13th November 2020

Ramsay Health Care September Quarter Update – Transcript of Conference Call

Operator: Ladies and gentlemen, thank you for standing by and welcome to the Ramsay Health Care Market update briefing. At this time, all participants are in listen only mode. Mr. McNally will make some brief opening remarks followed by a question and answer session at which time, if you wish to queue for a question, you will need to press zero followed by one on your telephone. I would now like to hand the conference over to your host today, Mr. Craig McNally, CEO. Thank you, sir. Please go ahead.

Craig McNally: Okay, thank you. And thanks everyone for joining the call this morning. I'll just be very brief in my opening comments and leave as much time as possible for Q&A. The reason for the update is really is I think we've indicated the market. We were looking at whether we would do it for the AGM or not. And so with the AGM approaching and also an investor conference next week, we thought it was timely to release that today. And the reason, you know, that we wanted to release it is just to provide an obvious reason to provide more information to the market in what is a very uncertain and volatile time for us. And it continues to be the case. So we thought it was prudent to give you all information we thought we could give you. The real point, I think one of my upfront is that point about the uncertainty that in different markets, we are in different stages of recovery or falling back into the impact of COVID. And so whilst we see activity fluctuating in different parts of the market and different specialty areas, it will have an obvious impact on what the performance ultimately will be. So it is a unique circumstance for us to issue the trading update, but it is a unique environment. Happy to open up the questions.

Operator: Thank you, sir. Ladies and gentlemen, as a reminder if you'd like to ask a question, please slowly press zero followed by one on your telephone. That is zero followed by one on your telephone. Our first question is from the line of Chris Cooper from Goldman Sachs. Please go ahead, sir. Thank you.

Chris Cooper: Morning. Thank you for taking the questions. The first one, please just on cost in Australia, I know that in July you quantified the incremental cost of $6 million; I believe it was dollars per month. Today I notice has gone up to $8 to $9 million a month. Can you just walk us through what's changed there? I can see here you've included the wording around procurement benefits. Can you quantify that for us in a little bit more detail, please?

Martyn Roberts: Yes, Chris its Martyn. So the $6 million we'd given you, if you remember, it was only for one month. And so, you know, it does go up and down quite a bit. So we've got three months of data now, that's the first change. The second change is adding in the procurement benefits, which we have not been before. What's become apparent is with decreased volumes, particularly in Europe and the fact that a lot of those procurement benefits come in on a calendar basis there will be a negative impact from that. We had alluded to that in previous sort of commentary, but we haven't put a number around it. So we thought it would be better to add the two together and provide you with that update. So those costs are still, you know, in relation to PPE increases, to the cost of screening at the entrance to our hospitals and other things such as catering arrangements, that kind of stuff. We are working pretty hard at the moment to try and see how we can alleviate some of those costs, particularly on the screening. So in our hospitals outside of Metro areas in Australia, for example, we're starting to install automatic temperature testing, bit like you would have seen at airports back in the day. And also, you know, app-based registration rather than employing people on the front desk. So we are actively trying to reduce those

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costs, but we just thought it'd be good to update the market on what the three month run rate is and include those procurement benefits, which won't be quite as much as what we've had in the past.

Chris Cooper: Thanks So Martyn, another question for you as well. I mean, you mentioned that the EBITDA decline in Australia, you said half was related to surgical activity restrictions, of course, and the other half was due to these costs, the procurement benefits, but also a mix impact. On the second half, the cost, plus the mix impact, can you just give us a little bit more granularity there, because clearly, we see signs there that the mix is improving in recent weeks. So, you know, maybe we could get behind that. But clearly it sounds as though from what you're saying that the cost element might be a little bit more sticky. Can you just help us desegregate how we should think about that recovery in the EBITDA over the coming months?

Martyn Roberts: The cost element will be more sticky than the mix element albeit the work we're doing that I talked to you before will lower the costs over time. The mix impact I'd love to give you a forecast, but I can't. It's really going to depend on consumer reaction to, you know their sort of feeling about coming into mental health facilities. We've still got restrictions in terms of rehab, or the number of people we can fit into our gyms and those kinds of things, and I can't say how long those things are going to carry on for, so I don't know. Craig, do you want to add anything to that.

Craig McNally: No, I think that's what we've talked about for the last, you know, three or six months is about the two impacts. One is the restrictions that we have in operating in a COVID environment, and then two is community and consumer sentiment about and what they behind these guys, but he said we don't get a lot of visibility on that.

