

**ICE Make Refrigeration Limited**  
**Q3 FY21, 7<sup>th</sup> Investor & Analyst Conference Call**  
**February 18, 2021**

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**Moderator:** Good afternoon, ladies and gentlemen, I am Malika, the moderator for this conference call. Welcome to the seventh Investor and analyst conference call of Ice make Refrigeration Limited arranged by Aaryana Matasco – Reputation PR and Communications focus PR and IR consultancy, to discuss the financial results for Q3 FY21 and the road ahead. Ice Make Refrigeration Limited is a leading supplier of innovative cooling solutions and manufacturer of 50+ refrigeration equipment's. The company has been successfully satisfying the need of its customers from productions to after-sales service for the last 30 years. The company is engaged in the business of providing customized cooling solutions to diverse set of clients across wide range of industries. We have with us today Mr. Chandrakant P. Patel – Chairman and Managing Director, Mr. Nikhil Bhatt – Vice President, Strategy, Mr. Ankit Patel – CFO and the key management from Ice Make Refrigeration Limited. At this moment, all participants' lines are in the listen-only mode, later we will conduct a question-and-answer session. At that time, if you have a question, please press '\*' and '1' on your touchtone keypad. Please note that this conference is being recorded. I would now like to hand the floor over to Mr. Chandrakant P. Patel. Thank you and over to you Sir.

**Mr. Chandrakant P. Patel:** Good evening everyone, I welcome you all. Gradually the whole world is moving towards new normalcy. Despite of India being such a big country, has succeeded in having fought so well with Corona. Our scientists have given the message of being "AatmaNirbhar" Bharat to the whole world by making the vaccine. In the last conference call, you all had many questions regarding the vaccine storage as to how much business will we get in this and how will we get the business. If we talk about today, then The Indian government and all the State government have made use of the resources they had available in hand for the vaccine drive. Private players are still not entered into it but I believe that this vaccine drive is going to run for a long time so the private players will get its benefits, it is difficult to say how much it will be. As far as we are concerned, once again I am saying that we are full-fledged ready for any kind of opportunity. We have received 5-6 orders related to vaccine for refer van and cold rooms through Gem portal which is a government of India's procurement portal. Few days back when the vaccine drive took place in Chennai, then at that time our Cold Room was used for vaccine storage, India today news channel had covered it.

### **Business Overview**

Company's pending order book is of Rs. 49 crore and in the last month we have completed one dairy turnkey project in Nepal. We are also working on similar dairy projects in Rajasthan, Madhya Pradesh and Gujarat. The products that we have developed by doing R&D like low temperature low humidity dryer, freeze dryer etc. has done a good business till date and we are also having pending orders for the same. We are also working with online portals like Swiggy, Big Basket, etc.

We are also getting good enquiries on export. In last Concall we had talked about the business of US\$ 58,000 that has already been dispatched. We have also received an additional order of US\$ 38,000 from the same, which we will dispatch in next quarter in this current year. This year we will match the last year's export business. There are talks going on for agreement or joint venture for the vaccine drive with some organisations, our dedicated team is working on it. These things take time, as soon as we get updates, we will definitely let you know. Thank you.

**Moderator:** Sir, we will start with the question and answer now?

**Mr. Chandrakant P. Patel:** Yes.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question, may press '\*' and '1' on their touchtone telephone. Participants are requested to use handsets while asking a question. The first question is from the line of Falak Kalyani, an individual investor. Please go ahead.

**Falak Kalyani:** Thank you Madam, good afternoon sir. I want to ask one thing which is not in line with the regular business. I want to know whether are you planning to enter into refrigeration and AC in the retail segment basically because you have expertise in that segment, so like AC or refrigerator, are you planning to venture in it?

**Mr. Chandrakant P. Patel:** No, domestic refrigeration and air condition is not in our planning. We will work in industrial and commercial refrigeration only. Domestic refrigeration and air condition is a different segment, we do not have any such plans to enter in to that business now.

**Falak Kalyani:** Okay, what is your debt on your book at this moment, long term plus short term?

**Ankit Patel:** We had taken a term loan of Rs. 3 crore for long term, as of now its outstanding balance is around Rs. 2.35 crore and our working capital limit is for Rs. 25 crore, which we have just shifted. We have Rs. 15 crore in Canara Bank and Rs. 10 crore in HDFC, whose utilization is around Rs. 13 to Rs. 14 crore.

