Grupo Rotoplas
4Q22 Conference Call

Operator

Good morning and welcome to Grupo Rotoplas' results conference call. Please note that today's call is being recorded and all participants are currently in listen-only mode to prevent background noise. The host will open the floor for questions later.

- [DISCLAIMER]

Today's discussion contains forward-looking statements. These statements are based on the environment as we currently see it and as such there may be certain risk and uncertainty associated with such statements. Please refer to our press release for more information on the specific risk factors that could cause actual results to differ materially. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, further events or otherwise.

Please allow me to remind you that the company issued its earnings press release yesterday after market close. It can be found in the investor's section of its website. Also, the presentation for the call and the webcast link are in the investor's section.

- [Presenters]

Today's call will be hosted by Mr. Carlos Rojas Aboumrad, Chief Executive Officer and Mr. Mario Romero, Chief Financial Officer.

I will now turn the call over to Mr. Carlos Rojas.

- [2022 results]

Carlos Rojas Aboumrad:

Good morning everybody and thank you for joining us today. We really appreciate the opportunity to share and discuss with you our latest results and our perspectives. At Rotoplas, we have been relentless in our pursuit of excellence, and the results we are sharing with you today are a testament to our unwavering commitment to growth, profitability, and responsible stewardship.

I am proud to report that 2022 was a banner year for Rotoplas, with outperforming growth and continuous improvement in profitability. We managed to post both record sales and EBITDA, driven by an increase in demand for decentralized water solutions as well as disciplined cost and expense management. We continue to strengthen our core business in order to invest in new growth avenues, which are solutions that support climate change mitigation efforts.

We have recorded a sequential improvement in margins, all while navigating a challenging economic and political landscape in some of our markets and staying true to our commitment to best ESG principles and practices.

- [3 years guidance results and ESG]

As you can see in this slide, we have focused all our efforts on meeting the guidance we have given to the market since the beginning of Flow.

During the past years we have made strategic decisions to cope with the COVID pandemic, the disruptions of the supply chains, increased costs of commodities and shipping, and our efforts have resulted in a significant increase in year-over-year sales, our ROIC has exceeded the cost of capital, which was one of the key objectives of our transformation program and our leverage has remained below 2x.

This year we were able to meet 100% of the market guidance. We exceeded our net sales growth target by 200 basis points, noting not only the strength of our core business but also a recovery during the fourth quarter in services. We recorded an EBITDA margin of 15.5%, maintained leverage at 1.7x and, finally, ROIC was 140 basis points above the cost of capital, 40 basis points above the guidance for 2022.

- ESG

I am also excited to announce that we have fulfilled our ESG annual goals in the profit, people, and planet spheres. We have made significant progress in each area; our focus on being a sustainable company extends beyond our own operations, and we are pushing others to do the same. For example, we are evaluating our suppliers using ESG criteria. We are committed to becoming a carbon neutral company by 2040 and we have been taking steps to reduce our scope 1 and scope 2 emissions.

Additionally, we are also working hard to create a more diverse and inclusive workforce. Our goal of reaching a 30% participation of women in our workforce is an important step towards this end, and we are making good progress in this area. Mario will discuss in further detail our annual ESG results and what we are expecting for 2023 in th arena.

Going back to the financial goals, as you know, at Rotoplas we have our sights set high. Our 2025 goals are ambitious and include doubling the 2020 yearly net sales, reaching an EBITDA margin of 20% or more, keeping a debt to EBITDA ratio under 2x, and ensuring we create value for our investors with a double digit return on investment above our cost of capital. In fact, our growth was even greater than expected at this point, taking us even closer to our goal. We have recorded a 22% CAGR in the last two years, if we continue at this growth rate, we could reach our sales target a year earlier than initially planned.

Just as important as these results, however, and perhaps even more important, is how we achieved them. As we have discussed in previous calls, throughout the past three years we have addressed significant challenges, including the COVID pandemic, severe disruptions in supply chains and uncertain economic environments. And even as we continue to address these challenges, we have remained focused on pursuing new opportunities that have shown remarkable potential. We have been able to continue building the next stage for our company; the Rotoplas of the future.

A key component in this process has been the discipline and agility brought about by our transformational program Flow. By prioritizing initiatives with the greatest value-creation potential, we have been able to continue delivering innovative water solutions that meet the needs of our customers, anticipate future water consumption trends, and bring us closer to smarter, more sustainable water management. In a context of increasing water scarcity and changing consumer habits, our aim continues to be to fulfill the current and future needs of our clients and our societies.

