RAK Ceramics Q3 9M 2023 Earnings Call and Webcast

Friday, 03 November 2023

Mohamad Haidar Hello, everyone, and welcome to the RAK Ceramics third quarter and nine-month 2023 earnings call and webcast. This is Mohamad Haidar from Arqaam Capital. And we are pleased to have Mr Abdallah Massaad, group CEO from RAK Ceramics, and Mr PK Chand, group CFO from RAK Ceramics. Over to you, Mr Abdallah.

Abdallah Massaad Thank you, Mohamad. Good evening, everyone, and welcome to RAK Ceramics third quarter 2023 earnings conference call and webcast. Today, we are working within a complex landscape, filled with ongoing geopolitical conflicts, heightened market volatility, rising interest rates and currency devaluation. All these challenges had a notable impact on the market demand. Our revenue has faced a 7.7% decline, reflecting the struggle faced by markets worldwide.

While every market is dealing with the complex interplay of macro and micro challenges, our business too faces stiff competition, particularly from the inflow of low-cost and low-grade-quality products. Yet, in the face of these challenges, we remain committed to our clients and have strategically shifted our product mix to sustain our gross margin. This also allows us to sustain our gross margins and improve our net profit on a like-for-like basis by 13.3% from last year to AED 83.9 million.

Within our tiles segment, revenue decreased by 9.8%, year on year, reaching AED 475.4 million. This decline was primarily driven by increased competition from regional players, a rise in import of low-cost, low-quality products and challenging market conditions in all markets except the UAE.

Our sanitaryware business saw a similar decline in revenue by 3%, year on year, reaching AED 123 million. Our faucets segment witnessed challenges mainly in European markets, where lower sales impacted the overall performance, thus resulting in a 2.5% year-on-year decline in revenue, reaching a total of AED 114.8 million. Our tableware division has delivered a robust performance, with a 2.5% year-on-year increase in revenue, reaching AED 92.5 million as we continue to introduce differentiated product that resonates with our customers.

Let me now take you through a more detailed study on our business performance region by region. The UAE market has presented tough challenges due to the heightened competition and pricing pressure. We have been facing strong competition, particularly from import of low-cost, low-quality product, which has impacted our market share, especially in the wholesale business. Despite these challenges, our strategic shift towards project channel sales has enabled us to achieve 23.4% year-on-year increase in revenue in the third quarter 2023.

Our business in Saudi Arabia has had its share of trials, primarily driven by the surge of low-cost local manufacturers. Despite a decline in revenue and net profit, our focus on premium products and differentiation has allowed us to maintain our gross margins.

Looking ahead, it is very important to note that Saudi Arabia is currently making substantial investment in infrastructure and real estate projects. With numerous prestigious projects on the horizon, there will be a growing demand for a reputable brand and reliable supplier.

Fortunately, RAK Ceramics is exceptionally well positioned in terms of our service excellence, diverse product offering and strong brand reputation. Thus, our outlook remains positive, and we are well prepared to leverage this opportunity to further strengthen our presence in the Saudi Arabian market.

Moving to Europe, particularly the UK, the business continues to grapple with economic challenges and competitive pressures. The rising interest cost has taken a toll on consumer spending capacity, leading to delay in home renovation and refurbishing plans. While revenue in Germany and Italy continues to exhibit resilience, the overall decline is predominantly attributed to the sanitaryware business.

We have encountered challenges in several other Middle East markets due to increased competition from new regional, local players. In India, markets continue to feel the adverse effects of rising interest rates and tight liquidity. However, the real estate sector shows signs of resilience, and we participate a momentum shift soon. In response, we're evaluating upgradation of our facilities in Samalkot and Morbi plants, and we also continue to expand our dealer network.

Our performance in Bangladesh has been impacted by currency devaluation and competition from local peers. However, we remain committed to strengthen our retail presence by expanding our showroom network and forming strategic alliances with reputed builders to support the project business.

Our tableware business has continued to demonstrate robust performance, largely due to the successful launch of new product series, our design hub in the UK is now fully operational, actively promoting RAK Porcelain displays. We also very soon plan to launch our tableware retail outlet in the UAE.

KLUDI's revenue has declined, mainly due to the recessionary pressures in Europe. We are actively working on cost optimisation initiatives and exploring new revenue streams through strategic sales initiatives.

