Q1 2018 Earnings Call

Company Participants

- Flavia Menezes de Oliveira, Investor Relations & Strategic Planning Director
- Gustavo Artur Ciocca Zeno, Chief Financial Officer & Investor Relations Officer Vice-President
- Pedro Thompson Landeira de Oliveira, Chief Executive Officer

Other Participants

- Marcelo Santos, Analyst
- Maria Tereza Azevedo, Analyst
- Susana Salaru, Analyst
- Vinícius Serrão Ribeiro, Equity Research Analyst

MANAGEMENT DISCUSSION SECTION

Operator

Good morning, ladies and gentlemen. Thank you for standing by and welcome to Estácio's Conference Call to discuss the Results for the First Quarter of 2018. This event is also being broadcast simultaneously on the Internet via webcast, which can be accessed on the company's IR website, www.estacioparticipacoes.com.br/ri. We would like to inform you that this call is being recorded and all participants will only be able to listen to the call during the presentation. We will then begin the Q&A session when further instructions will be given.

This conference call may contain forward-looking statements that are subject to risk and uncertainties that could cause the company's actual results to differ materially from those in the forward-looking statements. Such statements speak only as of the date they are made and the company is under no obligation to update them in light of new information.

I will now turn the conference call over to Mr. Pedro Thompson, the company's CEO. Mr. Thompson, you may proceed, sir.

Pedro Thompson Landeira de Oliveira {BIO 19803506 <GO>}

Welcome to our conference call to discuss the results for the first quarter of 2018. Gustavo Zeno, our CFO and Flavia Oliveira, Head of our IR team, are here with me. Just to remind you all, there will be a Q&A session as soon as the presentation is over.

Beginning in slide 2 of our presentation, I would like to present the results of 2018.1 intake cycle.

By the end of the first quarter of 2018, we enrolled approximately 143,500 on-campus and distance-learning new students versus 148,300 in the first quarter of 2017. However, as was the case last year, the enrollment period extended until mid-April, with a larger share of students enrolling at the end of the period this year. At the end of the intake cycle, we enrolled 165,800 on-campus and distance-learning undergraduate students versus 160,200 in 2017, 3.5% more over the previous period.

It is worth noting that this extension in the 2018.1 intake cycle was strongly influenced by the period to register the FIES program, which, this semester, was postponed to March. Moreover, the classification list was also published late.

Additionally, the list of students classified for the P-FIES, which represents approximately 65% of the program's annual places was released by the government on March 26, further delaying the enrollment process this quarter. Accordingly, by the end of March, only 1.5% of the new on-campus undergraduate students entered via FIES versus 5.2% in the same period in 2017. It is that most of the students captured in this cycle via FIES were external transfers, not freshmen applicants.

And the quarter intake was also impacted by the ProUni places. Excluding ProUni and FIES students, the increase in the enrolled student base totaled 12,500 students, an increase of 8.4% compared with the same period last year.

The distance-learning segment was the main growth driver in this intake cycle, with a 20% year-on-year increase, mainly fueled by enrollments in the new centers and additional 181 new centers enrolled students this semester compared with the same period in 2017 as well as the great demand for the Flex product, whose average ticket is higher than the online average ticket only.

And moving on to slide 3, I will talk about our new program, Dilution program Campaign, all these allow us during (04:40) this intake cycle.

Aiming to continue expanding the sustainable student base and raising our average ticket, we provide our students by means of the new campaign, the opportunity to pay BRL 49 in the enrollment months and dilute this difference in relation to the full monthly tuition over the duration of the course, for example offering no discounts, scholarships or exemptions. Most of the new on-campus and distance-learning undergraduate students online and flex programs were eligible for the campaign. The installments, which may comprise from one to three monthly tuitions, will be paid through the duration of the course.

On this slide, we show the example of a hypothetical student enrolled mid-February in a four-year course with a gross ticket of BRL 800. The student joined the Dilution Campaign and paid, at the moment of enrollment, BRL 49 corresponding to January and BRL 49 corresponding to February and the difference to the gross ticket of both months was diluted until the end of his course. The diluted amount plus the net ticket are issued in a single bill to be monthly paid by the student.

Moving on to slide 4, I would like to show some highlights of the first-quarter results. Net operating revenue totaled BRL 935.7 million, 14.2% up on the first quarter of 2017. The Dilution campaign reached (06:25) had a significant positive impact on net revenue compared with 2017.

