Conference Call Transcript

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ANNUAL RESULTS MEDIA CONFERENCE

Operator
Good morning ladies and gentlemen and welcome to Bidvest's annual results media conference. All participants will be in listen-only mode. There will be an opportunity for you to ask questions at the end of today's presentation. If you should need assistance during the conference please signal for an operator by pressing star and then zero. Please note that this conference is being recoded. I would now like to hand the conference over to the Chief Executive Officer of Bidvest, Mr Lindsay Ralphs. Please go ahead sir.

Lindsay Ralphs
Thank you very much. Good morning ladies and gentlemen. A warm welcome to our results discussion this morning. Just to kick off just looking at my dashboard in front of me Bidvest was formed in 1988 so we're still in our 20s. We are still a fairly young corporate group in South Africa. It was obviously quite a significant event unbundling towards the end of the previous financial year. Where we've ended up now after what I believe was quite a good year is R71 billion in turnover, about R8 billion in EBITDA. Our market cap after the unbundling is circa R58 billion. Of our EBITDA we generated R7 billion in cash. We have about R28 billion in funds employed and we currently now mainly focussed in South Africa employ 117,000 people. So that's a quick dashboard of what the business is. As you know we continue to trade within the South African environment mainly in trading, distribution and services businesses.

We continue to operate in the areas of commercial and industrial products, electrical products, financial services, freight management, office and print solutions, our biggest division, outsourced hard and soft services, and automotive retailing. Of that model that we have and have had for some time now, those seven divisions, 58% of the trading profit comes from our services businesses and 42% of our profits come from our trading and distribution model. Generally speaking we're very cash generative. The assets that we employ are very cash generative and we are relatively capital light. We retain our highly entrepreneurial decentralised approach to managing our businesses with small head offices etc. We do like to have a dominant position in all the markets in which we operate. So we don't ever intend to be arrogant, but we do like to be significant players in the businesses in which we operate. And that culture has continued during this financial year.

Generally speaking we like to think that we can outperform the cycle. It has been a very tough year. There is no doubt about that with the GDP growth that we've seen, the technical recession and political instability. But notwithstanding that we like to think that we've slightly outperformed the cycle. We do continue to embrace change through innovation, and I will take you through a few examples of that. And probably one of the more important aspects of what we have to do on an ongoing basis is an efficient allocation of capital. We have made some acquisitions over this past year, and I will touch on that capital allocation philosophy of ours.

On our strategy and our progress for 2017 it was really always our intention – we said it last year – to maximise our diverse portfolio through innovation. And I think our South African operations when you've seen the results that were published this morning on SENS, our South African operations which are really the core big area of focus that we undertake on an ongoing basis, grew their trading profit by 6.5% which we think is quite credible in this economy. We had several large facility management wins. We had some very nice alternative energy solutions that we installed during the year. We've launched a variety of innovative new products. Snappdrive is the innovative car rental product that I'm sure you will have heard about. If not you will hear about it in the future. We've had significant solar geyser rollouts. We've leveraged our life insurance license and developed new products in that space. So generally speaking with regards to our strategic initiatives within South Africa we're very comfortable that we've succeeded quite nicely in this past financial year.

Obviously always part of the Bidvest culture is to maintain a strong financial position. We've had exceptionally good and tight asset management during this year. Our debt burden is low at 7.2 times interest cover and less than 0.7 times EBITDA. So we still have a lot of ammunition, a lot of firepower behind us. 80%, which I think is very credible, of our trading profit was converted into cash in this financial year. Another aspect of what we did say we would do with our balance sheet in this year was to dispose of any non-core assets. We identified some of those assets during this year and we have disposed of close to R800 million worth of assets. I think the actual figure is about R773 million. And that was assets such as Cullinan, Cargo Carriers, some of our Bidcorp investments – not all of it, just about half of it – and various other non-core assets. Just to touch on those we obviously still retain our investment in Adcock and in Comair and we will deal with those appropriately at the right time. We still have our investment in Mumbai Airport which is also quite a significant asset and we are dealing with that particular asset at the same time.