With innovation at our core, we continued to modernise our production footprint across India, Bangladesh and the UAE. In the UAE, we are working towards cost optimisation measures, and we continue to enhance our brand presence. With regards to the tableware expansion project in the UAE, we have completed the capacity expansion work and have commenced trial testing for commercial production. In the coming quarters, we plan to increase production in phases, based on market demand.

We are also evaluating two major upgradation projects in India in our Samalkot and Gris facilities to bring in production efficiency and enhance existing production capabilities. In Bangladesh, the upgradation work is in full swing to enhance our existing tiles line. Commercial production is set to commence in the first quarter of 2024.

Our faucets Greenfield expansion is also progressing well, with all the necessary approvals and permissions in place. We are in the final stage of finalising the factory layout design, which will be followed by the commencement of the construction process in this quarter. We are talking about the expansion of faucets in Bangladesh.

All these initiatives are poised to strengthen our presence in the region and cater to the evolving demand of the market. While our journey today is marred by both challenges and opportunities, our dedication to growth and expansion is mainly unwavering. In response to the challenges presented in our core markets, we continue to devise and implement strategic responses tailored to each region.

In the UAE, we are working on optimising costs, enhancing our product mix and reinforcing the brand presence to come back on the competition from cheap imports. For Saudi Arabia, we continue to invest in differentiated products, brand enhancement to tackle increased competition. With Saudi Arabia's significant investment in upcoming infrastructure and real estate projects, the growing demand for a trusted brand and supplier presents a favourable outlook for RAK Ceramics to strengthen its presence in the region.

In Europe, currency hedging and freight rationalisation have allowed us to maintain margin amidst necessary fears. In India, we continue to focus on expansion and manufacturing upgrades to counter liquidity issues, while in Bangladesh, our focus centres on improving production efficacy in the face of gas supply disruption.

As you can see, our commitment to facing these challenges head on is unwavering. We are actively implementing strategies that not only mitigate the impact of these hurdles but also allow us to capitalise on the opportunities that lie within. These efforts ensure our ability to adapt, innovate and emerge stronger in the face of adversity. I will now hand over to PK. PK.

PK Chand Thank you, Abdallah. Good evening, everyone, and thank you for joining us. Mr Abdallah has already briefed on operational highlights, key markets and a strategy update for the third quarter of 2023. I will take you through the financial highlights, with details on revenue, gross profit margin and the balance sheet items. We will start from slide 12.

We continue to encounter several challenges, primarily attributable to market volatility and continued macroeconomic challenges across core markets. This has negatively impacted our revenue in the third quarter of 2023 by 7.7%, year on year, at AED 837 million. Revenue for nine months of 2023 marginally declined by 1.1% at AED 2.59 billion. Tiles and sanitaryware revenue is lower by 8.5%, year on year, at AED 598.5 million in the third quarter of 2023. In nine months of 2023, it declined by 9.1%, year on year, to AED 1.88 billion.

Revenue has been impacted across all markets except United Arab Emirates, India and Germany. Growth in the United Arab Emirates is largely driven by project and retail channels. Reduction in the revenue in other markets is primarily attributed to recessionary fears and higher interest costs, which are affecting household savings and causing a deferment in major house renovation and development projects.

Tableware revenue increased by 2.5%, year on year, at AED 92.5 million in the third quarter of 2023 and 10.5%, year on year, in nine months of 2023, driven by introduction of differentiated products. Faucets revenue decreased by 2.5%, year on year, at AED 114.8 million in the third quarter of 2023. In nine months of 2023, revenue is AED 342.9 million. Last year, KLUDI group consolidation started, effective 1 June 2022. Revenue from other units decreased to AED 87.2 million in nine months of 2023, mainly due to a decrease in our Ceramics raw material trading business.

Now, let me go through slide 15 onwards, covering the end market performance in the third quarter and nine months of 2023 for the tiles and sanitaryware segments. In the UAE market, tiles and sanitaryware revenue in the third quarter of 2023 increased by 22.4%, year on year, to reach AED 195.5 million, driven by project and retail channels, despite a strong competition and pricing pressures in UAE from import of low-cost, low-quality products. In nine months of 2023, revenues grew by 21.7%, year on year, to AED 579.7 million.

In Saudi Arabia, tiles and sanitaryware revenue in the third quarter of 2023 witnessed a significant decline by 49.1%, year on year, to AED 73.8 million due to intensified competition from the low-cost local Chinese manufacturers, which impacted our wholesale and retail channels. Sales from the project channel continues to grow. Our focus remains on offering premium products, securing major projects and expanding the retail footprint. In nine months of 2023, revenue decreased by 38.2%, year on year, to AED 279.3 million.

