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SWC - Q1 2015 Stillwater Mining Co Earnings Call

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PRESENTATION

Operator

Greetings and welcome to the Stillwater Mining Company first quarter results conference call. At this time, all participants are in listen-only mode. A brief question and answer session will follow the formal presentation. (Operator Instructions). As a reminder, this conference is being recorded. I would now like to turn the conference over to your host today, Mr. Mick McMullen, President and CEO. Thank you, sir. You may begin.

Mick McMullen - *Stillwater Mining Company - President, CEO, and Director?*

Thank you very much. I would like to welcome everybody to our first quarter 2015 results presentation. I have here today with me Chris Bateman, our Chief Financial Officer; Mike Beckstead, our head of investor relations, along with the most -- the majority of our senior management team. We have a presentation that is available online and I will be referring to that today as we walk through the first quarter results.

I would like to draw people's attention to the second slide, the forward-looking statements. And if people could read that at your leisure, and just take note of the information contained in there.

Moving to slide 3, our first quarter highlights, our consolidated net income for the quarter was $23 million or $0.17 per diluted share. That was an increase of 17.5% from the same period in 2014. We grew our cash by $9.7 million or cash and cash equivalents from the previous quarter, and we ended the first quarter with $541 million of cash, cash equivalents, and liquid investments.

Our AISC, all-in sustaining costs -- I will refer to this many times during the presentation -- was $763 per mined out ounce, which was down from $788 in the same period in 2014, but up from a very good result in the prior quarter. I would like to draw people's attention to the fact that when we refer to an ounce from the mines, that is a mix of palladium and platinum, typically in a ratio of 3.4 palladium to 1 platinum. It is important people understand that when we refer to ounces, it is just not an ounce of palladium.

Our G&A costs were down. They were at $8.3 million for the quarter, down from $9.8 million in the same quarter of the prior year. Mine production was up slightly, again 133,300 ounces, up from 130,700 ounces in the prior year. We saw a 7.1% increase in our recycled ounces of palladium, platinum, and rhodium over the corresponding period in the prior year. We were at 108,700 ounces.

And we have commenced negotiations regarding the Stillwater Mine and Columbus processing facilities union employment contract.

So if we go to slide 4, we can delve into some of the detail. As I said, we saw about a 2% increase in production year on year. We saw a 5.5% reduction in total cash cost of $537 net of byproduct credits. Our all-in sustaining costs were down 3.2% year on year. G&A is down 14.7%.

Our sustaining capital was up 13.2% year on year to $20.3 million. We have said in the past that whilst we are looking to drive our all-in sustaining cost down quite significantly, we are not looking to do that by cutting back on sustaining capital. We believe that we need to invest in the future of the mine. We continue to do that.

Project capital spend was down slightly to $7.6 million from $8.2 million. And total capital expenditures as a result were up about 6.8% year on year. You can see there as well at the bottom of that page, the 7.1% increase in recycling PGM ounces. And I will talk to recycling on a later slide, but that is a pleasing result to see that that number is moving in the right direction.

Going to slide 5, if we look at our quarterly net income or loss over the previous two years, you can see there, again, it is very noticeable in Q3 and Q4 of 2013, we took [two large] payments. As we have come out of that, we have now sort of dropped back to a normalized situation with our earnings. And for Q1 of 2015 we had $23 million of earnings.

I will note on the bottom of the slide the average basket price that we have received for our metal. You can see that prices during Q1, Q2, and Q3 of 2014 did have a fairly significant rise. Subsequent to that, we have seen through Q4 of 2014 into this year that we have seen prices have softened. It is pleasing that, despite that reasonably substantial drop in prices, we have still managed to maintain a reasonable earnings profile.

If we go to slide 6, our change in cash and investment balance, over the quarter, from quarter to quarter, we managed to generate $9.7 million in cash and liquid investments. I will say that that is not the rate at which we are seeking to grow cash. It is on the low side, partly driven by price. But, again, we see this as a result that we would like to improve on. And I think that we have room to do that.

Having said that, ending the quarter with a cash balance -- cash and liquid investment balance of $541 million does put us in a very solid position with regards to our balance sheet. We really are prepared for all eventualities. And, in the mining industry, I think having a very strong bulletproof balance sheet is your best defense against all things that might come up in your business.

