

Date: 22nd November, 2018

To,
The Manager
Compliance Department
BSE Limited
Corporate Service Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.

The Manager
Compliance Department
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1,
G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 051.

Dear Sir / Madam,

Re: **Tribhovandas Bhimji Zaveri Limited. Script Code & ID: 534369 / TBZ**
Sub: **Transcript of Conference Call with the Investors/ Analyst**

The Company had organized a conference call with the Investors/ Analysts on Friday, 2nd November, 2018 at 4.00 p.m. (IST). A copy of Transcript of conference call held with the Investors / Analysts is enclosed herewith and the same has also been put up on the Company's Website at www.tbztheoriginal.com.

We request you to kindly take the same on record.

Thanking You.

Yours faithfully,
For Tribhovandas Bhimji Zaveri Limited


Niraj Oza
Head - Legal & Company Secretary



Encl: as above



CIN No : L27205MH2007PLC172598

Regd. Office: 241/43, Zaveri Bazar, Mumbai - 400 002. Tel.: +91.22.3956 5001, 91.22.40465001 Fax : +91.22.3956 5056.
11th Floor, West Wing, Tulsiani Chambers, Free Press Journal Road, Nariman Point, Mumbai - 400 021. Tel.: 022 30735000, 91.22.49255000
Fax : 022 30735088 www.tbztheoriginal.com



Tribhovandas Bhimji Zaveri Limited
Q2 & H1 FY19 Earnings Conference Call
November 02, 2018

Moderator: Good evening, ladies and gentlemen. I am Sai, your moderator for this conference. Welcome to Q2 FY19 Earnings Conference Call for Tribhovandas Bhimji Zaveri Limited organized by Dickenson IR. At this moment all participants are in the listen-only mode, later we will conduct question and answer session. At that time if you have a question please press '*' and '1' on your telephone keypad. Please note this conference is recorded. I would now like to turn the conference over to Mr. Nilesh Dalvi. Thank you and over to you, sir.

Nilesh Dalvi: Good afternoon everyone. On behalf of Dickenson IR let me welcome you all to the Earnings Call of Tribhovandas Bhimji Zaveri Limited for the second quarter and first half of financial year 2018-19. Today we have with us management led by Mr. Shrikant Zaveri – Chairman & Managing Director and Mr. Saurav Banerjee – Chief Finance Officer.

Before we get started I would like to remind you that our remarks today might include forward-looking statements and actual results may differ materially from those contemplated by these statements. Any statements we make on this call today are based on our assumptions as of date and we undertake no obligation to update these statements as a result of new information of future events.

I would now invite Mr. Zaveri to make his opening remarks. Thank you.

Shrikant Zaveri: Good evening everyone. I would like to welcome you all to discuss the earnings of Tribhovandas Bhimji Zaveri Limited for the second quarter and the first half of financial year 2018-19. At the outset we are happy to inform you that TBZ-The Original has begun its journey in the North Indian jewelry market with our first store in Noida launched in August followed by another store opened yesterday in Ludhiana, Punjab. In addition to this we also opened our third store in Pune in October. Our total retail store count has now reached to 40 stores with the retail

area of 1,17,906 sq. ft. spread across 28 cities in 13 states. We are planning to open some more stores with a mix of owned and franchise stores over the coming months in line with our store expansion plan of FY19.

Coming to our second quarter performance; we recorded 8% same store sales growth driven by increased footfalls at our stores and healthy consumer buying sentiments. Better revenue growth along with strict control on operating expenses helped us to generate improved EBITDA margins and profitability. Our constant focus on offering innovative jewellery designs, attractive customer schemes and increased advertising and marketing initiatives taken in the last quarter helped us to drive footfalls and ensure healthy conversion into sales during the quarter. We are hopeful for this trend to continue as we go ahead in the ongoing festival in wedding season.

With these initial remarks I would now like to hand over the call to our CFO Mr. Saurav Banerjee for a quick overview on the financial performance during the quarter. Thank you.

Saurav Banerjee:

Good evening everybody. First, I shall begin with a summary of the second quarter and first half numbers for FY18-19. I shall first read out the Q2 numbers followed by the H1 numbers.

