# Q3 2017 Earnings Call

## Company Participants

- Eugenio De Zagottis, Corporate Planning and Investor Relations Officer
- Marcilio Pousada, CEO

## Other Participants

- Joseph Giorgano, Analyst
- Luciano Campos, Analyst

## Presentation

### Operator

Good morning, ladies and gentlemen. At this time, we would like to welcome everyone to RD People, Health and Well-Being conference call to discuss its third quarter of 2017 results. The audio for this conference is being broadcast simultaneously through the Internet in the website, www.rd.com.br/ir. In that address, you can also find the slideshow presentation available for download.

We will inform that all participants will be only, be able to listen to the conference during the Company's presentation. After the Company's remarks are over, there will be a Q&A period. At that time, further instructions will be given. (Operator Instructions)

Before proceeding, let me mention that forward-looking statements are being made under the Safe Harbor of the Securities Litigation Reform Act of 1996. Forward-looking statements are based on the beliefs and assumptions of RD management and on information currently available to the Company.

Forward-looking statements are not guarantees of performance. They involve 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 RD and could cause results to differ materially from those expressed in such forward-looking statements.

Today with us are Mr. Marcilio Pousada, CEO; Mr. Eugenio De Zagottis, Investor Relations and Corporate Planning Vice President; and Gabriel Rosenberg, IR and Corporate Planning Director.

Now I'll turn the conference over to Mr. Marcilio Pousada. Sir, you may begin your conference.

## Marcilio Pousada {BIO 16117399 <GO>}

Okay, thank you. Good morning, everyone. Welcome to the presentation of the results of the third quarter 2017 RD. As always, Eugenio will present the slide and results on the year before the Q&A (inaudible) answer your questions. Eugenio, please.

## Eugenio De Zagottis {BIO 7193695 <GO>}

Okay. Hello, everybody. Welcome to the third quarter '17 earnings call Raia Drogasil RD. We are very happy to present the highlights of another very strong quarter for the Company. We ended the period with 1,554 stores. We opened 54 (inaudible) in the quarter and closed 6.

Our gross revenues reached 2.6 billion, we grew 17.4% or 7.6% for same-store sales. Our gross margin reached 28.5%, a pressure of 100 basis points and our EBITDA grew -- our EBITDA totaled 296.5 million, 8.3% of EBITDA margins flat over the third quarter '16.

What happened here is that our comps in terms of gross margins from last year had a very high inflationary gain related to -- that represented a very high comp base. So in spite of losing 100 bps in gross margin, we are able to dilute expenses and have a flat EBITDA at a very high level which I think it's a big win for the Company.

Our net income totaled 136.5 million, 3.8% of net margin and increased around 17%. And finally, we generated 102 million in free cash flows and 103 million in total cash flow in the quarter.

On page 4, We can discuss here about the expansion. So we opened a total of 54 stores in the quarter. We achieved 1,554 stores in total. We also closed 6 stores during the period. When you look over the year we have opened so far a total of 150 stores and we reiterate the guidance of 200 stores for the year. What this shows is that our expansion is taking place at a very regular pace, almost like 50 stores per quarter. So this has been a very linear expansion and it shows the level of control that the company has nowadays over our pace of openings.

When we look here on the right, the structure, the structure of the store portfolio, we see that maturing stores they account for more than 36% of the Sao Paulo base. This is the greenest store portfolio since the second quarter '13. So, we have a lot of maturation potential ahead of us, even more so than in previous quarters.

On page 5, we see here the breakdown of our expansion. We have now 730 Raia stores and 800 Drogasil stores around the country. I would like to highlight here that in total we have already 875 stores and we keep opening stores with great results. We have 112 stores in Rio, also a crucial market and the most impressive even though we have been in the

Northeast for about 5 years, we have already 127 stores in the region and many, many, more stores coming in our pipeline.

When we look at the market share, our national market share grew by 60 basis points with growth of 40 bps in Sao Paulo, 30 bps in the Southeast, 60 bps in the South and 120 bps in the Northeast. The only market where we lost market share was in the Midwest where before (inaudible).

What happened here is that, in Brazil, we were operating last year, versus a contraction, in deep distress who had no merchandise in the stores. And after they were acquired by (inaudible) pharma, they obviously are in a better shape. They have store inventories. So as cap shares, they might be on their capacity to make money, the reality is that the stores are better than they were.

