Question and Answer

Operator

[Operator Instructions] We take the first question from Andy Bowley with Forsyth Barr.

Andrew James Bowley
Forsyth Barr Group Ltd., Research Division

I've got a couple of questions for me to start off with. And if we turn back the clock a couple of years ago and look at from your strategy slides, you're talking about sustainably doubling the, call it, longer-term history of normalized PBT. We've done that quite comfortably this year, and we've kind of did it in the previous year. Can you kind of talk about your aspirations now from a profitability point of view, from a returns point of view and how we're very comfortably above WACC as an organization, but in an industry, which is being characterized by sub-WACC returns over the kind of the longer-term history?

Robert Stuart McDonald
Former Chief Financial Officer

Yes. Andy, I'll make a few comments on that. Clearly, we are well in excess of where we thought we'd be a few -- a couple of years ago. By and large, though, when you go back to 2 or 3 years ago, we talked about simplifying the fleet. We talked about growth. So that's -- we've been executing away and probably, more pleasingly, we're getting better sales execution around the world. But also we certainly saw fuel is clearly a benefit. I guess the real mantra we try to, I guess, get into the business is we had to be an airline that could live at $120 kerosene. And from that perspective, anything when it was going to come down in the way it has, we were going to benefit from quite quickly depending on hedging, of course, but now we're largely excessing it all. So it's really from where we stand now that's clearly is a big -- I guess, benefit for the industry. As a whole, we're seeing really good earnings in the U.S. Clearly our earnings are in that sort of top quartile in the world. And that's certainly where we'd want to stay as an airline. But I think if you read some of the literature now around the investability of the industry, probably in the areas where there is more commercial [indiscernible] like the U.S., certainly in this region as well, then this is an industry now that, clearly, people are in it to make money without a doubt. And we look at continuing to improve financially every year.

Christopher Mark Luxon
Former Chief Executive Officer

Andy, I'll just make a comment. I think -- Chris, here. I -- you are right in the sense of we looked at the previous 10 years, and I think we had averaged $170 million pretax EBIT and our desire was to double that going forward. And I think we've more than done that. I think the biggest challenge we struggle with is that there is a really cyclical view of the airline industry. And I fully understand that because you go back through history, and you can understand the cycles. I guess what we've tried to talk about internally is saying we were going to run a business, not just an airline. And that may sound a bit trite, but actually it has been really important to our people because my observation coming from outside the industry to the others has been that CEOs talk about a great year, but it would have been a great year but for foreign exchange, fuel, competition, et cetera. Analysts talk about that, media talk about that. It all becomes rather self-fulfilling as a result. Everything's about an uncontrollable rather than the controllables of the business. And so if I was to stand up in my other life and say we missed the number because of a cold winter in North America, we didn't sell enough ice cream, that wouldn't be really acceptable. So we are trying really hard. Appreciate that I'm not being naive to say that it's not cyclical. But we are trying to be really clear that at high fuel prices, low fuel prices, at high foreign exchange, low foreign exchange with rising competition that we actually want to build the business so it is, as Rob says, fit to compete. And we want to keep just doing it consistently. I mean, we don't have any big restructuring plans because we've got all the cost base sort of benchmarked off against competitors and others all around the world. So we know where we sort of stand and it's just sort of rolling forward quarter by quarter by quarter. And hopefully after 4 years, we're starting to demonstrate -- and that's all we can do to you guys is just demonstrate, we're going to tell you what we're going to do, we're going to do it and then tell you what we just did. So that's the best chance I think we've got.

Andrew James Bowley
Forsyth Barr Group Ltd., Research Division

And from a competitive standpoint, are you surprised with how much you've been able to retain of the fuel cost price benefits at this stage, and clearly the competitive threats that are coming over the next 6 to 12 months that you done pretty well in terms of your yield backdrop over the last 12 months?

