

Brookfield Business Partners – Q4 2023 Results Conference Call & Webcast

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Corporate Speakers:

- Alan Fleming; Brookfield Business Partners L.P.; Managing Director
- Cyrus Madon; Brookfield Business Partners L.P.; Executive Chairman
- Anuj Ranjan; Brookfield Business Partners L.P.; CEO
- Denis Turcotte; Brookfield Business Partners L.P.; COO
- Jaspreet Dehl; Brookfield Business Partners L.P.; CFO

Participants:

- Geoff Kwan; RBC Capital Markets, Research Division; Analyst
- Gary Ho; Desjardins Securities Inc., Research Division; Analyst
- Devin Dodge; BMO Capital Markets, Research Division; Analyst
- Jaeme Gloyn; National Bank Financial, Inc., Research Division; Analyst
- Nik Priebe; CIBC Capital Markets, Research Division; Analyst

PRESENTATION

Operator^ Welcome to the Brookfield Business Partners' Fourth Quarter 2023 Results Conference Call and Webcast. As a reminder, all participants are in a listen-only mode and the conference is being recorded. After the presentation, there will be an opportunity to ask questions (Operator Instructions).

Now I'd like to turn the conference over to Alan Fleming, Head of Investor Relations. Please go ahead, Mr. Fleming.

Alan Fleming^ Thank you, Operator, and good morning. Before we begin, I'd like to remind you that in responding to questions and talking about our growth initiatives and our financial and operating performance, we may make forward-looking statements. These statements are subject to known and unknown risks and future results may differ materially. For further information on known risk factors, I encourage you to review our filings with the securities regulators in Canada and the U.S., both of which are available on our website.

We'll begin the call today with a few opening remarks from Cyrus Madon, our Executive Chairman. Anuj Ranjan, our Chief Executive Officer, will then provide an update on our business performance and strategic initiatives. Anuj will then turn the call over to Denis Turcotte, our Chief Operating Officer, to share an update on our operating environment and progress at Clarios. Jaspreet Dehl, our Chief Financial Officer, will finish with a discussion of our financial results. The team will then be available to take your questions.

I'd like to now pass the call over to Cyrus.

Cyrus Madon^ Thank you, Alan, and good morning, everyone.

Thanks very much for joining us on the call today. We've been very busy over the last few months. We had a super strong fourth quarter, capped off a great year for our business, and I'm very pleased to inform you that our Board of Directors has appointed Anuj Chief Executive Officer of Brookfield Business Partners.

Anuj and I have worked together for nearly 20 years. He's held a number of leadership roles across Brookfield and has been instrumental in many of Brookfield's activities over that time. Since being appointed President of BBU nearly two years ago, he's taken on increasing responsibility managing our day-to-day operations. I can tell you without any hesitation that Anuj is an exceptional investor, and I'm confident he will seamlessly transition into the CEO role.

I have joined the Board in the capacity of Executive Chairman, where I will continue to remain fully active in the business. I will remain active in our investment process, strategy, and supporting Anuj and the broader management team, including maintaining my role on our investment committee.

These changes provide a strong foundation for our future. While you should expect our business to continue to evolve, the guiding principles underpinning our track record of success and strong performance will remain unchanged.

With that, I'd like to turn it over to our CEO, Anuj Ranjan.

Anuj Ranjan^ Thank you, Cyrus, and good morning, everyone.

I'm excited to be here today and join you on my first call as CEO. I've had the opportunity to meet many of you over the past few years, and I look forward to spending more time with all our investors. I also want to take this opportunity to thank you for your continued support and interest in our business.

We had a very successful 2023. BBU achieved record full year Adjusted EBITDA of \$2.5 billion and our Adjusted EBITDA margin improved to 19%. These are great results that reflect the quality of our businesses and our hands-on approach to operationally improving them, both of which continue to be our key differentiators.

Apart from strong financial results, we generated more than \$2 billion of proceeds from our capital recycling initiatives, which has meaningfully reduced our corporate borrowings and further strengthened our capital position. We made a real focused effort to sell a number of our smaller businesses, and we are now coming into a cycle of monetizing our larger investments. As you know, we completed the sale of Westinghouse last November, and we are in the process of positioning a few other large businesses for sale, subject to market conditions.