During the year we relaunched our bond programme very successfully. I think we were five times oversubscribed. We issued R750 million worth of new bonds. Our philosophy during this last year was evolving Bidvest, and our philosophy for going forward is going beyond, going into the future. What we were successful with in this past year to evolve Bidvest was to acquire Brandcorp. It was a R2.5 billion acquisition. We have discussed that one at the last presentation. It was effective 1st October. We also had a whole lot of other bolt-on acquisitions across our electrical businesses, our insurance businesses, our banking business etc. Further to that outside of acquisitions we did advise everybody that we would invest quite significantly in infrastructure in South Africa. We do still have a lot of faith in the South African economy in the medium to long term. And during this year we invested significantly, hundreds of millions into fuel tanks, multipurpose tanks in our tank terminal division, and have gone on record to advise the market that we will be investing over R1 billion in an LPG gas facility in Richard's Bay. That again is a significant infrastructure growth for the country and for Bidvest. So we are very proud of those investments.

We also went on record to say that we would look internationally once we had unbundled. We were purely a South African business and we said that we would look internationally with regard to expansion. And we announced in July and then confirmed in September that we had finalised the acquisition of Noonan which is an Irish and UK based facility management business. We paid €175 million for that company. The effective date will be 1st October so it will generate fairly significant contribution to our earnings going forward. It was an accretive deal. It is not a huge deal but it is nice to have a foot in the water and it's nice to have an international base from which we can grow our company.

Just on the intuitive [?] side and sustainability side we continue to push very hard into energy saving products in our freight businesses. We have employed an extra 3,500 people in this year. That is not necessarily always new jobs, but it is additional people within the Bidvest fold which really comes out of contract wins. Some of them are actually very new people, new employment, and some are purely on a contract win basis. We continue to understand that within the South African economy one does need to move forward on a subcontracting basis with SME development projects, and we have embedded those into a number of our contract wins where we really are facilitating the development of small businesses in some of the areas of activity in which we operate. So that's a quick review of how we went for 2017.

Where we have ended up after all of that and those acquisitions, our largest division is our service division contributing 26% of our operating profit or our trading profit. The second largest is our freight business at 18%. The third largest six our commercial products. And that we're quite proud of because that was one of our smallest divisions some years back and we did go on record to say that we would strategically invest into light industrial products. And Brandcorp is a good example of that. Prior to that was Plumblink, Academy Brushware, and we now have become a fairly significant player in the light industrial sector. The third division is automotive followed by print, financial services, electrical and finally Namibia. Namibia is a problem child and that I will touch on a little bit later. So no segment of our business contributes more than 30% of our trading profit which we're very comfortable with.

Just looking at some of the highlights for the year, after what I've already told you South Africa was our big focus. Our HEPS as you've seen this morning increased by 5.1% to 11.08 cents and our final dividend declared was R2.64 which was also a 5% increase. Overall revenue – and that's not turnover, our turnover is quite significantly higher – increased by 4% to R71 billion. And overall we have good results from five of our seven divisions. Commercial products, electrical, freight, services and financial services divisions were all quite nicely up on last year. And two of our divisions, automotive was slightly down and the print business was also marginally down, which I will deal with a little later. I've mentioned that we did disposals of about R800 million of non-core assets. We have an exceptionally strong balance sheet, and we have moved as we said we would into the international arena.

If I could quickly move on to some of our divisions and give you a little bit more insight into those divisions and how they've performed, I'm going to start with our services business. That is our largest business. In our presentation that we will do to the analysts a little later you will see that pack and we will publish that on our website the EBITDA of our services business is now over R2 billion. It's a very significant business. We make a return on funds employed which is really the core assets within that business managed by the business. Because it is very asset light the returns are 76.8%. In the prior year they were 81%. They were only 3.5% up on the previous year that may seem a bit lighter than you may have anticipated. A lot of the core facility management businesses did very well.

The two businesses that were impacted slightly negatively was our travel business. We own the largest corporate travel business in South Africa. We concentrate on domestic corporate travel and corporate outbound travel. We are very reliant on our national carrier, SAA. They have had to cut back as you all know. So they have cut back on flights and it looks like they are going to continue to do so on a number of routes. In addition they have had to cut back on rebates paid to its clients such as us. So we have had quite a difficult year in our travel business. We are reengineering that business to take account of technology changes. And we are comfortable that we're moving into a fairly good space within our travel business going forward. We have had to take out quite a lot of costs as the whole business model of our travel business changes.