The assumption of the DIS campaign is that during the enrollment months, the full amount of the monthly tuition is billed without discounts, scholarships and exemptions. The discounted present value is applied to revenue with accrual of 15% of the total receivable. It is worth noting that, as of 2018.1, after the launch of DIS, seasonality in revenue tends to significantly reverse between even and odd quarters.

It is also worth noting the non-recurring effect of ProUni affected our net operation add (07:14) revenue and net income this quarter. In accordance with MEC rules, in order to enroll students by means of ProUni in the following semester, controlling institutions are required to present a Tax Debt Clearance Certificate, valid until the last day of the previous fiscal year.

Due to bureaucratic issues with the Internal Revenue Service, the company did not renew, by one day, the Tax Debt Clearance Certificate by one of our 22 controlling institutions. Given that this was a non-recurring situation experienced by the company in March that – we believe that the effective rate will return to historical levels as of April. It is worth noting that this was an accounting impact that did not affect the company's cash, liquidity or projections.

EBITDA came BRL 330.1 million, a 53.8% increase over 2017, with an EBITDA margin of 35.3%, plus 9.1 points over the first quarter of last year. Regarding this performance, it is worth noting the year-over-year operational efficiency gains, as in the faculty costs line for instance, as well as the impact caused by the DIS campaign. A substantial part of the gain is due to the implementation of the corporate restructuring plans and the review of the educational model designed throughout the second semester of 2017, after the Brazilian antitrust agency did not approve the merger with Kroton.

Our quarterly performance allowed us to record net income of BRL 197.4 million, 62% up on 2017.

I will now give the floor to our Head of IR, Flavia Oliveira, who will comment on our operating results.

Flavia Menezes de Oliveira {BIO 20130905 <GO>}

Good morning, everyone. On slide 5, I would like to highlight the chart on our student base.

We closed the first quarter of 2018 with 546,000 students, a 0.7% growth over 2017. As previously mentioned by Pedro, this growth was strongly influenced by the increase in distance learning in student base, mainly by the Flex product, hybrid (09:52) product, which grew by 54% over the same period in 2017.

In addition, we closed the first quarter with 409 operational distance-learning centers, an increase of 181 centers in relation to 2017. The distance-learning growth offset the 6.7% decline in the on-campus student base, which was under the effects of the 24.8% decrease in the FIES student base and the 4% decline in the ProUni student base.

Excluding these effects from the base presented at the end of the first quarter 2018, non-FIES and ProUni student base was increased by 2.3%. It is worth noting that the objective of fostering a more sustainable student base, ensuring students' financial commitment in order to conclude the enrollment process improved our student retention rate by 1.2 percentage points.

Moving on to slide 6, I will now talk about our average ticket, which reflects the new pricing strategy. In the first quarter 2018, the on-campus average ticket totaled BRL 789, an increase of 17.6% compared with the same period in 2017, due to the 17% upturn in the average ticket of the on-campus undergraduate segment to BRL 818 and the 13.5% increase in the average ticket of the on-campus graduate segment to BRL 299 this quarter.

In the first quarter of 2018, the distance-learning average ticket increased by 28.5% over the first quarter 2017 to BRL 267.4. It is worth noting that in 2018, the average ticket was positively impacted by the new DIS campaign, given that discounts and the scholarships were not granted on the price charges from students during the enrollment month.

Prices were only affected by the adjustment to present value in the amount of BRL 11.5 million. Moreover, March has historically recorded the highest number of students enrolled in a first semester. Accordingly, it is worth noting that in the second quarter of 2018, the average ticket should correspond to the amount of the monthly tuitions only, net of the usual discounts and scholarships.

In the distance-learning segment, it is worth noting that, in addition to the effect of the DIS campaign, our Flex student base grew by 54%, whose average ticket is higher than the online distance-learning average ticket.

I will now turn the floor over to our CFO, Gustavo Zeno, who will talk about our financial performance.