Chris Cooper: Understood. Very last one if you don't mind. Can you just to give us an update please, on the Medibank negotiation and whether you expect them to be able to sort of shoulder the burden of some of these incremental costs that you refer to?

Craig McNally: There's been good progress on the negotiation. So we were close. And that's all I can probably say, Chris.

Chris Cooper: Thanks guys.

Craig McNally: Thanks.

Operator: Thank you very much. Your next question is from the line of Saul from UBS. Please go ahead. Thank you.

Saul Hadassin: Thanks. Good morning. Craig, just a question on the surgical activity in Australia, so clearly ex Victoria a very strong rate of growth, which I'm sure everyone was expecting based on the degree of backlog, but can you talk to your expectations or where you see that clearance at as of now, for how long do you think that volume will remain at that level? And are you starting to see signs of that clearance effectively now done? And if not, when do you expect to reach a sort of a more normalized level of organic growth in surgical admissions?

Craig McNally: Yeah. Good question Saul. The thing that we don't see, and I've talked about this before, you don't get a lot of visibility on what's coming into the system. So, you know, you're reliant on doctor's practices to give you some insight into what their bookings are looking like. And some are better than others, as we all know. So it's hard to say what – well, it's two things. Hard to say what proportion of the incremental volume is purely – it's

not actually, it's the wrong word I'm going to describe it. What proportion of the volume, not just the incremental volume, is catch up? So what's happened to the base volume? So in that comment about consumer behaviour, are we still seeing people defer what is truly elective worth? And I believe we are. And, so more than just that incremental volume is related to catching up the backlog, I think. How long it goes for, I still think we're not seeing a decrease in that at the moment. But I expect we'll see that at lower levels for a longer period of time still. Well, that – I've got to say there is a lot more confidence coming back into the system, either through the doctors about, a level of normality resuming.

Saul Hadassin : Thanks, Craig, that's good data. And just one follow up on that in terms of the case mix within that surgical activity, is there any differential between overnight higher acuity surgical work versus day procedures?

Craig McNally: Short answer is no. The thing growth has been lower in lower acuity exceeding the growth rate is the higher acuity stuff, but that's a trend we've been seeing for a long time. But I haven't seen anything that sort of says, you know, things are disproportionate now because of COVID at the moment.

Saul Hadassin: Sure. Okay. That's great. That's all I had. Thank you.

Craig McNally: Okay. Thanks.

Operator: Thank you. Your next question is from the line of Andrew Goodsall from MST Marquee, please go ahead. Thank you.

Andrew Goodsall: Good morning. Thanks very much for taking my questions. First, just want to understand the public work that you might be seeing whether it's here in Australia or just an update on the UK contract or tender for the £10 billion over four years?

Craig McNally: Okay. The bigger public work – so the longer term traditional, I'll come back too. There is a short-term public work being done principally in Queensland and New South Wales. And that's been happening for the last few months anyway, but the ongoing discussions around longer-term arrangements, so multi-year arrangements are still continuing in Australia. So we haven't seen, a rush on public work, but it is incremental to what it has been previously. For the UK and Victoria nothing's happened obviously. For the UK, the tender process for dealing with the backlog, the waiting list backlog of NHS work it's a slow process as you can imagine, but they've just in the last couple of days indicated its going ahead but, there's no official position yet they have indicated that who will be awarded access to the tender which is pretty much all the incumbents. So we will be part of that, but that's as far as it's gone. And I'm anticipating this will be post-Christmas.

Andrew Goodsall: Got it. That's great. And just on Victoria, we've been hearing the rumours, there is a reasonable change to the, I guess they call it a blitz. Just anything you're hearing there or is it just too early?

Craig McNally: Too early, but we're sort of getting the same noises, I think.

Andrew Goodsall: Yep. And then just finally I know you've sort of parlayed into this, but is there any operating environments, so for instance, like Western Australia, where there's been very low COVID impact that you would – that you'd point to is potentially an indicator of what Australia might look like more generally as – you know, if the rest of the country comes out, is there sort of, I guess, an optimism and, you know, one operating jurisdiction of – that gives you sort of a sense of what things might – could look like?

Craig McNally: I'll say this, there's certainly some jurisdictions across the world where it is optimism. I think it's way too early to tell, you know, if that leads to some sense of normality

Andrew Goodsall: That's great. Thanks very much.

Craig McNally: You're welcome.

