November 18, 2023

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001 **Scrip Code: 543689**	**National Stock Exchange of India Limited** Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra (E), Mumbai – 400 051 **Symbol: UNIPARTS**

Subject: Regulation 30: Transcript of Earnings Call pertaining to the Unaudited Financial Results for the quarter and half year ended September 30, 2023

Dear Sir/Madam,

Please find enclosed transcript of the investors and earnings call on the Unaudited financial results of the Company for the quarter and half year ended September 30, 2023, which was held on Friday, November 10, 2023.

The same is also being uploaded on website of the Company at https://www.unipartsgroup.com/home/quarterly_financial_results .

You are requested to take the above on record.

Thanking You,

Yours faithfully,

For Uniparts India Limited

JATIN MAHAJAN

Digitally signed by JATIN MAHAJAN
DN: c=IN, o=Personal, title=4415, pseudonym=57CE10F5C24ED1DE7B5409CF4264DDDE, 2.5.4.20=e3fc705527aaf20c69e82fd8ef3a9a41d8839d36101b61ecac0711594d6b71ad, postalCode=110055, st=Delhi, serialNumber=D5B1DB751344DCAEA44F0C205F807DA679A55E6357945C94BE95083C41AC9235, cn=JATIN MAHAJAN
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Jatin Mahajan
Company Secretary and Compliance Officer

Encl: As above

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UNIPARTS GROUP

"Uniparts India Limited
Q2 FY2024 Conference Call"

November 10, 2023

ANALYST: **MS. SHRIDA SHAH – GO INDIA ADVISORS LLP**

MANAGEMENT: **MR. GURDEEP SONI– CHAIRMAN AND MANAGING DIRECTOR – UNIPARTS INDIA LIMITED**
MR. PARAMJIT SINGH SONI– VICE CHAIRMAN AND EXECUTIVE DIRECTOR - UNIPARTS INDIA LIMITED
MR. ROHIT MAHESHWARI – GROUP CHIEF FINANCIAL OFFICER – UNIPARTS INDIA LIMITED
MR. VIVEK MAHESHWARI – VICE PRESIDENT FINANCIAL PLANING AND ANALYSIS AND INVESTOR RELATIONS - UNIPARTS INDIA LIMITED

Moderator: Ladies and gentlemen, good day and welcome to Uniparts India second quarter FY2024 Conference Call, hosted by Go India Advisors. As a reminder, all participants will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded. I will now hand the conference over to Ms. Shrida Shah from Go India Advisors. Thank you and over to you Madam.

Shrida Shah: Thank you Alison. Good afternoon, everyone, and welcome to Q2 FY2024 earnings call of Uniparts India Limited. We have on the call with us Mr. Gurdeep Soni – Chairman and Managing Director; Mr. Paramjit Singh Soni – Vice Chairman and Executive Director, Mr. Rohit Maheshwari – Group Chief Financial Officer, and Mr. Vivek Maheshwari – Vice President Financial Planing and Analysis and Investor Relations. We must remind you that the discussion on today's call may include certain forward-looking statements and must therefore be viewed in conjunction with the risks that the company may face. I will now request the management to take us through the financials and the business outlook subsequent to which we will open the floor for questions and answers. I will now hand over to Mr. Gurdeep Soni. Thank you and over to you Sir.

