Transcript

RAK Ceramics Q4 & Full year 2024 earnings call and webcast

Thursday, 13th February, 2025

Operator Hello, everyone, and welcome to today's RAK Ceramics, Q4 and full-year 2024 earnings call. My name is Drew, and I'll be the operator today. During today's call, there will be a Q&A session. If you would like to register a question, please press star, followed by one on your telephone keypad. And if you have joined us online, please click the Q&A button and type out your question. It's now my pleasure to hand over to Abdul Wahid to begin. Please go ahead when you're ready.

Mohamad Haidar Thank you, Drew. Hello, everyone. This is Mohamad Haidar from Arqaam Capital. And welcome to the RAK Ceramics fourth quarter and full-year 2024 earnings call and webcast. We are joined today by Mr Abdallah Massaad, Group CEO from RAK Ceramics, and Mr PK Chand, Group CFO of RAK Ceramics. Over to you, Abdallah.

Abdallah Massaad Thank you, Mohamad. Good afternoon, everyone, and welcome to RAK Ceramics' fourth quarter and full-year 2024 earnings call and webcast. We appreciate you joining us today. The global economic landscape remains challenging, shaped by ongoing geopolitical tension, inflationary pressures, and persistent supply chain disruption, all of which continue to impact export driven industries like ours.

The Red Sea crisis has led to rising logistic costs, putting pressure on our margins, particularly in key export markets. Also, the transformation of Kludi Europe has been considerably affected by inflation, recessionary pressure, and higher logistic costs. These challenges have strained our ability to sustain healthy margins. However, the recent interest rate cut, along with expected future reductions, may improve overall liquidity, ease credit conditions, and stimulate the real estate sector, which will support our business.

Let me now take you through the consolidated revenue breakdown for the group across key markets and product divisions. The UAE remains our largest revenue contributor, driving both topline growth and margins. This is followed by Europe, which accounts for 22% of our consolidated revenue, followed by India and Saudi Arabia.

Moving to the product segments, tiles continue to be primarily a revenue driver, followed by sanitaryware, faucets, and tableware. At the bottom, you will see our production capabilities, where we remain committed through continuous investment, to enhance capacity and operational efficiencies. I will now walk you through our financial performance across key markets and product segments.

The UAE market continues to show resilience, driven by positive momentum in the real estate and construction sectors. In Saudi Arabia, a highly competitive environment and market oversupply led to a decline in revenue. Additionally, rising transportation costs remain a challenge. However, we saw a significant recovery in the fourth quarter, supported by the government's exemption of customs duties on exports. This, combined with a strategic shift in our product mix, resulted in an improved gross profit margin.

Demand in Europe, specifically in the UK, continues to be lower, driven by inflation, recessionary pressure, currency fluctuation, and the ongoing geopolitical tension. Additionally, higher freight costs and logistical challenges are adding pressure to our operation.

The Indian market has demonstrated resilience, despite macroeconomic and headwinds. However, reduced exports from India have intensified domestic competition, making the market highly price sensitive. In Bangladesh, political instability, gas shortages, and currency devaluation have severely impacted our operation. These factors have affected production efficiency, increased costs, and contributed to revenue and margin decline, leading to losses.

From a product perspective, our tiles division saw revenue declines in most markets, except India and the UAE, where growth in the construction and real estate sectors provided a boost. Our disciplined approach of avoiding price war has helped us maintain margins. The sanitaryware experienced revenue decline, primarily attributed to weaker demand across all major markets, except Saudi Arabia. The faucets division experienced a revenue decline, primarily attributed to geopolitical tension, challenges, and transformation of Kludi Europe, owing to inflation, recessionary pressure, higher logistic costs. The slowdown in China, real estate sector, and new sanctions on China also contributed to the decline.

Our tableware division experienced a decline in both revenue and volume, primarily due to the slowdown in the hospitality sector and supply chain disruption caused by regional geopolitical tension. As we navigate an increasingly complex global environment, I want to highlight some of the key challenges we face and the strategic initiatives we are implementing to drive long-term growth.

In the UAE, the influx of lower cost imports supported by free trade agreements, is intensifying competition. To counter this, we are strengthening our partnership with reputable developers across the UAE, supplying them with our tiles and sanitaryware for their projects. In the Saudi Arabia, market oversupply from local manufacturers and rising transportation costs from the UAE, exports have pressured our position in the wholesale segment. However, the recent custom duty exemption have helped offset costs and improve competitiveness. Additionally, we are focusing on premium and differentiated product offerings to strengthen our retail and product channel, thereby enhancing margins.

