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NQ - Q1 2016 NQ Mobile Inc Earnings Call

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**Jay Nakahara** *BTIG Research - Analyst*

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## PRESENTATION

### Operator

Ladies and gentlemen, thank you for standing by and welcome to the NQ Mobile Inc. first-quarter 2016 results conference call. (Operator Instructions). I must advise you that this conference is being recorded today. And I'll now turn the call over to Ms. Dahlia Wei, Director of Investor Relations of NQ Mobile. Thank you. Please go ahead.

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### Dahlia Wei - NQ Mobile Inc. - Director of IR

Good evening and good morning in Asia. We welcome you to NQ Mobile's conference call to discuss the financial results for the first quarter 2016. On the call tonight is our Chairman, Dr. Vincent Shi; our CEO, Mr. Zemin Xu; our President, Mr. Justin Chen; our CFO, Mr. Roland Wu; and our Vice President of Capital Markets, Mr. Matt Mathison.

We thank you for joining us. Before we begin, here is our Safe Harbor disclaimer. Please note that the discussion today will contain certain forward-looking statements made under the Safe Harbor provision of the US Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from our current expectation.

NQ Mobile does not assume any obligation to update any forward-looking statements except as required under applicable law. Also please note that some of the information to be discussed includes non-GAAP financial measures as defined in Regulation G. The most direct comparable US GAAP financial measures and the information reconciling those non-GAAP financial measures to NQ Mobile's financial results prepared in accordance with US GAAP are included in our earnings release posted earlier today.

Finally, as a reminder, this conference call is being recorded.

We are also offering investors a webcast of today's conference call, which can be found on the Investor Relations portion of our website at [ir.nq.com](http://ir.nq.com).

I will now turn the call over to Matt.

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### Matt Mathison - NQ Mobile Inc. - VP Capital Markets

Thank you, Dahlia. We thank you all for joining us at this late evening time in the US. The call today will go as follows. We're first going to hear from our President and General Counsel, Mr. Justin Chen. Our CEO, Mr. Zemin Xu will make some remarks. I will then provide an update on our businesses and operating trends. And our CFO, Mr. Roland Wu, will then review the financials and outlook. We will then open up the call for Q&A.



With that, Justin, please go ahead.

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**Justin Chen** - *NQ Mobile Inc. - President & General Counsel*

Thank you, Matt. I want to take a moment at the very beginning and provide a little bit of insight and add color on the current status of the FL Mobile divestment. I believe that the process ongoing is not as well understood and I want to help you understand what to expect.

As we announced on Tuesday May 17, we entered into a definitive share purchase agreement for the entire divestment of FL Mobile. That definitive agreement is the combination of many different aspects of the divestment of NQ's entire stake in FL Mobile. Some of those different aspects were announced prior to the definitive agreement, but now all of the pieces of the agreement have been finalized.

To repeat this for you, NQ Mobile is selling its entire stake of FL Mobile for cash. For NQ Mobile there will be three different buyers. Dr. Shi, our Chairman, is purchasing 22% for RMB880m. Jinxin Hengrui is buying 13.13% for RMB656.5m. And Shenzhen Prince, a company listed on the Shenzhen stock exchange, is buying the remaining 54.87% for RMB3.243b, all in cash for the company.

As a reminder, Jinxin Hengrui's purchase was signed and we have already RMB330m so far. And we expect to receive more money from them later today. This portion of the transaction has no contingencies.

For Dr. Shi's purchase, we are to receive 50% or RMB440m within 60 working days of his signed agreement on March 24, which will be several weeks from today. The remaining 50% will be paid to us upon certain conditions of the overall divestment, including government approval. For this purchase both parties have the option to request a reversal of this transaction if the government approvals do not come.

Finally, the Company will receive RMB3.243b from Shenzhen Prince New Materials.

I also want to simplify the next steps for you related to this transaction. Currently Shenzhen Prince submitted the details on this transaction and the definitive agreement to the Shenzhen Exchange for their review. Once the Exchange received our responses to their initial feedback and complete its review, then Shenzhen Prince will open up for trading again, while the formal shareholder meeting and vote takes place.

At the conclusion of that, the deal, which would then be -- which would then have been approved by the shareholders and reviewed by the Exchange, will be submitted to the CSRC, China's SEC equivalent, for their final approval. That is where we are at in the process. And while we cannot assure you of any certain regulatory outcomes, we will continue to provide you any relevant updates along the way as we navigate through this regulatory process.