The other area which was a little bit weak in our service business was the industrial service business. And that is really reliant on Eskom and the petrochemical companies and it really is a little bit cyclical and dependent on when Eskom are spending money and when they are into spending money on power stations and refurbs, as well as big petrochemical companies such as Sasol as to when they do their shutdowns. We had a bit of a weak cycle this year so they were slightly negative. The overall result of our services which is our largest business we consider to be satisfactory.

Our freight business, our second-largest business, has EBITDA of about R1.3 billion, has returns in that business notwithstanding fairly intensive capital investment in some of the areas of about 53%. That is assisted by negative funds employed in our clearing and forwarding business called BPL, Bidvest Panalpina Logistics. So that did distort that figure a little bit, but we get very good returns in our freight businesses. Their overall trading profit was up nearly 5% which we consider very satisfactory. The only disappointment we had this year which we had stood up this time last year to talk extensively about is maize imports into the country. Unfortunately that did not materialise and the maize imports were dramatically lower. That was published in the press and various other financial reports. The maize imports were significantly down on what the expectation was. But our overall revenue was up on a comparable basis by about 6%. We did dispose of our African operation called Manica which does have an impact on the revenue reflected in the SENS announcement.

We had much higher energy volumes and improved pricing out of Sasol and some of the other major clients which benefitted us. We did see a recovery in bulk commodity exports, and they did come off a very low base. I'm referring there to products such as chrome, manganese, some of the specialised coal products etc. That has recovered as the pricing has gone up. Contracting air freight volumes unfortunately have declined, and that is really consumer spending goods such as some of the electronic goods, cell phones etc. We have seen a drop in air freight volumes coming into the country. And other businesses impacted on working capital. Over and above that we did spend as I said about R330 million in fuel tanks and other multipurpose tanks. The big LPG project that I mentioned a bit earlier which is also in our freight operations will commence during the latter part of 2017 into 2018.

Moving on to commercial products, there as you would have seen this morning we showed nearly a 50% increase in profit. Most of that is attributable to Brandcorp. Brandcorp as you may well know is in fact the largest tool wholesaler in the country and a very large light equipment rental business called Rentech. They also have a consumer products business such as Cellini. We were very comfortable that that acquisition has been well bedded down. I talked earlier about capital allocation. Very rewarding capital allocation in our opinion in the Brandcorp acquisition. The core businesses behind our commercial products businesses, which are light industrial products and our consumer division, they increased their profit somewhere in the region of 6% or 7% without Brandcorp. Including Brandcorp 48.5%.

Our automotive division is 1% down. Their EBITDA is just under R1 billion. It comprises our traditional McCarthy Motors now called Bidvest Automotive, and Bidvest Car Rental. We feel that we did very well in used vehicle sales. They were quite significantly up on last year. Our car rental business we believe gained some market share and had good utilisation of assets. And new vehicle sales were down on previous years, and that was in line with market. And as a bundle we feel that we've performed up to expectations. So we are quite comfortable with our automotive investment. We do continue to have to rationalise. Automotive remains in a fairly tight and difficult space. I think NAAMSA is predicting a fairly flat year this year. So we continue to right-size. We continue to get rid of non-performing dealerships should we have any. We have had some in the past and during this past financial year we did exit a number of non-performing dealerships.

Moving on to Oxford Print, they were 6.9% down on the previous year. At half year you may recall that we reflected a decline of 15%. And quite a big portion of that related to the treasury contract for our Konica Minolta business which is office automation. That was a very significant contract where we had some FX issues with regard to the value of the Rand versus the Yen. Plus we had a delay in the price increase to pass on treasury. That was rectified in the second half of the year and the overall full year result is only 7% down on last year. So we made a nice recovery in the second half. And we do anticipate going into 2018 that we will see a reversal of that negative trend. The industry itself is obviously a little difficult. We have through innovation moved heavily into digital print and digital data distribution. And I'm very comfortable that you will see a marked improvement in the next financial year.

Our financial services division comprises Bidvest Bank which is primarily a fleet leasing business and an FX business, and our insurance business which has a life license and a short-term license. We are diversifying. We have announced one or two smallish acquisitions in that field. We are diversifying into other niche markets of operations. Specialised lending is an example, specialised insurance, travel insurance, that type of stuff. We have also moved into other niche areas such as pension administration etc. And we are clearly comfortable that we will never be a retail bank. I think we have gone on record to say that. But we do believe that there is room to play in fairly niche markets in the financial services sector. So we are moving quite nicely forward in that way. The overall result is 7.4% up on last year. And that didn't include any mark to market gains on the equity portfolio that we have in our insurance company. The size of that portfolio is about R1.2 billion and it was fairly flat on last year. So it was a real normalised trading profit increase in this financial year.