In Europe, economic challenges have led to a lower demand. We are actively engaging with architects and designers to expand our network and promote new collections, aiming to capture higher value segments.

In India, the price sensitive nature of the market remains a challenge. To address this, we are enhancing our retail presence and elevating the in-store experience to better engage customers. A differentiated shopping experience will attract quality-conscious consumers, helping us, strengthening our market position. Therefore, we are evaluating option to upgrade our tiles and sanitaryware plants in Samalkot. In Bangladesh, political instability, currency devaluation, and gas shortages continue to disrupt operations. We are focusing on establishing a robust distribution network to ensure reliable delivery of high-quality products, leveraging innovation to differentiate ourselves from competitors. We also remain committed to brand enhancement through showrooms expansion, and a wider dealer network across all markets.

In the UAE. We continue to invest in both our production facility and our retail presence. Our tiles division is undergoing an upgrade with cutting-edge technology to differentiate ourselves, large-format tiles catering to high-end markets. Our sanitaryware facility is being modernised, with energy efficiency technology, reducing carbon emission, and aligning with our sustainability objectives. Our newly opened Sheikh Zayed Road showroom in Dubai showcases the RAK Ceramics lifestyle concept, offering customers a more immersive experience.

In Saudi Arabia, we are progressing with plans for a new production facilities for tiles, which will reinforce our local presence and enhance operational efficiencies. I'm also proud to announce that RAK Ceramics was recently recognised as the UAE Industry 4.0 leader by the Ministry of Industry and Advanced Technology, acknowledging our efforts in digital transformation and innovation within the industrial sector.

I will now hand over to our CFO, PK Chand.

PK Chand Thank you, Abdallah. Good afternoon, everyone, and thank you for joining us. Mr Abdallah has already covered the key market performance highlights, challenges and a strategy update for the fourth quarter of 2024. I will walk you through the financial highlights for the fourth quarter and the full year 2024, including details on revenue, gross profit margin and the balance sheet.

We will start from Slide 11. Total revenue in fourth quarter of 2024 marginally increased by 0.5% year-on-year and 8.5% quarter-on-quarter at 870.9 million AED. In full year of 2024, revenue decreased by 6.5%, at 3.23 billion AED, due to continued geopolitical tensions, inflationary trends and complex supply chain disruptions, which have particularly affected our export markets.

Tiles and sanitaryware revenue increased by 2.9% year-on-year at 638.5 million AED in the fourth quarter of 2024, while it decreased by 6.9% to 2.33 billion AED in the full year of 2024. Tiles revenue increased by 4.8% year-on-year to 518.1 million AED in the fourth quarter. And in full year, it decreased by 6.4% to 1.84 billion AED, on account of lower volumes across all markets, except the UAE and Indian markets.

Sanitaryware revenue decreased by 4.7% year-on-year to 120.4 million AED in the fourth quarter. And in the full year, it decreased by 8.6% year-on-year to 467.8 million AED, due to impact on volume across all core markets. Tableware revenue decreased by 7.5% year-on-year to 101.8 million AED in the fourth quarter. And in full year, it decreased by 5.8% to 369.3 million AED, mainly due to slowdown in the hospitality sector and supply chain disruption, driven by regional geopolitical tensions. However, quarter-on-quarter, the revenue has increased by 19.4%.

Faucets revenue decreased by 3.3% year-on-year to 109.5 million AED in the fourth quarter. And in full year, it decreased by 2.5% at 444.6 million AED, impacted by geopolitical tensions, challenges in transformation of Kludi Europe owing to inflation, recessionary pressures, and higher logistics costs. The slowdown in China's real estate sector and new sanctions on Russia also contributed to the decline. Revenue from other units decreased by 18.1% to 89.8 million AED in the full year, mainly due to decrease in our ceramic raw material trading business, which got impacted due to political instability in Bangladesh.

Mr Abdallah has already covered the regional performance, and therefore, I will move to slide 14 onwards, covering the segmental gross profit margin in the fourth quarter of 2024 and full year. Total gross profit margin increased by 163 basis points year-on-year to 37.2% in the fourth quarter, an increase of 143 basis points year-on-year at 39.3% in the full-year period, due to better efficiencies, change in product mix and reduction in costs. Tiles margin in the fourth quarter increased by 520 basis points year-on-year, at 41.6%, and in the full year, it increased by 240 basis points, at 40.8%, supported by shift in the product mix from ceramics to GP tiles and better efficiencies.