Another crucial component has been the continuing strength of our core business, in which we continue to innovate, while increasing our market leadership through flexible and responsive commercial strategies, as well as allocating capital in a disciplined and strategic manner to enable us to ensure an adequate supply of raw materials and undertake the modernization of our production processes. These strategies were made possible by the consistent improvement in our margins and our overall financial strength.

Despite the unpredictable economic and political climate, we are ready to capitalize on new opportunities that arise. We remain flexible, agile and committed to making the most of the opportunities that come our way.

- [CDP & DJSI]

Finally, at Rotoplas, we recognize that the water industry is uniquely important and that our role as a leader in decentralized water solutions carries with it a responsibility to uphold the highest standards of environmental, social, and governance practices. That's why I would like to share that our most recent CDP climate change questionnaire results place us near the top echelon of environmental reporting and amongst the top for the companies in our region, attesting to our commitment to hold ourselves accountable in our environmental impact. In addition, for the sixth consecutive year and since its creation, AGUA remained in the

Dow Jones Mila Pacific Alliance Index sample. The index is comprised of 68 sustainability leaders, out of which 35% are Mexican.

In conclusion, I am happy with our results in 2022 and I am confident in our ability to continue delivering value to our investors and all stakeholders. I look forward to your questions and thank you for your continued support to Rotoplas. And with that, I will turn the call over to Mario for a closer look at the numbers.

[Financial Highlights]

Mario Romero Orozco:

Thank you, Charlie. And thank you all for joining us today

[P&L]

Along with Charlie, I am also proud to report that we fulfilled our guidance and achieved outstanding results despite the challenging and ever-evolving market conditions across the regions where we operate. Our commitment to excellence and innovation has propelled us to the forefront of the water industry, a sector that is becoming increasingly vital as the world faces an unprecedented water crisis. Our team's agility and discipline have enabled us to deliver record results, solidifying our position. With our growth and profitability goals for 2025 firmly in sight and our unwavering focus on ESG objectives, Rotoplas is prepared for even greater achievements in the coming years..

Before talking about our 2023 financial guidance, let’s go through our latest results:

Sales increased 12% in the fourth quarter and 17% for the whole year, amounting to $12.8 billion pesos. This is a new historic high for Rotoplas and it is a clear demonstration of the strength of our core business, driven by the growth in products sales.

This growth was accompanied by a consistent improvement in our margins, both year-over-year and compared to the previous quarter. As we discussed in previous calls, we implemented an agile pricing strategy that, combined with the unparalleled strength of our brands and our supply chain management, has allowed us to not only increase our market share, but to do so in a way that improves our margins. In the fourth quarter, our gross margin increased by 560 basis points, and for the year, we saw a margin increase of 450 basis points.

Our quarterly operating profit grew 38% and 49% during the year. EBITDA increased by 8% during the quarter and 12% over the year, totaling $550 million pesos in the fourth quarter and a record breaking $1.9 billion pesos over the last twelve months.

It is important to note that the EBITDA margin improved relative to the previous quarter, although it decreased annually due to the expenses associated with the development of our new businesses. Although these expenses had a temporary impact of $68 million in the fourth quarter and $288 million over the year, we are steadfast in our belief that these investments will pay off in the long term, as these new businesses will become significant growth avenues for our company

Finally, our quarterly net profits increased 4x year to year, whereas the net profit for the full year was up 2.4x, amounting to $756 million pesos, another historical record for the company.

Now, moving forward to our geographic breakdown.

[Sales per Country | Mexico, Argentina & US]

Mexico saw a 15% growth in quarterly sales and a 13% growth in 2022, driven by robust demand for our storage and waterflow solutions, as well as the continued success of bebbia. This strength in product sales led to double-digit increases in EBITDA and an expansion in the EBITDA margin during the quarter and the year, despite accounting for inflation and the negative EBITDA of the service platform.

In Argentina, quarterly sales grew 11%, even as demand decreased and the construction industry slowed down during the last quarter. Sales grew 41% during the year, driven by an improved commercial planning process and an agile pricing strategy, responsive to an inflationary environment.