So, we lost some of the revenues we acquired but we're still way ahead in revenues per store today than we were when the distress started. So the bulk of the competitiveness we gained, we're retaining that but as far as growth, that is a bit tougher and it will be until we see a comp base considering the current state of operation.

On page 6, we can see here our revenue growth by segment. So of the 17.4 % consolidated revenue growth our retail operations grew 16.3% but 4Bio grew an impressive 53% over a comp based when they had -- so when 4Bio had already grown I think more than 90% third quarter last year. So this is an impressive growth.

So the total consolidated revenues reached 3,580 million. The highlight in terms of retail categories has been OTC by far. So we had a very strong flu season and OTC grew 60 bps in the mix. The other categories last year beat 10 bps for hygiene/personal care and 20 bps, both for generics and branded Rx. This is a statistic effect if one thing grows the mix will (inaudible) so something has to go down. But the growth we've seen in branded generics and HPC has been healthy growth.

So the effect here is a stellar performance of OTC. It's also great to see that after several quarters in which HPC was coming down due to the macro and due to cross channel competition, we're now seeing that stabilize. So this is a result of several actions of the Company in terms of focusing on categories that were not doing well, on increasing promotion, running less in prices where needed, as well as the fact that we are now looking to a comp base that already reflected all the process. So we stay -- we came down for several quarters and now we have stabilized.

On page 7, we see that total revenue grow by 17.4%, while mature stores grew 3.5% ahead of inflation, which was 3% in the period and same-store sales grew 7.6%. We have a slightly negative calendar effect of 10 bps worse than the same quarter last year. But having said that, we are dealing with a weaker comp base because it was actually at the same point last year where the Olympic Games in Rio was taking place. So that -- this will affect the sales the same quarter next year, and this will help us grow ahead of inflation.

I don't think our reality right now is growing mature stores ahead of inflation. We were happy with our (inaudible) given there will be so many stores where cannibalization takes place.

On page 8, we can look at our gross margins. We had a gross margin of 28.5% for the quarter, 100 bps lower than the same quarter last year. And there is nothing wrong with this quarter, what happened is that because of the 12% price increase last year, there was a 70 bps residue left on the third quarter which boosted gross margins from the 29.5%, which is not -- it's not an usual margin for the third quarter. It is more comparable to second quarter margin.

So we had that 70 bps pressure but actually did not (inaudible) but it was the comp base. We had the negative pressure from 4Bio of 30 bps. This is the mixture of mix effect with margin pressure, and with congesetion there residue for Brazil. We had a negative net present value at just adjusting pressure 30 bps but we had 30 bps in all the dilution that helped us offset some of those pressures. So overall, we lost 100 bps and this was what we expected. When you look at the cash cycle, we had the pressure of 1.7, what happened is that we just opened our DC in (inaudible).

So we have an initial inventory overlap between Brazil and HPC. So over the next quarters now that Brazil is fully stocked we'll see the specific ventures going down and this trend accommodates. But having said that this kind of oscillation at this magnitude this is also kind of normal, the quarters are not as actually the same.

And then on next page we see really what was the highlights for the Company in the quarter, which is expense dilution. If on the one hand, we saw 100 bps gross margin pressure mostly from the seasonal aspect that is transitory aspect, we see a very strong structural dilution on operating spend. This is probably an unprecedented level of efficiency gains. So we reduced expenses by 100 bps. So corporate expenses also fell down by 10 bps, variable expenses were down by 50 bps, pre-operational 10 bps, marketing 10 bps, 4Bio 10 bps, acquiring fees 10 bps. We saw rentals pressure scale, 10 bps, but it's a much lower pressure now than what we have seen over the previous quarters, what happens now is the IGPM has been negative. So also this is what happened last year, as we compare the revenue adjusted, the prices are actually coming down, so I would, I would expect it to be neutral on the rentals by the end of the year or latest in the first quarter of next year. I don't know if we can gain on the rentals but at the very least, I think this pressure can be offset. So this is actually happening, what we had predicted and what we have been talking about over the last two quarters.

But it's also interesting to compare on a sequential basis versus the second quarter '17. We have 40 bps lower expenses than in the previous quarter, which was already a great number. So we gained 10 bps on G&A versus last quarter, 10 bps in rentals, which is coming down, 10 bps in electricity, this may be seasonal because second quarter is -- we probably had more conditioning in the second quarter, and we have less new store write-offs also taking place.