Moving to slide 7, we introduced this slide a few quarters ago so that we could demonstrate the change in our cost base. We are very focused on cost at this business. And for Stillwater Mine and East Boulder and on a consolidated basis, we are showing here our mining, milling, downstream processing, which is our smelter BMR costs, admin at site, and our credits for each operation by quarter.

You can see here that we had a very strong reduction from the start of last year through to the end of last year and our costs at both operations. We did see in the first quarter of this year an uptick in costs at both operations, particularly in the mining costs at both sites. You can also see from those costs that the mining costs at each site are by far and away the largest component of our costs.

This is the area that we are focusing on. We must drive these costs down. You can also see, we have now added tons milled, the line on the bottom of this table. So you can see the tons milled at both sites -- well, actually, at the Stillwater mine was down a bit from Q4 to Q1. And that does drive some of the cost per ton increases because we have less tons to amortize those fixed costs over.

So I would say we have made some good performance over the last 12 months in this area, but we still have a significant amount of work to do.

If we move on to our slide 8, all-in sustained sustaining costs, so you can see we have had some success in driving our costs down. It was a good result in Q1. It was within our guidance range. However, I do note that it was up from the prior quarter. And that is something that we really would like to try and reverse that trend.

We have got a very disciplined approach to capital deployment and we are focused on operational efficiencies. We are competent in additional opportunities to further reduce those costs. We are working very diligently on driving those costs down. Our guidance range for this year is in the $730 to $780 range per ounce.

Our goal, as we have stated this goal for over a year now, is to drive our all-in sustaining costs per ounce back down to the low $700s, which is broadly where it was in 2011.

Moving on to slide 9, on the operational improvements, if you recall during the middle of last year we made a change at the Stillwater mine to move away from mining some of our higher grade stopes, but significantly lower production stopes into areas that were lower grade, but much more productive. In January of this year, we pushed out the second phase of that redeployment of the workforce to focus on more profitable ounces.

Previously, we were producing some ounces either at a loss, or as was the case for many of them, less profitably than possible if we waited for the infrastructure to catch up. We have some of those stoping areas that will come back online late in Q3 or probably early in Q4. We expect that to have a positive impact on both our production and our cost base.

At the end of the first quarter, the Company had 1609 employees, down from 1773 at the start of 2014. As of today, Companywide, we have 1603 employees. We have achieved that through voluntary and involuntary programs as well as through natural attrition.

I do note that for a variety of reasons our attrition rates of the Company are some of the lowest ever seen in the history of the Company. And we have had a minimal impact on line production. And, again, we have seen that like-for-like year on year production was actually up this quarter relative to the last year.

We are continuing to evaluate our optimal staffing levels. We need to continually assess the right numbers of staffing that we have. And I think that given where the PGM basket price is, at the lowest level in five quarters, the cost structure has got to be adequate to withstand that volatility. And, again, the core focus of this business at this stage is not on producing more ounces. It is on producing more profitable ounces.

Going onto slide 10, if people can recall at the last earnings call, I said that the recycling business and met complex was going to get significant attention this year. It has had that attention. We have made some significant progress in growing the recycling business. We are also transitioning how we run that business.

Historically, it has been all about short-term contracts. We are moving that where we can to long-term supply agreements, either on fixed volumes or where the supply can't give us a fixed guarantee on an exclusivity basis.

We signed two fairly large recycling contracts during the first quarter. Deliveries of those -- that material started early in the second quarter. So, recycling material received to date for the first month of the quarter has averaged 26.5 tons per day compared to 16.7 tons per day average for the first quarter. This is a fairly substantial increase.

We have seen in the marketplace a fairly large shift from purchasing material to tolling material. We expect that trend to continue during the course of this year. That does benefit our working capital. Effectively, the difference is that where we purchase material, we have an amount of working capital tied up from when we buy the material to when we then get paid at the out turn of the metal.

When we toll the material, we do not buy it. We charge a service for effectively turning the recycled material back into metal. And as a consequence, we don't have any working capital tied up in the tolling material.

Just because we have had some success in this area does not mean that we are sitting back and resting now. We do have significant excess capacity in that facility still. We are working very closely with several additional potential new customers, and our goal is to continue to keep growing this business.

We do note that market conditions for this type of material do remain subdued, but we have grown our market share fairly successfully, I think. And we do want to continue to grow that business to utilize our asset-based more fully.