Now let me turn the call over to our CEO, Mr. Zemin Xu.

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**Zemin Xu** - *NQ Mobile Inc. - CEO*

Thank you, Justin. Hello, everyone, and thank you for joining in us. I'm pleased to report that the Company is operating solidly on a day-to-day basis and we are seeing the scale of our entertainment and the consumer focus begin to deliver noticeable results.

Despite the importance of our FL Mobile divestment, the team remains focused on executing our business plan and we look forward to sharing more progress with you as this year unfolds. Thank you.

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**Matt Mathison** - *NQ Mobile Inc. - VP Capital Markets*

Thank you, Zemin. And thank you, Justin, for providing that detailed update on the FL Mobile divestment. I wish to add one more important point. I wish to commend the efforts of the entire FL Mobile deal team. And, more importantly, even though this process has been very time-consuming

and detailed, the FL Mobile management and employees have continued to focus on the business and continue to execute and deliver great applications and games for our users. Great job, team.

Now let's move on. This first quarter provides you the first review and view of our business without NationSky and with our growing consumer and entertainment focus. This is the beginning of the unfolding of our business model for the future. There are certainly still some transitional pieces at play, but the model is becoming more clearly geared to our consumer and entertainment businesses, and it should become easier for you to understand the various dynamics at play.

The first quarter, though a seasonally impacted quarter, was marked by solid performance across our different entertainment and consumer businesses and we saw a nice year-over-year jump in our overall mobile value added services segment, led again by both FL Mobile and Showself. We followed up the breakout fourth quarter in MVAS with a very strong performance in light of the first-quarter seasonality due to the Chinese New Year.

Let me begin with a discussion about our FL Mobile businesses. At the time of our fourth-quarter conference call, we mentioned that the FL Mobile team was excited about the launch of the very popular title, co-published with Perfect World, known as The Legend of the Condor Heroes 3D. That has been a successful game for us to date.

But because we launched that game in the middle of March, the reported results for the first quarter only reflect a couple of weeks of performance, with most of the impact showing up in the current second quarter. However, we were excited that the game ranked number one on the top paid list at its peak and reached number four on the top grossing apps shortly after it launched. It continues its momentum today, even two months later.

Despite the first-quarter seasonality and the late-in-the-quarter launch of The Legend of the Condor Heroes 3D, the FL Mobile business performed well. And we continue to see a strong pipeline of games this year, including a game we formally launched just a couple of days ago in Korea, a game known as Unbeaten. This is an action roleplaying game with multiple-player online battle arena features. And it was successfully developed and published previously in China by Tencent.

As for the advertising segments within the FL Mobile business, the first quarter saw expected seasonality. At the end of the first quarter the total reach of our online and offline advertising business was more than 1b devices, up from 958m last quarter. Also in the first quarter we grew the number of applications enabled on our platform to now over 100,000.

Now let's discuss and move on and focus a little bit on our Showself live mobile video platform business, which, together with the other Showself-branded applications, continues to be a focus of our entertainment-led business, which will be after the divestments. This is our live mobile social video platform, which has now reached more than 8.5m monthly active users, up around 186% from a year ago and 27% sequentially. This strong sequential and year-over-year growth continues even in the first quarter.

Showself live video platform revenues accounted for approximately 50% of our total MVAS segment, and that represents more than 300% year-over-year growth, and this in spite of the fact that the first quarter is the most difficult seasonal quarter because of the Chinese New Year holiday. In spite of the seasonality, Showself live video platform business was able to grow 20% sequentially.

We are also adding new platforms and new applications with our technology that is also helping to generate new users and new interests with a different dedicated focus. We are continuing to add new features in other ways that our hosts can monetize these live shows. This is a very big market and it is growing rapidly. And we are continuing to work hard to capture and benefit from the opportunities of this market going forward.

Let me take a moment and elaborate and discuss our Showself Desktop and Showself Lock Screen business. As a reminder, Showself Desktop and Lock Screen is a collective group of applications that are personalized, interactive and programmable mobile desktop applications, including dynamic wallpapers, launchers and lock screens. At the end of the first quarter of 2016, these applications have more than 100m MAUs and 66.8m DAUs. This is up from 66m MAUs and 35m DAUs from a year ago.