Sanitaryware margin decreased by 610 basis points year-on-year, at 27.9% in the fourth quarter, while in the full-year period, it decreased by 320 basis points to 31.1%, due to lower margins in the European market, owing to higher logistics cost and lower plant utilisation in Bangladesh.

Tableware margin decreased by 160 basis points year-on-year to 46.2% in the fourth quarter, and in the full year, it increased by 140 basis points at 51.1%, following change in the product mix and supply of premium products.

Faucets margin increased by 150 basis points year-on-year, at 21.3% in the fourth quarter, and in the full year, it increased by 200 basis points at 28% due to rationalisation of costs. Profit before tax for the fourth quarter of 2024 is 82 million AED, compared to 88.4 million AED in the last year. This decrease was primarily driven by a lower other income of 20.9 million AED, and an increase in freight costs by 15.2 million AED year-on-year due to supply chain disruptions, particularly along the Red Sea route.

Profit margin is 9.4%, compared to 10.2% in the last year. Net profit before tax for the full year of 2024 is 276.6 million AED, compared to 345.5 million AED. This decrease has been primarily driven by political instability in Bangladesh, Red Sea crisis, which has led to higher logistics costs, challenges faced in transformation plans in faucets division in Europe, and lower other income by 34.4 million AED year-on-year. Profit margin is 8.6%, compared to 10% in last year.

Net profit after tax for the fourth quarter of 2024 is 64.2 million AED, compared to. 1.8 million AED in the last year. The impact of the newly introduced UAE corporate tax at the rate of 9%, effective 1 January, 2024, is 11.6 million AED in the fourth quarter of 2024. Net profit margin is 7.4%, compared to 9.4% in last year. Net profit after tax for full year of 2024 is 234.1 million AED, compared to 320.9 million AED in last year. The impact of UAE corporate tax is 33.9 million in the full year of 2024. Net profit margin is 7.2%, compared to 9.3% in last year.

EBITA decreased year-on-year by 4.7% in the fourth quarter of 2024 to 158 million AED. The margin decreased by 100 basis points year-on-year to 18.1%. In full year of 2024, the EBITA decreased by 8.4%, at 592.2 million AED, and margin decreased by 40 basis points to 18.3%.

Now, we will turn to balance sheet highlights on Slide 16. Overall, working capital cycle decreased from 196 days in the third quarter of 2024 to 181 days in the fourth quarter. Also, in absolute terms, working capital decreased by 99 million AED to 1.44 billion AED in the fourth quarter of 2024, mainly due to decrease in trade receivables. Trade receivables decreased from 94 days in the third quarter of 2024 to 87 days in the fourth quarter, driven by stricter credit terms and efficient collection process. Inventory days decreased from 254 days to 252 days quarter-on-quarter. Trade payables increased from 66 days in the third quarter of 2024 to 67 days in the fourth quarter.

Net debt decreased by 1.74 million AED, at 1.3 billion AED, compared to September 2024, and 26.2 million AED compared to December 2023. Net debt to EBITA also decreased from 2.61 times in September 2024 to 2.35 times in

December 2024. We continue to maintain adequate liquidity position during the year. Capital expenditure during the full year of 2024 is 183.3 million AED versus our guidance of 200 million AED. CapEx guidance for the full year of 2025 is estimated to be around 350 million AED, as orders worth 236 million AED have already been placed for which deliveries are stretched in 2025.

In line with the dividend policy commitment, the board proposed to distribute semi-annual cash dividend of 10 fils per share for the second half of 2024, amounting to 99.4 million AED. This follows a previously distributed semi-annual cash dividend of 10 fils per share, representing 99.4 million AED for the first half of 2024. For 2025 to 2027, the board has approved it to continue the same dividend policy, that is a minimum payout of 20 fils per share on a semi-annual basis for the year 2025, subject to consideration of factors such as business outlook, capital requirement for growth opportunities, expansion plans, optimal leverage levels, and healthy cash reserves. To further enhance the visibility to the shareholders, RAK Ceramics commits to pay a minimum dividend of 60 fils over the next three years, that is 2025 to 2027. The dividend policy for 2025 to 2027 will be presented to the shareholders for approval in the next annual general meeting.