In India, revenue in the third quarter of 2023 increased by 5%, year on year, to AED 93.9 million, supported by expanding dealers network and increase in the retail footprint by increasing showrooms. India is currently a challenging market, characterised by lower demand, suffering from adverse effects of rising interest rates and tight liquidity.

However, the real estate sector is showcasing resilience in the face of these challenges and is expected to gain momentum. Our nine months of 2023 revenue decreased by 9.3%, year on year, to AED 270.7 million, while in local currency, it decreased by 3.8%, year on year.

In Europe, revenue in the third quarter of 2023 increased by 1.3%, year on year, to AED 98.2 million, driven by growth in Southern European countries. In nine months of 2023, revenue decreased by 5.4%, year on year, to AED 305 million due to ongoing economic challenges in the region, mainly in the UK market, which continued to face recessionary fears, currency devaluation and rising interest costs impacting consumer spending capacity. Revenues in Germany and Italy have shown resilience.

In the Bangladesh market, revenue in the third quarter of 2023 decreased by 16.1%, year on year, to AED 59.6 million, while in local currency, it decreased by 5.3%, year on year. In nine months of 2023, revenue decreased by 17.3% to AED 190.5 million, while in local currency, it is marginally decreased by 1.6%, year on year. Despite the challenges, we continued to expand our showrooms network and focus on market penetration and product differentiation.

In the Middle East, excluding United Arab Emirates and Saudi market, it looks challenging, with increasing supply from the new regional, local players. Revenue in the third quarter of 2023 decreased by 21.5%, year on year, to AED 34.8 million. In nine months of 2023, revenue decreased by 5.2%, year on year, to AED 113.9 million. We are actively working to better position in the [unclear] market by directly targeting project segments.

Now, we will turn to slide 16. The total gross profit margin increased by 270 basis points, year on year, to 37.6% for the third quarter of 2023, mainly due to higher sales in the United Arab Emirates market. In nine months of 2023, the gross profit margin is higher by 80 basis points at 37.6%, year on year, driven by higher margin in tiles and tableware segments through a combination of improved production efficacies and shift in the product mix.

Tiles margin in the third quarter of 2023 increased by 170 basis points compared to the third quarter of 2022 at 39.1%, mainly due to shift in product mix. In nine months of 2023, the margin increased by 130 basis points to 39%. Sanitaryware margin decreased by 100 basis points, year on year, at 31.8% in the third quarter of 2023 due to lower revenue and lower productivity. In the nine months of 2023, the gross profit margin increased by 130 basis points at 34.3%.

The tableware margin increased by 110 basis points, year on year, to 50% in the third quarter of 2023, following top line increase and change in product mix. Faucets gross profit margin increased by 900 basis points at 32.4% in the third quarter of 2023, following the results from the cost optimisation initiative. In nine months of 2023, gross profit margin is 28%.

Net profit before one-off gain increased to AED 83.9 million in the third quarter of 2023, compared to AED 74 million in the third quarter of last year. Last year, reported net profit included a net one-off gain of AED 16.1 million towards sale of land in Australia. Margin is 10% compared to 8.2% in last year. In nine months of 2023, the net profit before one-off is AED 239.1 million, compared to AED 244 million in last year. The net profit margin is 9.2% compared to 9.3% in last year.

EBITDA increased by 16%, year on year, to AED 169 million in the third quarter of 2023, compared to AED 145.8 million in last year. EBITDA margin is 20.2% compared to 16.1% in last year. In nine months of 2023, EBITDA is AED 481.4 million compared to AED 439.7 million in last year. The EBITDA margin is 18.6% compared to 16.8% in last year.

Now, we will turn to balance sheet highlights on this slide 18. Overall working capital cycle increased from 163 days in the second quarter 2023 to 165 days in the third quarter 2023. However, in absolute terms, working capital decreased by AED 28.5 million to AED 1.5 billion in the third quarter of 2023, mainly due to a decrease in receivables.

Inventory days increased from 199 days to 210 days, quarter on quarter, mainly for the inventory built up for raw materials and faucets. Trade receivable days decreased from 90 days to 87 days, quarter on quarter, mainly due to lower revenue and monitoring of credit risks.