**Moderator:** Thank you very much. The next question is from the line of Sahil Chopra from KIFS Trade Capital. Please go ahead.

**Sahil Chopra:** Hi good evening Sir. My question is mainly related to the business mode, so I just want to know your view; what makes our business differentiate from our competitors, like what is our mode as such?

**Management:** See business difference is regardingly, if we compare with the competitors. Difference is that we have our major five verticals, we are working with various products and we also have been catering various industries. So, we have a vast product uptake in our range, so it will help to many industries where we can be able to provide solutions to the many industries like food industries, Pharmaceuticals, Horticulture, Dairy, Ice Cream, etc. So, we have a wide range of products, which differentiates us from others, as well as apart from that we are providing the customized solutions as per the customer's requirement. And wide network of sales and service in Pan India and in the Refrigeration field our company is running since 30 years which probably gives us the leverage then others.

**Sahil Chopra:** So, any kind of patent you have filed, like because I think any other company can also, like big players, they can also enter into the same space, you know means like some patent, you are doing R&D work, so like they cannot develop that kind of technology. Is there anything like that?

**Management:** No, at present we do not have any patent and there is no such technology which can be patented because it is universally used. Some of the technology which are universal and there is no other specialized technology for the particular products. So whatever R&D we are doing, that is the improvement of the product quality as well as the performance and the new product development.

**Sahil Chopra:** Okay, if I see in global, around the globe who are your main competitors, like same peers outside India?

**Management:** Outside India, see Carrier is there, it's a MNC company and now Daikin has also entered in this business, Panasonic, they also have entered in this market now. So, these are the companies and then there are so many other European companies, but they are mainly in the components of this refrigeration equipment's. And there may be other companies in US market.

**Sahil Chopra:** And what is the sector wise and vertical wise contribution to the revenue in this quarter and for nine months?

**Management:** See the sector wise or the vertical wise, contribution for this quarter; the Cold room is the highest contributor which is up to around 54.5%, then the industrial chiller or industrial freezer vertical, that is 8% and commercial vertical which is about 17%, reefer van that is Transport Refrigeration is about 11% and Ammonia Vertical is about 10%, the contribution in the current year revenue, current quarter.

**Sahil Chopra:** And what about sector wise, like Pharma, Dairy?

**Management:** Actually, that type of analysis we do not have because it is difficult to maintain but now onwards we are starting to maintain such type of data and I think next year or after six months, we will be able to give some numbers.

**Sahil Chopra:** And how Ammonia Refrigeration has done in this quarter because last quarter you are seeing that, this particular segment is seeing a very good growth. So how, we have done in the particular quarter?

**Management:** In this quarter, Ammonia business is around Rs. 60 lakh, in quarter three.

**Sahil Chopra:** Okay Q3 and in last quarter, how much it was?

**Management:** In quarter two it was around Rs. 1.3 crore.

**Sahil Chopra:** Okay, so why is this so around because you were saying that, in the last conference call you were saying that going ahead Ammonia Refrigeration will see good growth?

**Mr. Chandrakant P. Patel:** Actually, this is project based, sometimes the dispatch under projects are not under our control, and it is also depends on the site, and on the payments. We have Ammonia orders on hand, the maximum will get dispatched in this fourth quarter.

**Management:** And if we talk about quarter one, there was maximum dispatch in quarter one because of some pending March dispatch, it was dispatched in quarter one, and it was around Rs. 5 crore.

**Sahil Chopra:** Okay, and what is the current capacity utilization in Q3 and as of today?

**Management:** Current capacity utilization you want to know, regarding utilization?

**Sahil Chopra:** Yes.

**Management:** We have earlier informed many times that we have enough capacity and whatever our utilization is somewhere around 50% to 55% average for considering all the products and all the verticals.

**Sahil Chopra:** Any outlook for next year, in terms of margins and topline?

**Management:** So as far as margins are concerned, we are keen to maintain our margins and we are focusing on increasing our topline.

**Sahil Chopra:** Okay, with the same margins?

**Management:** Yes, with the same margins.

**Sahil Chopra:** Any number you want to share?

**Management:** Okay, EBITDA would be around 10% to 11%. And the other question was regarding our forecast on how, what growth I think we are expecting, right?