Christopher Mark Luxon
Former Chief Executive Officer

Yes, I think if you -- yes, that was a question, I think, some of you quite rightly asked at the half year, and I think we've hopefully shown to you in the last half of the year when we grew almost 12% that we digested that capacity really well, maintained yields very strongly. So and it's interesting I look at markets like China, we had massive increases in capacity competition from China. But again we've taken a bit more of a mindset of a fast-moving consumer goods business and actually just found a different segment of customers. And over the last 18 months, we've gone to customers that are spending more, coming, staying longer in New Zealand, high yielding passengers. And as a result, we've got our best performance in China than we've ever had since we launched. So I do understand the competitive thing. I'm not meaning to be naive or arrogant about it. It's just genuinely, we really have built the business to deal with changing circumstances and rising competition very well. And to be honest, it's kind of true. I mean, over the last decade, we've had Qantas and Virgin here on the main trunk line. We are up against Qantas, our 4 times bigger competitor with a partnership with Emirates, the largest airline in the world and we've really more than held our ground on the Tasman. We have had American carriers and Australian carriers in from North America before. We've got the Chinese competition that we've had. And we -- I'm not meaning -- I don't want to sound arrogant at all because they are really difficult challenges to fight against and do, but if you genuinely understand the customer well, you meet the market well and you face up to commercial reality, there is a way through.

Andrew James Bowley
Forsyth Barr Group Ltd., Research Division

Great. And then the last question from me. You've mentioned a couple of times in the call already around advanced sales being reasonably positive both to Houston and Buenos Aires. But more broadly, can you talk about your expectations for the yield outlook, say, firstly, for the next 6 months and then for the 12 months for long-haul specifically?

Robert Stuart McDonald
Former Chief Financial Officer

Yes. So as we have mentioned, Buenos Aires selling well and Houston as well. I think we talked a bit about the growth around international and really this reach in partners to the growth internationally. One is Singapore, which is an annualization on Singapore and that route has got together some good momentum since it start. So we are very pleased there. And clearly, we -- in December, we will start Houston and Buenos Aires and as I say advanced sales looking good there. Also 8% domestic growth is clearly versus previous years trend is higher. But thing to remember actually if you look at July stats, 6% of it's already there. And we're away executing that now in the current economy. So feeling pretty reasonable about that. So and all those sort of things, we're continuing to see the New Zealand economy just move along -- it's -- we're probably not seeing quite the things I read in the newspaper in our bookings. But clearly, Jetstar will announce, it will start some routes into the regional part of New Zealand. But just bear in mind that's not the -- the rest of the businesses as I have to go back 5 years before, I'd say that would have been something that would have been concerning for us now. That's part of the network, all parts of the network are profitable.

Andrew James Bowley
Forsyth Barr Group Ltd., Research Division

And then just specifically on yields, you'd expect a kind of a continuation of the low single-digit decline in long haul yields?

Robert Stuart McDonald
Former Chief Financial Officer

In terms of pre-FX, those -- the market increase, so they will come in lower than average. So you would expect a network-wide decline. And...

Christopher Mark Luxon
Former Chief Executive Officer

Yields are quite good in absolute terms, just for the record.

Robert Stuart McDonald
Former Chief Financial Officer

Yes, they're certainly -- they're not bad yields at all. They're going into particularly South America is probably -- South America and Australia or New Zealand historically is probably one of the highest yielding routes in the world long-haul. So that's -- we're in there with fares now that were quite right. So that's good news. In terms of yields domestically, certainly, there is a lot of growth we're putting into regional. And we were very clear back in February that with the retirement of the beaches as well as introducing ATRs, we're going to change the cost base of that regional network. And we were going to deliver that back in the form of lower fares and because we'll have lower costs.

Operator

We take our next question from Marcus Curley with UBS.

Marcus Curley
UBS Investment Bank, Research Division

A couple of questions from me. First of all, just you exited on the costs there, Rob, within the -- I suppose, the efficiency slide, you talked about seeing nominal declines in unit costs. Is that the outlook for '16 to see the efficiencies offset inflation, see a nominal decline in unit cost x fuel?

Robert Stuart McDonald
Former Chief Financial Officer

Yes, separating fuel out, yes, that is the expectation.

Christopher Mark Luxon
Former Chief Executive Officer

It's been, Marcus, we've been working really hard that we think there's more synergies, there's more scale benefits, it's a simplified business. And so our brief to our operations team is offset inflation.

Marcus Curley
UBS Investment Bank, Research Division

And secondly, I suppose just drilling down on the yield question that -- from before, when I look at the traffic stats recently, it does look like you have been absorbing some lower pricing in the U.S. routes as you have added capacity. Do you feel like you're through that now? How is that sort of traveling?

Christopher Mark Luxon
Former Chief Executive Officer

Yes. So that's a very good observation, but we put a lot of capacity growth into North America over the low season. And so with -- particularly into Los Angeles. And so that's clearly been quite a bit to consume in the off-season. And so you have seen the yield come down a bit. But now as we start to head back towards the peak, we're feeling pretty good about it.