The final division is our electrical division. I think a lot of you would have read and seen what has happened to a lot of our peers in the electrical industry supplying construction infrastructure etc. So we are very proud of the fact that this division was up 10% on last year, at the EBITDA level nearly 12%. They continue to face very difficult trading circumstances particularly in their core industries, but they have moved into alternative energy projects. They are selling a lot of solar geysers, prepaid electricity metres etc. We are selling prepaid electricity now. So they have moved into other niche areas of activity to make sure they keep abreast of innovation in the power game. And I think it really is a very credible performance of electrical in this financial year.

Our corporate office result for 2017 was fairly good. It does comprise our property division. We have a significant property portfolio of about R7 billion. We have invested quite heavily into new properties in this financial year. And obviously as we invest in properties we make a better return in that division. We do have the benefit of mark to marking our investments in a variety of the businesses that we own or partially own. And then on our big associates we did see very nice returns coming out of both Comair and Adcock. So our share of associate profits was up significantly. And you will notice in our results the very large capital gain in the mark to mark value of those investments, particularly Adcock and Comair. Last year there was an impairment of about R1 billion and this year there has been a gain of about R1 billion. So there is a R2 billion swing in the value of those investments. So in hindsight it was obviously a very good thing that we were looking strategically at the right time to exit these investments. And we will I guess over some period of time continue to look for the right solution to those investment. And we continue to do so on a day to day basis, but we are very close to those investments and we will know the right time to do something with them at the right price when that comes along.

Namibia as I've said is the problem child. We have been discussing Namibia with you for some time now. The real problem lies in the fishing division. Most of Bidvest Namibia, which is a listed entity comprised by our fishing business called Namsov. We fish for horse mackerel. We were a significant player in the Namibian fishing industry. Over some time the Namibian government, particularly the Department of Fisheries, has decided that they would much prefer to have quotas issued to local Namibians. And the quota that we have been receiving as a large corporate has diminished dramatically over the last three or four years. When we receive less quota the only option in order to keep our vessels occupied is to buy a quota. They come at a very expensive price. So your cost of fishing goes up dramatically. We have issued a cautionary in Namibia. It is fairly unspecific so I can't talk too much about it, but it does relate to our fishing business and I will be able to report on where that takes us in our next discussion in six months' time.

Just to finish off from my side just a quick note on the Noonan acquisition. We bought 100% of Noonan. It is based in Ireland which is Euro based, which we quite liked. It gives us opportunity to move into other Euro based areas of activity. We do have a number of bolt-on acquisitions already lined up for Noonan. It is a facility management business concentrating on technical services, cleaning services, security services etc. They have some very nice large contracts. 60% of their business is the Republic of Ireland and 40% is the UK. They are growing very nicely in the UK. So we are comfortable that we have a Euro based business and a Pound based business. There is some concern over Brexit so we like the spread. It is very similar to our services business which is our largest business, and it has been one of those areas that we have targeted. The fact that it ended up in the UK/Ireland is really coincidental. It was an opportunity that came our way. It was a private equity disposal. A process was undertaken and we were successful. What we like about it, it has a very good, experienced entrepreneurial management team. They have got a very good track record of strong EBITDA growth over the years. Nicely cash generative. Strong growth prospects. And I think they are going to be able to help us quite a lot in South Africa with some of the technology that they use. And I'm sure that we will be able to assist them in growing their business into a more diverse services group in the future.

Just looking at our prospects, we do expect some marginal GDP growth in the 2017/2018 year. We are optimistic about South Africa. We know that December is coming. We have discounted that. That will come and go and life will go on. So we are optimistic. We will continue to invest in South Africa. We are looking at certain South African acquisitions. I've mentioned the big LPG project that we have commissioned in South Africa. We do see the Rand being more stable. And we remain confident for South Africa into the medium term. Our seven core businesses remain very well managed. They are very cash generative. We continue to broaden them with innovative new products and services. Our asset management is excellent.