Slide 19 shows the share price movement during the past 12 months. The shares are currently trading at P/E multiple of 11.5 times. Now, I will turn back to Mr Abdallah for his final comments, before we answer your questions.

Abdallah Massaad Thank you, PK. It is evident that the prevailing geopolitical and economic challenges continue to impact industries worldwide. While these challenges have pressured our bottom line, our performance remain resilient. We have been strong revenue growth in the UAE, supported by an expanding real estate sector, and a surge in tourism. However, other key markets have been impacted by various external factors. Despite these challenges, we have successfully mitigated significant impact on our profit margins.

Our strategic focus remain on quality, innovation and sustainability, ensuring we stay ahead in an evolving global landscape. As more local manufacturers emerge globally with an emphasis on lower cost of production, we remain committed to being the preferred global supplier, offering high quality, differentiated products. Thank you all for joining us today. I now hand over the call to the operator for the Q&A session.

Operator Thank you. We'll now start today's Q&A session. If you would like to ask a question, please press star, followed by one on your telephone keypad. And if you've joined us online, please click the Q&A button and type out your question.

Our first question today is, what are the utilisation rates countrywide and also product wise?

PK Chand As far as the utilisation overall in tiles is concerned, it is around 62%. And in sanitaryware, it is around 60%. Is that okay?

Operator Yes, thank you. And then your next question is, will your tax rate be 15%?

PK Chand Yes. Because we are a multinational company, and our turnover in the last two years have crossed €750 million, so we will be covered under 15% tax rate.

Operator Our next question comes from Dina Hicham from EFG Hermes. The effective tax rate in 4Q is 22% versus 15% in nine months 24. Why such a sudden jump? And should we assume that 4Q level of run rate for tax in 2025?

PK Chand It all depends on what is the profitability as far as from the UAE market is concerned. And since other markets have not done well, and therefore, the effective tax rate for the whole year is 15.28%.

Operator Thank you. Just as a reminder, if you would like to ask a question, please press star, followed by one if you've dialled in. Additionally, if you have joined us online, please click the Q&A button and type in your question. Our next question comes from Richa Kumari from SICO. Could you please give some more detail on CapEx? And what is the 236 order?

PK Chand 236 million, the orders have already been placed. It is basically for MC5 and MC9. We are upgrading two plants in in UAE here. These are to produce bigger format tiles, and they're the major expenditure on this. The orders have already been placed, and that is why it is appearing as capital commitments in our financial statements also. And these will be delivered in the year 2025.

Operator Thank you. Our next question is, do you see any demand for megaprojects in KSA?

Abdallah Massaad Yes, for sure. The whole region is doing well. And we can see that the more influx of megaprojects in the Saudi, especially for us, is becoming more attractive after the custom duty was released on us, and we saw the increase in revenue happened in the fourth quarter.

Operator As a reminder, if you would like to ask a question, please press star, followed by one, if you have dialled in. Additionally, if you have joined us online, please type out your question. Our next question is a follow-up from Dina Hicham from EFG Hermes. When do you expect Bangladesh's gas problem to get resolved, and what's the current utilisation level in Bangladesh? Update on Bangladesh expansion plan as well.

Abdallah Massaad Bangladesh last year was a really tough year because we couldn't plan, and we already got the approval of getting a direct gas line, where, in case the gas is not available, at least we can receive LNG, we can continue our production. Honestly speaking, we expected that this year will be better. January was not great in terms of gas supply, but I can say the last two weeks, we have uninterrupted supply of gas. In terms of capacity utilisation, if you see now we are fully utilising. Last year…

PK Chand Last year was 70% in tiles, compared to 90% in 2023. And in sanitaryware, the utilisation has been 55%, compared to 82% in 2023.

Abdallah Massaad And in terms of increase of capacity, what we did last year, because non-availability of foreign currencies and the political instability, we continued our upgradation, but in term of the new faucets and increase of capacity, we put it on hold.

Operator Our next question is an audio question from Mohammed. Please go ahead.

Mohammed Thank you. First off, congratulations on renewing the dividend policy. That's an extra 100 million paid every year with the CapEx, 350 to 400 this year. Do you have any plans how you're going to fund it? You're going to have extra debt for that?