On that note, our largest businesses are performing exceptionally well. Adjusted EBITDA of our five largest companies, which we call the Fabulous Five, increased by more than 10% over the prior year and the margins exceeded 25%. Together, these Fabulous Five make up the majority of our earnings and cash flow, and each has an incredible business in its own right. They are market leaders and provide mission critical products and services to their customers, which cannot be easily replaced. This means they have real competitive advantages, strong pricing power, and resilient margins.

What's amazing is that great businesses like these continue to have strong access to capital even in difficult financing markets like today, it truly is a tale of two cities. For example, over the past year, we've refinanced more than \$17 billion of non-recourse borrowings in our businesses and also extended their duration with no increase to our overall cost of debt.

As the earnings of our business increase, we should be able to prudently increase their borrowing capacity and possibly generate even more proceeds for BBU. While I'm thrilled with our performance, the trading price of our units has been materially disconnected from their fundamental value ever since central banks began tightening interest rates in early 2022.

In a sense, our unit price has effectively become inversely correlated with U.S. Treasury rates. Despite increasing 60% from the lows last year, our unit still trade at less than 8.5x EBITDA, which compares to the S&P 500 at 14x or businesses that generate similar margins to ours trading at 15x.

We believe rates have peaked as central banks have signaled an end to the tightening cycle. Over time, as interest rates decline, BBU should benefit in three ways:

- First, transaction and IPO activity should create opportunities for us to monetize our larger scale businesses and generate additional liquidity;
- Second, all else equal, even a 100 basis point decline in base rates should result in a \$50 million improvement to our annual cash flow;

- And Third, investors should resume valuing our units on a fundamental basis, which should materially improve our trading performance.

Over the last five years, we've invested about \$6 billion of capital to acquire a number of high-quality businesses. Today, the quality of our earnings is the best in our history. The prospect for further value creation is strong as we continue to execute our business plans to improve performance and cash flow. When you take all of this together, this provides a great entry point for BBU.

I'll now pass the call over to Denis.

Denis Turcotte^ Thanks Anuj.

I thought I'd begin with a few comments on the global operating environment and then provide an update on our progress at Clarios.

Starting with the global operating environment. Like many, we've dealt with a number of headwinds over the past year, but with a few exceptions volumes that our operations have held up well. We've also made progress passing through higher cost in a measured way to support our margin performance. To date, many elements that define the cost structures of our businesses have reset lower or are trending toward long-term norms. That said, global labor markets remain tight in certain areas. We're also keeping a close eye on recent geopolitical tension in the Red Sea which has had a direct impact on ocean freight and container rates as well as certain commodities including oil. At this point, we have not experienced material disruption to our overall operations. We're working closely with all our management teams to respond to rapidly changing conditions in the region and to mitigate impacts caused by delays in rerouting shipments of components and finished goods.

Turning to Clarios. As many of you know, Clarios is the world's leading provider of low-voltage batteries, powering one in three vehicles globally. It's the only true global player in the market with unmatched scale and geographic reach. About 80% of its profitability is generated from the high-margin resilient aftermarket.

The business achieved a record performance in calendar year 2023 and is off to a good start in 2024 with a plan to exceed \$2 billion in EBITDA in the near term. Just as importantly, the business generates significant free cash flow each year. In 2023, Clarios repaid more than \$850 million of debt, bringing its net debt to EBITDA leverage ratio down to less than 4.5x compared to 6.5x when we acquired it.

It's important to remember that every single car, whether a full battery electric, hybrid, start/stop or internal combustion engine requires a low-voltage battery like the ones Clarios produces. Last year, the business was awarded over 40 new electric vehicle platforms and is nearly halfway toward achieving its recently increased goal of partnering on 300 electric vehicle platforms by 2027.

The shift in automotive electrification is driving increased demand for advanced batteries, which are the low-voltage battery of choice for nearly every electric vehicle manufacturer. In 2023, 29% of Clarios' units sold were advanced batteries, which is up nearly threefold from 10% of its volumes in 2015. By 2028, the business expects about 40% of its volumes will be advanced batteries. This is a meaningful tailwind for Clarios, given advanced batteries are technologically superior to standard low-voltage batteries and two times as profitable.

Given some auto manufacturers are looking for low-voltage lithium-ion solutions, Clarios has invested in development to become a leader in this space with an application on multiple global platforms, leveraging its global capabilities and 15-plus years of lithium-ion software and systems expertise to work with OEMs to help meet their future requirements.