Marcus Curley
UBS Investment Bank, Research Division

And then just on the 2 new routes, obviously, on your comments, does that seem true to also the belief that both routes will be breakeven or better for the 12 months overall or for the 6 months of operating in FY'16?

Christopher Mark Luxon
Former Chief Executive Officer

It's -- so it's a question of what breakeaven is in airlines, but I can assure you there will be contribution positive from day 1.

Marcus Curley
UBS Investment Bank, Research Division

Okay. And then just a couple more. Just on -- you mentioned the new company bonus, and I think you might have given a number at the beginning, I think I might have missed it Rob, but, yes, can you give us some color in terms of how much that was and is that a sort of a full number or is there an expectation that, yes, that there's a further material increase in '16.

Christopher Mark Luxon
Former Chief Executive Officer

Maybe I can answer that. I mean, the thinking there Marc is that realizing that we got 8,000 people, we want to be able to put them into the business -- have them aligned with the performance of the business. And so what we see essentially as a principle so far back up this year's number we had $6.5 million from last year, which was $750 bonus to all staff irrespective of role, title -- available to everybody. And this year, we have announced $1,400 company performance bonus to all staff. Just so you know, that's about $11 million -- $11.2 million. And both those bonuses were accounted for in this financial year. Obviously, going forward, we'll be dealing just with that bonus. The thinking with the board and with us as the executive team is that we are essentially looking at, for very simple reasons, a broad level of return on invested capital. And saying above that, that's the point when that might trigger and we would call that a superior commercial result and the board would consider that as such, that would then trigger us to actually pay out a company performance bonus to our staff. If we don't trigger what the board deems an acceptable return for shareholders, then we won't be paying. And that's been made very clear to our staff. So it does align very strongly our staff to the results of our shareholders and the performance of the business.

Robert Stuart McDonald
Former Chief Financial Officer

So I guess your question was could it get bigger next year?

Marcus Curley
UBS Investment Bank, Research Division

Yes.

Robert Stuart McDonald
Former Chief Financial Officer

It could get bigger next year, that's because investor returns will get bigger next year.

Marcus Curley
UBS Investment Bank, Research Division

But do you think just thinking a little bit wildly about this, do you think there is an opportunity with the unions to ingrain a larger bonus proportionate into packages because, clearly, you're obviously -- you've provided the comfort net, there are other things to come down as well.

Christopher Mark Luxon
Former Chief Executive Officer

Well, the thinking is -- there's 3 aspects to what we're doing with the unions, and we have -- you might have read about this thing called high-performance engagement. And what we're trying to do is essentially say, listen, let's get really clear on CPI and market rates and rollover contracts rights x fair rates. We clearly have a second bucket of activity which is saying where we have cost disadvantages because we've benchmarked a lot of our cost base. So we probably have been benchmarked by, I think, close to 85%, 80% of our cost now. And so we know where we stand relative to competition and other companies in the marketplace. So where we see a cost disadvantage, we are working with the unions jointly to say, hey, listen, if there is a cost disadvantage, we want to work on that so that we can get the productivity advantage out of that and we're happy to share that with the work group that works on that problem. And the third aspect is really this company performance bonus, which is highly variable and depending on delivering a great return to shareholders. So what you don't want to do is you don't want to lock in bonus structures to union agreements that become embedded. And you want to make it variable and aligned so that it actually does pay off when there's been exceptional performance.

Robert Stuart McDonald
Former Chief Financial Officer

Yes, I think, that does to say we are a lot of, for example, in the U.S. as they went through bankruptcy and restructuring, there was material declines in terms and conditions. And at the flip of that is if things got better, there'd be bonuses. That's not a mode we're in.

Christopher Mark Luxon
Former Chief Executive Officer

To give you a feel for it, we just settled our airports workers collector [indiscernible]. We essentially did the negotiation within a day, and we had 89% and 93% ratification. And that previously had taken us a 3-month negotiation. That also frees up a lot of people to actually get on and work on with the business and we'd roll those over at 2% each year for the next 3 years. So that's a really good deal being cast. It's also then getting people focused on winning in the external marketplace and then improving the productivity and efficiency of the business internally. And if they do that well, they'll obviously get rewarded through productivity gain sharing and also a company performance bonus.