Sales in the United States, increased by 3% in the quarter and 8% for the year, due to a rise in volume and prices. Demand during the fourth quarter was impacted by the winter season and current economic conditions. The e-commerce platform and the developing septic solutions business continue to grow, however, associated expenses negatively affect the EBITDA margin.

[Sales per Country | Others]

Sales in Central America and Peru have decreased as a result of a marked economic contraction and the resulting reduction in demand. Acuantia Brazil's pipeline continues to expand and we continue to develop new water treatment and recycling plants.

Now, moving on to our solutions portfolio breakdown:

[Sales | Products & Services Mix]

Product sales grew 11% during the quarter and 18% during the year, with double digit growth across all three categories of products: storage, water flow and treatment. This compensated for the lack of growth of services sales during the first nine months of the year, although it should be noted that *bebbia*, our drinking water platform continues growing at an accelerated pace and offset the other business within the service platform during the last quarter.

In terms of our portfolio mix, sales of products were 96% of total sales during the quarter.

Moving on to our cash and debt position:

[Cash Position]

We maintain a strong balance sheet, which as we have discussed in previous calls, provides a solid financial platform to both pursue growth and profitability.

Our net debt to EBITDA ratio is 1.7x, below our 2x leverage policy. It is worth noting that our debt position only considers the sustainable bond AGUA 17-2x, which netted 4 billion pesos, has a maturity date of June 2027 and was issued at a fixed 8.65% rate.

As Charlie pointed out, our supply chain remains closely monitored to secure the raw materials needed to meet product demand amidst global supply chain instability. This effort has led to a rise in cash conversion cycle and working capital, but we remain dedicated to optimizing and stabilizing them.

[Discipline in Capital Allocation]

CAPEX amounted to 5% of total sales for the year, 28% higher than in 2021. Most of these capital expenditures are being directed at upgrading our core products business, increasing the sustainability of our manufacturing operations and strengthening the leadership position of our brands while increasing their profitability, all of which enables us to continue moving forward with the development of our new businesses as we have mentioned.

We will continue to be disciplined and agile with our capital allocation and spending, ensuring that we prioritize the key growth drivers.

[ROIC vs Cost of Capital]

Our ROIC exeded our guidance reaching 14.1% as of December 2022. This was 140 basis-points above our cost of capital, bolstering our focus on long-term sustainable value creation and keeping up with the goals outlined in the 2025 Sustainable Growth Plan.

Now, I would like to discuss the impact we have had with our sustainability strategy:

[ESG Initiatives & Progress]

We achieved outstanding results in our ESG initiatives this year. As Charlie mentioned, our targets were all met and some even exceeded, and we expect to make further gains toward our 2025 goals this year:

- 20% of direct providers were evaluated and we expect to evaluate 45% of the Critical Tier 1 vendors in 2023.
- The NPS score was 72, 4 points above the original goal, and it will rise to at least 73 this year.
- We reached 0.48 CO_2 intensity, under the 0.50 goal and expect to bring it down to 0.45 by year's end.
- There were 404 thousand cubic meters of water purified using our solutions, 90 thousand more than the annual goal, and we anticipate purifying more than 600 thousand cubic meters during 2023.
- The accumulated amount of people impacted with access to sanitation reached 553 thousand, 10 thousand more than the goal for the past year. This year we expect to add more than 200 thousand people, to reach close to 800 thousand on a cumulatively basis since 2021.
- We closed 2022 with a 24% of women in our workforce, and we will increase it to 27% by next December.

Also, we were recognized for our efforts and named the Sustainable Innovation Leading Company in the Governance category by HSBC's Sustainable Innovation Leading Companies Award.

And finally, as part of our sustainability strategy's people pillar, we launched an initiative to promote individual wellness for our employees. This initiative, which included a Health Fair and a series of lectures and workshops on diversity and inclusion had nearly 14 hundred participants. These efforts are a testament to our commitment to creating a positive work environment and promoting the health and well-being of our employees.

Before opening the floor for questions, I would like to close with this year's guidance:

[Guidance 2023]

In light of our results, our 2023 guidance is as follows:

- Sales growth equal or greater than 15% .
- An EBITDA margin between 16 and 17%
- Net Debt to EBITDA ratio equal or below 2x and;
- A return on invested capital 150 basis-points above our cost of capital.

[Q+A]

Thank you very much for your time and attention. We will now answer any questions you may have.