Gurdeep Soni: Thanks a lot. Good evening, ladies and gentlemen and welcome to the second quarter of FY2024 earnings call of Uniparts India Limited. I sincerely hope that all of you are doing very well and having a pleasant festival season. Before we get into the details of the reported quarter, like always I would like to reiterate that the core of our organizational functioning is guided by the principles of passion, innovation, integrity, excellence, and teamwork. The Uniparts team has worked diligently and with passion over the years to establish Uniparts as a preferred supplier to the global off highway vehicle market. The world today is prioritizing food security as well as infrastructure build out and modernization more than ever before. These trends are likely to continue in the long term and we at Uniparts believe that we have a robust global business model to cater to these trends through our off highway focus and well positioned product offerings and marquee customer portfolio. Uniparts is present both in the OEM and aftermarket segments in the off highway industry with strong global operating model and wide customer base compromising of over 125 customers from across the globe. Our products are shipped to over 25 countries worldwide. With this above background let me spend next few minutes sharing my thoughts with respect to the current operating environment and business highlights of Q2 of the FY2024. To start with, the North American agricultural equipment market demand is soft in the short term, especially for smaller equipment. As guided previously, inventory destocking at customer end continued through Q2, destocking impact is expected to largely bottom out in Q3 and end market demand is being watched for further trend signal. The North American construction equipment market is performing well with infrastructure driven demand. The demand from European based OEM customers is stable and the demand in the Indian domestic tractor market witnessed slight softness in the first half of the year. The festive period demand would be key to the second-half performance. With the foregoing reasons in the backdrop, the overall demand outlook is expected to remain on the softer side in Q3 of FY2024 however, Q4 is expected to be sequentially higher. The new inquiries, engagement, conversions owing to China Plus One theme continue to have a very good traction. The UTV 3PL project is progressing well for pilot launch in H2 of the fiscal. The pilot product shipment has started from India to USA warehouse. During the current phase of mixed external environment, we continue to focus on the following: One -closely monitoring the macro and micro factors likely to have bearing on short to medium term demand. Two - identifying opportunity to expedite new business implementation. Three -, investing for growth and ensuring readiness of our facilities and resources. Four -, operational efficiencies and costs and, five -, augment digital capabilities leading further agility and optimization through our operations. Uniparts has built a resilient business model and is confident to withstand the short term challenges and emerge stronger and better positioned for future growth. We are focusing on utilizing current short lean patch by investing for growth and ensuring readiness of our facilities and resources. Our focus and efforts are aligned with the medium term business plan for achieving the targeted growth in coming years. We continue to focus on our operational endeavor, leverage our competitive strengths and the strong financial profile to optimize the opportunities emerging in the swiftly changing and evolving operating environment. As large global players are increasingly looking beyond China, India's manufacturing sector is expected to benefit significantly from this and we continue to witness favorable impact of new inquiries to Uniparts India. With this I would like to hand over to Vivek Maheshwari to discuss the details of our financial performances during the reported quarter. Thank you and over to you Vivek.

Vivek Maheshwari: Thank you, Sir. Good evening all. I would like to share following financial and business highlights of the quarter ending 30th September 2023. Revenue from operations for Q2 came in at Rs.294 Crores, which is a year on year change of -18.4%. Reported EBITDA for Q2 was Rs.54.6 Crores which changed year on year by -32.9%. EBITDA margin reported at 18.6% for Q2. Profit after tax for the quarter came in at 33 Crores, which is approximately 37.5% lower year on year.

Other expenses were slightly higher quarter on quarter, primarily due to the following reasons. Example, Energy cost - operating deleverage coupled with additional levy in the Vizag operations as well as frequent power disruptions in Punjab and Noida operations. Freight and consumables due to new business pipelinefilling up and additional trials for NPD and new machines, travel costs as an investment for growth, Maintenance cost as additional preventive maintenance was taken up to make use of lean period and certain legal and professional expenses. So bulk of the above mentioned additional expenses are expected to be transient in nature. Operating cash flow generation for the reported quarter was at approximately 59 Crores. The net working capital comprising of big three elements of inventory, accounts receivable, and accounts payable as number of days of revenue from operations on TTM basis was approximately 150 days. Working capital comprising of big three elements improved in absolute value by approximately 16 Crores. The business therefore continues to generate higher than guided cash flow. Uniparts balance sheet continues to be net debt free with group net cash position at 101 Crores at the end of September 2023. Capex for the quarter has been approximately 8.3 Crores. Board has declared a dividend of Rs.8 per share totaling to approximately little over 36 Crores payout to the shareholders. Inflationary pressure on operating costs remains in the medium term to be partially mitigated through operating efficiencies. Macro concerns over global economic slowdown, geopolitical uncertainties, and impact of worldwide high interest rates continues to remain a key monitrable . With this summary, I would like to hand the conference back to the moderator for Q&A session. Thanks very much.

Moderator: Thank you very much. We will now begin the question and answer session. Our first question today will come from Saurabh Jain from Sunidhi. Please go ahead.

Saurabh Jain: Hello festival greetings to all and thanks for the opportunity. Sir, my first question is we have seen four quarters of consistent fall in revenue and you had mentioned on the last call that the down cycle usually lasts for one, one and half years and we are expecting Q3 would be somewhat better and Q4 would be good. Now that we have sailed through the first half, do you see more pain in the second-half or would you say that the worst is behind us?