The monetization of this traffic is still a work in progress and we continue to explore the optimal path for revenue generation. But we are gradually monetizing this through premium content and advertising, and the progress is steady. And they continue to be great traffic applications for us.

One other positive development on the monetization front that occurred in the first quarter was actually previously disclosed in our 20F filing, that we made an additional investment in a company called Launcher and began to consolidate the results of Launcher late in the first quarter. This is going to be a positive addition to the overall revenue production and monetization of this unit, and we're already seeing the positive effects from this.

Our Showself Music Radar business continues to grow its traffic as well. At the end of the first quarter our Music Radar app, or Doreso applications, have more than 16.6m MAUs. And we continue to see more than 15m unique search queries a day.

Our partnerships are vast across the mobile ecosystem for both audio and music search. And as the music industry evolves in China, we believe that we will be able to capture our share of the market opportunistically given these vast industry partnerships and licensed traffic.

Now, with that, I'd like to turn the call over to our CFO, Mr. Roland Wu, who will walk you through the financial performance.

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**Roland Wu - NQ Mobile Inc. - CFO**

Thanks, Matt. Now let us turn our attention to the financials. I wish to work through some of the highlights and provide you with additional details behind the results. It's important to mention that I will be using figures excluding the NationSky business for all the numbers in the comparable year in 2015 in order to better compare the nature of the business as we did conclude the divestment at the end of last year.

Let's start with a discussion of our revenues in the first quarter of 2016. We generated \$73.5m in net revenues for the first quarter of 2016, which was a decrease of 19% compared with last quarter. Why? We faced seasonal change and a [difficult] comp with last quarter. We did see a strong growth in our live video platform business.

Revenues from our MVAS segment performed solidly in the seasonal slow first quarter and decreased 17% Q over Q. This was due to seasonality and the fact that we only launched a new game in our FL Mobile Group late this quarter and only had a couple of weeks of revenue contribution as a result. But, as Matt mentioned earlier, it has performed well and is contributing.

And the Showself business performed well. It constitutes approximately 70% -- eh, 50% of our total MVAS segment in the first quarter. We would expect the MVAS segment will continue to perform well as our core business going forward.

Our advertising revenue declined 10% Q over Q, but increased 12.8% year over year. This was in line with our expectations for the period because of seasonality and the higher comp.

Revenues derived from our enterprise mobility business decreased 32% when you compare with last quarter, excluding NationSky. Less of a focus on hardware procurement is the reason.

Next, let's spend a few minutes discussing our gross margin and walk you through some of the key elements within our cost of sales. Our gross margin in this quarter increased to 24% from 19% compared with last quarter, which was the reflection of performance of our revenue mix being more geared in the consumer and entertainment segment. Also our gross profit increased 3.4% Q over Q despite our top-line decrease. I'm pleased to find that our gross profit has increased even though our revenues declined quarterly.

Let me now walk you through some operating expenses. In the first quarter our operating expenses were sequentially down from the fourth quarter of 2015. Total operating expenses in this quarter was \$25m, down by 39% from last quarter. We reduced our operating expenses due to divestment of NationSky last quarter.



Even excluding NationSky factor from the comparable period, total operating expenses significantly decreased 33% Q over Q in the first quarter as we continue to focus on cost controls and regain operating leverage within our consumer and entertainment businesses there.

Total SBC expenses increased to \$8.1m. In general we had made noticeable progress on lowering our SBC expenses to more lower levels compared to the [total] period. However, this will continue to fluctuate at its new levels quarter to quarter.

As a management team, we are very focused on controlling our costs and strictly adhering to our budgets. I'm pleased with our progress on this front. We will continue to follow our Company-wide and subsidiary-level budget and cost structure, which we believe is aligned properly with the revenue potential in each group.

And we returned to achieving positive non-GAAP operating income of \$4.2m compared to a non-GAAP operating loss of \$1.6m last quarter. This results in a non-GAAP operating margin of 5.7% and being slightly negative last quarter. Non-GAAP net income attributable to NQ Mobile was \$6m for this quarter. The GAAP net loss attributable to NQ Mobile continued to narrow and was \$7.8m in the first quarter of 2016.

Finally, let me conclude my review of the financial performance for the first quarter of 2016 by highlighting a few other things. First, our balance sheet. There were a couple of seasonal and timing factors that I wish to discuss. Our accounts receivables increased by \$15m due to the strong growth at Showself as well as the timing of a game launch at FL Mobile at the end of the quarter.