Then on the next page, putting it all together we had 100 bps seasonal margin pressure for the reasons I already mentioned, which was fully offset for structural expense and the dilution. So, this really set the base for us to keep expanding margins over the next quarters, which is I don't know, if we'll carry exactly the same level of expense dilution that we have now but certainly we are at a much lower expense basis than we were last year or even that we were two or three quarters ago.

When we break the EBITDA here by segment. There were our weekly operations made 294 million in EBITDA in the quarter. This is 20 bps higher than the third quarter '16. But it is important to mention that net present value adjustment, which is a non-cash adjustment, represented a 30 bps margin pressure because interest rates are now lower than they were last year. So, the gain is small.

So if you compare on a cash margin basis our retail operations did 60 bps better than the same stage last year in spite of the gross margin effect that I mentioned here. 4Bio did 2.5 million in the quarter an EBITDA margin of 1.8%. So we have also a seasonal gross margin pressure but here because 4Bio has grown so much we are seeing competitors trying to stop market share loss and be more aggressive. But our game right now is gaining market share and we do get a lesson for the future. We are not trying to optimize margins in the short term. So we are defending our market share or keep defending our market share, and it's important that we become the dominant player here and the margin will come in the longer term. This is how we think about 4Bio.

Page 11, our net margin was flat at 3.8%, which means that net income grew around 17% in the year. And in fact page 12, we generated free cash flow of BRL102 million in the quarter and a total cash flow 103 million in the quarter. When we look year-to-date we are negative at 118 million and we maintain a similar, slightly larger net debt to EBITDA than last year but still a very, very healthy and positive number for the quarter.

And on page 13, you see that our shares depreciated by 7.2% in the quarter but when we look long term those who invested at the (inaudible) IPO have seen an internal rate of return of 29% in the shares they bought. Those who invested in Raia IPO have gained an internal rate of return of 33.6% since the end of 2007, the -- and there even existed several investors who entered at those IPOs and haven't touched those shares these are the guys who are making more money on us.

So I will pass to Marcilio and then I'll be back to talk about the investor relations highlights before we got to Q&A. Thank you.

## **Marcilio Pousada** {BIO 16117399 <GO>}

Okay, thank you, Eugenio. Let us then talk about the quarter, okay. I think we had a very, very good quarter for us. We are proud of our quarter. Because of our -- why we are proud about this quarter, when we compare it with last year, we had two different points that's important to stress here. First is the high price cap last year was completely different for the past, we're having there, the price cap is better than inflation. And the other we had last year, very weak competition environment, we are much more difficult competition this year. Okay.

We had a very big competition last year in the Midwest Northeast, we had big problems and this year has been much better. Then net sales for in this quarter, normally, it is very difficult. Then we worked very, very strong during the year to do this part better. What we did okay, the expansion plan that we opened 212 stores if you look in the last 12 months.

We still open stores with very, very strong base of sales, the same levels in the past. This shows for us the strength of our value proposition for business. We know how difficult it is open stores and how the influencing sales has then and the distracted people in the count then, just open stores and you can open 50 stores per quarter we doubt would be a problem for us.

We also did the record expense dilution to give us the best expense in our history. We start to work at expenses in the beginning of 2016 and we work very, very close not only just to cut expense but to close, to look for the EBITDA to go up in numbers, to keep the same set level that we have in the past. Better than this, we -- it is to achieve there our efforts in that in the end of September. This showed for us that had us paying spend not only five people, not only cut these expense, cut expenses, how it work into more productivity and is looking very, very good for this market.

We have to reduce expenses, we have to give up some strategies for the future. And we never give up this strategy for the long-term strategy, okay. Therefore, this quarter, we launched the higher value program, the loyalty program. All these stores in all the country. We are using very healthy base that's much more stronger than the past and we believe it has to help us in the future also.

We cultivated productivity targets in this side, these are huge upgrades in the format. We have better differentiation by cluster and we know how to achieve better the -- the low income people, help achieve better the high income people you can see very, very different in this when we're looking inside the stores. And we improved a lot developer position in the brand with a better experience seeking the other goods items. Then (inaudible) energy will help growth for the future.