PK Chand Mohammed, the EBITA last year was also 592 million. And we expect, in fact, a better EBITDA in 2025. And even if you take a, let us say, 350 million of CapEx and dividend, and if you see our net debt to EBITDA level, which is quite comfortable at 2.35 times in the end of 2024. This issue was debated several times in the board, and the board is comfortable with a net debt to EBITDA of 3.5 times. We are well within that.

Mohammed That's very Clear. And the market wise, we saw Saudi picking up in Q4. Is this a good benchmark to how 2025 is looking like in Saudi? And do you also expect a strong year for the UAE market?

Abdallah Massaad Look, Mohammed, as you can see, that last year was a good year for us in terms of the regional performance, especially in the UAE and Saudi. UAE real estate is continue to be really booming. A lot of projects in the pipeline, and it's very busy these days. And we have a very good position, and we are well positioned to cater these projects. Yes, we see that the 2025 will be a good year in the UAE.

In terms of Saudi, if you see the jump in sales, demand is there. It was a matter of the local competition, plus the high transportation cost, plus the customs duty. Fortunately, when the customs duty gets reduced, we reach a point where, and also in terms of transportation cost, for the time it is stabilised, especially with the railway. What you have a commitment on, a number of containers on a daily basis. And from this perspective, we see hopefully a good year in the region.

Mohammed Understood. Thank you very much.

Operator We have a further follow up from Dina Hicham. In regards to tableware, does this weakness reflect on volume or prices? And when can we expect a recovery?

Abdallah Massaad Tableware, honestly, we're doing well. It's a minor reduction in terms of volume, but the gross profit margins remain good and profitability is good. This year, it was really destructive for us in terms of logistic, as well as the income. The largest market for us is Europe and the devaluation of euro, as well as the increase in transportation costs, and also the increase of lead time, where at some time it reach almost two to three months to reach the materials. We sell to many airlines, and hopefully we are in a good position to take any contract of airline. This will increase the volume which we have the capacity to produce.

Operator Our next question is from Hani Janina from CI Capital. Could you please shed light on the influx of Chinese producers to the Middle East to bypass sanctions? And how is that impacting the competitive landscape?

Abdallah Massaad Honestly, the UAE is dealing with, this is part where RAK Ceramics became competitive, and we were forced to differentiate ourselves, not based on support from government, on competitiveness. Honestly, the UAE is open market, where you can see a lot of material from India to material from China. But we are playing in a different league, means we are positioned in a different level, and our product is sold at a premium, and it is accepted for the prestigious premium products.

Operator Our next question is, please, can you shed more light on the timeline for the production facility in KSA?

Abdallah Massaad Honestly, it is very difficult to make it. We are following up. As we said, we have gas allocation letter, but till now we don't have the commitment when the gas will be there. And accordingly, we are prepared, but we will not start the project till we get a commitment on when the gas will arrive.

Operator Our next question is from Anoop Fernandez from SICO. Congrats on a good year. Considering so many challenges across most of your markets, could you please talk a bit about the Saudi market? Has the supply landscape in the domestic market changed further over the last 12 months? Has new capacity come? Is new capacity expected to arrive? And how are you seeing demand in 2025? Is there a pickup in activity on the ground? You did mention some challenges, delays in the Kludi turnaround. Could you please talk a bit about what these challenges are?

Abdallah Massaad In Saudi, I said we have local factories. Initially, it was a market driven demand by ceramics, which get shifted with the project. And with more competition diverted into more porcelain tiles facilities, and many factories also changed their capacity or capabilities in this perspective. Still, ceramics is there, but the demand in porcelain is increasing day by day. Again, the market is big. As we said, there are many mega projects, and many projects is on the pipeline. The demand and that the projects in all activities are really good for us. Again, as RAK Ceramics, we are proud that we are a multinational and we are a premium brand. And from this perspective, we can see for a prestigious project, which all the upgrade is happening in office building and good projects from a government, as well as a private, where we are able to take our space at the premium prices, at the premium level.

I see the project, that means the Saudi construction, as the UAE will continue to do well, and more capacity can come. But also, a lot of factories are facing a lot of difficulties because there is a lot of competition on the entry level products. And this we can see it from the profitability and from what we hear from the raw material suppliers on the cash flow issues from these factories. Fortunately, our decision was not to compromise in terms of prices, focus on always differentiate ourself in terms of product, technology and products, and this is what makes us in demand.