Gustavo Artur Ciocca Zeno {BIO 19036323 <GO>}

Thank you very much, Flavia. Good morning, everyone. I will begin by talking about net revenue on slide 7. The first quarter net operating revenue totally BRL 935.7 million, 14.2% up on the same period in 2017, mainly explained by BRL 86.9 million upturn in revenue from monthly tuitions, an increase of 6.4% over the first quarter of 2017. The BRL 0.3

million reduction in Pronatec revenue due to the graduation of the last students in this segment. The BRL 1.1 million reduction in other revenue, essentially due to the decline in entrance exam fees. As of 2018, we stopped charging this fee from the most students, maintaining it only for students enrolled in premium courses;

The BRL 56.0 million reduction in discounts and scholarships, essentially due to the effect of new Solidarity Dilution campaign during the intake cycle. This result indicates the strategy adopted as of the first quarter of 2017 to reduce the number of discounts, scholarships and tuition exemptions granted, pursuing a sustainable student base, with a continuous evolution of the average ticket.

The BRL 14.5 million upturn in taxes, which was impacted by one-off effect of the loss of ProUni's tax benefit, totaling BRL 8.8 million as previously explained by Pedro. The BRL 2.4 million reduction in the FGEDUC due to the reduced FIES student base. The BRL 5.4 million increase in the adjustment to present value of PAR due to the increase of 9,100 students in the program. It is also worth noting that we changed the calculation of APV in the first quarter and started using a long-term discount rate. The BRL 11.5 million increase in the adjustment to present value of DIS campaign, which was effective during the 2018.1 intake cycle.

And finally, the effect in other deductions composed of the transfer to distance-learning partner centers was reclassified in the first quarter to others under cost of service cost. Consequently, the BRL 4.3 million variation corresponds to the 2017 transfer from partner centers.

Moving on to the slide 8, I will talk a little bit about our operation costs. Our cash cost of service accounted for 38.4% of net operating revenue in the first quarter versus 48.3% in the same quarter last year, representing a 9.9 percentage point margin gain, mainly in the personnel line, which recorded a 8.1 percentage point gain.

This result reflects the corporate restructuring and the review of the educational model, which begun to be implemented at the end of 2017, not to mention the dilution of costs with the increase in revenue as explained before. We implemented a new faculty career plan and began improving the efficiency of the academic planning, increasing the sharing of disciplines between the new curriculum matrix and compatibility with former curriculum matrix.

We also highlight that the partial replacement of the professor dismissed in December 2017 was carried out throughout February. (19:24-19:30) cost cannot be repeated in the next period as it was done in this quarter

On slide 9, we present our operating expenses. Selling expenses accounted for 13.3% of net operating revenue in the first quarter, a 0.4 pp gain over the same period in 2017, essentially due to the 3.1 percentage point margin gain in the allowance for doubtful discounts, non-PAR and DIS.

In this context, it is worth noting the following. In the first quarter, we adjusted PDA based on the new standard of the International Accounting Standards Board on the financial instrument IFRS 9, in Brazil, CPC 48, using the concept of expecting loss and aging of accounts receivable for regular students and debt renegotiation agreements. We accrued 50% of the balance for DIS and – 15% for DIS and 50% for the PAR.

It is worth noting that the first quarter PDA maintenance (21:07) the concept used until December 31, 2017. It corresponds to the balance of 100% of monthly tuitions overdue by more than 180 days.

In addition to this effect, it is worth noting that the review of the collection policy. In the first quarter of 2017, the presented PDA corresponded to the default recorded in the third quarter of 2016, period in which there were no advisors assisting in the collection of active students.

Since then, Estácio implemented a stricter collection process, partnering up with specialized collection firms. The charging process became more rigorous and the minimum debt amount required for students to be able to renew their enrollments significantly reduced.

As result of the margin gain, selling expenses were also affected by the following lines. Advertising, this first quarter, we intensified the online media investment to strengthen the enrollment campaigns. As a result, advertising expenses accounted for 8.6% of net revenue, a 0.8 percentage point margin loss over the first quarter of 2017.

The provisioning of PAR program implemented in the first quarter of 2017 reduced this quarter's margin by 0.3 pp, chiefly (23:08) due to the increase of the number of students who joined the program. It's also worth noting that we changed the calculation of APV in the first quarter and started using the rate based on the NTNB 2024. We see them (23:39) in 2024.

On this slide, we also present the general and administrative expenses, which accounted for 13.2% of the net operating revenue, a 0.6 percentage point margin loss compared with the same period in 2017, essentially due to the third-party service expenses, which decreased by 0.4 percentage point with the increase in consulting expenses. It's also worth noting that the loss was partially offset by 0.3 percentage point margin gain in the personnel expenses line.