Apart from growth, our team is continuing to work closely with management to advance our ongoing operational transformation plans. We have made meaningful progress on improving our overall equipment effectiveness, driven by a focus on attracting and retaining operational talent, increasing our uptime through implementation of predictive and preventive maintenance practices and selective capital investments in state-of-the-art manufacturing technology, in particular, focused on increasing AGM capacity and modernizing the entire manufacturing system while doing so.

These enhancements have contributed to improved manufacturing throughput, better inventory management, and reduction of in-process and finished goods scrap. In addition, Clarios is revamping its sales inventory and operations planning process to better account for changing patterns in customer ordering practices and higher on-time delivery expectations. As a result, customers are experiencing improved service levels as the business continues to focus on enhancing its commercial excellence by aligning its strategy and organization to deliver value-added solutions that meet customer needs.

Overall, we're very pleased with the progress achieved at Clarios to date and have uncovered a range of opportunities to increase EBITDA and cash flow from this point forward. Given the planned deleveraging and accelerated growth, the business will be ready for a potential public offering later this year.

Thank you, and I'll now hand it over to Jaspreet for a review of our financial performance.

Jaspreet Dehl^ Thanks, Denis, and good morning, everyone.

We generated strong financial results in 2023. Adjusted EBITDA increased to \$2.5 billion, an increase of 11% compared to the prior year driven by increased performance of operations on a same-store basis and contributions from recent acquisitions. Adjusted EFO was \$2.9 billion and included \$2 billion of after-tax net gain on sales during the year.

Turning to our segment performance, Business Services segment generated full year EBITDA of \$900 million compared to \$641 million in 2022. Adjusted EFO was \$636 million, an increase from \$427 million in 2022. Results benefited from increased contributions from our dealer software and technology services operation and strong performance at our residential mortgage insurer. During the year, our residential mortgage insurer generated \$140 million of distributions at our share and has now returned 75% of our initial equity that we invested in the business less than four years ago.

Moving to our Infrastructure Services segment which generated full year adjusted EBITDA of \$853 million. Adjusted EFO was \$2.1 billion and included a \$1.7 billion net gain on the sale of our nuclear technology services operations. Increased contribution from lottery services and resilient performance at our work access services operation benefited results during the year.

Finally, our Industrials segment generated full year adjusted EBITDA of \$855 million, compared to \$879 million in 2022. Record results at our advanced energy storage operation, driven by increased sales of higher margin advanced batteries was offset by reduced contribution from graphite electrode operations and Western Canadian energy related operations during the year. Adjusted EFO for \$492 million included net gains of \$148 million during the year.

Before wrapping up, I wanted to spend a minute discussing our balance sheet and capital position. We ended the year with \$2.1 billion of liquidity at the corporate level. After accounting for the impact of our known funding commitments and proceeds from recent monetizations, corporate liquidity is \$1.5 billion, which provides us with ample capacity to support our operations and growth.

As Anuj mentioned earlier, we completed the sale of Westinghouse in November. Proceeds from the sale were used to redeem \$750 million of preferred securities held by Brookfield Corporation and repay \$580 million of borrowings on our corporate credit facility. Ongoing distributions and future sales of businesses, several of which could be meaningful, should reduce borrowings drawn at the corporate level over time.

As a reminder, nearly all our large operations are financed with long-term maturities that have limited or no financial maintenance covenants and no recourse to our business or other operations. We have no significant maturities coming due over the next 12 months. With the majority of our refinancing needs behind us, we have flexibility to opportunistically manage our maturities over the next few years.

With that, I'd like to close our comments and turn the call back over to the operator for questions.

QUESTIONS AND ANSWERS

Operator^ Thank you. (Operator Instructions). Our first question comes from the line of Geoff Kwan, RBC Capital Markets.

Geoff Kwan^ Hi, good morning. Just wanted to start out on Clarios. The \$850 million of debt that was repaid in 2023, is that a level that you think that you can be able to deleverage directionally in future years in terms of a rough ballpark, assuming you don't have any other uses for the free cash flow? Can you remind me, you've talked about the IPO, what's the kind of the target leverage that you'd like to be at to be able to look at pursuing a potential monetization?

