Q1 2013 Earnings Call

Company Participants

- Clovis Poggetti, CFO, IRO
- Roberta Noronha, IR Director
- Romulo de Mello Dias, CEO

Other Participants

- Alexandre Spada, Analyst
- Carlos Macedo, Analyst
- Craig Maurer, Analyst
- Domingos Falavina, Analyst
- Jorge Kuri, Analyst
- Marcelo Henriques, Analyst
- Mario Pierry, Analyst

Presentation

Operator

Good morning, everyone and thank you for waiting. Welcome to Cielo's First Quarter 2013 results conference call. This event is being recorded and all participants will be in a listen-only mode during the Company's presentation. After Cielo's remarks, there will be a question-and-answer session. At that time, further instructions will be given. (Operator Instructions)

This event is also being broadcast live via webcast and may be accessed through Cielo's website at www.cielo.com.br/ir, where the presentation is also available. Participants may view the slides in any order they wish. The replay will be available shortly after the event is concluded.

Before proceeding, let me mention that forward-looking statements are based on the beliefs and assumptions of Cielo's management and on information currently available to the Company. They involve risks and uncertainties because they relate to future events and therefore depend on circumstances that may or may not occur. Investors and analysts should understand that conditions related to macroeconomic conditions, industry and other factors could also cause results to differ materially from those expressed in such forward-looking statements.

Now, I'll turn the conference over to Ms. Roberta Noronha. Ms. Roberta, you may begin your presentation.

Roberta Noronha {BIO 20488075 <GO>}

Good morning. I would like to thank you all for joining us as we present our results from the First Quarter 2013. With me today are Romulo de Mello Dias, CEO; Clovis Poggetti Junior, CFO and IR Officer; the remainder of the Executive Board and the Finance and Investor Relations team.

Now I would like to hand it over to Romulo.

Romulo de Mello Dias {BIO 2054119 <GO>}

Good morning. Thank you for joining us for another results conference call. On page 3, among the main highlights of the quarter, net income totaled BRL641 million, up 13% year on year. EBITDA was BRL875 million, up 14% over the same period of '12 -- of 2012, with margin at 56%.

Year on year, our financial volume reached BRL97 billion, up 11.6% according to the market criterion, where all installments are recognized at the time of purchase. And according to the accounting criterion, our financial volume totaled almost BRL99 billion, up 12.2%.

It's important to remember the growth statistical challenge that the Company faced, even though we grew less, 12.2%, the Company again gained market share in this quarter, although Cielo will continue to focus on profitability. Our net operating revenues were BRL1.5 billion, up 28% over Q1, chiefly impacted by the consolidation of the financial statements of Merchant-e Solutions which started from Q4.

On next slide, number 4, we have the evolution of the transaction financial volume with credit and debit cards. Year on year, our financial volume expand 12.2% under the accounting criterion. According to this criterion, our total financial volume reached almost BRL99 billion. In the same period, credit volume was up 12% and debit was up 14%.

Q on Q, our financial volume slightly decreased 5.3% according to the accounting criterion, as you can see in the graph. The slower growth in financial volume in the quarter is primarily explained by the fact that the Fourth Quarter 2012 is impacted by Christmas sales. In the same period, credit volume declined 3% to BRL63 billion. Debit volume was down 10% to BRL35 billion.

On page five we have the number of transactions captured in Q1. In comparison to the same period of the previous year, the number of transactions captured increased 7%, totaling BRL1.4 billion transactions in the quarter. Q on Q, this figure was down 4%.

Moving on to operating indicators, on page 6, we have the number of POS installed at active clients, which are those who have made at least one transaction in the last 60 days. In the graphs, we can see that these indicators were up in the period. Year over year, we can see the installed POS base grew 14%, with the wireless POS equipment at 49%. The active clients growth reached 10% in the same comparison. In comparison with Q4, the installed POS increased 0.6% while active merchants grew 0.5% in the same period.

Now, I'd like to give your attention to Clovis Poggetti who will continue our presentation.

Clovis Poggetti {BIO 16529642 <GO>}

Thank you, Romulo. Good morning everyone. On page 7, we have our net operating revenue, which totaled BRL1.5 billion in the First Quarter this year. In comparison with the same period of the previous year, our net operating revenue grew 28%. But here we can see the impact of the consolidation of the financial statements of Merchant-e Solutions started Fourth Quarter 2012.

