Royal Gold, Inc.

Fiscal 2020 Third Quarter Conference Call

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CORPORATE PARTICIPANTS

Alistair Baker - *Vice President of Investor Relations and Business Development*

Bill Heissenbuttel - *President & Chief Executive Officer*

Paul Libner - *Chief Financial Officer and Treasurer*

Mark Isto - *Executive Vice President and Chief Operating Officer*

PRESENTATION

Operator
Good day, everyone, and welcome to the Royal Gold 2020 Third Quarter Conference Call. All participants will be in a listen-only mode. Should you need assistance, please signal a conference specialist by pressing the star key followed by zero. After today's presentation, there will be an opportunity to ask questions. Please also note today's event is being recorded.

At this time, I'd like to turn the conference call over to Alistair Baker, Vice President of Investor Relations and Business Development. Sir, please go ahead.

Alistair Baker
Thank you, operator. Good morning and welcome to our discussion of Royal Gold's third quarter 2020 results. This event is being webcast live and you will be able to access a replay of this call on our website.

Participating on the call today are Bill Heissenbuttel, President and CEO; Paul Libner, CFO and Treasurer; Mark Isto, Executive Vice President and COO; Dan Breeze, Vice President, Corporate Development of RGAG; and Randy Shefman, General Counsel.

This discussion falls under the Safe Harbor provision of the Private Securities Litigation Reform Act. A discussion of the company's current risks and uncertainties is included in the Safe Harbor and cautionary statement in today's press release and slide presentation, and is presented in greater detail in our filings with the SEC.

Bill will give you an overview of the quarter, followed by Mark with an update on our operating results. Paul will then provide a financial updates and Bill will wrap up the call with some closing comments. We'll then open the lines for a Q&A session.

Now, I will turn the call over to Bill.

Bill Heissenbuttel
Good morning and thank you for joining the call. Before beginning, I would like to note that all Royal Gold participants on this call are doing so remotely. And I ask your understanding if our responses to subsequent questions are perhaps less coordinated than usual.

I'll begin on slide 4. Despite the current situation with COVID-19, which I'll touch on in a minute, this was another solid quarter for Royal Gold. We had a 24% increase in revenue over last year's quarter to set a new record for quarterly revenue of $136 million. Although gold equivalent ounce volume of 86,200 was up relative to the prior year quarter, the main driver of the record revenue was a significantly higher realized gold price.

Earnings for the quarter were a healthy $38.6 million or $0.59 per share, which were $0.68 per share after adding back a $0.05 noncash mark-to-market loss on our equity securities and a one-time noncash charge of $0.04 related to noncash employee stock compensation. Paul will go into more detail on both of these items in his remarks.

We saw strong operating cash flow of $99.7 million, which allowed us to make the second advance of $22 million at Khoemacau, pay our quarterly dividend at the new higher rate of $1.12 per share per calendar year, and make a further payment on our revolving credit facility of $30 million. We paid down

the balance on our revolving credit facility to $105 million, and with a combination of $101 million of working capital and $895 million of revolver capacity we maintained approximately $1 billion of liquidity for new business opportunities.

Turning to the effects of COVID-19, our employees have been working remotely very successfully for almost two months. And I want to recognize our team's efforts in adapting so well to the unusual challenges we face in this environment.

With respect to our operations, our large, diversified and gold-focused portfolio has helped mitigate the impact to Royal Gold of many of the operational suspensions we have seen across the industry. Only three of our principal properties have publicly announced impacts of varying degrees from the virus, and two of these, Mount Milligan and Rainy River continue to operate and are returning to normal production levels. Only Peñasquito remains suspended due to a nationwide shutdown decreed by the Mexican government. The remainder of the interruptions were at smaller royalty assets in our portfolio.

Obviously, we do not know how long the situation will continue and whether new suspensions will arise or if suspensions will be reinstated, so it is unclear what the long-term impact may be. Because the near-term business environment is unclear, we decided to draw $200 million on our revolving credit facility after the end of the quarter as a precautionary measure in order to ensure sufficient liquidity to meet our funding commitments for the foreseeable future. This advance was done out of an abundance of caution and not for any specific purpose. We remain committed to reducing our debt levels and we'll manage the revolver balance as the business environment becomes clear.