Rohit Maheshwari: We feel the Q3 also will be similar to the Q2. The major part of the inventory destocking will finish off in Q3 and up shoot or the green shoot will start coming in the Q4 of this financial year. So the base formation should happen by the end of the Q3 part of the year.

Saurabh Jain: But in Q4 do we see some top line growth on Y-o-Y basis. From your answer I suppose the Q3 again would be degrowth on Y-o-Y basis right.

Rohit Maheshwari: So it will be sequential growth of high single digit in the Q4 part of the year.

Saurabh Jain: Sequential growth on Y-o-Y basis.

Rohit Maheshwari: Yes.

Saurabh Jain: Okay Sir for the first couple of quarters of this downfall, we were able to maintain the margins, but last two quarters have started hitting our margins of course because of the fall in absolute revenue. So where do you see this fall stopping now? I know in the medium to long term you have guided for 21%, but we are now more concerned about near term as of now. So what number should we work with for the full fiscal?

Rohit Maheshwari: So you are right, the lower revenue leading to the negative operating leverage, which is offset partially by the cost optimization. So we feel the Q1 current year margins is a close indicator. We might end up slightly below 20% due to the operating deleverage, but potential is high to climb up as soon as the operating leverage gets back in place so it will be closer to the Q1 2024 margin as such.

Saurabh Jain: Okay and finally, how are things looking at our other products like hydraulics, PTO and fabrication how well are we placed in terms of 3PL for UTV's and ATVs? Would you be able to give some number from these new products that you are looking at for next full fiscal?

Vivek Maheshwari: Hi Saurabh this is Vivek. So next fiscal sort of I think we will work during the Q3 con call, with a better estimate but as Gurdeep Sir mentioned in the opening remarks the progress on UTV continues to be good. Shipments have started from India. There they would be reaching our US warehouses in due course and for a Q4 pilot launch. So that is on track and based on the response of the pilot launch regular sales will happen in the following fiscal, but for that we would be updating more towards the February or March of the following quarter.

Saurabh Jain: Okay that is all from my side. Wish you all the best. Thank you.

Moderator: Our next question today will come from Miten Lathia from Fracta Capital Investments. Please go ahead.

Miten Lathia: Good afternoon, Sir. If we could get your comments on the inventory destocking which you have been commenting on for the past few quarters that will be very useful.

Vivek Maheshwari: So the inventory destocking it has been two quarters already. So in fact Q2 also saw similar amount of close to 25 to 28 Crores in that ballpark. Our estimate is that Q3 should see the last meaningful impact, which should be lower than what the impact has been in last two to three quarters and post that Q4 should have very minimal tail end impact if any and then it should be completely behind.

Miten Lathia: That is useful. On your new product development, when could we see tangible sales come into the picture?

Vivek Maheshwari: So on the UTV 3 point linkage as mentioned the pilot sales should start kicking in Jan and on another account on the hydraulic side the production and shipments have already started for certain part numbers. So that should also kick in H2 of current fiscal, but that is a new start. The runway is long and certainly the product development is still happening. So more meaningful amount would be kicking in the following fiscal.

Paramjit Singh Soni: In addition to this, I think even the Caterpillar one, the dual sourcing project you will see the first meaningful sales in Q4 and even the new customer we took on the aftermarket sidewith 700-800 stores their first sales will also kick on in Q4 of this year. So hydraulics, UTVs all the new business we will see a bunch together in Q4.

Miten Lathia: If we sort of put this all together, end of destocking and the new products kicking in would you want to sort of give a ballpark on what FY2025 growth could potentially end up looking like?

Vivek Maheshwari: See as I mentioned in the response of the earlier question as well, we would be in a better position during the Q3 conference call to do that because see although yes a lot of new businesses is kicking in but the end market still remain little volatile so a better estimate would be available closer to that timeframe. Although it looks stronger as of now it is definitely looking stronger.

Miten Lathia: Got it Sir thank you very much for that. Thank you.

Moderator: Our next question today will come from Vaibhav Jain, an independent investor. Please go ahead.