**Sahil Chopra:** Yes.

**Management:** Okay, we believe that from this year's base we will be able to grow around 30% for the next year, and then after it is around 25% to 30% in subsequent years.

**Sahil Chopra:** Okay, with the similar kind of margins.

**Management:** Yes, we have recently started some Turnkey solutions and all the things, in which maybe around 50% will be our manufacturing and 50% maybe buyout. So, if such projects are increasing with our turnover, then there may be slight impact on our margins but it will not be that major.

**Sahil Chopra:** But it will help us to increase our topline.

**Management:** Yes, margins will not be grossly compromised but that may have some impact.

**Sahil Chopra:** And whether these raw material prices increase are having any impact on the company, like currently and going ahead? Do you see any kind of impact due to increase in raw material prices?

**Management:** Yes, raw material prices have increased very heavily. We have recently revised our sales price also for some of our products.

**Sahil Chopra:** Okay, how much price hike you have done?

**Management:** Sorry.

**Sahil Chopra:** You have taken a price hike, right?

**Management:** Yes.

**Sahil Chopra:** How much?

**Management:** I told you around 5% to 10%. Such type of price hike, it is cyclical. It may sustain for some of the quarters and gradually it will come down. So, this is a cyclical phase and if there may be a situation that one of the quarter is impacted through quarter but from the other quarter onwards through price increase or some other technical specification, we can have some specification where we can adjust this price hike in terms of technical, designing, that can also be passed. So, it may be in fact that one of the quarter maybe impacted but from next quarter onwards, that margins will come around regular margins.

**Sahil Chopra:** So, and what about selling product online because in last conference call you have said that you are also planning to sell your products online, so any development on that front?

**Management:** No, still there is no such major development but it is in the process and planning, so it will take time but it is under process.

**Moderator:** Thank you very much. The next question is from the line of Parthasarathi from Parijat Consultancy. Please go ahead.

**Parthasarathi:** Good afternoon Sir. My first question is on, do you have any further capital expansion or Capex going to be include in the next coming year?

**Management:** No, we do not have any such major Capex plan in the coming two to three years.

**Parthasarathi:** Okay, sir my second question is regarding this margin; which is the segment which gives the maximum margin and what is the percentage to the sales?

**Management:** Vertical wise margins are not possible to provide you right now. We are working on the same, it may be around six months or maybe in next year we will be able to provide exact vertical wise margin, for that we have also purchased Tier one new ERP system, so maybe from next year onwards, we will be able to provide exact margin and our forecast also.

**Parthasarathi:** It is nice of you, if you can provide sector wise as well as segment wise, that margins and how it is going on ahead, we will really get so if we can with such figures in future. Sir now coming to this, since now this vaccine thing is in a big way, do you think that there is some, still there is possibility ahead to run this, your refrigeration vans and all and come on this spear, in respect in this sector? Or we have already lost out.

**Management:** Not at all, actually our CMD has informed earlier in his speech, that the vaccine drive has just started by the government of India and there is a wide opportunity for that but initially they are using whatever infrastructure facility they have, so right now there is no such opportunity in the market but in the second stage gradually, there may be some opportunity that can be available and the main thing is that the government is procuring totally through tender process

either directly or through the Gem portal. So, it is not surety for anybody to get the orders through tender process but the opportunity is there. And some of the private players are also interested, they are trying to take some tie-up with the government authority and they have also approached us for their requirement but still it is under premature stage to say something.

**Parthasarathi:** Sir as such, this is a long-term process and we can hope to get, there is some likelihood to this tender processing, correct?

**Management:** Yes.

**Parthasarathi:** Okay, sir what is the status of this Chennai project, is it the project is completely over and up and running in full stream?

**Management:** Sir Chennai project has not worked fully during this year due to corona pandemic, Southern states were highly affected in particular. So that area was very much locked and for few months there were no major activities as far as the business is concern. But recently from last two to three months it is almost normalized like other States and so it is improving, so whatever there in the Q3 we have got a good response from the market and our sales has also increased.

**Parthasarathi:** So, going ahead you find this can contribute meaningfully in the Q4 and ahead?

**Management:** Yes, Q4 we feel that if we can manage to match up the last year number and whatever if we can reduce our loss of the last year compared to the current year.