That said, we recognize the significant impact the COVID-19 pandemic is having in the communities where we live and work and we have made donations to charities in Colorado, Toronto, Vancouver and Lucerne to help address a variety of needs and we increased our ongoing community support of the Tetlin Tribe at the Peak Gold joint venture as well. Our team is pleased to have made an impact in this time of significant need and urgency.

With that, I'll turn the call over to Mark for a discussion of Khoemacau and a few other notable properties.

Mark Isto
Thanks, Bill. On slide 5, I'd like to start with an update of the Khoemacau project in Botswana, currently under development by the Khoemacau Copper Mining or KCM. Construction continues to advance well. Overall, project construction completion reached approximately 43% at the end of March quarter with 80% of the capital committed. We made our third contribution to the advanced stream payment on April 3rd of $47.9 million and we've now advanced approximately $136 million towards the project.

The photo on the slide shows an aerial view of Zone 5 taken in April, where activity is evident across the site. Underground development was initiated in early February and saw four of the five declines located in the Central and North boxcuts advancing by end of the quarter, while the fifth portal in the south boxcut was initiated in early April.

Turning to slide 6, I selected a few progress photos of the central boxcut, which is the most advanced of the three boxcuts. The photo on the left from early February shows the access ramp down to the portal face when handover to the mining contractor Barminco occurred. The photo on the right shows a close up of the portal face marked off for drilling and blasting.

Turning to slide 7, you can see progress on the central boxcut portals on the left and the photo on the right shows ventilation fan installations in the same portals. A similar sequence of activity is occurring

at each of the south and north boxcuts.

Good progress occurred elsewhere on the project during the quarter. However, many activities were curtailed starting on April 2 due to the COVID-19-related travel restrictions imposed by the Botswana government. Although a six month state of emergency has been declared by the government of Botswana to help prevent the spread of COVID-19, mining has been declared an essential service and construction of mining activities at the site are continuing, with mine development currently at planned rates, but construction at reduced scale.

KCM is evaluating risk to the project schedule and has not advised of any changes to the mid-year 2021 date for first concentrate shipment, although this is dependent on evolution of the global COVID pandemic.

Turning to slide 8, I'd like to discuss some recent developments at several of our other key properties, starting with Mount Milligan and Rainy River, both of which delivered new life-of-mine plans this quarter.

Starting with Mount Milligan, Centerra filed an updated 43-101 technical report on March 26, supporting an update, reserve and new life-of-mine plan that included changed metallurgical recoveries, operating costs and an updated resource model.

I'll reference you to our press release of the same date for details, but the main impacts of this new plan to Royal Gold are a shorter mine life based on lower proven and probable reserves, but higher near-term metal production due to the mining of higher grade material.

Centerra estimates a nine-year mine life, with average payable gold production of 161,000 ounces per year and average copper production of 81.7 million pounds per year. While this is a material reduction in reserve life, we do not need to take an impairment in the value of our stream interest.

However, the depletion rates of our interest have increased to $764 per ounce of gold and $1.48 per pound of copper. Mount Milligan remains a significant asset for us, and we're pleased that the operations are expected to continue with healthy cash flow at current metal prices.

We understand that Centerra is working on several initiatives to reduce operating costs, and we hope to see some of the remaining resource material move back into reserves in the next few years and extend mine life. Centerra also reported last week that recent throughput reductions caused by COVID-19 considerations will not have a material effect on calendar 2020 production and annual guidance remains unchanged.

Turning to Rainy River, New Gold announced the results of an updated life-of-mine plan for Rainy River on February 13, and they filed the corresponding 43-101 technical report on March 27. We issued a press release on February 13 with the details of the new plan.

The main impact of the new plan to Royal Gold is a shorter mine life at a higher average gold grade leading to higher annual gold production. New Gold's mine plan is focused on optimizing cash flow and considers mining from a smaller, higher grade open pit and a smaller, more selective underground operation.

New Gold estimates that production from this new plan will average 289,000 gold equivalent ounces per year for the calendar 2020 to 2028 period, and stated that there may be potential increases to the mine life beyond calendar 2028 depending on gold price and exploration success.

We do not need to take an impairment in the value of our stream interest at Rainy River. However, depletion rates of our interest have increased to $848 per ounce of gold and $11.27 per ounce of silver.

