Conference Call transcript

7 November 2023

BUA CEMENT Q3 2023 RESULTS

Operator
Good day, ladies and gentlemen, and welcome to the BUA Cement Plc presentation to investors and analysts for the nine months ended September 2023. All participants will be in listen-only mode. Participants on the webcast may submit their questions at any time in the text box provided below the presentation. There will be an opportunity to ask questions later during the call. If you should need assistance on the conference call, please signal an operator by pressing * and then 0. Also note that this event is being recorded. I will now hand the conference over to the Managing Director and CEO, Mr Yusuf Binji. Please go ahead, sir.

Yusuf Binji
Good day, everyone, and once again, welcome to BUA Cement's nine-month 2023 conference call for investors and analysts. My name is Yusuf Binji, Managing Director/CEO. And joining me are Jack Piekarski, the CFO, and Mr Finn Arnoldsen, the GCOO. From our last discussions in August, the challenges in the economic environment remain unabated, especially with the depreciation of the Naira. In view of this, our operations, like many others within the manufacturing sector, have not been totally immune from the fallout.

Nevertheless, the nine months' results marks a turnaround in cement sales, as we recovered from the decline experienced during the first quarter, and in comparison with the corresponding period in 2022 due to the fallout from monetary policy changes at the time, together with the election preparations. Furthermore, we launched the maiden edition of the BUA Cement Scratch and Win promo in August, and which closed a week ago. For us, this was our own way of appreciating customers. And on slide 17 of the presentation which you have are the faces of some of the winners.

Now, I will ask you to kindly turn with me to slide 10. Here, we are presenting our performance. On slide 10, you will see that the net revenue increased by 27.9% to ₦335.9 billion from ₦262.6 billion as at the nine month 2022, while EBITDA increased by 20.8% to ₦138.9 billion from ₦115 billion during the first nine months in the 2022. Conversely, EBITDA margin contracted by 2.4% points to 41.3% owing to a rise in cost lines. However, profit before tax stood at ₦76.1 billion, up from ₦74 billion in the corresponding period. By extension, earnings per share increased to 225 Kobo from 219 Kobo, an increase of about 2.8%.

With regards to the planned expansions at Obo and Sokoto, we continue to make satisfactory progress and we look forward to commissioning at both locations during the first quarter of 2024. From a sustainability standpoint, our resolve is to continuously seek out measures aimed at minimising our impact on the environment, prioritise the safety of our staff and the communities around us, and improve lives through the investments continually made into these communities. A scorecard of our activities on the environment can be found on slide 16.

Now, turning to slide 11, you can see that revenue per ton increased by 21.4% to ₦68,540 from ₦56,468 as of September 2022 and this is attributed to price adjustments made through the course of the reporting period. EBITDA increased by 20.8% to ₦138.9 year on year from ₦115 billion during the prior period due to a 27.9% rise in net revenues. And this was partly offset by rising raw material and energy costs alongside operations and maintenance fees and distribution costs. As a result, EBITDA margin contracted to 41.3%. In spite of this, we are positive about our ability to keep margins at sustainable levels, especially with the commissioning of the two new lines very soon.

On slide 12 is the evolution of EBITDA, which was driven by growth in cement volume sales and price adjustments. Cost of sales increased by 30.5% or ₦43.6 billion to ₦186.4 billion from ₦142.8 billion on the back of increases in raw materials and energy costs and operations and maintenance fees. The net selling, distribution and administrative cost was up 2.2 times or ₦5.8 billion to ₦10.6 billion from the ₦4.8 billion during the nine months of 2022. Accounting for the increase were distribution costs from higher fuelling costs and increased fleet size – that is the size of our trucks – including repairs and maintenance, depreciation charges, staff costs and advertisement and promotion expenses.

Turning to slide 13, we show our cost profiles amid the high inflationary environment. Cost of sales per ton rose by 23.9% to ₦38,047 from ₦30,713 as at the end of September 2022. Energy cost per ton increased by 20.2% to ₦16,803 from ₦13,978 fuelled by price increases and the further depreciation of the Naira. The net selling, distribution and administrative cost increased by 37.5% to ₦6,069 per ton from ₦4,413 per ton due to the factors already mentioned.