Operator: Your next question is from the line of David Lowe from JP Morgan, please go ahead.

David Low: Thanks for that. Let me just start with a general one, a bit in the number of quarterly updates from companies today, given such involved topic areas. Ramsay release is quite cryptic. It's that it's very difficult to down what these very distant places mean in terms of the actual numbers that came through in the quarter, can I get a just touching that as to why you tried to do it this way?

Martyn Roberts: I think the question David was others have provided more financial information in their quarterly updates analysis a bit cryptic.

Martyn Roberts: So I think David, particularly in the UK and France at the moment, profit figures for the quarter are not very helpful at all. Where there's a whole smoothing impact that we've got from the revenue guarantee scheme in France and the costs recovery scheme in the UK that to give you profit figures for those types of environments just wouldn't be helpful at all. We just felt it was important to update in terms of volumes and with that, that's the area where we've had a lot of questions on. And so we've tried to answer the kind of questions that people have had and give a bit more of an update. That's really the reason why we haven't given you sort of the group profit numbers or anything like that.

David Lowe: Okay. Well, thank you for that. I guess we are going to go ahead and try and pass these numbers into financials. And just the one question I've got on that cost of eight to $9 million a month, you're saying –that half of the impact on EBITDAR. That would imply a of $60 million fee that EBITDAR in the first quarter in Australia.

Martyn Roberts: That was very hard to hear you there. I think the question was, do I multiply eight and 9 million by three and that's the miss in the first quarter or double it and that's the miss. What we've said is that you've got eight to 9 million in extra COVID cost plus a negative impact from mix as well. And you'd have to double that and we're purposely not giving you that number because it's going to move around all over the place and we don't think it's helpful.

David Lowe: Okay. One more from me, Victoria – so we're back to normalized operating conditions, as I understand that the viability funding is calculated quarterly, does Ramsay expect to book a profit in Victoria this quarter?

Martyn Roberts: We'll be back to normal operating in two weeks' time or 10 days' time. And the reconciliation – so the agreement came back actively on foot on the 23rd of July. So there will be a reconciliation for that period. So 23 July to 23 November. And the period up until 23 July was normal trading so a shorthand to dial there's a small profit problem.

David Lowe: Right. Thanks very much.

Martyn Roberts: Thanks.

Operator: Thank you. Your next question is from the line of Hashan Desliva from CSLA. Please go ahead.

Hashan Desliva: Thanks for taking my questions. Just a quick one on the surgical volumes in Australia is up 8% in Q1, just trying to think what – is it the total capacity the backlog could be cleared as fast as possible. How high can we see that number going and how should we be thinking about what is a rate-limiting step, you know, obviously operating theatre capacity is one, but access to staff and other consumables as well. Just trying to get some colour on that, thanks guys.

Craig McNally: Yeah. I've answered this before, capacities, you know, sort of rely on the three primary things. One is physical capacity. Second is staffing, and the third is doctors and doctor appetite. What we've seen is a sort of a level of increased surgical activity that is easily delivered at a, sort of comfortable level for all of those constraints, you know, the physical, the staff and the doctors. I don't expect – maybe there'll be a short spike in Victoria, there's a real drive to address some of the backlog quickly. But I don't expect, you know, really significantly higher levels of activity as we move through. I think everyone's sort of comfortable with the levels that they're operating at, particularly the doctors, but there is, you know, there is more headroom in dealing with more volume if we had to.

Hashan Desliva: Yep. Perfect. And just on that staffing issue is there any short-term impacts, you know, of the next six to 12 months from reduced migration for availability and nursing staff in Australia and Europe?

Craig McNally: Good question. The levels of nursing staff we have – we're actually reasonably comfortable in Australia. The UK is the market that we've historically had some pressure as the migration from Europe decreased a bit because of Brexit. And that's still the situation until we get clarity on Brexit. The bigger issue on nursing staff is those areas, particularly France with there, again at the front line and how we manage the fatigue of nursing staff, particularly you know, sort of challenging the spirit, because it's, the first time around in simple terms, everyone was just dealing with on a day-to-day basis. The second time around people know what's in front of them. So it's a bit more challenging but, you know, in relation to immigration or migration, I think the only significant impact remains, you know, so the Brexit issue for the UK.

Hashan Desliva: Perfect. And just my final question on the Asian business, we noticed that Sime Darby are looking to list their health care unit and given that there were no government guarantees in those jurisdictions, has that competitive environment changed materially? And would that be some ways you look to grow in, in the short-term?