Again, at the last call, we talked about depressed scrap steel prices were depressing the volume in the overall market. Depressed or lower PGM prices were leading to some porting. I think what we have seen in the last few weeks is not some of that material that had been ordered is definitely coming back onto the marketplace now. And our goal is to continue to not only keep our own market share, but we do want to grow market share in that business.

On to our Montana development projects on slide 11, our Graham Creek, as you would recall, is an 8800-foot development to the west of the East Boulder mine. The infrastructure there is complete. Production began in 2014, added in the order of 2000 ounces a month of production there, and Q4 of 2014 was the last full -- or the first full quarter of that.

That has gone very well. It really has underpinned a very good performance out of the East Boulder mine, particularly over the last eight months. And as a consequence, we have accelerated the development and drill out of the next ramping system at the East Boulder west end and the Graham Creek project.

Blitz is our key development project. As you recall, it is a circa 23,000-foot development. It has got a tunnel-boring machine drive and then a conventional drive above that. I will say that we have had some quite difficult ground in the TBM drive and progress has been certainly slower than we budgeted for. We have added extra crews onto that. We appear to be getting through the worst of that Graham now.

Offsetting that has been the conventional drive above that has had a fairly substantial jump in advance rates over the last 12 months, has not only caught up, but is now sort of accelerating past the TBM. We expect once the TBM gets through the bad ground with the three crews we plan to run on that, that it will then outpace the conventional drive again.

Drill out from underground is a key aspect of this project. We have commenced the drill out from the 56th incline. This allows us to drill that out, and subject to the results, to potentially add on some reserves there. And we are pushing on with that as fast as we possibly can. It is probably about a quarter ahead of where we initially planned it a year ago.

And finally, on the Blitz project, the other key component of that is permitting of the Benbow portal of the other end. We do anticipate the permit by the end of the year. We are looking to, subject to getting that permit, we are looking to commence surface construction there by year-end.

Moving onto slide 12, our guidance, we have not changed our guidance for the year at this stage. And, again, I think where we have landed for the first quarter puts us in the middle to the lower end of all of those, or the better end of all of those guidance numbers. We will continue to look at our guidance, and as and when things come to light during the course of the year, we may reevaluate it. But we feel that at this stage our guidance is appropriate.

Slide 13, if we just have a quick talk about corporate gatherings, we held our annual shareholder meeting on 4 May. I would like to note that we had a very favorable proxy result. All seven board members, six of them were independent, had an average full vote of 97.3%.

Executive compensation, which I know was a hot button topic for shareholders a couple of years ago, we have changed that significantly. The executive compensation is very closely aligned with stakeholder outcomes. And that advisory vote on executive compensation came in at a 95.6% of votes cast in a favor. That is up from an increase -- that is an increase from the 93.3% we saw last year, and it is a fairly significant increase over the result in 2013.

So, in summary, I think we have had a fairly strong start to the year. Mine production is at the high end of the guidance range. We have had some significant progress in the recycling business, both in terms of volume and in terms of those two new long-term agreements.

We have got continued efforts to improve liquidity by growing the cash balance. And, again, I point out that having small amounts of debt and large amounts of cash is always a good thing in the mining company.

It was a fairly good all-in the sustaining cost per mined ounce. It was near the midpoint of the guidance range. Our G&A costs did come in at the low-end of the guidance range. Overall, a solid first-quarter results and our guidance for the year has remained unchanged. Again, I will note that the continued volatility in the PGM markets and the PGM prices requires unrelenting scrutiny on our costs and efforts to improve operating efficiencies.

With that, I would like to open it up to any questions that anybody may have.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) David Gagliano, BMO Capital Markets.

David Gagliano - *BMO Capital Markets - Analyst*

I just had a couple questions related to, actually, the slide 7. As we look at the cost breakdown here, I had two questions. First at the Stillwater mine, tons milled went down a decent amount, and I understand there has definitely been some changes here. How should we be thinking about tons milled at the Stillwater mine as we progress through 2014 and into -- I'm sorry, as we progress through 2015 and into 2016? That is my first question.

Mick McMullen - *Stillwater Mining Company - President, CEO, and Director?*

Well, Dave, thanks for the question and I think, yes, the tons milled did go down from Q4 to Q1. But if you look at Q3 and Q2 of last year, you can see the tons milled is still up relative to where we were in those quarters. We did say that Q4 of 2014 really wasn't an outstanding quarter. And, whilst I would like to better each quarter, quarter on quarter, it really was a very big a jump from the prior quarters.