On slide 14 is a highlight of our strategic pursuits and with the focus of creating added value for shareholders. As an update I have already discussed the ongoing construction at Obu and Sokoto. In terms of capturing new markets and market share, we are increasing our market presence, growing the market share and have been unaffected by the border closure.

Finally on the innovation front, the payment integration project with the banks is complete, which has improved order processing and the accuracy of payment confirmation among others. If you turn to slide 16, you see our EHS scorecard. And on slide 17 are some of the faces of the winners during the Scratch and Win promotion that just concluded a week ago. This brings me to the end of this session and I will now kindly ask for the phone lines to be open so we can take your questions.

Operator
Thank you very much. Ladies and gentlemen, on the conference call, if you would like to ask a question, please press * and then 1 on your touchtone phone or on your keypad on your screen. You will hear a confirmation tone that you have joined the queue. If you decide to withdraw the question, please press * and then 2 to remove yourself from the list. Participants on the webcast may submit their questions in the text box provided below the presentation. Again, if you wish to ask a question, please press * and then 1 now. We will pause a moment to see if we have any questions. Ladipo, we have no questions at the moment. Would you like to manage the questions from the control webcast?

Ladipo Ogunlesi
Okay. Thank you, Chris. Good afternoon, everyone. My first question is from Helen Brume, Afrexim Bank. Her question reads: BUA's nine-month performance falls significantly short of forecast. Kindly provide some explanation for the performance. Thank you.

Yusuf Binji
Okay, thank you very much. Mr Jacques, can you go through the numbers and respond to this?

Jacques Piekarski
Yes, if we look at the income statement, down to operating profit, actually the performance is very positive compared to last year. So, what has driven the decrease in the expected bottom line was these exchange losses that everybody incurred. So, in terms of operations, if looking at our various revenues and cost lines actually were doing very well and much better than last year, particularly given the increase in cost and energy cost, which are not directly under our control. So, it is a positive sign. The exchange losses which everyone incurred in this country are hopefully over, at least to this magnitude that everybody experienced, to a lesser degree for us, because we were managing our FX exposure. And so, we are optimistic about the future, unless there is again, but we don't think so, a further depreciation of the Naira. Thank you.

Ladipo Ogunlesi
Thank you, sir. The next question is from Omolola Fehintola from FBN Bank UK. Her first question reads: How has the recent price decrease by BUA Cement affected revenue? And the next revenue. And the next question reads: How is BUA Cement managing FX exposure? Any impact of FX devaluation on its performance? Thank you.

Yusuf Binji
Okay, thank you very much. I will talk on the first one and then Mr Jacques will talk about the effects of the forex exposure. Now, the revenues have not been impacted by the price reduction that we did. First of all, let me try to put that in context so that you understand the background. The price reduction was as a result of our commitment to make cement more affordable to Nigerians and also in view of the expected capacity that we are going to put into the market as from January 2024. So, the strategy was to strategically position us so that we'll be able to deliver the additional volume expected to come from these two new lines directly into the market.

We carried out a reduction on our ex-factory price to ₦3,500 per bag and this has been received positively by the market. And we have observed immediately we did that announcement from the 1st of October 2023, which was a low season for cement sales, we immediately witnessed a spike in patronage and demand for our product. So, in fact it has had a positive effect. We were able to come down with a lot of the cement inventory that we accumulated. As you know the cement plants operate on a continuous basis. You don't shut them down because the demand is low. You continue producing with the hope that when the market picks up you will be able to sell a lot of the inventory that you have accumulated.

So, that afforded us the opportunity to sell more volumes. So, it has not really had any negative effect on our revenue. In fact, it has been very positive. We are almost selling full blast now, we're now at full capacity, even though it is still part of the low season. You know, the high season for cement starts around December, January, Feb, during the peak of the drought season. So, it has been very positive for us, actually, and that is very interesting. Jacques, would you like to respond to the effects of the forex exposure?

Jacques Piekarski

Sure. Managing FX exposure in Nigeria is a very challenging task. We have done very well given the environment. For example, if you look at the financial instruments, here in Nigeria there is no hedging possible. With this Naira depreciation no one will give you a price. And in addition, there are or there were no FX available as for the normal FX markets through banks. So, everybody ended up purchasing Dollars from the parallel market which was at a very high rate.