Net debt increased by AED 198 million to AED 1.5 billion in September 2023 compared to AED 1.45 billion in December 2022, mainly due to a dividend payment of AED 221.7 million and increasing working capital. Net debt to EBITDA increased to 2.43 times in the third quarter of 2023 compared to 2.26 times in December 2022.

We continued to maintain adequate liquidity position during the quarter. Capital expenditure during nine months of 2023 is AED 182.5 million, and the capex guidance for the full year of 2023 remains the same, at around AED 250 million to AED 300 million.

Slide 20 shows the share price movement during the last 12 months. The shares are currently trading at a P/E multiple of ten times. Now, I would turn back to Mr Abdallah for his final comments for the fourth quarter of 2023 and priorities, before we answer your questions.

Abdallah Massaad Thank you, PK. As we conclude the third quarter of 2023, we acknowledge the challenges we face in today's dynamic global landscape. Geopolitical conflict, market volatility, a rising interest rate and currency devaluations have created a complex environment, significantly impacting market share, our market demand.

In this complex scenario, we remain dedicated to serve our clients as we continue to position ourselves as a global preferred supplier. Moreover, sustainability will be at the heart of our strategy as we continue to promote long-term value and growth for all stakeholders.

As we venture into the last quarter of 2023, our priorities stand strong and aligned with our objectives. We continue to innovate and strengthen our position in the face of this adversity, with a particular focus on establishing and strengthening our brand presence in each region. Thank you for your time. Now, I would like to hand over the call to the operator and open the line to questions.

Operator Thank you. If you would like to ask a question, please press star followed by one on your telephone keypad. If you choose to retract your question, please press star followed by two. If you have joined online, please use the Q&A chat box provided. Our first question goes to Sameer from EFG Hermes. Sameer, please go ahead. Your line is open.

Sameer Kattiparambil Thank you, Abdallah and PK, for the presentation. I have a couple of questions, first on the UAE market that you mentioned about increased competition in UAE. Could you elaborate on which all segments are you facing the severity of competition, and how are you planning to face it? Especially the UAE have signed a CEPA agreement with a few countries, including Turkey, which is one of the largest producers of tiles. So does this mean more competition in the future? So yes, that's the first set.

Abdallah Massaad Thank you, Sameer, for the question. You know, Sameer that historically, the UAE were always… Almost most of the countries, they pay, or their custom duty is 5%. So historically, we've grown in this market without a protection.

Yes, these days, at some time, there was the anti-dumping, the anti-dumping done actually a year back. And yes, in the market, you can see a lot of cheap product. But this will open also us opportunity to export. We are removing barriers also from a market. A big market like Turkey, we were not able to export, because we were paying 30% and so on.

So honestly speaking, if you look at the segment, yes, in the wholesale business, which we are not focusing much, we lost some market share vis-à-vis the low-cost product, but we increased our revenue to projects and in our retail. So what we are following is the retail, the shop in shop franchising concept.

And honestly speaking, we cannot… Our sales significantly increased in the UAE. And the projects and companies which we're working in UAE, you have two segments, one mature, which require brand and reliability, and you have the normal builders. So we are building always on the good dealing with good names, where they want a reliable product, and we want them, because they will pay premium for us.

Sameer Kattiparambil Okay, got it. One more question from my side in terms of Saudi market. Any hope over the short term for volume growth? Also, on the exemption you have applied for the GCC duty, any update on that side? Because I heard some of the names are already starting getting the reimbursements or X amount. So if you can give some colour on…

Abdallah Massaad Sameer, yes, first, regarding the custom, they are asking some honestly certificate and stuff, which we rely, but they want for every code. So they want minimum 45%. We are 76%. But they want some requests on specific codes, which till now, we are in discussion with the authorities here to provide us.

As per the consultant who is working for us, as you rightly said it, some or many clients get the exemption. They are saying that we have a very big chance to take it. They still need one document which we are trying to provide. So I believe we have a hope, as long as one got it in the industry. So we are working hard in this.

Now, volume growth in Saudi, to be honest, the market, with four factories, opened in Saudi and they drove the competition and the prices into a level where I believe neither them nor anyone in Saudi can make money. So for us, we pulled from this competition and we focused on the project sector, specification and our showroom and the shop in shop concept, where we're trying to differentiate ourselves from the severe competition that is happening.