Marcus Curley
UBS Investment Bank, Research Division

Okay. And then -- and sorry, and finally, yes, the dividend sort of quite strong I think around a 50% payout, when you think about CapEx and gearing levels, how would you sort of, I suppose, describe the dividend policy at the moment and how we should be thinking about it going forward?

Robert Stuart McDonald
Former Chief Financial Officer

Yes. So I think as reiterated many times in the past that each juncture is a new decision. So we don't give sort of direction per se as to what a dividend might do, that's done at every half year. The one thing I would say is we do enjoy great flexibility now. And we are looking at all the levers around as you saw a little bit of early debt retiral to just get some -- there was a couple of facilities that weren't badly priced, but we thought with a better, a lower debt level we'd get better margins, we did. Equally we took out some of the more expensive debt, which, by any measure, you wouldn't look as expensive, it just was the highest debt. So we've done a bit of that. We could do that a bit more. I think also there's the potential to have some unencumbered aircraft, and we started down that path as well that supports the credit rating. And in fact this month's A320 has been purchased with cash as well. That said, you saw one of the great features out of this result is the cash flow. And that cash flow is very much around the quality of the earnings as well as the outcome from growth that you get in airlines when you drive negative working capital. So, yes, I think you can look at our growth next year and say that cash flow should be again a strong position and we'll have to deal with it at the time.

Operator

We take our next question from Paul Turnbull with First NZ Capital.

Paul Turnbull
Jarden Limited, Research Division

Firstly just back on domestic. I look at your previous guidance on capacity growth, I think it was for 650,000 seats, which I think was around 5%, 5.5% growth. And now you're talking 8%. I'm just a little concerned about the ability to absorb that. And I know you've spoken about fuel cost efficiency in terms of fleet and everything else there. But if I look at FY '15, a year that we obviously had a very strong macro activity in New Zealand and generated probably total value growth in the market of probably around 6.5%, 7%. You've now got more capacity coming on. You've got Jetstar who had flight capacity last year now growing again and declining lead indicators in New Zealand. Just interested in a bit more detail on what you're seeing with yields given all that?

Robert Stuart McDonald
Former Chief Financial Officer

Let's just talk about where the growth is? The growth is very focused into Christchurch and it's focused into Queenstown. And you saw in the July stats at about 85.5 [ph] in there and being there already. So we're pretty upfront as I'll repeat again on the regional side that we -- the part of strategy that we started last year when we announced we would retire the big fleet walls to get costs down. And part of that would be we would be delivering that lower fares to -- which we hope will stim that market as well. And it's clear that with Jetstar coming in that's going to stim that market a bit more. But yes, I would certainly and regionally, you get a new competitor and you're going to see some pretty sporty contest out there so...

Christopher Mark Luxon
Former Chief Executive Officer

I think, Paul, we've tried -- we're focused at where we see the best growth. As Rob said, Queenstown, Christchurch. We have been working with -- now we'll be out of the 737s next month. I think early September is the last flight of the last 737. So we're on an A320 cost base with a well configured aircraft, lower unit cost. Obviously, the ATRs are the best lower unit -- lowest-unit cost aircraft we've got in the turboprop network anywhere in the world. So we feel really good about that. But yes, we've got some competition to deal with as well as we get into it. But I think we feel -- we've been quite sensible about it and most of it we've already been able to dial in and recover quite a bit of it and do so well.

Paul Turnbull
Jarden Limited, Research Division

So I guess it's more a -- it's all about the connectivity into your long-haul hub in Auckland and into the short-haul and if notions really is what you say.

Robert Stuart McDonald
Former Chief Financial Officer

Certainly, in the case of Queenstown, it's undoubtedly being supported by what is now quite a momentum on inbound tourism growth.

Christopher Mark Luxon
Former Chief Executive Officer

Yes, I don't know whether you saw the numbers, Paul, but visitor numbers in the last year from tourism up 7%, stay nights up 8% and revenue, if you look at the credit card data, was up 16%. And if you take the mb data, it's up 26%. So there's clearly we're attracting more tourists. We had 3 million hit us in the last year. So if you go talk to the tourism sector, you'll find a lot of the hoteliers and a lot of the operators are really bursting, which is great, so -- but I think we're doing this result on the back of a sector that's growing. And part -- we are part of that. By Air New Zealand growing and driving profitable growth, we are unlocking new markets and with tourism New Zealand turning those taps on for downstream benefits.