So, what we do in general is number one, we've done as much as possible. We try to find local supplier for raw materials. So, we have done that and we have very good results, which has reduced the FX exposure. Then sometimes we manage as well to convert. With some suppliers, we have the possibility on a small portion to pay in Naira, which is also helping us. The rest is just proceeding LCs as fast as possible, then watching the FX market and purchasing at the right time as much as possible. And now we recently saw a small appreciation of the Naira, so it went up again the last days.

But we are confident that this will not deteriorate further rate further. And actually, there are some positive remarks from banks and CBN that the Naira will stabilise even at the lower rate. So, that's how we are managing the FX exposure. It's a daily work for us because yes we do some imports of equipment and spare parts. So, this is where we have the exposure. And then the impact on the FX I just explained before what happened. So, with the depreciation, sudden devaluation of over 60% that happened with the floating of the Naira last quarter which affected everyone. And hopefully this is over for the future. Thank you.

Ladipo Ogunlesi

Thank you, sir. I have two follow-up questions from Fehintola Omolola. The next question is how will BUA Cement manage energy costs going forward? And there's also another question from her. What is the group's export earnings for the nine month period? Thank you.

Yusuf Binji

Thank you very much. As we have explained so many times, we manage our energy costs very well in the sense that our systems are designed to be multi-fuel. That means they have the ability to use solid, liquid or gaseous fuels. In Sokoto and in Edo, we have the possibility to use liquid or gaseous fuels. We have plants on ground to install coal mills. So, that will allow us to use solid fuel in Edo also. So, we are very flexible and we look at all the costs at various times and then we try to optimise and choose what is best for us. So, we are not relying on a single fuel for our production. So, we are not really at the mercy of increasing prices. Yeah. Jacques, do you have the figure for the group's forex earnings for the year, for the nine months?

Jacques Piekarski

Yes. So, we exported year to date approximately 74,000 tonnes of cement to Niger. As you know, this has stopped now after this coup that happened last July. So, the borders are still closed, so there is no export for the time being. The total revenues for that were above €7 million. And as soon as the situation will improve, then we will resume exports. Thank you.

Ladipo Ogunlesi

Thank you, sir. Our next question comes from Uwa Osadiaye, FBN Quest. His question goes, good afternoon and thank you for the call. I have a few questions. One, was there a material impact on volumes following the lowering of factory gate prices? How much of the year-on-year unit volume growth seen in Q3 was solely from sales within Nigeria? The second question reads: I've estimated energy costs were up 55% year-on-year in Q3, I also noticed this tracked top line growth. I assume this is coincidental. At any rate, should we expect pricing to track costs especially energy and distribution cost inflation over the next 12 months? His final question reads: Finally, when is BUA going to do an IPO? Thank you.

Yusuf Binji

Thank you very much. I think the first question regarding the material impact on the volumes, I have addressed that in my reply to the question from FBN UK. Like I said, this is supposed to have a very positive impact, and we have seen it during month of October and this will be evident by the time we release our Q4 2023 results sometime in February next year. So, of course with increasing production and also increasing energy prices, you are bound to see an increase in the energy cost, and that is why you notice that it went up.

The costs are not steady. If you look at it, we produced approximately 4.9 million tonnes of cement, we produced and sold during this period. And when you compare that to the 4.6 we did during the corresponding period last year, you will see there is an increase. Definitely you will see a proportionate increase in the energy cost. But when you take the cost per ton, then that will be able to give you a better idea of the impact of the increasing energy cost per unit of production. Regarding the IPO, there will be an IPO in the next one year. That is for sure. Thank you.

Ladipo Ogunlesi

Thank you, sir. Our next question is from Melissa Cook, African Sunrise Partners. She says, please give us more details on the bank payment system you mentioned. Thank you.

Yusuf Binji

Okay. Let me just introduce this topic and Jacques will [unclear]. The bank integration system was a kind of an integration that we did with all the Nigerian banks to be the receiving platform for payments for our product. And the system was linked directly into our sales automation process. So, that means we are able to get an instant value and an updated ledger immediately the payment is made into the banks without the need for having to do a manual reconciliation or a manual adjustment of the ledgers.

So, that is the bank integration system that we put in place and it's working very well. And we did not go through any switching agency. This is directly between the banks and the company itself. And the software that we are using fully integrates and accommodates all the inputs that come directly from the bank. Jacques, do you want to add more on this because you spearheaded this bank integration?