Operator: You can submit a question by pressing the Q&A button. Please include your name and your fund or Company. First question comes from Carlos Alcaraz, Apalache Analysis. Hello, good morning. Thank you for taking my questions and congratulations for the remarkable results. Carlos has three questions, and I will read them separately. The first one is related to CapEx. What percentage of your revenues do you expect to spend during 2023?

Carlos Rojas Aboumrad (CEO): Hello, Carlos, thank you for joining the call. Mario, do you have the precise percentage? It's going to be reducing from previous years without considering wastewater treatment plants.

Mario Romero Orozco (CFO): Yeah, well, we're targeting to have a well. First Carlos thanks for joining us this morning. We're targeting to have a gross margin above 40%. And then to your CapEx question, CapEx will come below 5% as a percentage of sales.

Carlos Rojas Aboumrad (CEO): Go ahead Mariana.

Operator: Carlos second question is related to gross margin. If commodity prices remain stable, what gross margin do you expect to reach by the end of 2023?

Mario Romero Orozco (CFO): I already answered that one, so I answered both.

Operator: And then, Carlos, last question is related to the increase observed during the last years in the intensity of natural phenomena in Central and North America. Carlos is asking if Rotoplas has any plans to enter any new markets, mainly in the product segment.

Carlos Rojas Aboumrad (CEO): Um, not. Not necessarily, Carlos. We would like to focus more on growing our business in North America, particularly in the United States. There are other potential markets that might be interesting, but we believe that as a strategy, focusing on that market, which increases the size of the market that we service and increases the stability for our business, that would be the strategy that we'd like to focus most on.

Operator: Thank you. The second question is from Carmen Barroso, Miranda Partners. Hello and congrats on your results. Her question is, do you expect a positive impact from nearshoring in your business this year?

Carlos Rojas Aboumrad (CEO): Hello, Carmen. Thank you very much for joining us and thanks for the message. We do expect a positive impact in nearshoring if it does happen, hopefully it will happen in a big way for Mexico. We're very hopeful for that. If it is happening, lots of new facilities will be built that will require water solutions, particularly in the kinds of wastewater treatment plants. The infrastructure that we have in the country has not anticipated this kind of growth and this kind of services needed. And so, we expect that for this to be feasible, these industries would have to become proactive in solving for water solutions. So, they'll need to harvest rainwater, they'll need to treat water, they'll need to use that water and so this would generate impact for Rotoplas. The level of impact in 2023 we would not be clear on it as we are not clear on the pace at which new facilities would be developed, but we would have the engineering capabilities and the field services and project management capabilities to be able to execute in a way that grows this business for Rotoplas in a relevant way.

Mario Romero Orozco (CFO): Just probably, just to compliment Charlie. Carmen. In our plan for 2023, we are not considering any additional revenues because of nearshoring.

Operator: Thank you. Felipe Barragán from BTG Pactual has a couple of questions. I will read the first one. We saw sales growth in this quarter in the other countries segment. The commentary made makes it seem that Brazil was the main contributor to year over year growth. Am I reading this properly or are the slowdowns in Peru and Central America merely on volumes with continued increases in pricing for this region?

Carlos Rojas Aboumrad (CEO): Mario, would you?

Mario Romero Orozco (CFO): Good morning, Felipe, and thanks for joining us this morning. Yes, well, let me explain it in different parts. Yes. Brazil is starting to see some tractions on the revenue side. And the reason is, as you know, we are developing the water treatment and recycling business there. You know, you start with installation and take some time to start recording the revenues. So now you started to see that coming from Brazil and that obviously will accelerate in the months to come. And then in the other side, Peru, with all the, I would say, social and political turmoil that they have lived in the last four months or so, it has had some impacts on the economic side, some road closures, some store closures as well. So, it's been tricky to operate in Peru in the last quarter. So, we saw a slowdown in volumes because of this reason. Things are starting to normalize, but yes, the situation impacted Peru. And then Central America, depends country by country. Some of them are just um paying the after COVID situation, so there's some volume slowed down in Central America. So, all in all, you have the right reading. The explanations behind them are just the way I just explained to you.

Operator: The other question from Felipe is, I recall a 5% CapEx of sales moving forward from AGUA* Day, will we continue to see further CapEx on the e-commerce platform for the US. And when do you think we can see an inflection point for the US EBITDA to go into positive territory? Thank you.