Moving on to slide 9, I'll provide some comments on Pueblo Viejo and Cortez. At Pueblo Viejo, Barrick provided an update on the progress of the studies and work ongoing to expand production and extend mine life, which Barrick expects will allow the mine to maintain average gold production of approximately 800,000 ounces per year after calendar 2022 and for over a further 20 years.

Recent study work has advanced plans for the process flow sheet, resulting in preliminary operating and capital cost estimates and project execution plan and schedule. From a permitting perspective, the process expansion environmental impact study has been completed and ready for submission, and environmental impact studies are ongoing for additional tailings and waste rock management. Based on all this work, Barrick is progressing engineering and evaluation work towards a feasibility study.

Pueblo Viejo is a significant asset in our portfolio, and we look forward to hearing more details of this expansion and mine life extension as they become available. At Cortez, shortly after the end of the quarter, we received the updated reserve statement and life-of-mine plan from Nevada Gold Mines for production attributable to our royalty interests. Recall we have three sliding scale gross smelter return royalties and two net value royalties on the Cortez property, which includes the Crossroads deposit, and some of the areas covered by these royalties overlap. On average, above the gold price of $470 per ounce after the relevant deductions, the combined royalties are equivalent to approximately 8.2% gross smelter return royalty to Royal Gold.

Year-end reserves were calculated at a gold price of $1,200 per ounce and contained 3.5 million ounces of gold over the property areas where we have royalty interest. The life-of-mine plan expects gold production from these areas of approximately 175,000 ounces in calendar 2020, increasing to approximately 425,000 ounces in calendar 2021. While there's variability from year-to-year, a 425,000-ounce level is expected to be maintained through calendar 2026.

I'll now turn the call over to Paul to discuss our financial results.

Paul Libner
Thanks, Mark. I'll turn your attention to slide 10 and give an overview of the financial results for the quarter. For purposes of this discussion, I will be comparing the third quarter of fiscal 2020 to the prior year quarter. As Bill mentioned at the beginning of the call, we had another record revenue quarter, with revenue of $136.4 million on volume of 86,200 gold equivalent ounces or GEOs. GEOs were approximately 2% higher year-on-year. As we announced at the beginning of April, stream segment volume for the quarter of 62,000 GEOs was in line with the expectations discussed during our last earnings call in February. Metal prices had a positive effect during the quarter, with gold and silver prices up 21% and 9% respectively, while copper was down 9% year-on-year.

Gold continues to be the most significant driver of our revenue and accounted for 79% of our total revenue for the current quarter, up slightly from 77% in the prior year quarter. G&A expense for the quarter was $9.6 million, which is up from $6.8 million in the prior year quarter. Our G&A expense each quarter includes noncash compensation expense and generally averages $1.5 million to $2 million per quarter.

As highlighted during our last earnings call in February, we expected to recognize additional noncash compensation expense this quarter due to a couple of recent senior management retirements. During the current quarter, we recognized approximately $3.3 million in additional noncash compensation expense attributable to retirement or $0.04 per share net of tax. The additional noncash compensation

expense recognized was a one-time item, and we anticipate our quarterly G&A expense to be between $6.5 million and $7.5 million going forward.

Our DD&A expense for the quarter was $51.2 million or $594 per GEO. As Mark mentioned in his remarks, recent reserve reductions at both Mount Milligan and Rainy River have caused our depletion rates on those interests to increase. We now expect our DD&A for the fourth fiscal quarter to range between $650 and $675 per GEO, as our revenue mix shifts towards streams and with the ongoing COVID-19 impacts largely limited to a few royalties.

Earnings were $38.6 million or $0.59 per share, up 34% compared to the prior year quarter. After excluding the $3.8 million mark-to-market loss on the value of our equity holdings and the $3.3 million one-time noncash stock compensation expense items, adjusted earnings net of tax were $44.3 million or $0.68 per share.

With respect to our effective tax rate, we continue to expect our full year fiscal 2020 effective tax rate, absent any unusual items, to be in the range of 19% to 23%. Cash from operations was approximately $99.7 million for the quarter, up significantly from $77.4 million in the prior year quarter. The increase is primarily due to an increase in proceeds received from our stream interest, net of cost of sales. At the end of March, we held approximately 27,000 GEOs in inventory, which was lower than the guidance range we provided during our last quarterly call. The decrease was primarily due to deliveries from Mount Milligan, which were received later than previously forecasted and after our quarter end.