In addition, our pre-paid expenses increased approximately \$10m at the end of the quarter, partially because of some royalty payments for some games, which either just launched or are in the pipeline to be launched soon, as well as user acquisition activities.

Additionally, our payables went down due to the seasonal timing of paying some expenses at this time of year. This timing and seasonal factors all impacted our cash flow from operations during first quarter, which showed an outflow of \$26.5m. However, we expect to improve our cash conversion cycle in the current quarter and we expect a return on the pre-paid expenses in our operations.

We ended this quarter with \$198m of cash and cash equivalents, term deposits and restricted cash.

After the impact of our operating cash flow, the remaining decline in our total cash balances was the result of some investment activities, such as Launcher and [Zhijian], which we have disclosed in our latest 20-F Filing and some other fund-related investments.

It's important to highlight that our cash balance does not include the cash from the recent FL Mobile transactions, as Justin just mentioned. We have already received \$330m -- RMB330m from Jinxin Hengrui, which has no contingency. And we expect to receive the remainder due to us soon, including some today.

We also will receive RMB440m for the 50% of Dr. Shi's FL Mobile purchase considerations as well.

We have strong liquidity and remain fully prepared to repay the [CB] should it be prudent to the Company later this year.

And finally, to our guidance and outlook. After a solid first-quarter performance, we would like to reiterate our full-year guidance and expect our net revenues to be between \$35 -- \$355m and \$360m for the full year.

Thank you.

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## QUESTIONS AND ANSWERS

**Matt Mathison** - NQ Mobile Inc. - VP Capital Markets

Thank you. Tara, that concludes the prepared portion of this call. Why don't you go ahead and open up the lines for Q&A?



**Operator**

(Operator Instructions). Jay Nakahara, BTIG.

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**Jay Nakahara - BTIG Research - Analyst**

Thank you, and thank you for the detailed disclosure on the FL Mobile spinoff. My question is -- regards to how investors should think of once you've received the cash from -- the full amount of cash from the spinoff of FL Mobile, how would you invest it? Which businesses and how should we think about where you're investing for growth in the future?

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**Matt Mathison - NQ Mobile Inc. - VP Capital Markets**

Great. Hi, Jay. Thanks for your question. I'll go ahead and take that. I think it's really a very important question. We obviously get asked this question a lot and I think it's really relevant. Obviously we are going through the process of divesting FL Mobile in order to raise a significant amount of cash and unlock value for shareholders. But once we have the cash and the deal is finalized, what are we going to do with it?

And I would just like to reiterate our two priorities that we've stated before, but let me just reiterate them for you again today. We're going to use our balance sheet and the strong cash position once we receive the funds in two main priorities. The first is going to be to increase and focus on shareholder value. Obviously buybacks are a part of that.

The second thing and the second priority that we have for our balance sheet is going to really remain strongly positioned for the future. Now if you ask where are we going to invest and in what types of businesses, the mobile sector and segment is obviously huge and very fast-paced and changing a lot. And we've done a very good job over the -- in our history of making investments and staying current and staying competitive. And we're going to continue to do that, while also making sure that the businesses that we have currently have the necessary investment to continue to grow and move forwards.

So those are the things that we're going to do with the cash. We're going to increase shareholder value. Again, the buybacks are a part of that. And the second thing is we're going to make sure we invest in the future of the business.

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**Jay Nakahara - BTIG Research - Analyst**

Okay. Great. Thanks. One -- if I could ask one follow-up just on a different topic. If you guys could make some -- just some comments on the Chinese handset market. There has -- there had been some concerns about maturing or slowing growth in Chinese handset demand, and which obviously is very critical to a lot of your growth initiatives. Could you guys make some -- just some general comments on what you're seeing in the Chinese handset market? Thank you.

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**Matt Mathison - NQ Mobile Inc. - VP Capital Markets**

Sure. Yes. It's obviously well understood that the number of smartphones that are being shipped has obviously leveled off and the growth has moderated from the past. But I don't think that the applications or the way that users are using those smartphones has leveled off. In fact that still continues to be very explosive. And obviously there's macro dynamics that play, whether it's -- sorry, whether there's better or stronger network and WiFi coverage and things like that, that obviously makes the usage also increase.