Jacques Piekarski

Yes. The additional benefits of this implementation are, of course, one is the reduction in administrative tasks. You can imagine, having an integrated system you save a lot of manual input. Then as well in terms of controls, this has significantly helped to ensure that within a reasonable time that we properly have 100% control on what is being sold as has been paid, because there are sometimes also some partial payments are being made and then sales are located based on this. So, it was very manual in the past. And I think this is a major achievement in ensuring efficiency also for our customers because we are able to validate their... [break in audio].

Operator
Ladies and gentlemen, our apologies. Mr Piekarski's line is disconnected. Please hold on a moment while we reconnect his line.

Yusuf Binji
So, just to recap on what Mr Piekarski was saying, it has introduced a lot of efficiency. The internal controls have been strengthened. It has reduced a lot of the administrative routines and tasks that normally accompany the manual update of ledgers. It has also reduced a lot of the errors that we encountered when you are lodging with a very huge number of customers making payments on a continuous basis into your various accounts. So, it's a process that has actually introduced a lot of benefits and also streamlined the customer experience that our distributors do get. It makes it very easy and is user-friendly. And we are continuously developing that system. An app will soon be introduced that each of our distributors will have. And then also, they will be able to place orders directly, monitor their ledger, and also put up certificates directly into a central system at our office where people will be able to receive such requests and attend to them. So, these are some of the benefits of that system that we introduced. Thank you.

Operator
Thank you sir. Also, just a note, Mr Piekarski's line is reconnected.

Ladipo Ogunlesi
The next question is from Ikenna Mbaekwe from German Investment and Development Corporation. This question goes, does it concern BUA that cost of sales is rising faster than revenue growth and impacting EBITDA margin and is this expected to continue in the future? Thank you.

Yusuf Binji
Yes, thank you very much. Jacques, can you answer that or Mr Finn?

Jacques Piekarski
Yes, actually, as you have noted in our financials, yes, it's true the costs are rising. And this is normal in these emergency markets. Actually, the cost increase surprisingly was not that high at the end because for example, when you look at our cost of sales, they have increased only by about 30%. And you compare that to inflation, which stood at approximately 27%. So, you can see that cost of sales are almost in line with inflation. And as you know, some of them are in FX. And in addition, you account for a 60% devaluation. So, you can see that actually we have managed our sales very well. And yes, we know the elements that are world market driven like the price of oil, the price of other commodities are affecting some materials.

And then what we have done to offset these cost increases in order to further increase our margins in value and percentage terms is we've done some pricing throughout the year. And also, we have a volume increase. And I think this will be next year a major element of our managing our margins will be the volume with the two new lines that are coming up, each of 2 million tonnes approximately. So, we do manage our profitability well.

Then the question of exchange losses, that's something that we try to reduce as much as possible. But when it comes like the 60% devaluation, there is not much you can do. Just do your best to always have a lowest possible FX exposure. So, we're confident that we're going to maintain these margins in the future, if not even to increase them hopefully. So, with the additional revenues of these two new lines, if there is no other big surprise coming from the market for in terms of cost or other surprises, then we should be very fine for next year. Thank you.

Finn Arnoldsen
Just a comment to what Jacques was mentioning here. I mean, as we all know, cement is a very volume driven business because you have generally high fixed cost in a cement plant. So, if you have low production, of course your margin will deteriorate considerably. So, the key for us as of any other cement producer is volumes. So, that means for the future when we are starting up the two new lines January, February next year, that means we will increase of the volumes and we also will further dilute of a fixed cost. So, that will really help us. And of course, as we always have to do is to look into efficiency. It's always a few gains here and there. And of course, this is part of the day-to-day business to have a dynamic organisation is to try to optimise in particular the energy cost but as well also all the costs. So, this is a continuous thing we are really deep into. I think Mr Jacques has answered all the other things. Thank you.

Ladipo Ogunlesi
Thank you sir. Our next question is from Adedayo Ayeni, Absa. His question goes, can you please speak about price cuts attributed to your company and how this evolves especially in view of rising production costs?