We've got a lot of firepower as I said before for future acquisitions, which we do intend to continue with both locally and internationally. And we will monetise the remaining non-core assets as I've mentioned, but in a very responsible way. So I think you can look forward to decent growth coming into the new financial year, some nice bolt-on South African acquisitions, some nice niche international acquisitions as well, particularly in the areas of service and distribution of light industrial products, everyday type products. And I think we are quietly optimistic that a few green shoots are starting to appear, notwithstanding the great political instability in the country. It does appear to us – and I hope we're right – that things might settle down after December. Thank you very much. Could we take Q&A now?

Operator
Thank you very much sir. Ladies and gentlemen, at this time if you'd like to ask a question you're welcome to press star and then one on your touchtone phone and that will place you in the question queue. If you however decide to withdraw the question you're welcome to press star then two on your touchtone phone to remove yourself from the question queue. Just a reminder, if you would like to ask a question you're welcome to press star and then one. The first question comes from Janice Kew of Bloomberg News.

Janice Kew
Good morning Lindsay. How are you doing?

Lindsay Ralphs
I'm good. How are you, Janice?

Janice Kew

Good thanks. I just wanted to go back to your comment about the Noonan acquisition being a toe in the water and at the same time that none of your segments contribute more than 30% of trading profits. Is there any way of using those two statements to get some sense of where internationally Bidvest would be looking next?

Lindsay Ralphs
I did comment very briefly, Janice, and we commented last year to say our services division we're very comfortable. Being our largest division we do feel that we could play in the international market in one or two of the niche areas of activity in which we operate in South Africa. And I think facility management is something we have done particularly well with in South Africa. We understand the market and the model. So we will continue to look at core facility management businesses which include some technical services but predominantly soft services, so cleaning, security, hygiene, landscaping etc. We will continue to look at that. The business model behind the services piece really does appeal to us. It is contractually based. It is annuity based income. It's a low buy decision in many cases and a necessity product that people do require within their corporate operations. So that will definitely continue to be fairly high up on our radar.

So I guess that does then beg the question will our services business become bigger than 30%. I guess I can't really answer that, but it might. It might. But I wouldn't think significantly so because we do intend to continue to invest in other areas of activity in South Africa and internationally. So the other international area of activity which we are looking at is light industrial products particularly in niche areas. A business we acquired two years ago was Plumblink, a very niche specialised plumbing supply business. We will look at expanding that potentially into international waters. And various other light industrial products where we do think we can stand on the world stage. We have to be very cautious about moving internationally.

There are very significant players. And I think we probably have gone on record to say we probably wouldn't want to play in the general terminal business in some of the massive ports for example, because you have got very significant players in the really big ports around the world. We would rather be a niche operator in areas where we can be a significant player and not just a small fish in a big pond. So even automotive retail, I think it is unlikely we would want to look at that on an international stage because again we would be too small in markets where we would look to expand. So to answer your question probably back to services and our commercial products division.

Janice Kew
Thank you. I also just wanted to ask about your cash position. Still pretty strong, but there have been ongoing issues with Angola and Nigeria. I'm just wondering where things are standing there.

Lindsay Ralphs
Just to clarify, we've got a small investment in Angola through Bidvest Namibia. We battle to get the funding out of there. Part of the cautionary that I mentioned with regard to Bidvest Namibia relates to issues including the entire fishing business. And the fishing business does operate in Namibia, Angola and in Mozambique. All of our other exposure into Africa is really just on a trading product basis. So places like Nigeria or anywhere else we would only export products on confirmed letters of credit. So we've got no exposure to Africa from a currency perspective.

Janice Kew
Thanks.

Operator

Ladies and gentlemen, just a reminder, if you would like to ask a question you're welcome to press star and then one. The next question comes from Hilary Joffe of Business Day.

Hilary Joffe
Hi Lindsay. You've answered this in previous presentations, but looking back more than a year after the unbundling what is your measure of success? Has that worked out as you expected? Has it delivered the liberation and the value-add that you expected from the exercise?

Lindsay Ralphs
Hilary, I think without a shadow of a doubt. If you looked at how the businesses were structured pre the unbundling I and my team in in South Africa had been looking after what we called in those days Bidvest South Africa for about four or five years. And Bernard Berson, who is the CEO of Bidcorp, had been looking after our food business out of his base in Sydney Australia for about four or five years. The unbundling unlocked huge shareholder value. The share price pre the unbundling if you added the two together was about R340 per share. And until recently it was close to R500 a share. So there was huge value unlock. The two businesses were fairly diverse in that the one was international concentrating on food and the South African assets were the diverse seven divisions that I've discussed this morning. And we didn't really meet too often other than at conferences and board meetings etc. because they were too diverse businesses. So the value really tells the answer. So shareholders did particularly well.