Moving on to the slide 10, we can see that the first quarter net income total is BRL 197.4 million, an increase of 62% when compared with 2017, due to BRL 115.3 million increase in EBITDA and a BRL 11.5 million decrease in financial result as a result of the settlements of debentures and promissory notes carried out in the second semester of 2017 and the decrease of interest rates reduced our cost of debt service.

Slide 11 shows Estácio's average receivables period. The average FIES receivables days was 36 days lower than in the first quarter of 2017, totaling 230 days, due to the lower number of FIES students. The average non-FIES receivables days was in line with the same period in 2017 at 70 days. It is worth noting that we remain focused on improving our collection and student debt renegotiation campaigns.

Moving on to slide 12, in the first table, we can see the information of our capitalization and cash. At the end of the first quarter of 2017, our cash and cash equivalents totaled BRL 627.1 million, conservatively invested in fixed income instruments, pegged to the CDI rate, in federal government bonds and certificates of deposit of top-tier national banks.

Our bank debt of BRL 572.1 million mainly corresponded to our debenture issues, the loans from IFC, the issue of promissory notes and subsidized financing from regional development bank agencies and banks and the capitalization of equipment leasing expenses in compliance with Law 11,638. The BRL 468.9 million year-over-year reduction was mainly due to the settlements of the third debenture issue in the amount of BRL 197 million in the second semester of 2017 and the payment of the first tranche of the promissory note in the amount of BRL 107 million in November 2017.

In addition, bank loans, commitments for payments related to the acquisition in the amount of BRL 71.8 million combined with the tax payable in installments BRL 13.9 million determine Estácio's gross debt, which totaled BRL 657.8 million at the end of March 2018. As a result, the company's net debt reached BRL 30.7 million at the end of this period, 0.04 times our EBITDA for the period.

It is also worth noting that our debt and operating cash generation levels allow the company to carry out its operating activities, meet its financial commitments and implement new expansion and growth strategies using its own funds as well as contract loans and financing.

Also on this slide, we show our first-quarter CapEx. We invested BRL 37.4 million, approximately BRL 10 million more than first quarter 2017, essentially due to higher maintenance investments.

Moving on to slide 13, I'd like to comment our first quarter operating cash flow after CapEx, which was

positive by BRL 111 million, an upturn of 78% and BRL 49 million more than the same period of last year. In addition to the increase in operating result, the BRL 106 million upturn in collection non-FIES, mainly due to the more sustainable base also contributed to improve this indicator.

This increase in the changes in assets and liabilities, working capital, then refers to the upturn in the accounts receivables in the first quarter, which was impacted by the DIS, the Solidarity Dilution campaign implemented during the intake cycle. First quarter pre-CapEx EBITDA to cash conversion rate came to 33.6%, a 4.6 percentage point margin over the first quarter of 2017.

Now, I will turn the floor back to our CEO, Pedro Thompson for his closing remarks.

Pedro Thompson Landeira de Oliveira {BIO 19803506 <GO>}

Thank you, Zeno. Moving on to slide 14, I would like to emphasize that in the first three months of 2018, we continued to implement drivers of efficiency gains in a disciplined manner.

It is important to highlight corporate restructuring and review of the educational model. These two drivers jointly contributes to the 8.1 percentage point year-over-year improvement in the personnel cost net operating revenue ratio.

We would also like to highlight the expansion in revenue, given the new strategy of capturing and pricing freshmen applicants via the DIS program.

It is also worth noting the footprint review. In the first quarter, the activities of five campuses were transferred to other closed units. The enrollment process of these campuses was transferred to the units that absorbed the activities, without any type of significant interruption in operations. Savings from the phase-out of these campuses can already be noticed in the first-quarter results.

Finally, I would like to share with you another important accomplishment of Estácio, the opening of the new Mais Médicos campuses. In the first quarter, three new Medicine (32:25) units within the scope of the Mais Médicos Program were accredited in Juazeiro, Alagoinhas and Jaraguá do Sul. The first one in Bahia and the last one in Santa Cataria, in addition to the authorization of the respective medicine courses, corresponding to the opening of three greenfield units, with an average of 55 authorized annual places.

All-in-all, Estácio offers Medicine courses in eight campuses for Brazil, consolidating its position as the educational institution that offers the most places in medicine in Brazil.