Craig McNally: The first comment about Sime Darby listing their healthcare unit I'm not sure where that story came from, but the healthcare business is a 50, 50 JV they have with us. In terms of the market you know, the market has – it has gone through, and is going through a little bit of volatility as sort of COVID numbers have increased again in different pockets but extensively without the without the structured government support, it's getting back to trading to a reasonable level. There are some pockets of sort of short-term spot contracting from government to deal with specific caseloads. But it's not material.

Hashan Desliva: Great. Thanks guys. Thanks for answering my questions.

Craig McNally: Thank you.

Hashan Desliva Thank you very much, Mr. DeSilva, and sorry about the mispronunciation of your name. The next question is from the line of Leanne Harrison from Bank of America. Please go ahead. Thank you.

Leanne Harrison: Hi, good morning all. If we could turn to France a little bit, do you have a sense of how much of an inroad they've made into that backlog? And also with the second wave of cases going through France and other parts of Europe, you know, has surgical activity in France slowed down to the same extent it has in the first wave?

Craig McNally: Answer to the second question first. The reduction in surgical activity has not slowed down to the level it was in the first wave. So the impact on the system if we sort of draw a comparison or a line of what we did in the first wave, you know, we sort of maxed out at about 1500 patients, COVID positive patients that are at a point in time where all of our intensive care beds, recovery beds, resuscitation beds were overflowing with COVID positive patients. That is not the case at the moment. We're probably about 50% or just we're about 60% of that level. And then the restrictions on surgery where you're only doing urgent surgery the first wave, they haven't been as extreme. So we're still doing a range of elective work. That would be category two, if you were to apply you know, sort of one, two, three category cases to it. And then your first question is uncertain. You know, we can't get a line on how much of the backlog is being dealt with and for the same arguments that we have in Australia.

Leanne Harrison: Okay. Thank you. And then also on, I guess, the French government guarantee of revenue, can you give us a little bit more colour in terms of – because obviously it's not as simple as you know, within Australia where it's profit neutral. Can you give us a bit more colour in terms of, you know, what you might've received from the French government for the first quarter and what that means in terms of profitability for Ramsay France?

Martyn Roberts: Yeah, so I can say that Leanne. So, I mean, as we said before, so what we're receiving from the government in terms of the revenue guarantee scheme is ten twelfths of 2019 government billings. So they put the period – they took 2019 total government billings, which represent about 85% of our total, excuse me, of our total revenue, and then they divided it by 10, 12, and they're paying us one tenth every month. Obviously, we are doing government work, but that will all get reconciled in March next year. So as we explained the full year end, we're actually building up a massive cash balance from them and obviously our debt go back to them, credits go back to them as we move through the year and that'll all get washed up in March next year. So it's a kind of flat-line revenue at the moment. So as I was alluding to earlier, normally as you'd imagine in August and July and September, it's a very low activity period for us because it's holiday season in France. And so we wouldn't be doing much activity, but with sort of smoothing and flat lining the revenue at the moment should I say in that the first quarter profitability is not very helpful because there's a bit of a timing difference there, so.

Leanne Harrison: Okay. So what will we expect then in terms of half year results? So obviously you're receiving revenue from – or you're receiving cash from the French government. How are you treating that? Are you recognizing that as revenue or are you recognizing that as a – as deferred revenues that you know, aid that you will have to true up in March next year?

Martyn Roberts: We're recognizing as revenue and it's not done in a hospital by hospital basis, which is what the scheme is done by, on a hospital by hospital basis. We're recognizing as revenue. If our government billings for the period – for the total period are

less than what that 10 of 12 the amount is, then we book the difference to top up the revenue to that amount, because that's what we'll be entitled to. Obviously if it's above, then we just book our actual billings. And then what you will expect to see is a huge cash balance and a huge credit to balance at the half year.

Leanne Harrison: Okay. And then in terms of profitability then, so if we can just think about capacity level, what sort of capacity is Ramsay France operating at the moment?

Martyn Roberts: What kind of capacity are we operate at in France?

Leanne Harrison: Yeah.

Craig McNally: Well, we don't use capacity at all so we — I mean well there's a couple of things that's happening for us. One is that there has been a reduction in the number of beds in shared rooms. So the bed capacity has reduced in a COVID environment. So the bed utilization has gone up accordingly because you've disrupted the number of beds. And then in the surgical activity, you know, it's close to – you know, it generally runs at that 70, 75% level. It's not far off that.