Hilary Joffe
Thanks.

Operator
We have a follow-up question from Janice Kew of Bloomberg News.

Janice Kew
Hello again. I just wondered, I know previously you've said the likelihood of acquisitions in South Africa are relatively limited largely because of the size of Bidvest in the markets in which it operates. In the economic climate that we're seeing at the moment are there more companies that are looking more attractive from a price perspective and does that open the scope a little bit wider or bigger in terms of local acquisitions?

Lindsay Ralphs
Janice, yes, I think the answer is probably yes. We did say that in certain areas of activity we're limited in our ability to make significant acquisitions. And you're 100% right there. An example would be automotive. To an extent we are the second largest auto dealership in the country. It is Imperial, ourselves, Barlow and Unitrans and a few others. And the OEMs wouldn't allow us to grow much more there, so we're limited there. Our services business in South Africa we're the largest cleaning company, the second largest security, one of the largest landscaping. So we're limited in a number of those. But in other areas, particularly in light industrial products, there is still vast potential to grow or to do acquisitions in South Africa. And we would definitely contemplate those. And we are looking. And you're right. I think pricing probably has come off. South African pricing compared to international pricing is a lot more attractive. So we continue to do smallish, medium-sized bolt-ons. And we will continue to look at South African opportunities. We still have quite a lot of confidence in the South African market.

Janice Kew
Thanks.

Operator
Ladies and gentlemen, just a final reminder, if you would like to ask a question you're welcome to press star and then one. We have a follow-up question from Hilary Joffe of Business Day.

Hilary Joffe
These are two completely different questions. The one is what are your ambitions in financial services? Because you have done some acquisitions and you did indicate that you were looking for more. What kind of expansion are you looking at? That's the one. The other is you talked about Comair and Adcock, doing something with those stakes in an appropriate way at some point. I was wondering if you could expand on that. Thanks.

Lindsay Ralphs
Okay. Thanks Hilary. I think your first question regarding our financial services piece; we've got a full banking license. We've got a full long-term insurance license. We've got a full short-term insurance licence. It emanated out of the Bidvest group in various different ways over many years historically. We put them all together into one division about three or four years ago. And we're strategically looking to see where we could play effectively in the South African market other than in retail banking. So if you can just put a line through the fact that we really wouldn't want to get into retail banking, home loans, micro lending or any of those types of activities. We see ourselves as the supplier of niche products to the corporate market.

As an example, fleet leasing, we are today definitely one of the largest fleet leasing companies in South Africa. So we've got some very significant contracts which I think are on record such as Telkom. We still retain a big portion of Transnet, a number of big municipalities, a lot of big corporates in the fleet leasing space. So we would probably move from purely doing fleet leasing into other asset-based leasing. So that would be an example of where we would continue to grow. In the FX space, our old original Rennies Bureau de Change businesses, we have developed innovatively in that space and will continue to develop alternative products in FX. And then in our other general financial services we do have the short-term insurance license and then long-term license. So we intend to develop some niche products that would revolve around those two licenses. The overall answer is really to become a niche financial services player in South Africa in specific areas in which we operate.

With regard to Comair and Adcock briefly, we have gone on record to say that going forward we don't intend to just hold associates. And we own 38% of Adcock and about 28% of Comair. They have been very good investments for us over the years and we are very familiar with them. I sit on the Adcock board and we really are very close to the Comair guys. They are a very successful airline as you would have seen from their trading update and their results that were out. And the Adcock results were also very good which you would have seen towards the end of last week. So we retain them and we interact with them on a regular basis. But we would have to say to you, Hilary, that in two to three years' time I don't think we will own those shares. We will dispose of them in a responsible, mature way. And we would rather deploy those funds into activities which we control, manage and run. We don't have control, we don't manage and we don't run those two investments.

Hilary Joffe
Okay. Thanks.

Operator
Gentlemen, we don't have any questions in the queue. Do you have any closing comments?

Lindsay Ralphs
No, just to thank you all for joining us this morning and we will speak to you guys soon. Thank you very much.

Operator
Thank you. On behalf of Bidvest that concludes this morning's conference. Thank you for joining us. You may now disconnect your lines.

END OF TRANSCRIPT