Remember that the increase in financial volumes does not include Merchant-e Solutions transactions. It only considers the financial volume with regards the domestic market. Quarter on quarter, the net operating revenue was down 3%.

On the next page, number 8, we have our cost plus expenses. Total cost plus expenses reached BRL766 million in the First Quarter, up 51% over the First Quarter 2012 and down 11% over the Fourth Quarter '12.

The cost of service provided was BRL564 million in this quarter, up 46% year on year and down 6% in comparison with the Fourth Quarter 2012. It's important to point out that the consolidation of Merchant-e Solutions had the most significant impact on this line in comparison with the First Quarter '12.

Our operating expenses totaled BRL202 million, up 64% over the First Quarter 2012 and down 23% over the Fourth Quarter '12, also strongly impacted by the consolidation of Merchant-e Solutions numbers. On the same slide, we can see total cost plus expenses per transaction.

In comparison with the First Quarter '12, the total cost plus expenses per transaction increased roughly 40%, and again, the consolidation of Merchant-e Solutions had a significant impact in the quarter. As a consequence, the consolidated figure for the First Quarter this year totaled BRL0.56. Considering that most subsidiaries have an impact only on cost plus expenses line and not on the number of transactions, this behavior was already expected.

Quarter on quarter, total cost plus expenses per transaction was down 7%, chiefly due to the reduction in expenses with sales and marketing and also general and administrative. When all subsidiaries are excluded, the unit cost plus expense reached BRL0.40, up 9% year on year and down 10% quarter on quarter.

The prepayment of receivables revenue, presented on page 9, is the main component of the financial result. In the First Quarter this year, the prepayment revenue represented BRL225 million, up 26% year over year and 4% quarter on quarter. The dynamic of the prepayment of receivables operation, shown on page 10, show the significant increase of 57% in comparison with the First Quarter 2012 in the prepaid volume and slightly decrease of 3% quarter on quarter.

In the First Quarter of this year, the total amount prepaid reached BRL8.3 billion, representing 13% of the credit volume, with the average term extending to 66 days. This behavior is explained by operations with large retailers which caused this type of impact due to the large volume and longer term.

Regarding to our financial performance, we show on page 11, our EBITDA in absolute value and margin. EBITDA totaled BRL875 million in the quarter, up 14% over the same period of 2012. EBITDA margin was at 56.5% in the quarter, down 7.3percentile points.

The reduction in the margin was chiefly due to the consolidation of Merchant-e Solution. Please remember that acquirers in United States recognize the gross MDR as gross revenue and interchange fees accounted as costs, which is why despite the contribution of Merchant-e Solutions to the results being small when consolidating in the figures, the contribution to revenue ends up explaining why this impact is relevant.

In comparison with the Fourth Quarter 2012, the EBITDA increased 6%. The EBITDA margin increased 4.6percentage points chiefly due to the reduction in the sales and marketing expenses and general and administrative expenses as well.

On the next page, number 12, we can see that the net income totaled BRL641 million, up 13% year on year with a net income margin of 41%, a reduction of 5.6percentage points. Quarter on quarter, net income grew 5%, increasing 3.1percentage points.

Now, I will go back to Romulo.

Romulo de Mello Dias {BIO 2054119 <GO>}

To close our presentation, I want to remember the payment of dividends and interests on equity for the fiscal year ended in December 21st. As you can see on page 13, the total remuneration including dividends and interest on equity was BRL840 million or roughly BRL1.28 per share. According to our policy, the payment was made at the end of March.

It has also been approved at the shareholders' meeting the increase in the Company capital of BRL500 million, totaling now BRL1 billion. Such an increase was carried out with the issue of new common shares with no par value distributed to shareholders free of charge as bonus shares, the proposition of one new common share for each five common shares. The 20% bonus share was attributed to shareholders on April 29. From such date, Cielo share counting is 786 million shares.

We know that the environment will be more challenging and competitive, but Cielo will continue to focus on profitability, as we always have, and we are confident that we will deliver. That's what I want to share with you and thank you for your attention.

Now, we are ready to take your questions. Operator, please.

Questions And Answers

Operator

(Operator Instructions)

Carlos Macedo, Goldman Sachs.