Moreover, Request for Proposal of January of this year, corresponding to the public call of university controlling education institutions, designed to authorize medicine courses in new municipalities, was published at the end of March and we will submit proposals to participate in this process, which may further strengthen our leadership in medicine courses.

To conclude, I would like to say that we began 2018 with a healthy student base, more structured processes and a team fully focused on execution. The industry dynamics has changed and it has brought us many new challenges, but our goal remains the same, gain operational efficiency. We believe that efficient operations and a solid balance sheet are essential for the organic and inorganic growth plans that we are designing.

2018 will continue being a year of hard work and excellent results at Estácio.

We can now move on to the Q&A session. Thank you.

Q&A

Operator

Okay. Thank you, sir. The first question we have will come from Vinícius Ribeiro of Bradesco BBI. Please go ahead.

Q - Vinícius Serrão Ribeiro

Hey, guys, good morning. Thanks for taking my question. So I'd just like to get – to clarify two points on these programs that you guys launched. So the first one that I would like to understand is what percentage of intake was relative to these programs?

And the second thing is, you guys under – if I'm not mistaken in the slide number 3, you gave us some color on the recognition of this program. I would just like to get some clarity as to when would the students pay school full debt, when they graduate or before? Thanks.

A - Pedro Thompson Landeira de Oliveira {BIO 19803506 <GO>}

Thank you, Marcelo (35:41). Your first question, so the majority of the intake students were applied to this program, roughly above 90% of the total intake. So, this is the first question.

The second question, the students pay this dilution in the same base, plus the students (36:10). We don't have any open debt after the graduation of the students. And the students only pay one due with the full price of the tuition, plus the value of these programs.

Q - Vinícius Serrão Ribeiro

Okay. Thank you for answering the first part of the answer (36:33). Just let me clarify one thing, you guys, on the release, you said that these programs represented BRL 128 million of revenues in this quarter. How do I consider that with your BRL 1.4 billion revenue? Could you just give us a better sense on the impact of this metric going forward?

A - Pedro Thompson Landeira de Oliveira {BIO 19803506 <GO>}

Yeah. So we only have the impact of this in the quarters that we have intake, basically the first and the third quarters of the year, and we'll always have the impact of DIS in the case that we charge the full price of the two -one, two or at the maximum three, the first tuition monthly basis, and then we will have the whole working capital, plus the provisions of this value.

Q - Vinícius Serrão Ribeiro

Okay. Okay. Okay.

A - Pedro Thompson Landeira de Oliveira {BIO 19803506 <GO>}

Just to summarize, the second quarter and fourth quarters, we don't have the impact of DIS.

Q - Vinícius Serrão Ribeiro

Okay.

A - Pedro Thompson Landeira de Oliveira {BIO 19803506 <GO>}

But we will have the impact of the average ticket for sure because the value that we (37:56) the students now, they are the full tickets, plus the parts of the DIS dilution.

Q - Vinícius Serrão Ribeiro

Okay.

A - Pedro Thompson Landeira de Oliveira {BIO 19803506 <GO>}

Yes.

Q - Vinícius Serrão Ribeiro

Thanks a lot for the answer, Pedro.

Operator

Next, we have Marcelo Santos of JPMorgan.

Q - Marcelo Santos {BIO 20444938 <GO>}

Good morning, Pedro. Good morning, Flavia, Gustavo. Thanks for taking my question. I have two questions actually. The first one is about the faculty cost in the first quarter. From the Portuguese call, we understood that you fired the teacher in December, you hired them in February. So, you had this kind of a one-off month without too much payroll. Could you give us a little bit more detail on this, explain how much this helps your margins? What would be a normalized basis, so that we can forecast the future periods?

And the second question is about DIS. And you said that in this semester, you had 90% of the intake coming from DIS. Could you give us an idea how last year was related to how many students got their BRL 49 or BRL 59 and how many students were paying full price in the first quarter of 2017, how much of the intake? In other words, (39:23) what was the penetration of the, let's say, BRL 49, BRL 59 campaign on the intake of the first quarter 2017, so that we can understand how things changed? These are the questions.

A - Pedro Thompson Landeira de Oliveira {BIO 19803506 <GO>}

Thank you, Marcelo. So the first question, the impact of the delay of the phase-in of the professors is approximately BRL 44.5 million in savings of our tuition cost of the first quarter.