Total income from operations of Rs 345.66 crores which is up 5.98 % YOY from Q2 FY 18 of Rs 326.16 crores, gross profit of Rs 53.14 crores vis-à-vis Rs 53.51 crores for Q2 FY18, gross margin of 15.37% vis-à-vis 16.40%. EBITDA of Rs 15.78 crores vis-à-vis Rs 11.92 to crores, YOY improvement of 32.32%, EBITDA margin of 4.56% vis-à-vis 3.66%. PBT of Rs 2.56 crores versus Rs 1.44 crores, PBT margin of 0.74% versus 0.44%. PAT of Rs 1.71 crores versus Rs 0.80 crores, PAT margin of 0.49% versus 0.24%.

H1 numbers; total income from operations 756.59 crores vis-à-vis 770.18 crores, a dip of 1.76%. Gross profit 114.35 vis-à-vis 115.76, gross margin 15.11 versus 15.03. EBITDA 29.65 crores versus 31.66 crores, EBITDA margin 3.92% versus 4.11%. PBT 4.60 crores versus 10.28 crores, PBT margin 0.61% versus 1.34%. PAT 3.02 crores versus 6.63 crores, PAT margin 0.40% versus 0.86%.

I will just give a quick update in terms of the store expansion that we have undertaken so far and what is sort of forthcoming on the radar. As we have already announced that we made a very significant step towards adding northern India to our map by opening a store in Noida which approximately is 4500 sq. ft. which was opened on 18th August. It's just started operations and we are happy to say that it's progressing well although these are very early days. Then we have added another store in the month of October which is in Pune in Aundh which opened just recently on 19th October which is about 1500 sq. ft.. This is the third store in Pune. We believe that Pune as a city has expanded a way beyond its original limit and it's about time that we cater to the entire population of Pune and make it convenient for them to reach our store and to make their purchases as per their aspirations so that's why we have

opened the third store in Pune. Then very recently yesterday we have opened a new store in Ludhiana which is our first store in the state of Punjab. So as you can see that we have added one more store in northern India. This is effectively our third store. We already had a small store in Rajasthan in Udaipur followed by Noida and then now in Ludhiana. Ludhiana store is about 2800 sq. ft. and we look forward to a great performance from this store. Going forward we have plans to open a store in Bangalore in Q3. We shall of force keep everybody informed as and when the store is launched. As we also have plans to open a few franchise stores in the Eastern part of India. Particularly we are looking at cities like Bhubaneswar which should also be coming in the next couple of months. We are considering Guwahati where discussions are going on and we should be able to finalize those discussions soon enough. We are also looking at couple of cities in Maharashtra where we would like to open new stores, new cities in Maharashtra and also Gujarat. As well as looking at couple of cities in the South.

In terms of same store sales growth as you have already understood that we have recorded about 8% same store sales growth in Q2 and we would like to continue on the same part and we are pretty confident that in the current quarter also we should be able to demonstrate a healthy same-store sales growth. Dussehra sales have been quite encouraging and have been better than what it was last year. So far at least Q3 is on the right track, a very healthy performance in October and we look forward to a very robust and strong Q3 performance. So that's a bit of a summary about the way forward as far as this current year is concerned. I welcome if somebody would like to ask any specific questions then you are most welcome.

Moderator: We have the first question from Mr. Vignesh Krishnamurthy from Harmony Wealth. Please go ahead

Vignesh Krishnamurthy: Even that we have the same-store sales growth of 8% and we do outright sales to the franchise, negating that what will be the same-store sales growth?

Saurav Banerjee: The same-store sales growth is excluding the franchisee sales and also this quarter we have not added any new franchisee in any case.

Vignesh Krishnamurthy: So this sales is completely to the retail?

Saurav Banerjee: Yes.

Moderator: We have the next question from Hitesh Goel from Kotak Securities. Please go ahead.

Hitesh Goel: Can you tell me what is the same-store growth you are looking in third quarter and the volume growth outlook for third quarter and full year?

Saurav Banerjee: Normally I would not like to really spell out. But as you can see historically since we have very recently touched the 8% same store sales growth, I think for Q3 we should definitely be looking

at something in the double-digit column. So we are targeting around 10% same-store sales growth on a YOY basis for Q3.

Hitesh Goel: Any benefit you have received in terms of margin because of GST paying out, so there is a trend in industry where unorganized players are losing market share and organized are gaining market share, can you talk about that trend playing out?