Yusuf Binji
Okay, Mr Adedayo, we have explained that in detail. The price costs are a commitment to make cement more affordable to Nigerians and to also stimulate demand. And this price cut is in anticipation of the additional volumes that we are going to be bringing into the market in January 2024. Like it was mentioned by Mr Finn, cement is a volume driven business. And what all producers try to do is to ensure that they try to sell as much as they can. And by this you are diluting your fixed cost. So, in so doing you know we'll also be able to absorb some of the effects of the price reduction. So, it's not always that way you see price of your inputs going up like most people do to go and rush and start increasing the price of your product. There is a limit also to what the market can really absorb. And like I said, we have made a commitment to Nigerians that we are going to bring down the price of cement in Nigeria.

Operator
Ladies and gentlemen, our apologies, Mr Binji's line is disconnected. Will you please hold it one moment until his line reconnects. He will be joining us shortly. Ladies and gentlemen, please just wait one moment for us, please.

Yusuf Binji

Okay, thank you very much. Sorry, there was a glitch and I was temporarily off, but I'm now back. So, what I was saying is that the price reduction was a commitment we made to Nigerians to make cement more affordable and also in anticipation of the additional volumes we are going to bring into the market. And we are using this medium also to ask all the other cement manufacturers to also do similarly so that we can make cement more affordable. It can be used as a tool for infrastructural development in Nigeria. And we did this and we hope that with the additional volumes we are going to bring into the market, these are going to dilute some of our fixed costs. So, this is really not eroding margins but also we are trying to preserve the space in which we operate. Thank you.

Ladipo Ogunlesi

Thank you, sir. Our next question is from Olayinka Adesanya, SBG Securities. Her question goes, thank you for the presentation and congratulations on your performance. I would like to ask the following questions. One, what regions are you seeing volume growth for your cement? Two, what is the plan on logistics and distribution in line with capacity expansion? Three, why do you think the price cut has not reflected in the local market, Lagos mainly? And four, what would you say is an acceptable tax rate we can expect for your business going forward? Thank you.

Yusuf Binji

Thank you very much. Let me just answer some of this and I'm sure also Mr Finn will be able to add more, especially on the marketing side. All the regions, we have witnessed a steady growth. If you notice the last couple of years, there has been an increase in cement consumption in Nigeria year on year, even during the COVID period, when the whole world economy was at a standstill. Nigeria managed to witness something like 15, 17% increase in demand. This trend has continued, it's still continuing. Not at the level it was like three, four years back, but it is growing. And it is across all the regions of Nigeria.

In terms of our logistical preparations, we have increased the size of our fleet and this is something we continue doing all the time to be able to deliver do to do service to our customers who so wish to have that cement delivered to them. This is in addition to the possibility of picking the cement at our factories directly by those distributors who have their own transport fleet. But we are doing quite a lot in terms of building up our logistic base, our logistic capacity and our depots so that the cement gets to all the nooks and corners of Nigeria.

It is not true that the local market has not experienced a drop in the price of cement. Probably the local market you are referring to is the place where you are from or where you price that cement. So, you mentioned Lagos in particular. There is one thing you have to know about cement. Cement is much cheaper closer to areas of operation. We do not have any factory in Lagos or in the southwest. So, obviously these areas will be the last to feel the impact of the price decrease. But when we have more volumes coming from our plant in Edo, definitely some of these additional volumes are going to impact on the prices in the southwest when they eventually get there. But if you do a survey today and compare it to the price that were available about a month ago you will see a substantial reduction in the retail prices and also the end user prices. So, there has been a significant effect.

You know also when we announced the increase there was a lot of old stock in the market being sold at higher prices and people were not so ready to absorb those losses. But definitely with the cheaper cement getting into these market areas, you will see a gradual downward reduction in the price of cement in all these segments. But of course, like I said it will vary from one market centre to the other depending on your proximity to the manufacturing plant. Mr Finn, do you have any contribution to this? Thank you.

Finn Arnoldsen
Yeah, thank you Mr Yusuf. Now, just a kind of a general one. You have mentioned most of the items concerning this, but when you look into Nigeria generally on the market side here, you can see that still the consumption per capita is relatively low compared with other markets in Western Africa. And you know that the cement market also shows to be very robust. It's not so much influenced as we should believe towards external things like we have seen lately, the forex deflation and price increases coming up. Yeah, you will see it has some impact, but the cement is kind of a more long-term thing.