In your second question regarding the BRL 59, last year, our intake cycle was driven basically a 100% of the new students with this price of BRL 59, and this intake cycle was BRL 49, plus DIS. So, the difference between the two cycles last year and this year was only the DIS. In the last year, the majority of the students, basically entered with their BRL 59 only. In this year, they will enter with the BRL 49 of cash out, plus the dilution of the DIS program. Is that clear?

Q - Marcelo Santos {BIO 20444938 <GO>}

Perfect, sir. Very clear. Thank you.

Operator

And next, we have Maria Azevedo of UBS. Please go ahead.

Q - Maria Tereza Azevedo {BIO 16178885 <GO>}

Hi, thanks for the question and congrats for the results. Can you please comment on the competitive environment, especially in distance learning, and how do you see pricing pressures going forward? Thank you very much.

A - Pedro Thompson Landeira de Oliveira {BIO 19803506 <GO>}

Thank you, Maria. Regarding the competitive environment, what we are seeing now, we continue to ramp up our distance learning operations. We don't see any challenges until now for sure with the new regulatory issue of MEC of the June of last year. We will have much more competition. I do believe in that competition, but in the mid-term, not now, we continue to ramp up our student base of the distance learning. Any issue about price or about offer and demand in this intake cycle. The most difficult of the intake cycle for us was basically on campuses, and on campuses regarding areas that historically we have a huge payments of FIES, basically (42:20).

Q - Maria Tereza Azevedo {BIO 16178885 <GO>}

Perfect. Thank you very much.

Operator

And next, we have Susana Salaru of Itaú.

Q - Susana Salaru {BIO 16170633 <GO>}

Hi, thank you for the question. Pedro, if you could elaborate a bit more on the efficiency level going forward, which one should mature in the first half of the year, which should expect to be more relevant to the second half of the year? And if you could elaborate specifically on the new curriculum framework, how do you develop during this year and the next year? Thank you.

A - Pedro Thompson Landeira de Oliveira {BIO 19803506 <GO>}

Thank you, Susana. For sure regarding guidance, we are not allowed to provide any guidance, but in terms of - like the frame (43:12), the big picture for the last quarter, for sure, we will continue to present efficiency gains about the tuition cost. It's a very tangible in the first quarter. But this first quarter, we will have the event of the delay of the phase-in of the new professors from January to February, this will suffer adjustment of BRL 40.5 million, but we will continue for sure to dilute this gain for the next quarter this effect.

And regarding your second question, our curriculum matrix, we will continue to explore even more. We initiated our new curriculum matrix in the second semester of last year, focused on the professor of the new students of six months to one year, student studying with us in the courses of business and administration, accounting, economy and then we will continue to expand for more courses along this year and the next year.

Q - Susana Salaru {BIO 16170633 <GO>}

Okay. Thank you, Pedro. Just a follow-up question, very quick. How much of your students business, accounting and economy courses represent approximately?

A - Pedro Thompson Landeira de Oliveira {BIO 19803506 <GO>}

Susana, in roughly numbers, of our on-campuses courses is about 35% to 40% that we call the management courses that cover business administration, economy, accounting, advertising, marketing and et cetera.

Q - Susana Salaru {BIO 16170633 <GO>}

Great. So, is it still early - the beginning of the benefits of the new curriculum, is there a still way to go that was our (45:20)?

A - Pedro Thompson Landeira de Oliveira {BIO 19803506 <GO>}

Exactly, exactly. Our primary focus was on these courses and for the entry students of these new courses, and then we will expand to the veterans and then we'll expand the new curriculum matrix for another courses.

Q - Susana Salaru {BIO 16170633 <GO>}

Okay. Thank you very much. Very clear.

A - Pedro Thompson Landeira de Oliveira {BIO 19803506 <GO>}

Thank you, Susana.

Operator

Well, as there seem to be no further questions, I'd now like to turn the floor back over to Mr. Pedro Thompson for his closing remarks. Sir?

A - Pedro Thompson Landeira de Oliveira {BIO 19803506 <GO>}

I'd like to thank you all of you for participating in our results conference call. Our Investor Relations department is always at your disposal to help you with any questions you may have. Our contact information is available on our website. We hope to see you again to our conference call next quarter. Once again, thank you very much, and have a great day.