**Moderator:** Thank you. The next question is from the line of R. M. Shah, an individual investor. Please go ahead.

**R. M. Shah:** My question is, just you're any thinking for that collaboration or financial and technical collaboration with any domestic or a foreign company?

**Management:** No, as such there is no planning or there is no any action taken.

**R. M. Shah:** And my second question is, are you thinking to expand your Ahmedabad, Vadsar project, furthermore?

**Management:** No, we do not need it for one or two years now based on the capacity that we have at present, we can work in this place only and as far as our Reefer vans are concerned, which is working on lease now, so for that we have taken an additional space for it and its expansion is also going on. So we are shifting from rented to own land.

**R. M. Shah:** Okay, I feel a little stagnation of growth will come, what do you think about it, the company's growth.

**Management:** Company's growth, if you look for the entire industry then growth is going to come in refrigeration industry like the growth that is there in our food process sector or food chain that has come. Now as the food habits that are changing, the development will keep on happening in the food processing industries and that industry cannot run without refrigeration. So in India.

**R. M. Shah:** Sir but how will that happen without increasing the capacity?

**Management:** No, the capacity that we have right now, the infrastructure that we have, it is sufficient to manage about Rs. 300 crore of topline, so we can use the infrastructure that we have for the coming two to three years, we will get this growth from that only.

**R. M. Shah:** No but sir, I believe there is a lot of scope in that now, so you start some project from now only, so that you will be able to match it after two years, thank you and wish you all the best, Sir.

**Moderator:** Thank you. The next question is from the line of Gurjot Ahluwalia, an individual investor. Please go ahead.

**Gurjot Ahluwalia:** I just have few questions; first is on the third quarter EBITDA margins. So I see its margins is now 6.6%, it is quite low compared to the other quarters or generally like your guidance is of 10%, 11%. So, any specific reason?

**Management:** Now like, if you talk about specific reason of quarter three, so our topline has increased from 29 to 32 but if you compare, our internal mix of sales, was a bit distributed; in that commercial and industrial product in which we are having a bit higher margins that was having dip by around Rs. 2 crore. And Cold room sales was increased, around Rs. 3.77 crore but in that, that was around Rs. 1.25 crore to may be around Rs. 1.5 crore, that dispatch was pertaining to buyout products. So, in that we do not have any specific margins which is a part of a project. So, these are the two reasons where we cannot add up our margins and if we compare Q3 of previous year, means 19/20 Q3 and 20/21 Q3, our sales is less by around Rs. 6 crore.

**Gurjot Ahluwalia:** Right.

**Management:** Right now, if we are saying our closing stock is maybe around Rs. 34 crore and our pending order book is around Rs. 49 crore. So, if we would be able to dispatch some of our materials that could not be dispatched in Q3 then our margins and everything would be near bit around Q3 but there may be some projects where our finance is stucked, so we could not dispatch that material in Q3 but may be in Q4, we will be able to dispatch it.

**Gurjot Ahluwalia:** Okay, so in fact that was my second question, what is the current order book, so you said Rs. 49 crore, Rs. 50 crore, right?



**Management:** It is higher, if we compare of previous year it is higher by may be around Rs. 10 crore of previous year what we are having. So, we are hoping that our Q4 will be quite good.

**Gurjot Ahluwalia:** Right, no but this comes in the margin again because I am trying to understand may be these are some specific buyout projects you said, right? If we have high value of those, then the margin will not I mean, margin will stay like this only, right? So, I am trying to understand the reason of the margin.

**Management:** If you are asking about buyout products, so that projects are not that much bigger, we have just started and simultaneously our running business is continue. So, these projects may help in increasing our topline and our current business that we have been generating revenue over the years of time, and also slowly hospitality and ice-cream industry that were down due to corona has now picked momentum, so that is also a vertical where we are having higher margins than compared to other verticals. So once this vertical will start performing then our margins will automatically come in a shape and that we are defining.

**Gurjot Ahluwalia:** Okay, so Q4 onwards we can expect right? I mean margin performance will be better.

**Management:** Yes, but right now that raw material prices have started increasing, there are some of the projects that we have taken and that we are submitting in Q4. So it may happen that our Q4 margin may slightly impacted but from next year from Q1 it should be under control.