We enter new markets. Ceara is a very important market for us, part of our strategy to grow the other (inaudible) states, okay. Ceara is a very, very important market because it has a very strong impact on (inaudible) and also as a pharma. So two good companies doing a very job there and we open four stores that is doing very well show for us that you're -- again, our value proposition for stores, is very strong for all the parts of the accounts.

And we close today with stock working with a new pricing platform. We staged an implementation. We know this is a journey we're going to start right now and maybe we can see improvement in margin, not only in margin. If you increase the margin but you increase the competition in the market for the next four quarters. This will help us to be more competitive and to engage shares and even to gain some new margin for our business. Though we are very proud about this quarter, we know it's difficult to make good results when it's having more competitors and we now have -- and it help for change in the prices then we know how to invest in our bright future and make very proud of the business. Now over to Eugenio again and then we'll be here for the answers.

### Eugenio De Zagottis {BIO 7193695 <GO>}

Okay. Thank you. So I would like just to stress some of the Investor Relations highlights here. We should publish the 2017 results on February 22nd, 2018. The main thing I would like to call your attention is the RD Day date in 2017. This will happen on November 10, 8:00 AM in Sao Paulo at a place named Casa Bisutti. And this is the one event in the year where we make all our management available for you, that you can make all the questions, when we can really delve into a much higher level of detail on all of the initiatives the Company has developed. So I know that for whoever doesn't live in Brazil, it's not easy coming to Brazil on a specific date, but I can promise you, this will be worth. We can talk a lot about operation incremental visibility, start providing an outlook for next year and really the store opening guidance for 2018 as well. So I think this is an opportunity not to be missed in my opinion.

And finally, we have a very busy IR time table coming forward. So, November 14 and 15, Gabriel and myself in New York at the Bradesco CEO Forum. November 28-30, we will be attending the JPMorgan Conference in Brazil in Sao Paulo. January 8-9 Mauricio and Gabriel will be at the JPMorgan Healthcare Conference in San Francisco. On January 10-12, as well, Mauricio and Gabriel will be at the Latam conference of Morgan Stanley in Miami.

So, without further ado, let's open for questions. Thank you.

## Questions And Answers

### Operator

(Operator Instructions) Mr. Luciano Campos from Bradesco BBI, would like to pose a question.

### Q - Luciano Campos {BIO 16181710 <GO>}

Good afternoon, Eugenio. Good afternoon Marcilio. I have two questions here. The first one is about the selling expense, the dilution. Eugenio, regarding this SG&A dilution I'd like to be, I mean, to focus more on the personnel expenses. Can you remind us, the main drivers for this dilution of personnel expenses that we are observing right now, why did it seem so relevant now and were not that relevant but one or two years ago when the Company was already growing a lot? And the second part of this question -- actually a recurring one that I asked you in the second quarter -- is about this topic, if you guys have a chance to make progress in understanding how the flexibility introduced by the labor reform can help you to gain even more efficiency in this personnel expenses line? That's my first question. Thank you.

## A - Eugenio De Zagottis {BIO 7193695 <GO>}

Okay, Luciano. Thanks for the question. I'm not sure that I understood the second question. I'll start with the first and if I don't answer your second, I prefer you -- you re-ask them please. So, I mean the great thing about selling expenses is that this is not a cash cost-cutting program. This is not us forcing something. We don't work that way. We don't have a low cost mentality, we're not a supermarket.

We are service business. And one of paradox is that, we have probably the most expensive stores in Brazil. If you look at the sites we take, how much (inaudible), the rentals we pay, the people we have. So, we I mean, by no means a low cost retailer. We are a service retailer, very differentiated. But having said that, as we have the highest revenues per store in the country this translates into the lowest expenses in the market as a percentage of revenues.

So this is our mindset, we're not doing something just because we have a pressure in the quarter. Our main challenge in 2017, is (inaudible) 2016. But we are not doing any gimmicks with expenses just because of that. We are doing the things, this is, we have seen the maturization of several initiatives that were already underway.

One thing about lower expenses, that is a life reduction in headcount but the main thing is the average cost by employee coming down because we have a labor increase, a labor cost increase of 2% and we have also optimized our (inaudible). So we have enabled the requirements to reduce the entry sellers for some positions to extend the period between certain promotions to identify all the stages there is, who had a salary ahead of the average but who didn't perform and then substitute them. So we looked at that we improved our staffing algorithm.