Vaibhav Jain: Hi, Sir just a couple of questions from my side. So I just wanted to know the breakup of inventory in terms of raw materials, work in progress, finished goods and stores and stocks for this half year ended and also given the demand environment that we have, have we taken any production cuts and how is that translated to our stock balance?

Vivek Maheshwari: So in terms of the breakup of inventory, I will have to revert with specific numbers, but it is heavier on the FG side because of our operating model which is the warehousing sales carry a lot of finished goods inventory. More specific numbers I will have to revert. Then due to the softer the thing, yes, the inventory has reduced a little bit and that is what is also reflecting in the cash flow generation because of the working capital coming down a bit.

Vaibhav Jain: Sure Sir. Okay thank you.

Moderator: Our next question will come from Chirag Fialoke of RatnaTraya Capital. Please go ahead.

Chirag Fialoke: Hi, good afternoon. Thank you so much for the opportunity. Just one question on the quarter you mentioned another 25 Crores of missed sales from inventory destocking at an industrial perspective. Is there any component of also freight in the current quarter where freight has reduced sales and other expenses postponing? Is there any element of that which was I think in last quarter that is one question Sir and request sort of a little bit of a higher level commentary from the management on next two quarters are fine, but how are next two to three years looking like what is it if you can quantify the change in RFQs and new business inquiries that you have been getting right now versus the past, how do you see that panning out in terms of sales?

Vivek Maheshwari: So response to your first question is, I think your question was apart from the inventory destocking impact of 25 odd Crores was there any impact because of the reduced freight ect right? So yes because of price down on account of freight and maybe a little bit on account of raw material was little over 10 Crores impact year on year on that account. And also for the second part of your question which is how the next two to three years are looking like, I would request Mr Paramjit Soni to come in here

Chirag Fialoke: Just a clarification on that. So that 10 Crores amount would have been offset by exactly almost 10 Crores in cost also right, the cost.

Vivek Maheshwari: It is a pass through but optically, it looks like reduced from the top line, right

Rohit Maheswari: The timing can change Chiraj it might not come in the single quarter. It can be spread out over a period of time.

Chirag Fialoke: Understood.

Paramjit Singh Soni: So Chirag in terms of the future looking and in terms of the rate at which new RFQ's are coming, I think we are seeing frankly a lot of robust movement. The run rate at which new business awards are happening has climbed up to an annual run rate of greater than 300 Crores now. Even the execution of the business has stepped up where customers are taking on all the executions and like I mentioned earlier till the last quarter we were saying hydraulic had started, the Caterpillar one I already said it was scheduled to start in Q4, so that is on track. UTV is also on track to start in Q4. Like I mentioned, the other aftermarket customer is also there and we are seeing a very high robust traction currently from Bobcat, we are seeing it from Case New Holland. So a lot of this theme in terms of moving from China as well as the theme in terms of rationalizing and derisking the supply chain, I think those things are very, very embedded now. So to me, I think the outlook is looking very strong on this. I think we had the bulk of our problem with the market and the inventory correction and then the price correction with the freight, the longer time with the freight was on the water. So all those headwinds are behind us now. The small tractor market for example, it is still about 7 to 8% lower in the US than what it was last year, but because of the inventory destocking, I think we were taking like a hit of close to 25% on it, right. So I think as you go into the next fiscal, I do not think you will see that and the whole thing will climb back up. So for the next fiscal, I think it is going to come up that you do not have the inventory destocking issues, you do not have the issue related to freight going down and by the way you got a whole bunch of business coming in. I think we should be seeing back to double digit growth from next fiscal onwards. The construction market remains good with the way the interest rates are, I have started observing that some of the new, home permit that I tracked in terms of how many new homes are going to be built. I think you can see a little bit of softness starting to creep in, but nothing alarming over there but the interest rates sensitive things are going to probably see something slow down in a year or two, but it seems all right with the new business as now and the traction on the major themes on China Plus One remains robust.

Chirag Fialoke: Understood Sir. Pretty clear just one follow up on this, this 300 odd Crores of new business awards in a year that is what you are getting right now. Say 12 months back or 15 months back, what would that number have been? Typically new business awards would be closer to just 8-10% of sales. Is that how I should think about it?