Q - Carlos Macedo {BIO 15158925 <GO>}

I have actually two questions; one more specific and one more general. I'll start with the more specific. If you exclude the cost from your subs and the cost for Merchant-e Solutions, you had a significant improvement in the cost level for Cielo, say, standalone Cielo in Brazil, the acquiring business per se. I think costs there were down almost 15% quarter on quarter and costs for transaction were down 13% quarter on quarter.

If you can give us some color on what to expect or what actually happened there and what we should expect from this line going forward so we can get a better understanding of margins for the standalone acquiring and rental business in Brazil. Then I will follow-up with another question.

A - Clovis Poggetti {BIO 16529642 <GO>}

Okay. Hi, Carlos. I would say to you one of the main reason is that the Fourth Quarter is quite normal. We have an increase in our, let's say, logistics and maintenance costs, okay. That's why we had such a decrease in the per unit cost comparing the First Quarter with the fourth one.

I am going to take the advantage of your question just to make some comments. I would say to you from a cost and expense perspective I think the main message here is that it's no surprise for us. If we take a cost plus expenses perspective in a per unit base, just for example, in taking the full year of 2011, we are going to see the number for that period of time was BRL0.41. For 2012, we are BRL0.42. Then in the First Quarter, we had BRL0.40, excluding subsidiaries, okay -- the point, quite stable.

Taking only costs, we are going to see that excluding Merchant-e, cost increased in a year-on-year perspective 7%, directly, let's say, related to the increase that we have in volumes -- in financial volumes 7% and 12% respectively. If we take a quarter-on-quarter perspective, we are going to see, excluding only Merchant-e, cost went down 7% and volumes went also down 4% and financial volume going down 5%. And if we take expenses only in a quarter-on-quarter comparison, let's not forget that in the Fourth Quarter last year we had some non-recurring expenses, we may say, mainly, let's say, concerning for Merchant-e and power project, okay, and also some higher expenses in terms of marketing and sales that is due to end of the year Christmas sales, is a seasonality issue.

Again, going back to my first statement, no surprises at all in this sense for us and figures in our perspective being quite stable.

Q - Carlos Macedo {BIO 15158925 <GO>}

Yes, Clovis, just going back on that, one of the big reasons for the increase in the costs for Cielo ex subs was that terminal depreciation increased and that's a factor of your investments in previous years. Now depreciation terminal was up 20% year over year. Excluding that, the costs were actually down 10% year over year -- I mean, were down 4% year over year, despite a higher number of transactions. Is this kind of efficiency something that we should continue to expect going forward?

A - Clovis Poggetti {BIO 16529642 <GO>}

Taking a full year perspective, we may consider something like this. Not as much as the (terms) that you mentioned, but --

Q - Carlos Macedo {BIO 15158925 <GO>}

Okay. So that's good, just to understand the perspective. But the second question is a little bit more general. You talked in the past about earnings growth of 7% to 10% year over year and you are at 13%. I want to understand if you are still sticking to that guidance, and if you are, what are the risks that you see that can take you from 13% to something like 7% or 10%? Would it be something more on the pricing side, even though from what we can tell pricing, the transaction yield for you guys, increased sequentially? Or would it be something more from the competitive side with market share or on the expense side with some growth programs? How would you move from the 13% to closer to the 7% to 10%?

A - Romulo de Mello Dias {BIO 2054119 <GO>}

Hi, Carlos. I think we had a very good result in this quarter, but we should take a look in the evolution of the net earnings in the previous quarter. And we are going to see, let's say, a reduction in terms of the growth from 33% and 29%, 28%, 20% last quarter, previous quarter, Fourth Quarter of 2012 compared to 2011 and now 13%.

So at this stage, I would say it's too early to reconsider or to present another indication because, as you said, there are some things that we cannot control such as pricing from our competitors and as well mainly the growth of the industry. I think everybody now has realized that the growth of the industry according to (ADAX) is -- the number is 16.9% for the year. In this quarter, the growth was 16.6%. So we are growing but not on the same number; experimenting the same number that you were experimenting until some years ago. So it's too early to say another indication about the earnings.

Q - Carlos Macedo {BIO 15158925 <GO>}

Okay. Just let me rephrase then. What would you say would be the biggest risk to the earnings guidance you gave?