Saurav Banerjee: I would not say that much in terms of sales growth but definitely in terms of market share in terms of improved footfalls and conversions. We have known right from beginning that the introduction and the settling down of GST will definitely lead to consolidation in the unorganized sector which we have claimed about several times in the past. So it's clearly visible, over the last few quarters we have seen that that's happening and there is a clear preference of the customers in terms of looking at branded products, in terms of jewellery which is being manufactured or which is being sold by the well-known brands and TBZ is obviously one of the leading brands in that area. We have seen customers weaning away from unorganized sector because of the stringent tracking mechanisms and the control that have been reinforced by the government. It has become all the more difficult for some of these players to do their business in the manner in which they were earlier used to and the advantages that they used to pass on to the customer which one can say where probably not above board one and also greatly reduced and almost disappeared. So under the circumstances on an Apple-to-Apple basis any customer would like to go for branded really which is there, clearly demonstrating as far as our products are concerned. So yes there are benefits that we have also been able to get out of GST.

Hitesh Goel: I wanted some colour on the improvement in margins, is there any improvement in gross margins because of GST playing out, any benefits you are getting specifically on margin front? Further, the banks had started tightening credit to the jewellery sector right after the recent scams , so this headwind for the sector gone away and are banks more willing to lend to established players like TBZ, Titan etc.?

Saurav Banerjee: In terms of margins, on an overall basis, I would say there is a slight improvement in margins on the half year basis. We have clearly seen improvement in diamond jewellery margins. Gold I would say has remained more or less flat because the gold demands have been slightly muted in the past but they have remained flat as far as margins are concerned. Diamond margins have clearly shown some kind improvement, so to answer your question yes that's happening. I think as we move along in this financial year you will clearly see that the blended margins for the company will start improving as we go along as I said. That is as far as margins are concerned. I'm not sure whether it's directly related to GST in any way but it's more on the product mix and on the performance of the company's product. In terms of bank financing we are aware that banks have become lot more careful about lending to certain quarters within this industry. As far as TBZ is concerned no challenges at all. I think the banks recognize the brand and the trust and the legacy that this company has and the steady growth and the performance that it

has been recording for several years. No challenges on that front as far as TBZ is concerned. In the industry as we have heard that the banks have tightened credit offtake to a certain extent.

Moderator: We have the next question from Gaurav Jogani from ICICI Securities. Please go ahead.

Gaurav Jogani: I actually missed the initial commentary, so I was just saying that the revenues have increased by 6% however the same-store sales have increased by 8%. So is it because of some store closure or something that there is a negative difference between the revenue increase in the same-store sales growth?

Saurav Banerjee: You are right in the sense that this is because of the franchisee sales which were there in last year; Q2 there was a onetime inventory sale to the franchisee which is for Bhopal. So that adjustment had to be made and then the same-store sales growth was calculated.

Gaurav Jogani: But as you said in this calculation of same-store sales growth we will calculate only the sales done from our stores, the existing stores that were one year or two year before and the sale happening from those stores again or it also includes the franchisee sales also.

Saurav Banerjee: No, finally there will be a total growth but onetime sales to franchisee has to be completely ignored from a same-store sales calculation purpose.

Gaurav Jogani: If we see the inventory in the month of September has again increased. So is this because of the built up to the festive season that we see a spike in the inventory and then maybe we can say it going down going ahead?

Saurav Banerjee: Yes, you are right and of course there are other reasons as well. The increase that you can see in Q2 is because we have opened up quite a large store in Noida in the month of August and also there has been a build up for the Pune store which we have opened in the month of October and also the store which opened yesterday in Ludhiana. So for the preparation of a store opening some kind of inventory buildup has to be done. Secondly of course for a festive season which as you know in October we had Dussehra and now we have the Dhanteras - Diwali period when there has to be a buildup of inventory which is then released through a higher sale in Q3. If you look at the earlier Q2s also you will find a similar kind of buildup which generally happens in the month of September and then there is a flow-through in the month of October, November and the inventory starts coming down to the normal level. So in this case also that has happened plus in any case as I said that one store was actually opened in Q2 and then there were two stores for which the entire preparation for opening the stores was on.

Gaurav Jogani: Out of the total 39 stores now how many do we have on franchisee basis as of now and how many were opened in the first half of FY19 on franchisee basis?