Looking forward, and absent any potential new operational impacts due to COVID-19, we expect stream segment sales for the June quarter to be in the range of 50,000 to 55,000 GEOs, and inventories for the quarter end to be in the range of 18,000 to 23,000 GEOs. As we have discussed on our previous calls, sales in the June quarter will be negatively impacted due to the strike that occurred at Andacollo back in October and November of last year.

I'll now turn to slide 11 and provide a summary of our financial position. Our liquidity remained strong and we ended March with cash of almost $94 million and working capital of $101 million. During the quarter, we paid down $30 million on our revolving credit facility and ended the period with an outstanding balance of $105 million. The $895 million remaining undrawn on this facility combined with our working capital provided us approximately $1 billion of total liquidity at the end of March.

As noted earlier, we made our second contribution of $22 million towards the Khoemacau project during the quarter. And after the $48 million contribution we made in April, we expect to contribute approximately $65 million during the remainder of calendar 2020.

In calendar 2021, our remaining contribution will be between $11 million and $64 million depending on whether Cupric exercises its option to increase the size of the advanced payment from $212 million to $265 million. We expect remaining payments to be on a quarterly basis in proportion to the total capital spend of the project and we anticipate making these payments from our available cash resources.

As Bill noted earlier, we drew an additional $200 million on our credit facility in early April, as a precautionary measure to help ensure cash is readily available to support continued business activity during the unprecedented and uncertain environment caused by COVID-19. We believe we have sufficient liquidity to adequately cover our G&A expenditures, commitment to Khoemacau and expected dividend payments for the foreseeable future. We remain committed to reducing our debt, and absent the requirement to fund any new business opportunities we expect to manage our debt levels accordingly once the operating environment returns to normal.

That concludes my comments on our financial performance for the quarter, and I'll now turn the call back to Bill for closing comments.

Bill Heissenbuttel
Thanks, Paul. The current operating environment has been challenging. And although, we are able to continue our daily activities without disruption, we have seen revenue impacts from temporary suspensions at several operations in our portfolio. The impacts to revenue so far have been relatively minor and the bulk of our asset base has continued to generate revenue and cash flow.

This environment has highlighted one of the main benefits of our business model, which is that the combination of a large, diversified portfolio and modest G&A and fixed costs allow us to absorb short-term revenue reductions at individual portfolio assets without affecting the sustainability of our business. Additionally, our portfolio is relatively unexposed to weak base metal prices, as approximately 80% of our revenue in the quarter came from mines that produced more than half their revenue from precious metals.

We also believe our financial position will remain strong despite the current environment. We have no near-term debt maturities and our revolver matures in June 2024, and our access to liquidity positions us to act on new business opportunities that may present themselves in the normal course and as a result of the challenging environment in which all companies now operate.

Operator, that concludes our prepared remarks. I'll open the line for questions.

QUESTIONS AND ANSWERS

Operator
Ladies and gentlemen, at this time we'll begin the question and answer session. To ask a question you may press star and then one. To withdraw yourself from the question queue you may press and two. If you are using a speakerphone, we do ask that you please pick up your handset before pressing the numbers to ensure the best sound quality. Once again, that is star and then one to ask a question. We will pause momentarily to assemble the roster.

And our first question today comes from Josh Wolfson from RBC Capital Markets. Please go ahead with your question.

Josh Wolfson
Thanks. First, I'll give you guys a shout-out, where you lack annual guidance, the quarterly guidance is certainly very, very helpful from our perspective. As it relates to Crossroads and the ramp-up there, now that there's sufficient information from the Nevada partnership and what the mine plans and the reserves look like, how would you expect that ramp-up to get to what the steady state rate is, which I guess based on your 8% NSR would be 35,000 ounces per year?

Bill Heissenbuttel
Josh, this is Bill. Thanks for the question. I think the best way to direct that question would be to Mark. Mark, are you able to touch on that one?

Mark Isto
Yes. I guess, the schedule that we were provided by the Cortez team, as we explained in our prepared comments, that it'll be fairly consistent, averaging the 175,000 ounces for the year. And there's obviously a very significant step-up going into calendar 2021. So the way I would look at it is really the

175,000 will be spread out through the year, with a modest increase towards the end of the year with a pretty significant step-up as you go into the new calendar year. And then as the comments said, over the period of time you'll see an average of 425,000 ounces from our royalty ground being reported, but between years there can be some fairly significant swing. So it will be a little bit of a lumpy profile. Is that helpful?