A - Romulo de Mello Dias {BIO 2054119 <GO>}

I would say competition, the economic slowdown, penetration of PCE, because we have an expectation that the growth is going to be between 15% and 18% and we expect that

Cielo will grow in a lower number. This is our, let's say, the reasons that we can see at this stage.

Q - Carlos Macedo {BIO 15158925 <GO>}

Okay. All right. Perfect. Thank you, so much.

Operator

Mario Pierry, Deutsche Bank.

Q - Mario Pierry {BIO 1505554 <GO>}

Let me ask you two questions as well. The first one is a follow-up to the first question on your costs. Clovis, it wasn't clear to me what you meant, what you expect for 2013 expenses. If you can rephrase that? I don't know -- what I understood is that you expect total expenses per transaction, excluding Merchant-e Solutions, to stay relatively stable at about BRL0.40. Is that what you meant?

A - Clovis Poggetti {BIO 16529642 <GO>}

No. And I apologize not being clear. The point I would like to make is that cost plus expenses together has been quite stable if we take and analyze these costs and expenses since 2011, excluding the effect of the subsidiaries, okay. 2011 full year, the figure was BRL0.41. For 2012, the same number -- the same cost plus expenses in a per unit base BRL0.42. And in this First Quarter, BRL0.40, okay.

If we compare the First Quarter this year with the Fourth Quarter 2012, we had a decrease of 10%. But this is, okay, directly related to a decrease in the financial volume of 5% and also some non-recurring events that we had in terms of expenses in the Fourth Quarter, okay. The point is, the BRL0.40 that we are presenting this quarter for us is no surprise, okay. And with regards to 2013 full year and what we can expect, we are not guiding, okay, in terms of the market investors in terms of cost, in terms of expenses, but given this behavior that I just mentioned to you, is also reasonable to believe that things should be somehow stable. Don't expect numbers going down hugely or going up. We have no reasons for that.

Q - Mario Pierry {BIO 1505554 <GO>}

Okay, that's clear. Then within expenses, historically you were guiding us for marketing expenses as a percentage of net revenues close to 4%. That's what you did in 2012. That's what you did in 2011. Now we are seeing your marketing expenses running at 3.2%. Is that a new sustainable level of marketing expenses?

A - Romulo de Mello Dias {BIO 2054119 <GO>}

I think we should consider, Mario, let's say, the same percentage that we present in the previous years, around 4%.

Q - Mario Pierry {BIO 1505554 <GO>}

4%, okay, clear. Then finally, then my last question is related to your operating revenues. Excluding Merchant-e Solutions, you presented growth of 14% year on year while your volumes grew 12%. So it seems to me that something went up here, either the MDR or the POS rental fees. I am guessing it's more the POS rental fees given a change in the mix of POS more into wireless terminals. Can you just give us an indication, though, of what are the trends in MDRs and POS rental?

A - Clovis Poggetti {BIO 16529642 <GO>}

You are right, it's more related to the mix of POS.

Q - Mario Pierry {BIO 1505554 <GO>}

And now, your competitor showed us, right -- they gave us the breakdown of MDRs on their quarterly release showing relatively stable MDRs. Are you seeing the same trend?

A - Clovis Poggetti {BIO 16529642 <GO>}

We have some difficulty to understand what our main competitor did because it came together, if the numbers of Redecard. And if you take a look in the previous quarter, you are going to see that's something we don't understand, is what I can tell you. So having said that -- and about comparing; if you make a comparison between the total growth in terms of revenues, top line growth, excluding Merchant-e Solutions mainly, as I said before, is more related to the number of POS with more wireless terminals.

Q - Mario Pierry {BIO 1505554 <GO>}

Okay. Thank you.

Operator

Jorge Kuri, Morgan Stanley.

Q - Jorge Kuri {BIO 3937764 <GO>}

My questions have been answered. Thank you.

Operator

Craig Maurer, CLSA.

Q - Craig Maurer {BIO 4162139 <GO>}

Two questions. First, have you seen any material change in Redecard's behavior over the last quarter since they've really been operating exclusively under Itau? And secondly, going into next year, 2014, how should we think about the impact of major events happening in Brazil next year? Thanks.

A - Clovis Poggetti {BIO 16529642 <GO>}

Regarding Redecard, we don't see, let's say, material change considering the previous quarter. I think they are on the same pace, being more aggressive here, there. So this is how do you see today.

Your second question was not very clear for me. Could you repeat please?