Saurav Banerjee: By adding Ludhiana we have 40 stores but as on 30th of September we had 38 stores actually, out of that 33 owned stores. What's your second question?

Gaurav Jogani: How many stores on franchisee basis have we opened in this first half of the FY19?

Saurav Banerjee: We have not opened any new franchise in first half. We plan to open a store in Q3, most probably in the Eastern part of India followed by 2 or 3 more stores in Q4. As far as own stores are concerned so far we have opened three stores which are Noida, the third store in Pune and Ludhiana.

Gaurav Jogani: What is the strategy of the company going ahead because as I have seen the presentation it was written that 75% of the incremental stores would be on franchisee basis? But as per your commentary I think the mix is more 50-50 as of now.

Saurav Banerjee: One has to understand that strategies often have to be changed according to the need of the situation. So this overall strategy is to add franchisee stores on an ongoing basis which is what we have done in the past and we shall be opening several more franchise stores in coming quarters. So on an overall basis the strategy is to open franchise stores and we have not moved away from that. However, for larger markets for mega cities like Delhi, Noida or Bangalore and some other such cities we think that it's important to demonstrate our ability to establish a large store in these new markets and administer them directly so that they stabilize and perform well. And once that is done then we use the hub and spoke model to open smaller stores in Tier II, Tier III cities in the same states or in the same region which can feed from the main store, so that's sort of strategy. Going forward we will find that in the megacities where we have not yet been present we shall be opening own stores followed by franchise stores in either that same city or in the state or in the region so those will be the feeder stores you can put it like that. So that's the part of the strategy and over a period of time you will see that the percentages will be sort of following what we have earlier said.

Gaurav Jogani: How has been the performance of these franchise stores? I think they will be more than one year old now. So what kind of inventory turns are we seeing there, what kind of the product mix are they giving, any colour on that would be helpful?

Saurav Banerjee: In terms of franchise store performance I think on an overall basis they have been performing steadily. Some of the franchise stores like in Patna have done exceedingly well. In terms of inventory turns they matched the inventory turns overall of the company. So we have about 2.5-2.6 kind of a turn for gold and around one kind of turn or 0.9 kind of turn for diamond. In terms of product mix what we have generally seen that in the Eastern part of India the product mix is slightly skewed towards gold, so maybe the product mix is something like 79-21 or 78-22 or 80-20 in some of the stores. But we believe that once the franchise network is spread across India, it will be little more varied and we shall be able to see a product mix of 76-24 or 75-25 going forward. So that's how they are doing currently.

Moderator: We have the next question from Vishal Mehta from Optimum Securities.

Vishal Mehta: The first question is a book keeping question. Could you share the figure of sales to franchisee this quarter?

Saurav Banerjee: You want to know franchise sales?

Vishal Mehta: The presentation says there is a one-time inventory sale to franchisee. So just wanted to know what is that amount.

Saurav Banerjee: Last year in the same quarter we opened Bhopal store which had a sale of approximately Rs 10 crores.

Vishal Mehta: Just wanted to get a sense of there is a drop in employee cost so is there anything particular in that?

Saurav Banerjee: We have been cautiously rationalizing the headcount in terms of employees and we have also upgraded our ERP systems and fair amount of automation has been done in the recent last one year. Of course, it's a continuous process. So accordingly, we have been able to rationalize our headcount to a certain extent which is a part of our cost control or I would say it efficiency and productivity measures.

Moderator: We have the next question from Prashant, individual investor.

Prashant: What was the advertisement cost this quarter?

Saurav Banerjee: It's around Rs 5 crores for this quarter, for the half year it's around Rs 20 crores.

Prashant: Why we have decreased product mix from diamond like you used to give commentary that we are going to increase it. But we are seeing is completely contradictory, it has been reduced.

Saurav Banerjee: Are you talking about gold diamond mix?

Prashant: Yes, gold diamond mix, the diamond mix is coming down.