Paramjit Singh Soni: The same number of 300 Crores I believe was for the previous fiscal was more like 160-170 Crores right, the annual award. So it is almost doubled from where it used to be earlier. That gives you a sense of what the pipeline is looking like go forward because I think your question was more on the future. So obviously the pipeline is full now. So you will see the implementation come with a delayed fuse on that.

Chirag Fialoke: Understood Sir. Thank you so much. All the best.

Moderator: The next question today will come from Utkarsh Katkoria from Avendus Asset Management. Please go ahead.

Utkarsh Katkoria: Yes hi, thank you for taking my question. Sir just two questions. Just on this 300 Crores new orders that we are winning is this the quarterly average rate that we are getting was my first question. And second question was on more longer term outlook that say we come out of this inventory destocking and globally things look better and the rates start moving lower what is your long term sustainable revenue growth rate and margin profile that we are looking at the EBITDA level?

Paramjit Singh Soni: To mention on the inventory correction and all like Vivek already mentioned, I think the bulk of it is behind us in Q1 and Q2. Q3 we will see a certain amount but Q4 I think I should be completely done with it. So this is going to be history pretty soon, alright. In terms of the future growth, I am still maintaining our business model had suggested the 16% growth and 20% growth in the EBITDA level in a year. I think we will be back on track with that in our medium, long term. The fundamentals of that have not changed. You have seen a short term correction and most of the bulk of that is now behind us.

Utkarsh Katkoria: So revenue growth can be 15 to 20% on a longer term?

Paramjit Singh Soni: Absolutely. That is the organic growth. This does not include acquisition, but yes the organic growth is going to be in that region.

Utkarsh Katkoria: Right and we can maintain our EBITDA margins at the current level.

Paramjit Singh Soni: Yes, I think the 20 to 21% is something that I have said that we will maintain. You are currently seeing it slightly lower in this quarter because you get a little bit of operating deleverage and you cannot just switch on and off the organization, right but already by Q4 you will see some higher sales. So you should see that kind of correct right because we can already see that happening.

Utkarsh Katkoria: Right Sir. So just one follow up so what would be let us say our key raw materials and you what is the pricing environment there for those raw materials?

Paramjit Singh Soni: The primary raw material remains steel and I think so far in this year while the prices have remained stable or actually have started coming down a little bit. So I think we do not see any inflationary impacts coming from the raw material side just now. So to us in any case it is a pass through. So I normally do not think too much about it. The larger implication to us over the last couple of years had been the sea freight which frankly is now cycled back to pre COVID days. So I think even that is behind us.

Utkarsh Katkoria: Yes that is also a positive impact sense that is right.

Paramjit Singh Soni: Frankly even the lead times with the transit times containers, the average used to be from our facility in India to the US maybe 55-60 days had gone up to even 80-85 days, 90 days and the extra working capital was being used there. All that is cycling down, which is why if you see this year I think our cash flow has been way higher than guidance because a lot of those things are coming out of the system now.

Utkarsh Katkoria: Thank you Sir. On this 300 Crores order that we are talking about that is quarterly run rate.

Paramjit Singh Soni: See that is my annual run rate at which we are getting new business. So every quarter you get business, the way we look at them is we look at more as what was the value of the business for the full year RFQ quantity, right. A customer tells us this is the annual quantity, right and based on that is how we measure it. So when I tell you 300 Crores, 300 Crores is the annual run rate every year of that business.

Vivek Maheshwari: And just to add this is more like TTM number it is a trailing 12 month number

Paramjit Singh Soni: Trailing 12 month number and at the same time what is happening is if you look at the trailing 12 months, sequentially every quarter is going up. So it seems like I said if you had looked at it 12 months ago, it was between 150 to 160 Crores and it has been jumping up.

Utkarsh Katkoria: And typically it would take about how many weeks or months to say execute order of this size.

Paramjit Singh Soni: These will vary based on the market segment. They can be as low as six, seven months in the aftermarket to maybe two years to two and half years on the OEM side depending on the start of the project.

Utkarsh Katkoria: Got it, Sir. Thank you once again for taking the time to answer my question. Thank you very much.

Moderator: Thank you and the next question today will come from Saumil Shah of Paras Investments. Please go ahead.