**Gurjot Ahluwalia:** Okay, got it, thank you for explaining that. And second thing I wanted to know is, what is like the main USP for the company, like why will competition, I mean why will like the industry let us say, ice cream, cold chain, hospital, why do they choose Ice Make, why will they not go to the competitor? Are you low-cost provider, you have some specific process or faster delivery, like what is the main USP?

**Management:** See basically we have a strong foundation, and our company has completed almost 30 years in the same industry. We have a wide range of products and we have many verticals, so all verticals are inter-related, and the products are also inter-related to the same industry. So, these are the single solution we can provide for the customer in many ways. And apart from that, we are providing customized solution, so that would be also an added, apart from that we have a Pan India network and service network is also available because this industry require solid service support. And our focus is main to improve the quality as well as to maintain the delivery schedule, so these are the positive factors that are affecting for the business.

**Gurjot Ahluwalia:** Okay, I got it, the only thing I was thinking like you said Pan India service network, it is like a small company of small size right now, so it is like good achievement if you have Pan India network, so okay I got it.

**Moderator:** Thank you. The next question is from the line of Manan Patel an Individual Investor. Please go ahead.

**Mannan Patel:** Sir my first question is the markets that we cater currently, what is the size of the overall market that we cater to, what is the total market size?

**Management:** You are referring to the industry market?

**Mannan Patel:** Yes.

**Management:** The refrigeration market if we go to see, is very big and the report from CRISIL is giving guidance of Rs. 25,000 crore as the business size but our estimate is minimum Rs. 6000-7000 crore as the business size of this market, rest it is improving day by day and there are no specific authentic numbers where we can conclude or verify.

**Manan Patel:** Let us say we assume around Rs. 6000 crore, so within this what would be the market share of companies like BlueStar, Carrier?

**Mr. Chandrakant P. Patel:** There are a lot of products of Blue Star, their topline is very big but the product in which we work, the business in the same product is around Rs. 300 crore, Carrier is also around the same range and Rinac is also in the same field, there are other companies also because we have 5 verticals in which the peer companies are also different, so there are lots of manufacturers who have revenue more than Rs. 20 crore.

**Manan Patel:** So, sir in organized and decent size players are only 3-4 only, Blue Star, Carrier, Rinac and yourself, Ice Make?

**Mr. Chandrakant P. Patel:** Yes, if you see the dairy equipment that we works, in that IDMC is big player and there are one or two more companies which are working in dairy equipments. If you go to see in transport refrigeration then there is Suraksha, Subzero and Ice Make which are 3 big players in India. So, product wise it depends, like for Ammonia there is a company called as Freak, Rinac and Icemake deals with Ammonia refrigeration.

**Manan Patel:** Understood sir. Sir, I wanted to understand this thing, now you are telling that next year 30%, so approximately from March 22 there will be a growth of 30%. Sir wanted to understand that in the next year 30% growth that you will do is basis the 10% on FY20 growth and approximately 25% - 30% growth that you are telling, so sir which sectors will drive this growth as in for you there is cold chain for vaccination, like pharmaceuticals or Ice creams, so from where you are expecting this growth?

**Mr. Chandrakant P. Patel:** Actually you know that from past 3 years we have started 3 new verticals like Ammonia based refrigeration system, R&D department has also made some innovative products and in transport refrigeration we have expanded our infrastructure and increased their capacity as well, in the current year in transport refrigeration, as compared to other years our topline growth in that particular vertical is high and if we go to see the current situation for India after COVID the change in mindset of the people of India, if we go to see that, from last 1-2 months there is lot of business and positive sentiments that we see developing in these industries. Also, if you see food processing sector, there also a lot of opportunity is available in ready to eat; frozen food, freeze drying, dehydrated product and also a lot of initiatives have been taken by government for food processing industries, so if that industry grows then basic refrigeration based process is necessary in them. In exports also, we never used to focus much before FY'20, now we have made a team to start focusing on exports, so we feel that in FY'22 we will see a good effect from that. In exports as I had mentioned earlier that we have seen good results in US, SAARC countries and in African countries. In some places of Nepal and Sri Lanka we have developed good associates from whom we are getting regular business. Now if the agriculture laws are implemented properly, the corporate farming which is there in it, the individual investor and private companies work on the agriculture front then the individual farmers who are not able to leverage refrigeration technologies due to lack of skills, so there also we can expect a good potential of business, if we take cold chain, processing and retail segment, we think we can do complete business over there as well. The innovative products like freeze drying and dehydration dryer, which we have been working on from the last 3 years which amounted a business of Rs. 80-90 lakh in past years but by the ending of this year we will do total business of Rs 5 to 6 crore which is five times higher than the previous year's business numbers, so there are chances that maybe in the next year we would increase our business from Rs. 5 crore to Rs. 10 crore, so there are a lot of developments happened after we listed, so many investors asked questions in every conference call as to from where will we get the business? So we had done a lot of planning for that but this is a capital product which takes time to give results after we had done planning initially but now it is the time that we can deliver.