Saurav Banerjee: So, on an overall basis if you take a larger period of time then gold diamond mix has been in the range of 76-24 or so. However, for this particular quarter it has been slightly skewed towards gold because there was a kind of a sentiment about diamond for some time because of certain unfortunate incidents that happened and gold was I would say safer. Gold has always been a safer haven so that clearly played out. But I don't think there's any cause for concern, it's a very temporary thing and if we just look at one quarter then we may not be always be able to get the right answer to how the product mix is overall. On an overall basis I think we are very committed to ensure that there is a very healthy contribution from the diamond sales

which is what we have been trying to do. Even in the month of October on an overall basis we have found that customers have very well supported the diamond jewelry that we have had displayed and which we have offered to them and the huge amount of diamond jewelry has been sold. So we are quite happy with the performance of diamond jewelry overall and there is no cause for concern as far as product mix is concerned. Going forward we shall do whatever it takes in terms of advertising and branding our diamond products. We have introduced small ticket items. In the malls we have opened stores which are easy on the pocket, small ticket day-to-day purchases which people can make for diamond product. We have a full range as far as wedding jewellery is concerned again, we have the best of the range. So, to answer your question this quarter probably is a little bit of an exception but overall our product mix is quite healthy, should improve little more. And the entry in North in Noida, in Punjab, in the northern part of India will most certainly improve the product mix for diamond because there is a flavor for diamond in those parts of the country.

Prashant:

What is our advertisement strategy for this light weight small ticket size jewellery because what I have seen is that I have not come across any advertisement for the small ticket size jewellery like Titan which did a good advertisement for this kind of product. So from TBZ I have not come across to see any advertisement on TV or even in newspaper, so what is exactly advertisement strategy for this?

Saurav Banerjee:

We have actually done reasonable amount of advertising for lightweight jewellery. We may not be selling it out in a very emphatic manner but I remember and you may have observed that in last year we had TV campaigns which were clearly focused on light weight, small ticket daily wear items. We had a particular TV campaign which was well appreciated. We have been talking about it. We have actually gone ahead and opened mall stores which are a clear physically present advertisements for lightweight jewellery and that is why they have been strategically opened in the malls where you get a lot of casual walking customer. There is no need to make a plan for buying these kinds of jewellery. It's an impulsive purchase. So advertising can happen in many forms, branding can happen in many forms and one of the things that we have done is to actually opened stores which are completely focused on these products. So that's how we have been going about.

Prashant:

When I'm talking to some of these customers they are talking about TBZ is like heavy jewellery store. That is what is the perception in the market. So that is what I am saying we need to change this perception to the small ticket item and it's not happening.

Saurav Banerjee:

I agree, I understand what you're saying and it's a good point that you made. You will be happy to note that very recently we have actually introduced affordable diamond range of jewellery which is going to further our stand and our ability to demonstrate to all our customers that we have right kind of diamond jewellery product to suit every pocket, be it a small ticket daily wear item or a casual wear item or as I said affordable diamonds as well as the entire range of the high-profile diamond jewellery which is preferred for wedding. So I agree that on a traditional

basis we have an image of being a wedding jeweller which is our forte and which is the space where we are very strong. However, I think we have done enough and more in the recent past in the last 1 or 2 years to give to our customers a complete range of products which is what we are talking about. So we are confident of that and we are taking care of this matter which you are mentioning.

Prashant: On the other side we also need to improve our website. It looks so boring even when we go to our website it's not attractive. So, I'm just suggesting you that we need to do something to our website because nowadays lots of e-commerce is going on so people are trying to go through our website.

Saurav Banerjee: We take your point and your suggestion. There is already some work going on the website in terms of improving it and making it more interactive and more informative. So I think very quickly maybe by the time we do the next call you should be able to see a fair amount of improvement as one can see in our website. As far as online purchase is concerned, we are not using our website for those purposes. We do have online presence on the common platforms like Amazon and Flipkart where we have been around for about a year or so now. Although it's not a huge part of our sales process but we are certainly there. Maybe in the future we shall also look at using our website for online purchases. But I take your point and thanks for the suggestion.

Moderator: We have the next question from Keval Shah, an individual investor.

Keval Shah: On first page of our investor presentation we do show operating cost in percentage term. So first question I just wanted to confirm these are in terms of percentage of total sales or percentage of total operating costs?

Saurav Banerjee: Percentage of total sales. You're referring to page #4, slide #4, right.

Keval Shah: Yeah slide #4 on left side bottom we have operating cost.

Saurav Banerjee: These are total sales.