There is a combination of several initiatives, we discussed those initiatives in the RD Day last year and we may touch again on them next year. So we have now stabilized, if you compare second quarter, compare personnel as a percentage of revenues with the third quarter. Now it's flat, so we dropped significantly but then we -- we will stabilized at this level. So it's great to see that it's being done on a very sustainable way and we are setting the stage to see margin expansion next year.



## A - Marcilio Pousada {BIO 16117399 <GO>}

And if you look at the expense, everybody wants to decline expense only to reduce costs. Look at this how to give more productivity. We reach for the label for example not only slightly so hence it's really bad there, (inaudible) understand that is the people need, Then the people can be more (inaudible). If you look at our stores, our store sells better than it sells for the competition. It's a big difference, we're looking in the expense between us and competition, and between here and the hourly payrolls.

## Q - Luciano Campos {BIO 16181710 <GO>}

Okay, Eugenio, Marcilio. Second and last question on my side at least, you already commented a little bit of competition and what happened in the Midwest. I noticed also in a -- at least in a sequential basis a very tiny change in your market share in the Sao Paulo market as well comparing second quarter with third quarter.

My question to you is broadly in terms of competition, the sense that we have is that some competitors were either weak in terms of balance sheet or in terms of operating standards like inventory or whatever that is so important for the operation of these competitors. And now with declined interest rates, we see at least an attempt to reorganize.

Can you comment on this if you are already witnessing a different level of competition, different response from your competitors in the specific regions or in all the regions that you're already playing? That's the question. Thank you.

## A - Eugenio De Zagottis {BIO 7193695 <GO>}

Luciano, thank you. It's just as a warning in comparing IMS data on a sequential basis is very difficult because there is a lot of sell-in in the data for example, all wholesalers report sell-in into pharmacy and not sell out. So, when you look top most period, then if you, when those noises are taken out they are offset, they are neutralized. But when you look near from quarter-on-quarter, you have to be very careful because it's not there actually. It shows on a longer terms it's very good metrics. I mean, what we see is that we have competitors getting better, I mean there is no doubt about that. Obviously the changes are, was a former -- was in pharma. It's probably the most important one and the most relevant one because obviously they show the company to perform in the Midwest. They have no inventories and now the stores are debt operated. I mean, I'm still very skeptical of their capacity to make money.

Obviously you put inventories there and the sales go up but the first movement is easy. The tougher movement is to keep going up. As you reclaim customers who have migrated and who are now much better serviced than they ever were, either by us or by (inaudible) Sao Paulo, or by (inaudible) for example. So in that case, it's a more clear pressure and we see that on the market share. The market has really come down to a certain extent, that is the reality. We will not let the same thing happen but then it was not a zero sum gain like in Brazil. Santana and the gangs were one of the players in the Northeast and not a good player in the Northeast. And obviously but we had all those complex stores who were not suffering, but they're doing a better job.

So in that sense everybody is getting better, but the good news is that we are not -- we're not complacent. We're not sitting and looking and not doing nothing. I mean, we have a big agenda of improvement of execution improvement.

Mauricio touched on some of those things like pricing and better pricing doesn't mean necessarily becoming more expensive but it means going out of our one size fits all approach and we customizing the price, category by category, store by store. As an example, if you compare our prices in charging in Sao Paulo (inaudible) where the prices in a very low income neighborhood in the Rio, there the view they're probably very similar and that's a wrong approach, because you can charge more in a more service-oriented neighborhood but then you have to charge less in a more elastic neighborhood. In some categories, elasticity is higher than in others so we believe the pricing project will allow us to grow our gross profit. This would mean making opportunistic gains in some categories and markets. But we invest in prices in other categories and markets. So this is part of getting better and getting more competitive. We launched a new royalty program market for Raia it's an upgrade, for Drogasil it's a revolution, we just didn't have (inaudible) nothing like that. So it's a big upgrade. The new Drogasil, four-star identity saw huge uplift as well. So as we roll that to more and more stores, I think this will impact how consumers perceive our stores, this can grow and I think increase revenue per share for you know, the valuable stuff.

So there are a lot of initiatives and improvements. So, yes, the outlook is getting better, no doubt about that, but we are getting better as well.

## Q - Luciano Campos {BIO 16181710 <GO>}

Very clear, Eugenio. Thank you.