Josh Wolfson
Yes. That helps, I guess. So over that 2021 to 2026 period, I think, it sounds like based on the different royalty rates by land tenement, if we assume that 8% NSR too, then that seems reasonable. But maybe let me just clarify, is that reasonable to assume? And then for 2021, can we just assume a flat 8% across that 175,000 ounces, or are there different rates that will significantly vary what the production is to Royal Gold?

Mark Isto
Yes, good question. The way we like to lay it out, and it was very consistent with the way we look at the royalties and for our budgeting purposes, so the 8.2% gross value royalty on the production that we just talked about is an excellent way for you to think about the production, yes.

Josh Wolfson
Okay. Great. And then with regards to Khoemacau and the current timelines there, I understand that there was a reiteration of the timelines, but there was also a caveat that it potentially could vary based on the impacts of COVID. Is there any sort of additional disclosure you can provide in terms of what sort of buffer exists and the implications of I guess the six months sort of restrictions in Botswana and what that means if it's extended or if the severity were to increase of the current situation?

Bill Heissenbuttel
Mark, probably another one for you.

Mark Isto
Yes sure. Yes, I can provide a little bit more color around Khoemacau. So the underground development has been tracking on schedule. Effectively, it's an Australian contractor and the miners effectively remained at site during the shutdown period, whereas, most of the surface type construction activities, which are more locally driven with local manpower, tended to significantly reduce. So the critical path certainly has been the underground development, but as the reduction in manpower continues what you'll see is the mill refurbishment will become the critical path item.

Now, we understand that they should start loosening up some of the restrictions here very shortly, but it's really very difficult for us to make any kind of projection of the impact. But they've managed the COVID-19 situation very well so far and can continue underground development I think for at least another two or three months with supplies they have on site.

Josh Wolfson
Okay. And then last question also related to Khoemacau. The deal that was structured with the additional option available was done in a lower price environment. Is it safe to assume that that will not be exercised by the operator at this point?

Bill Heissenbuttel
Josh, I don't think we can know one way or the other at this point. A lot of times, whether or not you draw on some extra funding like that has nothing to do with the price environment at the time. It has to do with what your capital cost of doing—what's happened to the cost to build the project. So I think it's going to be more of a cash needs base than a strategic "what's the price of silver right now" decision.

But we're really not going to know that probably for at least six months or so.

Josh Wolfson
Okay. Those are my questions. Thank you.

Bill Heissenbuttel
Thank you.

Operator
Once again, if you would like to ask a question, please press star and one. Our next question comes from Brian MacArthur from Raymond James. Please go ahead with your question.

Brian MacArthur
Good morning. I just want to follow-up on Josh's question. You've given nice guidance here for Cortez, but the operator generally has a 10-year plan. Can we assume—it looks like there's another one million-plus ounces that come out after that at Crossroads. I get it, it's probably going to go down from 400,000 ounces, but is it kind of flatlined after that, or can you give us any guidance?

Bill Heissenbuttel
Brian, I'm going to make a brief comment and then I'll turn it over to Mark to see if he can add to it. But the information that we have provided to you is really what Barrick has given us permission to disclose to the market and the manner in which we can disclose it. So I think for right now we're kind of limited to the years we're talking about. I do think it's probably more than we've ever given in the past. But Mark, do you have a different perspective on that?

Mark Isto
No, no, that would have been exactly – you're exactly correct. Yes.

Brian MacArthur
Okay. Great. Thank you.

Operator
Our next question comes from Adam Graf from B. Riley FBR. Please go ahead with your question.

Adam Graf
Hey, guys. Thanks for taking my question. Just real quick about the two assets you didn't speak about today. One is the Holt mine run by Kirkland Lake and your interest there. I think Kirkland announced, was it earlier this week that they're putting that mine on care and maintenance, and I wonder, if you had some comments there. And then also at the Las Cruces mine by First Quantum, I understand that they have to make a decision about going after the underground sulfides, and if you've gotten any update there.