Jaspreet Dehl^ Hi, Jeff. It's Jaspreet. I'll start and then others can join in. In terms of the \$850 million that we paid down. If you think about the business, it generates about \$2 billion of EBITDA. After interest, taxes, and maintenance capex, free cash flow is anywhere around \$700 million to \$800 million annually and then there's opportunities for growth capex in the business. Denis mentioned some of the investments that we're making on the AGM lines and increasing the throughput on our facilities. I'd say, between \$500 million to \$700 million, depending on what we allocate to growth capex, we should be able to deleverage. Last year, we did sell a part of a JV that we had that generated some excess cash, which we used to delever. It might have been a little bit higher last year, but between that \$500 million to \$700 million range, I think you should expect that. As we look forward, EBITDA is going to continue to grow. Cash flow generation is going to continue to grow, so that free cash flow number is also going to continue to grow.

Geoffrey Kwan^ Okay and sorry, just on the leverage, where you'd like it to be?

Jaspreet Dehl^ Yeah. So we're sitting at about 4.5x now. I'd say, by the end of September, which is the fiscal year end for Clarios, we expect we'll be slightly below 4x. Then I'd say, with the IPO and proceeds, kind of 3.5x, maybe a little bit lower, but plus or minus 3.5x.

Geoffrey Kwan^ Perfect, that's helpful. On the monetization side, it sounds like conditions are getting better and you're looking to monetize some of your assets. My question was just on the bid-ask spreads. Are you seeing any movement there in the markets that could help facilitate it? Or are the spreads maybe still relatively wide in terms of sellers' asking prices?

Anuj Ranjan^ Yeah. Thanks. It's Anuj here, I'll take that one. It feels like interest rates have peaked. The market has recognized that and seems to be pricing in the declining rate environment, which is going to be pretty enabling for both valuations and the financing that's available for them. This will be pretty good for monetizations. We're seeing that bid-ask spread, I'd say, start to narrow. I think that depending how the year goes with our continued performance, particularly for businesses that generate a lot of cash like the ones we own, we should be able to get a very good valuation.

Geoffrey Kwan^ Maybe if I can ask one last question – I think at different points in time you guys have talked about there may be certain businesses you really like, and you might want to hold on to longer than your typical hold period. As we're looking to maybe entering a new monetization cycle, when you take a look at your portfolio and some of your larger investments, are there some that you really like that you may want to hold on and may not necessarily monetize unless you get some fantastic offers?

Jaspreet Dehl^ Geoff, I'll take that. It's Jaspreet and then I'll pass it on to others. Look, our business model – we want to buy for value. We want to fix the operations that we buy and eventually recycle capital and reinvest and earn those high risk-adjusted returns. Every once in a while, you'll come across a business that is an amazing business, generates a lot of free cash flow and can be helpful just broadly for reinvestment purposes as well as providing that stable base of cash for BBU. I'd say, the Sagen investment in our residential insurance business, just as an example, we bought that business with the view of having a long-term hold and you could see us hold that for the long term. But what I'd say, to quote Cyrus and what he used to say is, everything is on sale for the right price. So I'd say, just keep that in mind.

Geoffrey Kwan^ Okay yeah, Sagen was one, I was thinking about particularly, but that's very helpful. Thanks, Jaspreet.

Gary Ho^ Thanks. Good morning. Maybe just sticking with Clarios here. Thanks for providing that update. So just doing the math here – Jaspreet, getting from 4 to 3.5 turns. So you're looking for probably a smaller size IPO, roughly \$1 billion this time around and maybe share with us what gives you confidence to be able to succeed versus the prior IPO? Then just on valuation, Anuj – do you think you'd be able to get a similar valuation what you tried to IPO this at, last time?

Jaspreet Dehl^ So maybe I can start and then I'll pass it on to Anuj to comment on valuation. Look, I think we'd want to target an IPO at \$1 billion or even smaller. One of the learnings from the process that we undertook in 2021 was just sizing the right level for the market. What we had tried to do last time around, I think, was a bit too large. So we're very cognizant of that and given the strong performance of the business, both EBITDA growth as well as the cash that we've used to pay down debt, we're in a much better leverage position and we don't need to be that large. So I'd say, \$750 million to \$1 billion should probably do it from an IPO perspective. Then I'd say, more broadly, some of the questions that were raised around the business. The performance of Clarios has exceeded what we had discussed back then. I think the business has outperformed pretty much on every metric, whether it's EBITDA, volume, cash flow generation. There was concern around EV penetration and the impact on the business. The business has done an exceptional job. We are on over 150 EV platforms today. I think that number was 30 or 40 back when we tried to do the IPO in 2021. I'd say, broadly across all of the metrics, the business performance has been exceptional, and I think we're much better positioned today. I'll hand it to Anuj to talk to valuation.