Saumil Shah: I have joined in a bit late, so I am sorry if this question was previously answered. So I just wanted to know the second-half of this fiscal, would it be better than the second-half of the previous year or how can you, I mean give a guidance to that?

Rohit Maheshwari: The Q3 is expected to be in the similar range and bulk of the inventory destocking should be behind by the end of the Q3. Q4 is expected to see sequentially growth of high single digit so on the question that it will be better than the last year on this basis it should be ending the year on that.

Saumil Shah: Okay because I think in previous calls you did mention we were expecting single digit growth over previous year if we compare it full year. So now looking at the current half, would it be possible single digit growth.

Rohit Maheshwari: High single digit to double digit, it will be a degrowth for the business if we will see on the annual basis?

Saumil Shah: Okay but at least second-half we can expect better now than the first half?

Rohit Maheshwari: The base line will be set for the Q4 for the sequential growth to happen from there.

Paramjit Singh Soni: Q3 will be muted. Q4 I think you will start seeing the higher numbers come in because inventory destocking is behind us and even the price corrections and freight are behind us now mostly.

Saumil Shah: So Q3 muted, you are speaking in sense of the previous Q3 of the last year or the Q2 of this year?

Paramjit Singh Soni: It will be similar to Q2, but I am talking from previous year Q3 will obviously be lower but when we get to Q4, I think we will start seeing the up growth.

Saumil Shah: Okay fine. That is it. All the best.

Moderator: The next question is a follow up from Vaibhav Jain an independent investor. Please go ahead.

Vaibhav Jain: It is just a follow-up question with respect to what one of the earlier participants asked. So you have already always maintained that you will be 22% sort of EBITDA margin company, 14% net profit and a 7% free cash flow generating company. So in that context, once we go through this lean patch with the new orders coming in of the UTV, do we expect the same kind of margin profile? So is this 20 to 22% on a blended basis or how do I look at it?

Paramjit Singh Soni: I have always said it was 21% EBITDA, 14 PAT and 7 free cash flow. I think that will remain so you will just see the lean patches now and even now if you look at it even with the degrowth and all you are still at the 19 and almost the 2% is going in the year operating leverage itself. The moment that changes your backup in any case, because the fundamental issues in terms of recovering raw material, freight, inflation and all that kind of stuff, I think the business remains robust. The fundamental quoting process and getting business awards with those margins that remain robust.

Vaibhav Jain: So just to understand UTV has a similar margin because in FY2022 and 2023 we have done a 21-22% sort of EBITDA margin. So even the UTV has the same margin profile.

Paramjit Singh Soni: UTV actually has a higher margin profile, but you will barely see any sales of that in Q4. The pilot is starting. So UTV when it is in full flow in the next one or two years, that product segment has a higher margin profile than the others.

Vaibhav Jain: Right and Sir in terms of the difference between your 14% net profit and your 7% free cash flow, so I am assuming if there is no changes in the working capital as our revenue grows, our capex will also keep increasing. So I just wanted to know what are our capex plans in that behalf?

Paramjit Singh Soni: So when I am giving you the 7% free cash flow that is after the capital expenditure and typically our capital expenditure to maintain our growth of between 15 to 20% top line growth our capital expenditure remains less than 3% of our sales.

Vaibhav Jain: Where are you planning this capex exactly to sort of increase, I am guessing it will be to ramp up your capacity.

Paramjit Singh Soni: We are executing already the project in Ludhiana, so there is a new facility which is coming up in Ludhiana just now.

Rohit Maheshwari: The facility has already started. Now the ramp up need to be done on that.

Vaibhav Jain: Okay Sir. Thank you.

Moderator: Due to time constraints that was our last question and we will conclude the question and answer session. I would now like to hand the conference over to management for closing remarks.

Gurdeep Soni: Thank you everyone so as mentioned, we are focusing on utilizing current short lean period by investing for growth and ensuring readiness of our facilities and resources. We remain committed to maintaining our high quality standards and delivering exceptional outcomes. Our focus and efforts are aligned with the medium term business plan for achieving the targeted growth in coming years. With this, I would like to thank you all for taking of your time today and I wish you a very Happy and healthy Diwali to all of you. Thank you all for attending the Uniparts call. Thank you.

Moderator: Thank you. On behalf of Go India Advisors that concludes this conference. Thank you for joining us and you may now disconnect your lines.