You also see that a lot of customers, which have available funds, they are investing actually in buildings and blocks, rather than putting the money into the financial institutions, because they feel more secure. And that's how we've seen in all kinds of crises. Through the financial crisis earlier, the same thing happened. So, the cement market is relatively stable despite all these things. And another factor is we also see in particular in the north is that we have much more penetration in areas than before. And then, statistically, we also see that agriculture activity is increasing in the country. And that means we also are able to penetrate areas where we have not really been before because the infrastructure is improving.

So, somehow it's a positive thing happening, despite we also have kind of a general official challenges as we all are facing day to day. But all our activities are located in the north and south central in Edo and Sokoto. And in Sokoto, we are relatively alone up there. And the market surrounding Sokoto is also developing pretty fast here. So, as it looks for us now, with the new lines coming up, we feel comfortable that we should be able to penetrate also new areas and to be able to sell off all our volumes. That is the key for the future business. Thank you.

Ladipo Ogunlesi
Thank you sir. We still have two more questions. We still have a follow-up question. Questions that are unanswered. What would you say is the acceptable tax rate we can expect for your business going forward?

Jacques Piekarski
The acceptable tax rate for our business? I think the question is about income taxes. So, today we are above 32%, which if you compare it to Western countries, let's say, it's quite high. So, it's manageable. 30% is not the highest, but it's on the high side. And of course, for us we would appreciate that this tax rate is decreased in the future and I think this will be also a good incentive for investors to see that the tax rates are being reduced. And I would say of course as a CFO you may want the lowest possible tax rate. But let's say to be realistic and to be close to an average, I would say an income tax rate of maximum 20%.

That would be something that would be reasonable and if this is possible, because as you know, the country now is looking for additional revenues. And these additional revenues, they will mostly come from income taxes.

There are also some incentives from the government. You have a pioneer status, so various companies which have invested in this country into different fields, have obtained a pioneer status. So, this is also helping to reduce income tax cash. But in terms of profit and loss, this is compensated by different taxes in general. So, in total is about the same. But 20% will be a good acceptable rate in my opinion. Thank you.

Ladipo Ogunlesi
Thank you, sir. Our final question comes from Julie Zhang, Washington University Investment Management Company. [Break in audio].

Operator
Ladies and gentlemen, apologies for that. Sir, I'm just going to repeat that question. How do you view your market share and competitive positioning against competitors after the strategy to reduce prices and drive volumes? Do you expect incremental changes in your market share this year?

Yusuf Binji
Yeah, thank you very much. Like I mentioned, the price reduction was as a result of our commitment to Nigerians and to make the cement more affordable. This is the major priority. But definitely our market share will surely increase because we are going to increase our volumes. And we are going to bring these volumes into the market at a time when no other cement local cement manufacturer is adding capacity at the same time as we are going to put these products to the market. So, definitely we expect to see a shift in our market share. And if you go by the informal figures for the nine month period, you will have seen that there is like a 3% to 4% increase in our market share from about 19% to 23% for the nine month period going by the unaudited results released by all the companies. So, the market share is going to expand. And by the time we have new volumes, it’s even going to be greater. So, by next year you will see a quantum leap in our market share. Thank you.

Ladipo Ogunlesi
Thank you, sir. I have no more questions. Chris, I'll hand over to you.

Operator
Thank you very much. We do have a question on the conference call from Emele Onu of Bloomberg. Please go ahead.

Emele Onu
Yeah, thank you. I want to find out, you said the ex-factory price was reduced to ₦3,500. What was it before that reduction? That's my first question. Then secondly, could you give more colour on the planned IPO? Why do you want to do it and how much do you intend to raise?

Yusuf Binji
Thank you very much. The ex-factory price was I think a little over ₦4,000 Before the reduction. But now from our two plants it is ₦3,500. And that is even inclusive of VAT. So, that is it. On the IPO, I did not say we are going to do an IPO. I categorically said we are not going to do an IPO. Thank you.

Emele Onu

Thank you.

Operator

Thank you very much. Sir, we have no further questions on the conference call, and I would like to hand the call back to Mr Binji for some closing remarks.

Yusuf Binji

Thank you very much, ladies and gentlemen, for spending a greater part of your day listening to our investors and analysts call for our nine months 2023 results. We look forward to you joining our next call sometime next year when we present the full audited accounts for 2023. Thank you and have a very nice evening.

Operator

Thank you very much, sir. Ladies and gentlemen, that concludes today's event. You may now disconnect your lines.

END OF TRANSCRIPT