Anuj Ranjan^ Thanks, Jaspreet. I think on valuation, first, the markets obviously need to be open, and we do expect that to happen ideally in this year. We won't give this business away. It's doing very, very well as Jaspreet said, The business has fundamentally changed and grown. As Jaspreet indicated, we're now in on number of EV platforms and it's a different business we'd be taking to market this year than the last time. I can say, we would look for a fair valuation multiple in the context of what the business is today and also the market environment at the time.

Gary Ho^ Okay. That's very helpful. Anuj, while I have you here, it was mentioned in your letter to shareholders that there is a disconnect in your unit price and how undervalued it is versus peers. Then on the other hand, you talk about the number of high-quality asset opportunities that may require one-time financing. How should we think about capital allocation priorities over the near term?

Anuj Ranjan^ Yeah, that's a good question. We always maintain a balanced approach. Focus continues to be on deleveraging our balance sheet today and ensuring we have sufficient liquidity. We did touch on, in the letter, the distressed investing landscape, and the opportunities we are seeing, our pipeline is very robust. But the bar is high, and we continue to be selective. In some cases, for example, we repurchased shares in the past year. I think between further share repurchases, new investments and deleveraging, we'll continue to maintain that balanced approach.

Gary Ho^ Okay, great. Jaspreet, if I can just sneak in one more. Just a clarification question – in your pro forma liquidity of \$1.5 billion, there's a \$900 million adjustment for acquisitions and investments. Can you remind me what that is for, again?

Jaspreet Dehl^ Yeah, sure. A number of the acquisitions that we've made over the last year or 18 months were made alongside Brookfield's Private Equity Funds. We fund those acquisitions based on timing of capital calls that come in from the fund, so we haven't funded everything for the recent acquisitions. In early January we received a capital call that included part of our funding for CDK and some of the other more recent acquisitions and that's what those adjustments are for.

Gary Ho^ Okay. Got it.

Jaspreet Dehl^ Just to be clear, it doesn't change the total amount that we said we've invested in CDK. That remains the same. It's just the timing of the actual cash going out.

Devin Dodge^ Thanks. I wanted to pick up on one of the earlier questions on capital deployment. The letter talked about leverage loans and high yielding public debt. Are you starting to see distressed situations become

more near-term opportunities with active discussions or is it more of a monitoring situations? What are you most optimistic about capital deployment over the next 6 to 12 months?

Anuj Ranjan^ Sure. It's Anuj here. I'll start with that. Today, we're monitoring and I'd say that it looks like things might become actionable in the medium term. I wouldn't say that there are immediate opportunities coming out of those businesses that we're watching, but things are advancing more so they have in the past and this really is a medium-term opportunity.

Devin Dodge^ Okay. Thanks for that. Then maybe a question on CDK. A lot of progress has already been made, but one of the remaining goals that you've mentioned previously is to upgrade the technology stack. Can you help us better understand the focus there? I was just trying to understand whether it's improving the existing products or bolting on new offerings and if you expect this effort to be done in-house or via tuck-in M&A?

Denis Turcotte^ Yeah, we have been very focused on that over the last 8 to 10 months in particular, starting with hiring two new professionals, one on the product development, one on technology development. In a nutshell, it's really transforming from a more historic structural ERP-type model into something that is more advanced, modern, may incorporate some AI, definitely much easier user interface. That's all going to be led internally. We feel we've built a very strong capability, in particular with these two individuals. We are pressing forward on that as we move forward.

Jaeme Gloyn^ Good morning. First off, congrats, Anuj, on the appointment and Cyrus, on moving to the Executive Chair. Just wanted to start off on the Fabulous Five Adjusted EBITDA. I think I heard this correctly, I just want to clarify. The organic growth in Adjusted EBITDA for the Fabulous Five was 10% year over year versus the prior year period. Will you have at your fingertips the organic growth of the rest of the business?