But yes, I think, we've been sensible about that capacity. We understand that's a lot to pile onto New Zealand, but we'll just work our way through it and digest it.

Paul Turnbull
Jarden Limited, Research Division

Sure. Cargo revenues, those are really strong second half. Just could you just comment on how you saw the whether there's stronger third quarter, I mean I've heard comments from the overall market in terms of the slowdown in fourth quarter as you get slow growth out of Asia, but also whether you benefited from North American port congestion?

Robert Stuart McDonald
Former Chief Financial Officer

It's -- we haven't seen any particular emphasis on any slowdown as of yet. And we clearly did benefit from the port strike, probably put around $4 million into the revenue base from the port strike.

Christopher Mark Luxon
Former Chief Executive Officer

And obviously the capacity going into Singapore out of places, cargo is still only $300 million of our $4.9 billion revenue. But actually Paul that's been a really great business. If I go back over the last 5, 6 years, that's consistently delivered. And number of airline CEOs I talked to where cargo can be up to 1/3 of their business. And they've got freighters grounded and really doing it very tough. And we can be quite opportunistic because we do it all in the belly of the aircraft and generally finding high-value goods. And so the more we do South America, the more we do Singapore, the cargo piece really supports those business cases and is over and above which is great.

Paul Turnbull
Jarden Limited, Research Division

Yes, granted it's not a large revenue contributor, but it's a high margin revenue contributor. So...

Christopher Mark Luxon
Former Chief Executive Officer

You did right.

Robert Stuart McDonald
Former Chief Financial Officer

It's a pure bi-product.

Christopher Mark Luxon
Former Chief Executive Officer

Yes, you did right. It's a good call.

Paul Turnbull
Jarden Limited, Research Division

Finally, just looking at North America, you had CAGR I think 1.8% across last year. And if you're seeing some decline in yields I know they probably were more focused towards Asia perhaps, but again you're looking at low single-digit overall value growth there. You have a higher capacity price fall into that market with Houston. Just in overall sense, looking beyond Houston, your ability to absorb in terms of demand price fall or outlook?

Robert Stuart McDonald
Former Chief Financial Officer

What we did notice in the second half is the shoulder went on a lot longer. And that was we think was a function of some of the particularly North American market not getting access.

Christopher Mark Luxon
Former Chief Executive Officer

Infrastructure constraints [indiscernible] combination in New Zealand.

Robert Stuart McDonald
Former Chief Financial Officer

And what it means is they seem slightly more flexible and we're able to push through them into shoulders than we've seen in the past. And that's certainly encouraged us to run the capacity well into the low season. And that's been a profitable worthwhile endeavor. Just clearly you've got to get a bit more aggressive to fill it. But it certainly has been worthwhile as we look forward now that...

Christopher Mark Luxon
Former Chief Executive Officer

Loads have been very high on the international network.

Robert Stuart McDonald
Former Chief Financial Officer

Yes, the -- just looking forward, we were at the point we feel we've got tremendous coverage into the West Coast. And so the sort of the strategy of depth for North America is sort of complete. And now what Houston brings to us is breadth. And that reaches us into United's [indiscernible] size hub and more continuous hub as well. And that gets us into the South. It gets us into Florida more and particularly into the East Coast and Central and South America. So yes, that was something we really had been looking to do, and we're sort of thrilled we've been able to execute it as early as we have and in the environment we have.

Paul Turnbull
Jarden Limited, Research Division

You've had exceptional load factors into North America for a few years now. I mean did you see some normalization in that back to still very good load factors, but perhaps less than what you have achieved in the last couple?

Robert Stuart McDonald
Former Chief Financial Officer

Yes, I mean, I think whether you say load or yield they sort of -- I find it quite interchangeable. Demand and particularly down the back of the plane is quite elastic. So from that perspective, if we're putting normal capacity, well, we generally start with trying to achieve a load and as I mentioned in the low season then should do it at a lower yield. But generally as we look forward, and we're bearing in mind we're starting Houston into the high season, that always benefits as well.