Carlos Rojas Aboumrad (CEO): Thanks for the question, Felipe. We do expect to continue investing in the US platform, the e-commerce platform. We imagine it will be the nature of that business going forward. It's a place where CapEx is always required as technology evolves and it's something that continues to happen all the time. Investments will maybe reduce a little bit in that part of the business, in that part of e-commerce. But we will continue to invest in the US as it is a market that we want to focus our growth on. Regarding the change of EBITDA into positive territory. We've been managing this business in a way where we have it very close to break-even. And the reason for that is while the e-commerce business thus generates profitable business, we are continuing to invest in developing the business in other areas, such as the septics, opportunity that we have discussed in the past. It is a very big opportunity that requires investment to develop. And so, hopefully we'll start to have better results in 2024 in terms of EBITDA. But we should see high growth in the revenues of this business in 2023. Mario, anything else that you'd like to add?

Mario Romero Orozco (CFO): Yes. Just on the EBITDA side, we are targeting to be break-even or slightly above break-even in 2023.

Operator: Also, in the second half of this year.

Carlos Rojas Aboumrad (CEO): Sorry Mariana, can you read the next question?

Operator: Sure. It's from Martin Lara, Miranda Global Research. Do you expect an acceleration in the US and Argentina's results in the second half of the year?

Mario Romero Orozco (CFO): That's. That's. I think we are very early on in the year to see what are going to be the dynamics between the first half and the second half. What we have in our plan is a slight recession in the

US going into the third quarter of 2023. So that's what we have incorporated in our plan. And then in Argentina, it's an electoral year. We expect some volatility in the FX market affecting inflation, which we believe is going to come out close to 100%. So, we have incorporated those two variables into our plan. But right now, trying to guess what's going to happen in the second half, we don't have the view on that part of the year.

Carlos Rojas Aboumrad (CEO): Nothing to add. Mariana, would you like to be the next one?

Operator: Yes, it's from Carmen. She has a follow up question. Regarding pricing. Could you give more color on what Argentina and the US will be for 2023 and also for the rest of the countries?

Carlos Rojas Aboumrad (CEO): Pricing is today at a level where we are generating very healthy profit margins. We expect that there might be slight increase in re-sale prices, which we would reflect but we do not foresee a dynamic in pricing in the way we had it in the past few years. This would be for all markets where we are in the products business. In terms of, the rest of the countries. I would just summarize it that way, except for Brazil, which is the only market in which we do not have the products business. Prices would only change as reasonable prices changes, and that is not going to be the same dynamic as the previous years. Mario anything else to add?

Mario Romero Orozco (CFO): Oh, no. I think you just nailed it.

Operator: Okay, so now.

Carlos Rojas Aboumrad (CEO): Mariana, you're not coming through.

Operator: Inaudible.

Carlos Rojas Aboumrad (CEO): Mariana, we lost you there for a second. Can just repeat who's question you're reading and maybe I can read it.

Operator: Sure. It's from Rodrigo Salazar from AM Advisors, he would love some color on margin expansions. He's saying mainly Mexico products had and impressive quarter over quarter improvement. We saw an improvement on other countries and also when can we expect the ramp up of the new manufacturing plant? You had margins this quarter higher than your 2023 guidance. So maybe an explanation of this was due to something special or do you expect more pressure going forward?

Mario Romero Orozco (CFO): Look, Rodrigo, thanks for joining us this morning. Yes, you have a very good question. And let me see if I can explain what the difference between guidance and the fourth quarter results are. In the fourth quarter results we saw kind of a very stable price in raw materials, and at the same time, we saw a very good FX level at the same time. So, that benefit our gross margin as well as our EBITDA margin. Going into 2023, we are projecting an FX of $20.53 and raw material costs not as favorable as the ones we saw in the fourth quarter. And the reason is all the energy situation around, plus being pressured from by some macroeconomic situations that we all know about. So, those two factors affect our guidance in 2023. But if those two variables, the FX and the raw materials behave in the same level, then you will see better off margins in 2023. But as of now, with the information we have, those are what we're projecting in this year. And then on the ramp up of the new manufacturing plants. Remember, there are many plants because it's not only one plant, it's all the water tank plants that are being upgraded with the new technology. We are halfway on, let's say, modernizing and bringing the new technology to produce the new and better product. This year we will finalize with the other half, so by the end of 2023, you will be seeing in the marketplace in Mexico the new water tanks everywhere. I don't know Charlie if you want to add on it.

Carlos Rojas Aboumrad (CEO): That's good. You want to read the next question Mariana?