Now, regarding the Kludi, when we bought the Kludi, we bought the Kludi which is a loss-making company, and a transformation plan for Kludi is to shift facilities and the maximum capacity from Europe. Which Europe is a high cost of manufacturing, where we have a capacity with 500,000 pieces in the UAE. Now, we've built the capacity, and we are still building the capacity. We reached now 1.5 million. In the next two months, we will reach 2 million pieces. Then we are putting a new facility also in the UAE, in order to increase further the capacity. We already shut down our factory in Austria. And we are working on relocating a factory in Hungary. And focusing on R&D, engineering, and technology in Germany, with a premium product manufacturing and moving here.

Unfortunately, the moment we acquired Kludi, the war started between Russia and Ukraine. And this affected all East Europe. Kludi is historically strong in East Europe, where the factories was spread from Germany to Poland, to

Hungary, to Austria. And this belt of countries were severely affected. And the revenue came, get reduced with the pressure of inflation and war. And this affected the result in the short term, which I'm confident that this year and next year, we will have a full transformation program in place, and this will add value for us.

Operator Our next question is from Richa Kumari from SICO. Any update on Bangladesh greenfield farm?

Abdallah Massaad I mentioned that in Bangladesh, with the current political instability and non-availability of gas and foreign currency. We bought the land, but we put the greenfield project on hold. And we are focusing on improving the efficiency on our existing plant, till we see the situation will improve.

Operator Our next question is, please, can you give us colour if the improvement in sales from KSA came from volumes or pricing, and did prices start improving?

Abdallah Massaad I can say that it is both, a mix. We have the volume improved as well as the pricing improved. And honestly, it helped us a lot, because also the custom duty, which was almost 11%, get released. And this gave us a brief in terms of margin.

Operator Our next question is, hi, management. Thank you for the presentation. In the Saudi segment, have you seen a trend of higher profitability for ceramic distributors, rather than manufacturers?

Abdallah Massaad I said, as a landmark, as a Saudi market. I don't know if the distributors are making more money, but for sure, the competition and the manufacturing is affecting the factories. And we saw when the lately investment came from Chinese investors in Saudi factories affected the result of what we see, the publicly listed companies. But I believe that also affected the whole factories, which followed the price war. What we did well, as we said, as RAK Ceramics, is we built the brand. And with the brand, we are positioned as a premium brand, where we are able, at least, to get our space. Now, distributors in this case may have a better margin than manufacturers, but also, they are under pressure because with the extra capacity in the same segment, a lot of new traders will pop up and will create pressure on the established distributors.

Operator We have a further follow up from Dina Hicham from EFG Hermes. With faucets, where does the European turnaround plan stand, and what's your expectation for 2025? How is the freight cost scenario now? And with the Saudi market revenue recovered in last quarter, what led to recovery? And how is the competition scenario from new local players?

Abdallah Massaad I believe in Saudi, we answered most of the requirements. And in terms of the faucet, I already explained it very well, that during this year, a big part of the manufacturing will start here. We'll be closing the Hungarian, we will remain only with a factory in Germany for the high-tech R&D engineering, and we have a factory with more capacity in UAE, moving from when we started off, half a million pieces to 2 million pieces, and will increase further the capacity and the technology where we have a lower cost of manufacturing and more flexibility in terms of costs and supply, and also from an environment perspective also.

Freight, this is what I mentioned initially, that it's a very important subject. And I was seeing that the head of Suez Canal was saying that by end of March, he expects the flow of vessels in the canal go back to normal. And by this, I believe we saw a decline in the freight where at the time it reached really the COVID level, where the freight came down after COVID in a very good level. But then it went up with the turbulence we had last year in the Red Sea. We saw a decline. I do expect that this rate will further come down, and this will come, again, a [inaudible 00:45:00] for the export-based company, not only RAK Ceramics, for sure, but for the whole industry, which was a barrier last year.

Operator Thank you. As a final reminder, if you would like to ask a question, please press star, followed by one, or if you would like to type out a question, please click the Q&A button, then type out your question. We have no further questions at this time. That does conclude today's Q&A session. I'll now hand back over to the team for closing remarks.

Abdallah Massaad Thank you very much for your time.

Mohamad Haidar Thank you, Mr Abdallah, Mr PK Chand, and Drew, as well. Thank you. We look forward to hosting you with us next quarter. Have a nice day.

Abdallah Massaad Thank you, Mohamad.

PK Chand Thank you, Mohamad.