So I think, again, we don't give specific guidance in terms of tons. It is just contained within our overall guidance. But I would like to say that we might get back closer to sort of Q4 numbers over the next 12 months.

David Gagliano - *BMO Capital Markets - Analyst*

Okay. That's helpful. And then, on the East Boulder mine, mining costs versus tons milled, I am just wondering, again, sequentially we had a $19 per ton increase in mining costs, and yet tons milled went up a little bit. I am wondering what changed quarter over quarter for the increase in mining costs, and how should we be thinking about that number specifically moving forward?

Mick McMullen - *Stillwater Mining Company - President, CEO, and Director?*

Sure. We had -- if you do recall, Dave, we had the last of the pay rises under the old union contract coming into effect at the start of the year for East Boulder. So that was a 4% cost across the early workforce that we had to wear. And I think it is fair to say that there was a few one-off items in Q1 at East Boulder -- maintenance items, some of which had been scheduled for late last year and fell into Q1 of this year. And I think that we would like to see those costs come back down, but, again, we had a couple of one-off costs there.

David Gagliano - *BMO Capital Markets - Analyst*

Okay. Great. And just on the recycling business, a quick question. Obviously, the switchover a little bit more on the tolling side. And if I remember correctly, previously, the volumes were effectively hedged right when they came in the door. I'm wondering, is there a way to frame any change in the terms, typically, from tolling versus just buying and processing?

Mick McMullen - *Stillwater Mining Company - President, CEO, and Director?*

No. Not really. And just for clarity, when we buy the material it is actually hedged at the time we buy it, not when it comes in the door. But, yes, you're right. There is a difference there.

No, not overly, I think the margin on tolled material was -- varies from customer to customer. Slightly lower on tolled than it is these on purchase material. But again, that is offset by the fact that we have no working capital. So if you look at our working capital numbers, you will have seen a decrease in working capital gradually out of the last 12 months as the market has moved more toward tolling.

And I think our strategy has been that we're somewhat agnostic as to whether we make money from buying it as a principal or whether we toll it. We are more interested in making sure that we actually get the material through the door.

One thing that you should note, obviously, is that when you look at our topline revenue as we move away from purchasing to tolling, you do see a reduction in our topline revenue because, obviously, with we are not buying that material. The net economic effect to us is pretty much the same whether we buy it or toll it.

Operator

Andrew Quail, Goldman Sachs.

Andrew Quail - *Goldman Sachs - Analyst*

Congratulations on a very strong quarter, I thought, and I think the market likes it, too. I have got a couple of questions. I think, as the last speaker was saying, just on costs, is the increase Q-on-Q anything to do with weather? Obviously we saw a pretty brutal winter. And, if so, is that going to be something that going forward maybe Q1 might be a touch higher than the other quarters?

Mick McMullen - *Stillwater Mining Company - President, CEO, and Director?*

Well, actually, as it turns out, the winter in Montana this year has been quite mild, unlike for everybody back east. So no, it is more -- we do see some seasonality. It is probably more to do with the timing of spend and things just sort of falling into Q1 that maybe were budgeted in Q4, but just couldn't be spent -- physically couldn't be spent fast enough and then the cost ended up turning up in Q1. I think that is probably more to do with the seasonality rather than the winter -- this winter. Last winter definitely we had a much more severe winter.

And we do also have some things like some annual refresher, annual timing things that do fall into Q1, which will be a few bucks an ounce that would push that up. I can say, just on our all-in sustaining cost, and again, it is sort of a minor number, but we have been going through our spares inventory, which is not a small number. And as we find obsolete material, we are writing that off. That does get charged to our all-in sustaining cost.

Off the top of my head, it is not an exact number. But that is probably in the order of $3 to $4 an ounce in obsolete inventory that we have paid for, in some cases, five years ago, which we wrote off in this quarter, which did come into our all-in sustaining cost.

Andrew Quail - *Goldman Sachs - Analyst*

Okay. And then, just this one on the G&A, I mean, obviously, it is trending downwards. How much more is there to squeeze out of that? And can you see -- you are hitting toward the bottom into your range in sort of Q1 (inaudible). Is that something you guys are trying to do even more on?