**Mannan Patel:** Understood sir that was very helpful. Second question is that you said that we have launched products and have plans to do good growth, so 5 years down the line as a company, what is your vision, as in next year we will do sales of Rs. 150 crore but after 5 years where we do we see ourselves?

**Mr. Chandrakant P. Patel:** See it will be difficult to give you guidance for the coming 5 years but if we go to see in next 3 years then we should do average top line growth of 25% - 30% and the infrastructure that we have with us is capable enough to do business up to Rs. 300 crore, so we do not have any plans to put major CAPEX to do a business at least for the next 2 to 3 years.

**Mannan Patel:** That I understood sir but the way you described , our industry itself can grow for a very long time at a good rate, so if I think on the perspective of your long term investments, so if I get an understanding that your vision for the next 5 - 10 years down the line, whether or not it would happen is a different thing but if I can understand that you have made a road map for the next 5 - 10 years and we are working in that direction, rest the industry forces and market forces is a secondary thing what would happen there, so I can get some idea as to in which direction our company is progressing, so next time if you can develop some vision and communicate accordingly, so it will be very helpful.

**Mr. Chandrakant P. Patel:** What you want to know about the company is pretty much natural but for that if you go to see backwards then in the last 8 - 10 years, continuously the company has been doing regular growth more than 20% to 25% growth is being reported in the last years and refrigeration industry also is a growing market, a growing industry, so naturally for the last 30 years in this industry every year we progress with new products, so our planning will always be focused on good growth, I will not be able to comment on the numbers but the history shows that and we are committed to continue it and will look forward for a strong position in the market.

**Mannan Patel:** Sir one last question, like you said the market size is very big and the players are not there on such a big scale, so I am assuming that there are lots of small players in this industry, so like you did acquisition in Chennai, so that was very small but do you have any plans, anything under consideration as of now?

**Mr. Chandrakant P. Patel:** No, currently we do not have any such plan but in a business, you never know which opportunity comes through and you may have to take decisions subsequently. There are no pre plans at present but if there is any opportunity coming our way, we shall think about it for the future business perspective.

**Moderator:** Thank you. The next question is from the line of Mannan Patel, an Individual Investor. Please go ahead.

**Mannan Patel:** Sir one question I wanted to ask, sir do you have any customer concentration, so top 5 or top 10 customers, do we get a percentage of revenue from them, do we give any such numbers?

**Mr. Chandrakant P. Patel:** Yes, we have this I will give you. See we have a lot of OEM customers which works in Pharma industries mostly, out of top 10 customers there are 2-3 such OEMs, apart from them individual customers are also in the list, so if they come with big projects, like in this year we received big order for refrigeration van which is from one customer only and there are 2 to 4 turnkey projects, we have got 2-3 tenders and big orders but if we speak about the concentration, then ultimately it is a capital product, so in retail or individual customer every year no one will come with investment planning as such but OEM type customers and their business we get every year. So naturally they remains in top 10 customer list and out of them there are 4-5 big OEMs.

**Mannan Patel:** But that customer composition for the remaining customers keep changing every time.

**Mr. Chandrakant P. Patel:** Yes.

**Moderator:** Thank you. As there are no further questions, I would now like to hand the conference over to Mr. Nikhil Bhatt for closing comments.

**Nikhil Bhatt:** Before we close the session, on behalf of Ice Make board of Directors and Management we would like to thank you all for your participation in this earnings conference call event. Thank you for being part of Ice Make investor family and have a nice time. Thank you once again.

**Moderator:** Thank you. On behalf of Ice Make and Aaryana Matasco, that concludes this conference. Thank you for joining us and you may now disconnect your lines.