Christopher Mark Luxon
Former Chief Executive Officer

Yes, I think, Paul, we've had really good interest within domestic U.S. and actually demand for the service into Houston for some time. So you have people who are sitting there on the East Coast, Midwest, Southeast saying how do I get to New Zealand biggest trigger barrier we run into all the time. And in customer research it's the deception of distance here. Some of them tell us it's 41 hours to get here, so if we can try and find a simple commuter flight get Houston unlocking the Midwest and the East Coast, that's really what it's about. The other thing I'd say is that and I sort of alluded to it in the media conference was that we had a huge opportunity in Australia as well to hold traffic through New Zealand. And at times, we've had lot of capacity depth going into America, we're building the proposition very well. I mean outbound travel out of America to New Zealand was I think 11% last year. Total outbound travel from Americans anywhere else in the world was -- total was 2%. So we are winning market share as a destination for Americans due to good promotion of New Zealand and the market. But at times, we have to chug off demand from Australia. And so we have got a lot of good traffic that we can tap into in Australia to feed North and South America, which is certainly happening.

Robert Stuart McDonald
Former Chief Financial Officer

And certainly when you look not this year but perhaps the year after the potential competition that's always the go to place for us to build traffic. And that's not just from Australia, it's to Australia.

Christopher Mark Luxon
Former Chief Executive Officer

Yes, 70% of the Americans are going to both countries. So whether they come through New Zealand first or Australia first, vice versa doesn't really matter.

Operator

And we take our next question from Ellis Taylor with Flightglobal.

Ellis Taylor

The first question I have is for Rob. Just wondering if you could talk a bit about some of the debt structurings that you've got. And there's been some reports about you going out into the market seeking Japanese yen and euro financing. And just wondering if you can clear up some of that?

Robert Stuart McDonald
Former Chief Financial Officer

Yes, the -- in terms of the funding strategy, we look at lots of different currencies. And we'll look at where the lowest credit margins are in that particular currency. And then we look at how we hedge it after that. So where we source some money from is quite different where it might land on the balance sheet. There could be derivatives in between. So clearly, the banking or the margins if the money in euro and in yen are quite low so we look at those markets as well as U.S. and even New Zealand as well.

Ellis Taylor

Okay. Great. And Christopher, just wanted to ask you about how's the progress going with the Air China alliance and more broadly the Chinese market, how's that holding up for you?

Christopher Mark Luxon
Former Chief Executive Officer

Yes, fair question. We got approval yesterday you would have seen with our alliance with Cafe to roll over, which is fantastic because that enables us to keep doing the work we're doing about exiting Southern China. We're expecting an answer from the government here in New Zealand in the next couple of weeks around the Air China piece. And I think, yes, we're feeling confident about that, the net process, but we should expect an answer then. I mean what's happening for us in China is we've got massive increases in capacity from China Southern, China Eastern. But we've actually had our best year in China period by a long stretch in the last year. And what we're trying to do there is a couple of things. The first is we've changed our revenue mix quite significantly in the last 18 months. So a lot of the travel is low value, high-volume shopping cartel trips. And as a result, the customer comes into New Zealand, does Auckland right away then ships out within 3 or 4 days. And what we have done in conjunction with Tourism New Zealand in conjunction with the government is change the kind of people we are working with in China to find high-yielding value customers who are coming to New Zealand for 5- to 7-day driving tours. And those visitors are typically spending about 2x to 2.5x more per day on tourism activity in New Zealand than American visitors. So we really are tapping into a high -- a much wealthier segment of the market. And in doing that, they also have an appetite for foreign carriers and are quite happy to pay good rates, which is great for us. So we have changed that mix quite dramatically, and that's something that we've gotten really adept at actually in a number of other routes I could think of as well L.A., London, is another good example of that. But that means that even in the face of all that capacity and competition, we've been able to do well. So the revenue mix has changed, the first thing. The second thing is we put the 787-9 into that route and obviously that has good operating economics and better and more consistent operating economics than we had before. And the third aspect is in distribution, sales and distribution reach, through the alliances which is Cafe in the South, Air China out of Beijing and Shanghai and Mainland China. So I think those combinations of us, Cafe, Air China, obviously they've got cross ownership, it's quite a nice soul for Greater China. But it's those 3 things, revenue mix, better operating economics due to the fleet and alliance partnerships for distribution reach.

Operator

We have no further questions over the phone.

Christopher Mark Luxon
Former Chief Executive Officer
Well, guys, just thank you very much for your time. Appreciate your dialing in. And if there's any questions, please don't hesitate to follow up with our Investor Relations team if there's anything you want clarified or more questions that you may have. Okay, thanks a lot.