Leanne Harrison: Okay. Okay. So on that basis, if I think about the French operation is paying you one tenth of 10,12, and if you're running it 75%, that probably means your report of profits for the first half of this calendar year – of this financial year?

Martyn Roberts: Well I'd be surprised to be reporting a loss. So, and that's the whole idea of the scheme. Yeah.

Leanne Harrison: Okay, great. Thank you very much. I appreciate your time.

Martyn Roberts: Thank you. You're welcome.

Operator: Thank you. Your next question is from the line of David Stanton from Jefferies. Please go ahead. Thank you.

David Stanton: Good morning and thanks for taking my questions. Look first can we just go back to Australia for a moment. Given that you are, you know, up about 8% ex Victoria in terms of surgical admissions, does that mean you're paying a lot more nursing over time to get through that volume, or are you able to control that within the times or surgical times?

Craig McNally: No, we're not paying a lot of overtime remembering we have a lot of sort of part time and casual staff, and so that's traditionally the way we structure the staffing. So we get flexibility to deal with activity shifts, and so we're doing it in the stand by systemic.

David Stanton: Interesting. And then could you give us sort of an update on the progress of your JV with Ascension and the synergy capture that you've trying to create there? I mean, has that – at the end of the day, has that been delayed because of COVID?

Martyn Roberts: The short answer is yes, David. So, you know, as you can imagine, they've got a huge amount to deal with in the U.S. And, you know, in our French and UK operations certainly have been very focused on dealing with the COVID at the moment. So we've kind of put some of those programs to one side at the moment. There are some contracts coming up that we're looking at with them. But yeah, there has been a fair amount of delay in that. We still think there's opportunity there, but it's probably, you know, a little bit further away for us now than what we originally thought when we got that JV together.

David Stanton: And so – and my final question, please. Can you give us your – we've talked about every other jurisdiction, I am interested in understanding the performance of Capio and Scandinavia during, COVID and particularly during first quarter of financial 21, thanks.

Craig McNally: Okay. So splitting the Capio into hospital-related business and the primary care business, which is a substantial part of Capio, and performed well through COVID. And that's because of two things. One is the funding structure. So it's primarily a capitated model where we get paid regardless of activity. And then secondly, the telehealth part of the primary care business called Capio Go is on a fee for service basis and its volume you know, increased substantially. So the primary care business did well. And then the hospital business it was under the surgical restrictions that applied through until I can't remember the exact date, but well into August before those restrictions started going. So we didn't see volumes coming back really until September. So the hospital business did not have a good first quarter.

David Stanton: Understood, thank you.

Craig McNally: You're welcome.

Operator: Thank you very much. Your next question is from the line of John Deakin- Bell from Citigroup. Please go ahead. Thank you.

John Deakin-Bell: Thanks very much, Craig. I was just interested in getting a little more colour on the likelihood of doing public work in Australia. I'm just hearing mixed messages from the industry about the government's view about handing out of a big waiting list that they've got in the public sector to the private sector. Obviously it's different by state, but can you just give us your thoughts on how that might play out over the next 12 months?

Craig McNally: It is different by state, John. Some states are more proactive, and they've got mechanisms to leverage off so I'm still optimistic about it that the discussions we're having not right across the portfolio, but certainly, in some of the key parts of the portfolio about what we'll do over the next, you know, two, three, four years in arrangements with the public sector. But as you know, until you get those agreements done and executed, the circumstances can change, and politics comes into it. But certainly, the relationship that we've got with the public sector has improved markedly through COVID in terms of and understanding the capacity and capability that we have. And the intent about going forward to use the private sector to deal with the waiting list is still there.

John Deakin-Bell: Thank you. And just one other question on the government arrangements in the UK and France, I know they supposedly end at the end of the year, which is not very far away. Should we expect that they'll just be extended or what's your expectation?

Craig McNally: The new year is not that far away, so we'd like to have more clarity on it to be frank. Look, if I was a betting man, or I think with – depending on how the NHS numbers or how the COVID numbers look in the UK and what the NHS will do. But I would think there's more chance of the NHS agreement finishing on time than the French agreement.

John Deakin-Bell: Okay. Thanks for that.

Operator: Thank you very much. Your next question is from the line of David Bailey from Macquarie. Please go ahead. Thank you.