Mick McMullen - *Stillwater Mining Company - President, CEO, and Director?*

Andrew, I think you should know me well enough by now that there is no area of this business that is not getting cost attention. But, clearly, if you already halved your G&A, well, in the last two years since I came on as a director, you get to the point of diminishing returns. But, yes, for sure, there is no area.

For example, our insurance cover, we managed to reduce that by $1.5 million last year. We have reduced it by roundabout another $500,000 this year. We have not reduced the cover -- the level of cover at all. In fact, we have increased substantially the insured values. We have taken out some extra cover that we previously didn't have.

But we have worked very, very hard. There is no area of this business that is not getting the cost attention; every single supplier, every area of the business. But, so far, the cuts have been by far and away the heaviest in corporate and SG&A. So again, we are sort of -- we are getting to the bottom of where we might potentially get more out of it. And (multiple speakers)

Andrew Quail - *Goldman Sachs - Analyst*

Yes, good. I like to hear that. And the last one is on cash. I mean, obviously, you guys are generating free cash flow. Even at these prices, I think if we see higher prices, it is going to accelerate a fair bit. Looking, I suppose, a longer-term view and strategy and even maybe even in the second half, how do you look at paying back some of that debt that I don't know -- that is on your mind, given the interest rate? And how adverse is even paying a dividend?

Mick McMullen - *Stillwater Mining Company - President, CEO, and Director?*

Well, I think, Andrew, it is probably a little bit premature at this stage to sort of indicate how we might use our cash. I think you are right. I do not like debt and if we could get rid of that debt at a reasonable cost, I think that will be fairly high on our list of things to do.

We just need to sit back -- whenever we deploy capital -- and, again, I am very firm with my team here and the Board is very firm with me. Whenever we deploy capital we must look at how we get a reasonable risk-adjusted return for shareholders on that capital. And so again, if paying off debt, the $30 million of Montana State bonds we paid off last year, was costing us 8%, we could redeem that at face value. That was a risk-adjusted return that was very good for us. We just have to look at that.

I think at some point we would like to do something for shareholders. The view back from shareholders at this point seems to be we obviously -- we want to make sure we are in a position where we are just generating free cash flow quarter in, quarter out on a sustainable basis.

Interestingly, some shareholders have sort of indicated that if we can seek other things to do with that cash that gives a better return, then we should look at that. But I think we have I don't think we have formed a firm view one way or the other at this point. We obviously have a few things ahead of us over the next three months here. But we need to -- that we need to make sure operations are running really strongly, and at that point we can sit back and decide what we do.

But, I think the other thing we need to look at, whenever you look at what you do with your cash, is what is happening in your price basket. And we just want to make sure that we are bulletproof under all circumstances.

Andrew Quail - *Goldman Sachs - Analyst*

Fair enough.

Operator

(Operator Instructions) John Bridges, JPMorgan.

John Bridges - *JPMorgan - Analyst*

Congratulations on the results. I was just wondering, with the drilling at Blitz, when are you likely to start reporting that? Would it be before the end of the year?

Mick McMullen - *Stillwater Mining Company - President, CEO, and Director?*

Well, I think we won't be reporting drill by drill hole, but I think our goal at this stage -- and, again, it is all subject to the drilling out -- how it progresses. So far it is going pretty well, but obviously subject to results. Our goal is to try and get that drilling incorporated into our 2015 reserve update, which we would be publishing towards the end of February of 2016. I think that is the earliest we would really have any thing that we could put out there.

And, again, it is completely subject to results. We can't say what those results would be at this stage, but assuming that we come up with something reasonable, our goal is to incorporate into that 2015 reserve update.

John Bridges - *JPMorgan - Analyst*

Okay. That should be an interesting number. Graham Creek, you have -- well, sorry; East Boulder helped by Graham Creek, your tonnage is picking up. But what sort of profile are you expecting in terms of tonnage at East Boulder for the rest of the year?

Mick McMullen - *Stillwater Mining Company - President, CEO, and Director?*

I think relatively flat from where we are the moment. There may be some up and down, but again we don't see any step changes coming on. The key there that we need to drill out that next ramp system, which is about another 2200 feet of the Graham Creek project.