Jaspreet Dehl^ Yes, it's Jaspreet. On a same store basis, if you look at the entire business, we're up about 14% adjusted for the dispositions that we've done. On a same-store basis, if we look at Q4 last year versus Q4 2022, it's about 14%.

Jaeme Gloyn^ That was for the Fabulous Five?

Jaspreet Dehl^ No. That's for the entire business and the Fabulous Five was around 10%.

Jaeme Gloyn^ Got it. Okay, great. Shifting to the Sagen business, obviously, a really great year and still loss ratio is running below average and good enough to provide a distribution up to BBU. Just wondering if you could provide a little bit more detail on the capital position at Sagen and perhaps what you have forecasted for 2024 and 2025 in terms of what could be potential distribution from that business?

Jaspreet Dehl^ It's Jaspreet, again. Look, on a full cycle basis, Sagen generates \$500 million to \$600 million in Canadian dollars of earnings and cash. Now, they need to make sure they have cash within the business to meet their regulatory requirements, but on average, that's been the size of distributions that the business has been doing. We don't expect that that will change in the near term. The capital position within Sagen is extremely strong today. I don't know the exact numbers, but against the MICAT requirement of 165%, I think they're in the high 175% to 180%. So there's quite a large buffer and there's significant cash in the business which allowed us to do the special distribution. Given the broader market dynamics, if interest rates start to trend downwards, we're seeing housing activities start to pick up a little more. I think the loss ratios over the long term will start to creep up and go back to long-term averages. But the business is very well positioned, and I think should continue to be able to generate cash up to BBU.

Jaeme Gloyn^ Okay, great. Understood. Then carrying that question to other businesses, I recall in the past you've talked about some other businesses that had the potential to deliver some distributions. Are you able to provide any more insight or clarity on what other businesses might be able to distribute to BBU in the near term?

Jaspreet Dehl^ If you look at our business and Adjusted EFO and take off maintenance capex across the board, the businesses generate significant free cash flow. We saw a little bit of pressure last year just with the higher interest rates but it's still in that \$500 million range of free cash flow that's generated on a run-rate basis. The

question for us is really what the best allocation of that capital is, if there's opportunities within the business to do bolt-on M&A, delever within that business, or distribution up to BBU. In the case of Sagen, that cash is best distributed up to us, and that's what we do. There's \$500 million of run-rate free cash flow that could come up from the businesses and then it's a bit of a decision on a case-by-case basis of what we do.

Nik Priebe^ Okay thanks. Just going back to the Clarios IPO, sounds like you're contemplating a smaller scale IPO than what might have been attempted a few years ago. In that context, should we expect both the treasury and its secondary component to an IPO, or would you consider doing an offering entirely from treasury to help facilitate the accelerated repayment of debt? Just wondering, if you've given some thought to the composition of that yet.

Jaspreet Dehl^ Yes, I'd say, our focus right now, Nik, is very much on making sure that we delever Clarios to an appropriate level. This is a phenomenal business, and we want to make sure that it's set up to trade well in the market. We expect the first IPO and the offering will be primary and it will be used to delever Clarios.

Nik Priebe^ Understood. Okay. Then just around mid-last year, I think you had indicated that BRK Ambiental was in the midst of an efficiency program that was progressing but might have another six months or so to go. Are you able to just update us on the status there and maybe the outlook for a potential realization event on that investment?

Denis Turcotte^ Sure. Denis here. Things are going very well at BRK. One of our partners in Brazil has moved in as acting CEO a few quarters back and he and the team have done a phenomenal job taking costs out and frankly, streamlining the business so it runs much more effectively. In parallel, they focused on concession management and have done what was originally intended and recirculated certain of the contracts there in a way where we now have increasing margins, we have EBITDA less capex, free cash flow for the first time, and we're moving in a very positive direction. Frankly, we feel there's a lot more to be gained there. I wouldn't necessarily just look at the next six months. We see this as a continuing initiative with lots of room for improvement. As far as monetization, again, that will be a function of the markets and it's hard to predict what will happen.

Operator^ Thank you. I will now hand the call back over to CEO, Anuj Ranjan, for any closing remarks.

Anuj Ranjan^ Thank you, everyone, for being on the call and look forward to speaking with you again next quarter.

Operator^ Thank you for participating. This concludes today's program, and you may now disconnect.