David Bailey: Yeah, thanks. Morning guys. You've given some numbers there for Ramsay Santé in terms of surgical volume. Just wondering if there's any total volume numbers you'd be willing to provide or revenue numbers for Santé and may be just splitting up France and Nordics, if possible.

Martyn Roberts: Well, no, because we would have put them in the release system if we had. The reason we didn't put the revenue numbers in there for France is, as I was explaining earlier is that they're not very helpful or meaningful at the moment because we're booking this revenue guarantee scheme, which is smoothing everything. So it wouldn't really help you or tell you much at all and probably would be confusing. And we just wanted to talk about the surgical volumes. There are other puts and takes, but clearly, you know, mental health. So there's a lot of shared beds in mental health facilities, for example, in France. So that's been impacted by only being able to have one patient in a room et cetera. So yeah, we've got other things in terms of being careful including our French stock market obligations as well. And so we sort of stuck to the basics there on France.

David Bailey: Yeah, right. Fair enough. You talked to some portfolio optimization in the release there, how are you seeing those opportunities at the moment? Are you seeing more opportunities than you have previously? Any changes in vendor expectations?

Martyn Roberts: Yeah. if you're referring to the Ramsay Santé hospital, No that has been accelerated because of COVID that was sort of initiatives that we were trying to follow strategy we have around the local regional health authorities and being more dominant in those local regions. And we hadn't really seen any significant increase in activity in opportunities which I think that's related to the support that the industry's being given. So we're still positioning ourselves to be able to react to, or to be proactive when we target things. But there hasn't been a lot of activity yet.

David Bailey: Yep. No, that's fine. Just in Australia, just wondering about the competitive dynamics, I mean, do you think you're gaining share in any particular regions over the past sort of six months or so?

Martyn Roberts: I don't think so, not any more than we would have otherwise been doing.

Craig McNally: There hasn't been any sort of crisis of doctors or facilities closing that has seen a dramatic shift in market share. You know, we just keep attempting to grab market share with the normal things that we do in, you know, the doctor recruitment, the investing in, you know, teaching, training, the facilities, all of the things we always talk about, but you know, it would – I haven't seen anything come through that suggests that it's out of the norm.

David Bailey: Yep. Okay. And just a final one from me, just wondering if there's anything you think you've seen over the past three to six months, any changes that is going to help you drive growth over the medium to longer term public work is one aspect, but is there anything you've seen that getting you think differently about the medium to longer term growth opportunities?

Craig McNally: I mean, it has a sort of focused our minds as you can imagine on what the short-term challenges are in terms of what we need to do to provide the services that we provide and then what shape we think the market will take. And some of the things that we were doing pre COVID in changing the operating model, we've been able to accelerate some of that, but other parts of it have been slowed down just because of not being able to access our own hospitals even. Certainly tele health in Australia, was a positive for us and in Sweden, as I said before. But it's how we incorporate that into sort of a broader

interaction with the patients and where we participate in clinical pathways, which was all the strategic direction that we discussed and the, you know, the direction we're heading in. And some of it may be accelerated by COVID and others not.

David Bailey: That's great. Thanks very much.

Operator: Thank you, sir. Your next question is from the line of Sean Lavin from Morgan Stanley. Please go ahead. Thank you.

Sean Lavin: Good morning, Craig and Martyn hope you're both well. Just a quick one from me, you know, just given we've got the quarterly update now maybe with a bit more certainty, has there been any influence on CapEx programs, you know, as the quarter progressed, you know, accelerated delayed, anything you could provide there and how that addresses capacity would be really useful. Thank you.

Martyn Roberts: Yeah. Neither way to be honest, its business as usual from a CapEx perspective. I mean, most of our CapEx is a pretty long-term projects as you can imagine. So you know, we're – Craig and I are receiving proposals for things that, you know, won't get out of the ground for another two or three years. So we continue to review those, approve those, and it hasn't really impacted that at all.

Sean Lavin: Great. Thank you. That's all I have.

Martyn Roberts: Okay, perfect. Thanks.

Craig McNally: Pleasure.

Operator: Thank you, sir. There are no further questions in the queue. Mr. McNally, and Mr. Roberts, please continue. Thank you.

Martyn Roberts: Thanks everybody for joining the call. Have a good day. Thanks, bye.

Craig McNally: Bye.

Operator: Thank you. Ladies and gentlemen, that does conclude our meeting for today. Thank you for participating. You may all disconnect. Thank you.