Keval Shah: Now coming to the questions, in recent quarters we have been aggressive in our ad spends. So if you could highlight what was the impact of this aggressive ad spends in terms of footfalls and what kind of outlook do we have for coming few quarters in terms of ad spends?

Saurav Banerjee: As we are aware and we have spoken in the past in the first quarter of this financial year we had a strategic spend on advertising which we did. It was the heaviest—I would say relatively heaviest—spend that we did and at that time we had explained that this is not just pertaining to Q1. It is more of strategic in nature and with the intent of increasing the footfalls, intent of increasing the recall value, top of the mind recall, introducing the uninitiated customers to the

TBZ line of jewellery and more certainly looking at improving the kind of footfalls and walk-ins that we have and with a fine conversion ratio that we already have you would like to cash in on the top line in that way which is what has happened over the last six months. We are finding that the results of that kind of investment in advertising that we did in Q1 and to a lesser extent in Q2 has actually gone through to a certain extent. I would like to add that this is not the end of the exercise. The focus is completely on increasing footfalls and conversions and introducing the customers to the line of jewellery. I just spoke about affordable diamonds, there are various other products that are there. So I think it has been fairly successful kind of strategy that we had. By the end of the financial year and you will be able to ascertain the real value of that advertising which happened.

Keval Shah: In terms of our stores I believe around more than 75% of our store network is more than three year old and as you have guided before that generally a store takes 3 to 4 years to mature. So I believe 75% of stores are matured now so what exactly are we missing in terms of seeing improvement in our financial performance despite of our stores being matured?

Saurav Banerjee: One indication which we briefly mentioned in terms about even in this call is the same store sales growth. I think in couple of other quarters also earlier we have been able to demonstrate same-store sales growth which is what we have done in this quarter again. And going forward we are confident that we shall be able to demonstrate the same kind of same-store sales growth so that is an indication that the stores maturity whatever you are saying is actually something that is resulting in positivity for the company. In terms of improvement of margins again as I said that we are committed to improvement in the margins which you will see I talked about the diamond margins improving. We are also looking at higher conversion in terms of the walk-ins that happened. We have been able to reduce or control our costs effectively which is obviously an ongoing process. So the EBITDA margins have improved a bit and are likely to improve further. So, on an overall basis these are the measures. The inventory turns are big focus area for us, training for the staff, the front line staff, right kind of incentives being given to support them all these measures have already been put in place and you will see that on the gradual basis over the next two quarters also certain improvements in the financial performances.

Keval Shah: In terms of our volumes, do you have any internal targets per se for example our gold sales to cross certain level or something like that?

Saurav Banerjee: We are focusing on inventory turn so which in other words is talking about the volumes that you are mentioning on the call. So for example we are looking at inventory turns of around 3 for gold and maybe more than 1 turn for diamond that itself will translate into higher volumes and which will eventually translate into the top line in terms of rupee. And we are looking at internal target as I said that there is a continuous process of training and upgradation of the store experiences that they have, customer experiences are being fortified. We have better incentives in place and those target achievements, the focus on that review mechanism that is

within the company will all add to the volume growth that you are talking about. All our targets are volume based. We generally refer to everything in terms of volumes only not so much in terms of rupees which is actually just a function of the volume.

- Moderator:** We have a question from Mr. Prashant, individual investor. Please go ahead.
- Prashant:** We have our 33 owned stores, how many of them are leased and how many are owned by company?
- Saurav Banerjee:** These new stores are all leased.
- Prashant:** But out of 33 how many are owned by company?
- Saurav Banerjee:** All the stores are on lease excepting three stores.
- Prashant:** The Mumbai one is owned, others are on lease, right?
- Saurav Banerjee:** No even in Mumbai all the stores excepting one are on lease.
- Prashant:** So we have only one store on the book, other stores are on lease, right?
- Saurav Banerjee:** Yes.
- Moderator:** Thank you. This was the last question. I now hand the conference over to Mr. Nilesh Dalvi for closing comments.
- Nilesh Dalvi:** I would like to thank everyone for attending today's call. In case of any further questions you can get in touch with us. Our coordinates have been provided at the end of the investor presentation. Thank you for joining us today. Have a good day.
- Moderator:** Thank you Sir. On behalf of Dickenson IR, we conclude this conference. Thank you for joining us and you may now disconnect your lines.