Bill Heissenbuttel
Thanks, Adam. First, I'll go to Holt, I'll give Mark a little chance to try to think about Holt and Las Cruces. I'm not sure we have a lot of detail on Las Cruces. But yes, we did see Kirkland Lake's announcement with respect to Holt. It's clearly a noncore operation for them. I don't know what plans they have for it, but it wouldn't surprise me if the asset eventually came up for sale. But beyond that, these things happen from time to time, we sit there with a royalty that does not burden the property. And so I think we'll just have to see. Obviously, it's not core to Kirkland Lake, so we'll see what happens over the next few months. But beyond that, I can't really say anything about their

management team's plans for the asset over the next few months.

Las Cruces, I can't help you with. Mark, do you have any thoughts?

Mark Isto
Well, we don't have any new information on the underground project. But it would be worth pointing out that our particular royalty on Las Cruces is for copper only, whereas the underground material is polymetallic, so as you think about that with respect to Royal Gold, you should only be thinking about copper. But we really can't provide any additional details on their plan.

Adam Graf
All right, thanks. And maybe, if you guys can give us any kind of an update on production out of Robinson and Voisey's Bay because those companies are not all that transparent about what they produce.

Bill Heissenbuttel
Mark, do you have any comment there?

Mark Isto
Well I think our view on Robinson, certainly for this calendar year, would be similar to last year. We don't particularly get a lot of additional information as well. We do attend an annual site visit, but it has been close to a year now since we've been there. And on Voisey's Bay, they did announce that they curtailed the mining for three months, although the understanding we have is that stockpiles in the hydrometallurgical plant smelter will be used during this three-month period. So from a nickel and cobalt perspective, we wouldn't expect to see much, if anything, different. There will be some impacts later on to copper production, but as far as nickel, cobalt, we don't expect to see any change because it's a stockpiled concentrate.

Adam Graf
And the copper will impact this upcoming quarter or the subsequent quarter?

Mark Isto
I think it comes in the fourth quarter of this year.

Bill Heissenbuttel
Yes. The sales—Mark, I think what you're talking about there are really two products. It's all the products that come out of Long Harbour, but it's also the third-party copper concentrate sales that are done on a seasonal basis, so that part of the royalty tends to be a bit lumpy. That's the part that would be sort of missing with the mine shutdown. Is that fair, Mark?

Mark Isto
Yes, correct.

Adam Graf
Excellent. Thank you, guys. Appreciate the color.

Operator
Once again, if you would like to ask a question, please press star and then one. Our next question comes from Tanya Jakusconek from Scotiabank. Please go ahead with your question.

Tanya Jakusconek

Yes. Good morning, everybody. Just wanted to circle back on M&A, if I could, and what sort of opportunities are you seeing in the space right now?

Bill Heissenbuttel
Yes. Tanya, it's obviously a good period of time for us. I can tell you that our business development team is quite busy looking at opportunities. You, obviously, have some stress on the base metal side. We're starting to see a few transactions that might be—they're still sort of in the range of the $100 million to $500 million that we always talk about, but maybe more towards the larger end of that range.

Obviously, the challenge we've got with business development, we can do a lot of things virtually. We can get to know operating teams virtually. We can do a lot of term sheet negotiations virtually. But when it comes to things like site visits and travel restrictions, that's the thing, if this goes on too long that would put a break on a lot of those types of opportunities. So I'm very pleased with the level of activity that we're seeing.

Tanya Jakusconek
So would you do a transaction that would be obviously pending due diligence, if it came down to that, that you haven't been able to go on site?

Bill Heissenbuttel
Well, that's what we're actually looking at right now, is the processes that are running, you do things out of sequence. Usually, these things go in a couple of phases and your site visit is early on in Phase II. Well, you don't necessarily need to do a site visit at that point in time. You could continue to negotiate a term sheet, you can work on documentation, you can do as much of the due diligence as you can and you just move the other stuff to the back of the process. That's something we are seeing in the market.

Tanya Jakusconek
Okay. All right, great. Thank you so much.

Bill Heissenbuttel
Thanks, Tanya.

CONCLUSION

Operator
And ladies and gentlemen, at this time I'd like to turn the conference call back over to management for any closing remarks.

Bill Heissenbuttel
Great. Thank you for taking the time to join us today, and I hope you all stay healthy in the coming days and months. We appreciate your interest in Royal Gold, and we look forward to updating you on our progress during our next quarterly call. Thanks very much.

Operator
Ladies and gentlemen, with that we'll conclude today's conference call. We do thank you for joining. You may now disconnect your lines.