But at the end of the day, the mobile landscape, in whatever form, whether it's smartphone, whether it's wearable or whatever form is something that we see as very strong macro growth behind it for many years to come. Hopefully that was helpful.

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**Jay Nakahara** - BTIG Research - Analyst

Okay. Yes, very helpful. Thank you, guys. Very nice quarter.

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**Matt Mathison** - NQ Mobile Inc. - VP Capital Markets

Thanks, Jay.

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**Operator**

Jun Zhang, Rosenblatt Securities.

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**Jun Zhang** - Rosenblatt Securities - Analyst

Good morning. Thanks for taking my questions. So I have a couple of questions. So first one is could you give us more color on operating expenses after NationSky divestment and whether or not you're going to see the further leverage in the business going forward? Thanks.

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**Matt Mathison** - NQ Mobile Inc. - VP Capital Markets

Yes, Jun. Thanks. Obviously with NationSky rolling off here, there's a benefit to our operating expenses just from the headcount reduction. But I think the important part that you pointed out, and you can get the details obviously in the filing, but in each of the different operating expense components, we actually saw improvements and declines excluding the impact of NationSky.

And I think that's really -- that goes to two points. One, the management team continues to be very focused on controlling costs, adhering to strict budgets and making sure that we're spending in the areas that we believe the return is there.

And the second thing, the second reason at play, which is going to continue in the future, is really the business and the focus of the business is in different areas than it used to be in the past. And these areas have different operating expense needs. And obviously the security business and selling into big carrier channels had a different level of R&D and sales and marketing requirements compared to some of the entertainment apps.

And so because of those two things, both strict cost controls and the focus of where we're going in the future, the operating leverage that we're starting to see show up in the model, we're very focused on continuing that trend.

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**Jun Zhang** - Rosenblatt Securities - Analyst

Okay. Thanks. So my second question is that FL Mobile divestment, so I think there's a news report [top] at CSRC, the Chinese Security Commission, they actually recently talked that they're going to loose up -- loosen up the review process for the potential [IPO] with a China A-share listed company. So is that going to be a positive thing for the FL Mobile deal to get approval?

And the second, could you comment on the definitive agreement with the Prince New Material? Is that -- what's the difference between this definitive agreement with previously announced couple of other non-binding agreements? Thanks.

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**Matt Mathison** - NQ Mobile Inc. - VP Capital Markets

Sure. On your first point, Jun, obviously we're not going to make any comments about the regulators. As Justin described, we're in the regulatory review process. And he gave a good background on that. And we're not going to really provide any comments about the regulators.





On your second question, currently there's -- the definitive agreement that was signed with Shenzhen Prince is a definitive agreement. It's done. And, as Justin depicted, we're under the regulatory process. I think if you're talking about the prior announcement or proposal with another listed company, that never reached the definitive agreement. That was just a proposed transaction. And so this is a signed-and-done definitive agreement and we're into the regulatory process at this point. There's nothing much to be done from a deal standpoint. So hopefully that helps.

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**Jun Zhang** - *Rosenblatt Securities - Analyst*

Okay. Sure. And also my third question is about the cash level. So it seems that you used only cash in Q1 for the investments and some of the operating cash outflow. So do you expect the operating cash flow will improve as the payment collection speed up in the second quarter, without considering any payment from Tsinghua and Vincent? Thanks.

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**Matt Mathison** - *NQ Mobile Inc. - VP Capital Markets*

Sure. Yes, as we spelled out, the impact to the operating cash flow trends in the quarter were really timing and seasonal in nature. And on the timing front, of course, as we stated, we expect the cash conversion cycle to improve in the current quarter.

And then, again, for the expenses, the pre-pays, we always expect a return on our pre-paid expenses from operations going forward. So yes, we do expect an improvement.

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**Jun Zhang** - *Rosenblatt Securities - Analyst*

Okay. And a follow-up on the cash flow question. So could you talk a little bit that you -- do you expect any fluctuations happening in the coming quarters? And what cash level do you expect to have by the end of Q2? Thanks.

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**Matt Mathison** - *NQ Mobile Inc. - VP Capital Markets*

Sure. So let me take the second part of your question first. Again, we're not going to provide any specific second-quarter commentary on operations at this point. We'll have to wait till the quarter concludes. But just as -- just to reiterate what we've said from a cash balance perspective in the quarter, we have received currently RMB330m from Jinxin Hengrui so far and we expect to receive more today, in fact. And then obviously, before the end of the second quarter, we will receive Vincent's RMB440m portion, which represents the 50% payment as well. So those are the two cash inflows that we stated.