Sameer Kattiparambil Sure. One follow-up question on Saudi. What's the current production capacity, total production capacity in Saudi, including that four new factories?

Abdallah Massaad I don't have it exactly in front of me, but I believe what is the demand, at least what we see the market size today, the capacity is much bigger than the market size. Because we hear about a huge capacity which they built, but they are not… I doubt that they have this capacity. To be honest, we don't have a reliable source to give you the numbers.

Sameer Kattiparambil got you. Got you. Thank you, Abdallah, for that.

Abdallah Massaad Thank you.

Operator Thank you. We have a question via the chat. Any plans/opportunity to exit any of the geographies, and any plans to invest in a plant in Saudi, given the opportunity to overcome the import duty? Can you please remind us what is the import duty imposed by Saudi? Thank you.

Abdallah Massaad Look, we are continuing. Our plan is to open a factory in Saudi. We are facing, with the approvals… Especially in gas, because we don't want to start any factory without having the gas allocation, which is why we are delaying till we get all the approvals required. What we are paying now is 12% custom, which we should theoretically get it exempted, but we are trying the last few months, till now, with no success.

Operator Thank you. The next question. What will be the dividend distribution for next year? Thank you.

Abdallah Massaad regarding the dividend, it is a board approval. But as we declare that we have a three-year minimum dividend of 20 fils per year, I do not see any changes from the declared policy.

Operator Thank you. The next question. Can you provide us with any update on the progress of the land plot in RAK? Is this still on the table? Thank you.

Abdallah Massaad honestly speaking, till now, we don't have any update. The good news is that the real estate market in the UAE and Ras Al-Khaimah is doing well. But as of today, we don't have any offer. The plan is still to sell it.

Operator Thank you. And as a reminder, if you would like to ask a question, please press star followed by one on your telephone keypad. If you choose to retract your question, please press star followed by two. If you have joined online, please use the Q&A chat box provided. We have another question via the chat. How much contribution are you expecting from UAE plant expansion in terms of revenue and profit? When can we see material contribution?

Question two. Despite exceptional performance, track record and one of the highest dividend yields, the stock remains one of the cheapest on all valuation metrics. Why do you think this is the case, and what is the company's strategy to maximise shareholders' returns? Thank you.

Abdallah Massaad regarding the tableware business, with this quarter, we will see the increase. This will be shown, the impact will be shown in fourth quarter this year, onward. As you see, the company already is doing well, and the margin is good.

In terms of the price, the stock, our share price, honestly speaking, yes, our practice today, maybe the liquidity is an issue. Or otherwise, from the performance from our peers even, you can look at all international and local competitors, I believe, in terms of margin, which we did it internally, we are among the top margins, in terms of even we have a decline of 7%, 7.7% this quarter and 1% yearly. But you go also to the peers which we compare ourselves to, some of them reached more than 20% decline in revenue. And on average, no less than 10% on average, the decline.

As you said, the dividend yield is also among the highest. So from our side, we are trying to do our best to maximise shareholders' value, on having these calls, participating in conferences, discussing, taking any call from any investor and trying to do our best in terms of communication and the branding. So other than this, it's a market-driven thing.

Operator Thank you. We have another follow-up from Sameer from EFG Hermes. Sameer, please go ahead. Your line is open.

Sameer Kattiparambil Oh, sure. Thank you. Just to follow up on the Saudi, do you think your Saudi plan to set up the production factory is still economically viable, given the high local competition and the new players or factories in the country?

Abdallah Massaad Sameer, again, maybe I did not reply you properly on the capacity. Because historically, the Saudi market is a market which goes between 200 million to 250 million square metres. Earlier, the capacity, installed capacity was 100, and today, the installed capacity, as what we heard, is almost 350 million square metres. It means above today's requirements.

But again, what I mentioned that… With this, we saw it across the board, that now, the project in the Kingdom is the housing project, is the normal wholesale channel. It's a volume game, volume, price. I believe personally, and I think this is the way going forward, today, there are a lot of projects from hospitality to other than the low-cost housing projects. It's some prestigious projects, where we are prepared as a brand, as a recognised, reliable supplier, quality-branded, to have a demand.

And I believe we will have our market segments which we want to tackle. Because in our DNA, and you see how we improved our margin, we don't want to only focus on top line and whatever the margin is. I still believe we have a chance. And therefore, having a factory also in UAE, in Saudi, will support us being a local manufacturer with a premium. And the branded product, supported by the range we have in UAE, will still have a valid economical and a necessity for us to our growth.