Q - Craig Maurer {BIO 4162139 <GO>}

If I remember correctly, World Cup is next year in Brazil and how will that impact? Do you think that's a major impact on volume trajectory?

A - Clovis Poggetti {BIO 16529642 <GO>}

No. I don't think so. It's going to help, but I don't think so.

Q - Craig Maurer {BIO 4162139 <GO>}

Okay. Thank you.

Operator

Alexandre Spada, Itau BBA.

Q - Alexandre Spada {BIO 16687974 <GO>}

I have two quick questions. Number one is, did you book any non-recurring expenses related to the incorporation of Merchant-e Solutions in the First Quarter of 2013?

A - Romulo de Mello Dias {BIO 2054119 <GO>}

No.

Q - Alexandre Spada {BIO 16687974 <GO>}

None?

A - Romulo de Mello Dias {BIO 2054119 <GO>}

No.

Q - Alexandre Spada {BIO 16687974 <GO>}

Okay.

A - Romulo de Mello Dias {BIO 2054119 <GO>}

For this First Quarter, no.

Q - Alexandre Spada {BIO 16687974 <GO>}

Okay. And second question. In the Portuguese conference, call you mentioned that you do expect the Central Bank to become the regulator of the sector even though the timing is uncertain. Now, with that in mind, do you believe the discussions related to changing the debit MDR to a flat fee or something equivalent will be among the first discussions when the Central Bank is finally empowered to be the regulator of the sector?

A - Clovis Poggetti {BIO 16529642 <GO>}

Alexandre, it's difficult to say if it's going to be the first thing to do or not, but one thing that I would like to clarify is the following. Debit -- it's very important to understand that when -- if, for the sake of the argument, the debit is transforming from net MDR to a tariff, at the end of the day the small and medium merchants would be, let's say, harmed. And why? Because it's -- we can present to you a research and study that proves to us is that when -- if the tariff is going to be the answer for this question, at the end of the day the small and medium merchants will pay the bill because on the whole we are going to see what happens in other countries.

So we don't see necessarily this thing happening because I think it's very clear that debit is very important to include new customers in the market and these new customers usually they prefer to use the debit card. And the debit card -- the tariff and the average ticket that the debit card is having is becoming more and more lower when compared to the previous figures that you had until some months ago.

Q - Alexandre Spada {BIO 16687974 <GO>}

Okay. That's very clear. Thank you.

Operator

Marcelo Henriques, BTG Pactual.

Q - Marcelo Henriques {BIO 17385475 <GO>}

My question is more a broader one. I understood that you talked about the financial volume of the market overall being around 16.6% year over year in the First Quarter and the expectation of 16.9%. And I would like to discuss, though, a little bit what you guys are seeing more like on the macro front. I mean, it seems that talking to other sectors and other people involved in retail or it's -- and consumer is showing a little bit signs of maybe bigger slowdown than people anticipate, although it's -- of course, it's kind of soon to tell, but it seems to be like this this year. So what do you think could be the risk of this expectations of 15% to 18% and being in the low of the range? How confident are you and what do you think is the risk of maybe falling below the 15% to 18% guidance of the overall market?

A - Clovis Poggetti {BIO 16529642 <GO>}

Marcelo, with the information that you have in our hands now, I would say that the range between 15% and 18% continues to be a good range. The First Quarter was 16.6% and, as I said before, that is expecting 16.9%. It will depend of course on the evolution in terms of if the customers can buy more or not. But with the level of information that you have, I wouldn't expect a change in the range that we provide to you in the previous quarter, between 15% and 18%.

Q - Marcelo Henriques {BIO 17385475 <GO>}

Are you seeing higher risk of this being the border of the range or, no, it's still 16% as you saw in the First Quarter given that you kind of have April already? You see that this is a good -- and if you could also give us a color a little bit? And I know of course not only you kind of "control the volume" like daily, but you talk to the banks a lot. So even at 16.5% or 16%, it's still an important slowdown from previous years. So could you give us a little bit color of what you think is going on? Is it about leverage, inflation? Could you also provide some color? Thanks.

A - Romulo de Mello Dias {BIO 2054119 <GO>}

This number, 16.6%, is related to the acquires, the main acquires. We are not including these numbers, they're private labels. Having said that, I would say that in the mid of the range with the level of information that you have today, is something that we think that the market will follow. Of course inflation, leverage and other things can add other risks that we are not expecting three months ago or four months ago. Let's see and wait how it's going to be the evolution of the market. But 15% and 18% continues to be our range.