And again we can't provide commentary on the operations front beyond what we just said, which is we expect it to improve versus the first quarter because of those timing things.

And remind me what -- your first part of your question was about acquisitions and expectations and things like that. Let me just make two points, reiterate what we've always done. The mobile environment and the mobile sector continues to be fast-paced and changing. And we're always going to look at making investments to make sure that we stay current, competitive and forward-looking and growth-gear. So that's a given and that will remain constant.

But in terms of new acquisitions or new deals beyond what we don't know, it's important to note that the investments that were made in the first quarter were part of -- many of them were part of existing businesses that we had investments in that were just the culmination of those deals and investments playing out as -- according to previous transactions.



**Jun Zhang** - *Rosenblatt Securities - Analyst*

Okay. Okay. Thanks. And also in terms of the two product lines you have, could you give us more color on one of the company -- right now you have the majority stakes in Launcher. So since you mentioned -- you highlighted Launcher business in your prepared remark, so could you give us more color on that business? And also what's the current -- the Showself business doing in terms of monthly active user or traffic? Thanks.

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**Matt Mathison** - *NQ Mobile Inc. - VP Capital Markets*

Sure. For Launcher, yes, we initially invested in this company back in 2014. It has been a part of our Showself Live product portfolio of applications for some time. But because we didn't have a controlling stake in it, we weren't able to consolidate the financial performance of it. But yes, it's a good part of our Showself product portfolio.

And we're excited about it because it's monetizing. And we only got a little bit of the consolidation because it happened late in the first quarter. But it's definitely going to help the monetization efforts within that core suite of Showself Live product portfolio of applications. So we're excited about it and we'll be able to provide more color as we go forward.

But I think it's important to note that it's been a part of the portfolio for some time; so it was just the additional investment to make it a controlling stake.

In terms of Showself, yes, look, I think it's a really neat and important milestone that it's approximately 50% of our MVAS segment in the first quarter. I think that shows strong sequential growth, when obviously Q1, given the Chinese New Year and the seasonal impacts, is a slower time. So it's still showing very strong growth.

We're pleased with the MAUs at 8.5m, as we discussed on the conference call. They're growing nicely. But we still have a long ways to go. The market is vast. It's big. There's lots of competitors. And we're -- we feel good about our position there and are going to continue to innovate and continue to roll out different types of applications using the technology and continue to benefit. So it's obviously a highlight-able part of our entertainment strategy.

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**Jun Zhang** - *Rosenblatt Securities - Analyst*

Okay. And my last question is about the corporate buyback plan. So I think a lot of investors expect the Company to do the corporate buyback. And could you give us color and the timing-wise when you could do that? Thanks.

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**Matt Mathison** - *NQ Mobile Inc. - VP Capital Markets*

Sure. Again, I think I'll just reiterate what I said before. It's a priority. Remember, one of two priorities. And the reason why we're divesting the business and raising the amount of cash that we're raising is obviously to create shareholder value, and buybacks is an important part of that. So it remains a priority. We're just not going to get into talking about it ahead of time.

Obviously the Board has to consider all things. And once the cash is received, the Board will make the consideration and make the decision. And once they do and we announce it, we will be executing it. But I don't think it really benefits anyone to talk about it before we get to that point.

So yes, it's a priority. Yes, it's part of the plan. But the specific details, how much, when, all those things, we'll just let the Board make that decision and communicate it when we're taking action.

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**Jun Zhang** - *Rosenblatt Securities - Analyst*

Okay. Yes. Thanks. That's all my questions. Thanks a lot.



**Matt Mathison** - NQ Mobile Inc. - VP Capital Markets

Great. Thanks. Tara, is there any other questions?

**Operator**

We have no questions so I'll hand it back to you for any closing remarks.

**Matt Mathison** - NQ Mobile Inc. - VP Capital Markets

Very good. Well, again, thanks to everyone in the US and the western part of the world for joining us late at night. And in Asia, we appreciate it. We hope everyone has a great evening and a great day and we'll talk to you soon. Thank you.

**Operator**

Thank you very much, ladies and gentlemen. That does conclude our conference for today. Thank you so much for your attendance. You may all disconnect.

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