Sameer Kattiparambil Got you. I just want to double check if my understanding is correct. You said that Saudi's installed capacity is 350, right?

Abdallah Massaad Look, there is no proper statistic. But I see it as, today, the market is at 250, and the capacity is 350, yes.

Sameer Kattiparambil Okay, great. Another question from my side is on the… Could you give some colour on how the KLUDI group transformation plan is progressing?

Abdallah Massaad Honestly, Sameer, we are very happy. And acquisition is a transition, and I have to say that during this transition and this year, we absorbed a lot of probably losses and transitional fees. But we are very happy, because it gave us a lot of strategic position when it comes to the sanitaryware and faucets by having another segment to tackle.

And our capacity in UAE and the thesis of buying KLUDI was to move a big part of the production from Europe to our plant in UAE and shut down the high cost, inefficient plant, to remain with the high technology, advanced R&D and the presence in Europe, building on the capacity which we will increase here, have a lower cost of production, then transform into a higher margin.

This quarter, we saw, I believe last month, the expansion capacity from 600,000 pieces to 1.1 million pieces already gone live in UAE, and we started shutting down capacity in Europe. I can see that combined, last month, which is September, it was the first profitable month in this segment, which we are very happy to see that transformation in place, and it's starting materialising with the plan we put for it.

Sameer Kattiparambil Oh, great to hear that. And the last question from my side. So when will the new tableware capacity go to commercial production? And how long will it take to reach the full capacity utilisation?

Abdallah Massaad Already, I can say that almost two weeks back, we have started the kiln. And when the kiln starts ramping up the capacity, you can say now in ten days, maximum, we can reach the full capacity. Today, I can say that we are in the full capacity. That's why, within this quarter, we will see the impact.

Sameer Kattiparambil Okay, got it. And how confident you are that this new capacity won't create an overcapacity situation in the market?

Abdallah Massaad As of today, if you see the… We can see that demand is still there. The tourism business is still doing well. Our position is there. And also, with the increase in capacity, we have now the bone china, the earth stone, the stoneware, the ivory and the white. So when we started with this business, we had only the ivory, and it's a high alumina product, then we added. So yes, we are growing capacity.

But today, I'm pleased to say that with this flexibility and capacity, we are able to cater the whole product mix, as well as we were only focused on HoReCa business, and now we are preparing the launch on retail. We already took a showroom in Dubai, in Hills…

PK Chand Dubai Hills.

Abdallah Massaad Dubai Hills, where we will open in the first quarter 2024 as the first retail shop. We are preparing also on online, to be there, and we see that there is also potential for us to go into the retail segment.

Sameer Kattiparambil Okay, great. Thank you. Thank you so much for that, Abdallah. That's it from my side.

Abdallah Massaad Thank you, Sameer.

Operator Thank you. And as a reminder, if you would like to ask a question, please press star followed by one on your telephone keypad. If you have joined online, please use the Q&A chat box provided. And we have a question via the chat. Question one. Is there any guidance on dividend policy beyond 2024? Question two. How much impact can we potentially see from the new UAE capacity, assuming it runs at full utilisation? Thank you.

Abdallah Massaad Look, for the first one, look, the dividend, again, is a board decision. As per the company, you see that the company cash flow and our EBITDA is growing, net profit, at a level which is according to our expectation. I don't see any requirement for changes in the dividend policy. But again, I cannot give you a guidance. This is a board approval. And till now… PK, till when we have?

PK Chand 24. 22 to 24.

Abdallah Massaad Till 24, this is a policy which is still in place. And I don't see any changes in there. The second half of the question?

PK Chand The tableware expansion, so what the ER is. From the tableware expansion, the expected revenue is AED 40 million to AED 50 million, and the profitability could be in the range of AED 10 million to AED 12 million.

Operator Thank you. And as a final reminder, if you would like to ask a question, please press star followed by one on your telephone keypad. If you have joined online, please use the Q&A chat box provided. We'll pause for just a moment. Thank you. It appears we have no further questions. I'll now hand back to Mohamad for any closing comments.

Mohamad Haidar Thank you, Nadia, and thank you, Mr Abdallah and Mr PK, for joining us today. We look forward to having you with us next quarter. Thank you.

Abdallah Massaad Thank you. Thank you for your…

Mohamad Haidar Thank you so much.