Operator: Sure. So, the second question for Rodrigo is also some color in how the US is developing. I understand this quarter was impacted by weather, but growth previous quarters have been lower than you initially expected. Could you comment on why this happened?

Carlos Rojas Aboumrad (CEO): Growth in the US is really going to be a consequence of our capabilities in this e-commerce model. So, we have been investing very heavily in developing our e-commerce and in that process that was a focus on for the business developing that capability, which only after a period of time of developing it, that comes online and then you can start seeing the results. So similar to a manufacturing facility, only after you finish the project, you can only start seeing the increase in revenues. That has been the case for the US, a big progress has been made in 2022 and that is why we think growth rates in 2023 will be higher for this business in the revenues level. Mario anything else that you'd like to add?

Mario Romero Orozco (CFO): No.

Operator: Right. So, Rodrigo's last question is, could you comment in working capital? What do you expect for 2023 and what are the strategies around that? And he thanks you and congratulates you on the results and ESG achievements.

Carlos Rojas Aboumrad (CEO): Thank you Rodrigo.

Mario Romero Orozco (CFO): As I was explaining in the call. We were to put it in more market terms. We were long inventories to cope with the volatility and instability of supply chains. We will, we're targeting to reduce to a more normalized level of working capital in 2023, except in Argentina, that will be still long in inventories. But that speaks more to a hedging strategy than the managing of the working capital. So that's the reason behind that.

Operator: We have another question from Pablo Delgado Del Campo. Congratulations for the results. Are you considering any strategy during 2023 to reduce the potential impact on devaluation and hyperinflation in Argentina?

Mario Romero Orozco (CFO): Well, let me just try. I can jump into this one because this one connects to the last question from Rodrigo. In Argentina really there's three things you need to always be very good at. One is have leading brands, so you really set the price increases in the market and that helps you to keep up with the hyperinflation scenarios. So, the strategy behind this is that in all three categories we have leading brands, and we always keep up on increasing prices as inflation hits in. That was the case last year and it's going to be the case this year. Last year inflation was 86%. This year we are projecting 95%. So, we really do monthly adjustments on prices and the team there has become very good at doing so. And then on the FX, which is also related to inflation, what you need to do is, be as good or short in accounts receivable, be long in inventories, because if you're hit by a step devaluation, then you can regain some of that effect into your inventories. And that's the best way to mitigate short term depreciation of the FX. Fixed assets that, with the inflation component, recover their value in a period less than 12 months. So that's pretty much the strategy about managing effects and hyperinflation in Argentina.

Operator: We have another question from Sofia Martin from GBM. Can you give more color *bebbia*? Are there any updates on the expected break-even?

Carlos Rojas Aboumrad (CEO): Um. Yes. Thank you very much for the question, Sofia. *bebbia*, the way we account for this business as we cost the product and installation of a new customer. It's a business where if high growth generates, losses at the EBITDA level, so we expect to have the same dynamic for at least the next five years. It's a business where we should be looking at revenue growth and we can be more detailed in the future on the unit economics. But it's a business that has high returns projected on these revenues or on growth in revenues. So, we expect that for *bebbia*, we will continue to grow rapidly, at least for the next five years, generating losses in the EBITDA levels. Mario, anything else that you'd like to add?

Mario Romero Orozco (CFO): I would probably complement Charlie. But first, Sofia, good morning, and thanks for joining us. Precisely just yesterday, we were discussing at the board meeting how to pursue this very important opportunity. And we have basically developed two scenarios. Which they defer on when you become a free cash flow break-even. If you go with a less aggressive growth scenario, free cash flow break-even can become available by 2025. If we become more aggressive, that can be achieved by 2027. And the reason I'm telling you this is we have a very good assessment that the opportunity is big and there is the opportunity just hanging out there. And it's just a matter of how the Company will end up taking care of this opportunity. And so, I know it's not the answer that you will love to have, but anywhere between 2025 to 2027, depending on which path the Company follows. But rest assured that it will create a lot of value to all shareholders in the long term.

Operator: So, Charlie, Mario, this was the last question. Right so, thank you very much for joining us today. So, see you next quarter. And in the meantime, we will keep in touch. Have a nice day.

Carlos Rojas Aboumrad (CEO): Thank you very much.

Mario Romero Orozco (CFO): Thank you, everyone. Have a good day. Bye bye.