mr. Botir from HSBC would like to make a question.

Q - Botir Sharipov {BIO 16759043 <GO>}

Hi. And thank you for taking my questions. Couple of questions from me, if I may. Before free cash flow, operating cash flow and free cash flow, obviously as we consider before working capital changes where it was about, I think, $40 million. Now we appreciate that first two months of the quarter were rather difficult and things have improved in June. But what do you see the free cash flow generation as sustainable in the second half before working capital, because obviously was toward -- the conversion cycle remaining flat in 29 days. So shouldn't expect another 200 million every quarter from working capital changes? So that's my first question.

A - Fernando Queiroz {BIO 15387377 <GO>}

As I mentioned, conservatively speaking we don't expect working capital in the coming quarters to contribute with such a big amount of money for free cash flow. However, in terms of margins, July was better than June, in August has been better than July.

On the CapEx side, CapEx is spread clearly only maintenance CapEx. CapEx, which will be around the figures that we present in the first and in the second quarter. So the answer is yes. We are pretty confident that the operational cash flow will continue being high in the coming quarters. Again, don't expect so much cash coming from working capital improvements. But on the operational side, we believe margins will be, at least, at the same level that we saw in the second quarter.

Q - Botir Sharipov {BIO 16759043 <GO>}

Okay. And I guess another question on the full roll out. Thank you for providing the color on that, on those changes in taxes. But just that I understand, do you expect any cash outflows in the future related to fund roll?

A - Edison Ticle {BIO 15435343 <GO>}

No.

Q - Botir Sharipov {BIO 16759043 <GO>}

No. Okay. So that was basically already paid for in the past and you just use credits to basically take the accounting charge, is that it was?

A - Edison Ticle {BIO 15435343 <GO>}

Yes. That's correct.

Q - Botir Sharipov {BIO 16759043 <GO>}

Okay. And if I just may ask one last question very quickly, one (inaudible) if we don't know if you can share with us your EBITDA margins for the international divisions, what is the range?

A - Edison Ticle {BIO 15435343 <GO>}

Unfortunately, we cannot share the numbers at this point. What I can tell you that the margins are really much better than they were one year ago when we acquired the assets and we were integrating those assets. We have been doing a very good job on integrating the assets, extracting synergies, what allowed us to increase substantially the margins comparing to the second quarter of '17.

Q - Botir Sharipov {BIO 16759043 <GO>}

Okay. Thank you so much.

Operator

Mr. (inaudible) from Inside Investments would like to make a question.

Q - Unidentified Participant

Hello. My question is regarding CapEx. I just wanted to be clear on how much CapEx we should estimate for all of 2018 and perhaps any comments on 2019, 2020?

A - Edison Ticle {BIO 15435343 <GO>}

For '18, the full year, it's something very close to what we did in the past, the past 12 months, around BRL240 million. What's all in that question?

Q - Unidentified Participant

Any comments regarding where we should see CapEx for 2019?

A - Edison Ticle {BIO 15435343 <GO>}

Probably the same level.

Q - Unidentified Participant

Okay. Thank you.

Operator

This concludes this question-and-answer section. At this time, I would like to turn the floor back to Mr. Fernando Queiroz for any closing remarks.

A - Fernando Queiroz {BIO 15387377 <GO>}

We thank you very much for attending our conference call for the results of the second Q of 2018. I like just to reinforce that the integration process with the South American entities have been very successful, which allow us to take confident steps on the study of listing the International division into the Chilean market. Also we'd like to thank all the Minerva team, all the efforts, all the work that they have been doing on this integration and the coordination that allowed us to arbitrate this market like anybody else.

Finally, I would like to thank you -- thank then for gaining the share of having one-fourth of all the beef exported out of South America being produced by Minerva. So thank you very much. We remain at your disposal. And any further clarification do not hesitate in contacting us.

Operator

Thank you. This does conclude the today's presentation. You may disconnect your line at this time. Have a nice day.