## A - Eugenio De Zagottis {BIO 7193695 <GO>}

Thank you.

## Operator

Our next question comes from Joseph Giordano from JPMorgan.

## Q - Joseph Giorgano

Hi, good morning, everyone. Thanks for taking my question. Have a question here like going to the loyalty program and the rollout that is the Drogasil brand. I'd like to understand what are the initial take-aways there, so in terms of activation rate of the coupons and when we look also at the (inaudible) how things are evolving when you look at Drogasil and how do you compare to Raia in terms of Net Promoting Score? And lastly, like as you pointed out like you're refurbishing many Drogasil stores, I'd like to understand if you can share with us a little bit the productivity gains from those refurbishments? Thank you.

## A - Eugenio De Zagottis {BIO 7193695 <GO>}

Okay, Joseph. I'll start with the last one. I mean it's, I cannot share the gains because we have had only a small number of stores under the new format products for a very little, a very small time period. So, we don't even have the data on that and even a lot of the stores who are now (inaudible) from the new stores, so we can't compare.

So we had, we still have a small number of renovations. We have to see more renovations and for a longer time for us to understand the effect, and even that it's not necessarily linear because for example, obviously the most important position is the entity, with that store, so we're improving the different layout as well.

So if you have a store that had a bad layout, the gain is very meaningful. If you have a store that the layout was already good, the store was well conserved then you have a better identity, but it's not as high a gain as in the case of a store with a bad layout. So there is not a magic number that I can just drop here.

In terms of the loyalty program, as I mentioned for Drogasil it's a revolution, because Drogasil didn't have as much coupons. If you look at our HPC metrics I mean this is the first quarter HPC is doing well after several quarters going down and down and down. This has to do with higher promotional intensity driven by the loyalty programs. So we are seeing that effect in Drogasil. When we compare the comps on the front store Drogasil versus Raia because Raia simply got a better algorithm and Drogasil got a better, a new program they didn't have, Drogasil has higher comps on the front row now than Raia has.

So the effects they are clear in the numbers to be seen, but again, I think time is important to allow customers to get used to that and for that to become a driver of higher loyalty as well not only higher basket.

And finally, we are seeing a cost reduction in the negative value of percentage or negative evaluations, so net promoter score is getting better, both brands are very similar and so it shows that even with a slightly lower headcount we really got efficiency and we are not making margin at the expense of our customers.

## Q - Joseph Giorgano

That's perfect, thank you.

## A - Eugenio De Zagottis {BIO 7193695 <GO>}

Thank you.

## Operator

(Operator Instructions) It appears to be no further questions. Now I'll turn the conference back to the Company for their final remarks.

## A - Eugenio De Zagottis {BIO 7193695 <GO>}

Okay. I would like to thank you all for attending the conference call. So I mean, it's great to look at the Company and see how the Company is getting better structurally. In this time of what the company was still or not, when we look at the quarter and we understand where we are, I mean, this is the important thing, I think sometimes it's easy for investors sometimes to be myopic and to obsess about things like quarter versus quarter or things like consensus and lose sight on where we are as far as time and as far as the margins.

This is the highest EBITDA margin on a non-seasonal quarter, meaning high structural EBITDA margin in the Company's history. So, with the level of expenses that is unprecedented and that it is pretty much just slightly lower or higher expense, we will carry forward. So this is really setting the stage for us to expand margins to some extent next year. So, this is what's important and again, we are now at a cycle in which gross margin gains may happen here or there, but we being on the best place again which is efficiency, which is expense dilution.

When you look at the margin, we are reinvesting margins when we need, for example, higher -- more promotions, loyalty, the loyalty programs and things like that. We are also looking in some markets where we can increase margins, but we're doing with our prices or what's best in each location, and this is what will optimize the value going forward. But we have a big expense dilution to support it and to maintain very healthy economics.

So I'd like to thank you all for attending the call, for your support as long-term shareholders.

I would like to reinforce the invitation to our Analyst Day. I think those who will take the time and make the trip won't regret it. We can provide a much different level of visibility very different level as compared to just a normal call, or a normal one on one meeting that we have in those conferences where me meet. So it's a great experience it's an experience not to be missed. We will have simultaneous translation. So, if you are able take the time, make the effort, and come to our Investor Day. Thank you very much.

## Operator

RD's conference call is finished. Have a nice day.