We are drilling that out now. We have drilled probably two-thirds of the drilling, I think. Results are coming in. We need to get all that incorporated. We then maybe go and physically put the development in, and we do have a little bit of a constraint there on the ventilation, so we need to work something out on vent. So again, for the next 12 months, I don't expect to see a step change at that operation for tonnage.

We have got a big focus on grade. I will note that during the first quarter we did have a little bit of drop in grade at one point and the grade has now come back up quite nicely. So that is really the focus there for getting ounces out is just to make sure that we take the grade as high as we can. It has been running above reserve grade and that has driven that and extra tonnage out of the first ramp system at Graham Creek have really driven outperformance of East Boulder.

And, again, I now add cost per ton to go up a little bit at that mine. I will say that our cost per ounce is still very good at that operation. And from a productivity standpoint, it is running actually very well.

John Bridges - *JPMorgan - Analyst*

Okay. And when the other ramps come on, will that lead to a step up in tonnage?

Mick McMullen - *Stillwater Mining Company - President, CEO, and Director?*

Well, again, we would have to put that into a formal guidance, but yes, subject to the drilling, subject to us sorting out vent, we certainly have excess capacity in the milling circuit. That is certainly running five days a week still at the moment. Then that would certainly lead to an increase in production, but we wouldn't say that for 18 months as a minimum.

John Bridges - *JPMorgan - Analyst*

Okay. And then, finally, the labor contract; any dates that we can look out for, for that, or is it just in the mix?

Mick McMullen - *Stillwater Mining Company - President, CEO, and Director?*

Well, it is in progress. It is publicly known. That contract obviously expires at the end of May and I can't really comment on anything else regarding the negotiation.

John Bridges - *JPMorgan - Analyst*

Okay great. Best of luck. Well done, guys.

Operator

Garrett Nelson, BB&T Capital Markets.

Garrett Nelson - *BB&T Capital Markets - Analyst*

It looks like your recycling volumes were down a bit in Q1. Is there anything we should read into that? Why was that?

Mick McMullen - *Stillwater Mining Company - President, CEO, and Director?*

We did have a bit of a change of material -- the mix of materials. So on a ton per day basis we were down, but on an ounce basis we were up. It was a bit higher grade material and that is just a reflected of the type of material we had. As I said, we have had a near on 50% increase from the run rate in the March quarter to April deliveries.

So again, we had a couple of big contracts we have been working on for quite a while. They have sort of gotten signed and delivery started literally in the first couple of days of April. So we have seen a significant jump in just ton per day and ounces going through that facility now.

Garrett Nelson - *BB&T Capital Markets - Analyst*

Okay. And then, just a question on cost; you have achieved a lot in the past year or so in bringing the Company's costs down. What are some of the other levers that you can pull on the cost side to bringing costs down to [a low] $700 per ounce on a quarter in, quarter out basis?

Mick McMullen - *Stillwater Mining Company - President, CEO, and Director?*

Well, I touched briefly on the productivity at East Boulder, and clearly productivity gains are the big thing for us. We need to get our infrastructure in place at the Stillwater mine such that we can be as productive as we can be. We are spending capital there to try and get it set up more like the East Boulder mine, where we can use gravity and we can use rail. But that really is the key thing for us is that given that labor is such a large component of a cost base, getting productivity gains is clearly the key for us.

On top of that, we are doing everything -- as I said earlier, every single supplier. We are having that conversation with him about cost reductions, and both in absolute basis in terms of their rates and also just how do we do things better. So our explosives supplier, we are working with them to see if we can use less material. Our electricity contract at the Stillwater mine and Columbus, we have renegotiated that. And from June onwards, we negotiated about a $1.7 million a year saving.

So there are many things that we need to do through the business. And there is no stone being left unturned. The single biggest thing we can do is productivity gains. That will outweigh all of the other wins or losses that we have throughout the business is productivity gains.

Garrett Nelson - *BB&T Capital Markets - Analyst*

Okay, thanks very much, Mick.

Operator

There are no further questions in queue at this time. I would like to send the car back over to Mr. McMullen for closing comments.

Mick McMullen - *Stillwater Mining Company - President, CEO, and Director?*

Thank you, everyone, for dialing in. I appreciate the questions and we look forward to talking to you after the next earnings release. Thank you very much.

Operator

Thank you. This does conclude today's teleconference. You may disconnect your lines at this time and have a great day.