Q - Marcelo Henriques {BIO 17385475 <GO>}

Okay. Thanks, Romulo. Thank you.

Operator

Domingos Falavina, JP Morgan.

Q - Domingos Falavina {BIO 16313407 <GO>}

My question, however, is just (similarly) I use the same basis you are using. When you say 16% growth, you are using I am assuming Itau's reported figures, yours, or you're adding back also Santander, or how do you get to that figure?

A - Romulo de Mello Dias {BIO 2054119 <GO>}

We add back Santander, Itau, Redecard and Cielo.

Q - Domingos Falavina {BIO 16313407 <GO>}

Understood. Okay, yes, without adding Santander, I get slightly lower numbers. My question then is, even assuming the figures you get at, my understanding is that we saw Redecard had been more aggressive as in gaining back some market share that was, I would say, lost throughout the de-listing process. Then we will assume that eventually once things normalize, the growth rate of you and -- excluding Santander -- of you and Redecard should normalize and have a very similar run rate.

If that is the case, when would you expect to be growing at a similar run rate of Redecard sort of on a normalized competition level? That would be for which quarter this year or only for 2014?

A - Romulo de Mello Dias {BIO 2054119 <GO>}

I think we couldn't assume a similar rate between Cielo and Redecard because of the size of the companies. Cielo is much bigger than Redecard. So having said that, it's the reason why when you -- when Cielo presents a number in terms of growth of 12.2% First Quarter against First Quarter of last year, we regained some market share, even though we are not expecting -- or better saying, we are not pursuing market share per se. As we already said, we are pursuing profitability. So this is really important because if we had the same size of our main competitor, of course the growth would be equal, the same growth would be equal to market share gain or market share loss.

Q - Domingos Falavina {BIO 16313407 <GO>}

I see, no, understood. But you still believe though in an advantage when you compare your distribution channel to competition, right?

A - Romulo de Mello Dias {BIO 2054119 <GO>}

Yes.

Q - Domingos Falavina {BIO 16313407 <GO>}

Okay. No, okay, I got it. Thank you very much.

Operator

Mario Pierry, Deutsche Bank.

Q - Mario Pierry {BIO 1505554 <GO>}

Just a quick question. You mentioned several times that you continue to focus on profitability. You are not concerned about gaining market share. If you can share with us what do you mean when you say profitability? Are you talking about EBITDA margin, net margin, and give us any guidance on what you think is a sustainable level?

A - Romulo de Mello Dias {BIO 2054119 <GO>}

I am not talking about margin. I am talking about per units per share growth, additional EBITDA, nominal EBITDA, if you prefer. We are not talking about margin per se.

Q - Mario Pierry {BIO 1505554 <GO>}

So when you mean profitability, you are basically meaning then EPS growth and EBITDA growth?

A - Romulo de Mello Dias {BIO 2054119 <GO>}

That's right.

Q - Mario Pierry {BIO 1505554 <GO>}

And what do you think then is a -- what is a satisfactory number for you?

A - Romulo de Mello Dias {BIO 2054119 <GO>}

One billion dollar question. If you have the answer, please provide me.

Q - Mario Pierry {BIO 1505554 <GO>}

So -- but well -- so is it fair to assume then the 7% to 10% earnings growth that you are guiding then will be a satisfactory number?

A - Romulo de Mello Dias {BIO 2054119 <GO>}

As I said before, with the level of information that you have today, because we already had discussion in the Portuguese session, if we -- let's say we would increase this indication, and we said it's too early to say or to provide another indication with the level of information that you have today.

Q - Mario Pierry {BIO 1505554 <GO>}

All right. Thank you.

Operator

(Operator Instructions) This concludes today's question-and-answer session. I would like to invite Mr. Romulo de Mello Dias to proceed with his closing statements. Please go ahead, sir.

A - Romulo de Mello Dias {BIO 2054119 <GO>}

I would like to thank you all for your participation and we look forward to seeing you at our Q2 conference call. Thank you. And have a nice day.

Operator

That does conclude Cielo's audio conference for today. Thank you very much for your participation. Have a good day and thank you for using Chorus Call.