"Steelcast Limited
Q2 FY '25 Earnings Conference Call"
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MODERATOR: **MR. RONAK JAIN – ORIENT CAPITAL**

Moderator: Ladies and gentlemen, good day, and welcome to the Steelcast Limited Q2 FY '25 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference call is being recorded.

I now hand the conference over to Mr. Ronak Jain from Orient Capital. Thank you, and over to you, sir.

Ronak Jain: Good afternoon, everyone. Welcome to the Q2 FY '25 Earnings Conference Call of Steelcast Limited. Today on this call, we have Mr. Chetan Tamboli, Chairman and Managing Director; Mr. Rushil Tamboli, Whole Time Director; Mr. Subhash Sharma, Executive Director and Chief Financial Officer; and Mr. Umesh Bhatt, Company Secretary.

Before we begin this call, I would like to give a short disclaimer. This call may contain forward-looking statements about the company, which are based on beliefs, opinions and expectations as of today. Actual results may differ materially. These statements are not guarantees of future performance and involve unforeseen risks and uncertainties that are difficult to predict. A detailed safe harbor statement is given in the investor presentation of the company, which has been uploaded on the stock exchange and the company's website as well.

With this, I now hand over the call to Mr. Chetan Tamboli, Sir, for his opening remarks. Over to you, sir.

Chetan Tamboli: Thank you. Good afternoon, everyone. As we enter the Q2 FY '25 results season, we find ourselves navigating a landscape with serious disturbances to the world economy, on the Middle East crisis, Russia-Ukraine crisis and a very disturbed geopolitical situation. Major central banks have initiated rate cuts this year and some more likely to happen in coming quarters.

In the latest economic review, the global agency IMF has indicated that the battle against inflation has largely been won with prospects for global growth showing signs of stabilization. The U.S. economy too is likely to be projected to grow by an additional 20 basis points, reaching to 2.8%. Indian government-led infrastructure spending remains robust, reflecting positive momentum across key sectors.

For ease of communication, I have rounded out most of the numbers.

During our Q4 FY '24 call and Q1 FY '25 con call, we anticipated subdued quarters, Q1 and Q2 FY '25. This has happened as we anticipated. There will be revenue degrowth on a year-over-year basis primarily due to the liquidation of inventory in North America, Europe and India. We remain steadfast in our optimism for a performance turnaround starting from Q3 FY '25 as anticipated and communicated earlier.

In Q2, we reported revenue of approximately INR 75.9 crores, a marginal drop of 2% compared to preceding quarter. Despite this slowdown, our disciplined management and commitment to managing operating expenses allowed us, to maintain a good EBITDA margin of 27.8%, compared to 26.8% in the preceding quarter. In spite of subdued top line, we did our best to optimize costs during this challenging time. Our EBITDA for the quarter stood at INR 21.1 crores compared to INR 20.8 crores in the preceding quarter. Our PAT for the quarter is INR 13.3 crores with a PAT margin of 17.5% as compared to INR 12.9 crores with a PAT margin of 16.7% in the preceding quarter. This reflects our continued commitment to cost optimization during the challenging periods.

Our revenue mix for Q2 FY '25 consists of 52.9% from exports and 47.1% from domestic sales. Despite subdued overall performance, export sales showed resilience growing approximately 5% sequentially and an impressive 32% year-on-year compared to Q2 FY '24. Domestically, the mining and construction equipment (MCE) industry in India experienced slowdown during the quarter, impacted by heavy rains. However, industry reports suggest strong growth prospects for India's MCE sector with localization levels expected to reach 70%-80% over the next 5-7 years. Given Steelcast's established presence in the sector, we anticipate substantial benefits from this localization trend, alongside support from the government's sustained focus on infrastructure development. This emphasis is expected to accelerate new project awards and MCE volumes faster than previously anticipated in the future.

Material costs, manufacturing expenses power, fuel, stores and spares are higher due to increase in production in Q2 FY '25 compared to Q1 FY '25.

Amid this challenging macro environment, we have remained focused on our strategic initiatives to cultivate new customers and expand our export markets from 15 to 18 countries over the next 2 years. We have diversified from mining-focused part to emerging sectors, including the Railroad business, which we aim to grow from 3% in FY '24 to 20% in the next 3 years. Our efforts in ground engaging tools are progressing well, and in the defence sector too, we successfully completed deliveries of critical components becoming the first company in India to develop these items for the defence industry in India.

Over the past 3 years, Steelcast has maintained the debt free status, both short-term and long-term, which has allowed us to avoid financial cost amid global market slowdowns caused by inventory destocking. We have been building cash reserves in recent quarters, and do not foresee the need to utilize bank credit facilities. This prudent financial management positions us well to navigate current challenges while we strengthen our foundation for future growth.

I'm happy to share that our free reserves invested in bank FDs, government securities and mutual funds are at INR 66 crores, now as of 30th September, this is likely to further increase as of 31/03/'25. We are now focusing on using internal accruals to fuel our capex starting from FY '26.

I hope everyone would have noticed our announcement on stock exchanges for getting a very prestigious award from a very important customer. This is a great pride for our company and an accomplishment of a major milestone in the history of the company.

Let me share you see few other parameters, which might be helpful to investors.

1. Capacity utilization has gone up further in Q2 compared to Q1.
2. PBT margin is better at 23.6% to 22.7% in Q1 FY '25.
3. ROCE and ROI are more or less same in Q1 and Q2.
4. Working capital turnover is more or less same in Q1 and Q2 FY '25.
5. Fixed assets turnover and total assets turnover are more or less the same in Q1 and Q2.
6. Current ratio is more or less same in Q1 and Q2.
7. Debtor days improved substantially from 97 days to 63 days in Q2, thanks to our customers.

With this overview, I would now like to open the floor for questions and thank you all for your attention and continued support. Thank you.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. The first question is from the line of Kiran B from Table Tree Capital.

Kiran B: Sir, I want to just zoom out of the quarterly numbers and generally ask you a question. I know there's a lot of volatility in the U.S. market as well. But -- are we seeing any strategic shift in the castings industry, either steel or aluminium from the U.S. and European markets to India. I mean, is it just the analyst community like us overthinking this? Or is there a structural trend that is actually moving towards India from an aluminium and steel capacity from your perspective?

Chetan Tamboli: I'm really not aware about aluminium because we make only steel castings. And what we are seeing is a definite shifting from China to India, okay? And then whoever are the good players in India will be benefited a lot. This is how we see it.

Kiran B: Got it, sir. And this is primarily, we are -- obviously, what we are seeing is China used to supply to the U.S. market, if I get the clarification, right? China used to supply a lot of stuff to some of our clients in the U.S. market, and those clients are essentially saying, hey, India why don't you pick it up, hey, Steelcast, why don't you pick it up, because we are always very good players in it.

Chetan Tamboli: Correct, that shift is happening.

Kiran B: Okay. So this is -- I mean, is it like structural, sir? Or is it because China's -- I mean basis on previous con calls, China's cost structure has changed, and therefore, they are slightly more expensive than us in the steelcast?

Chetan Tamboli: I mean there are several factors which is leading to this structural shift. One is geopolitics. One is the cost structure. One is overdependence on China. So they are a combination of results. So we have seen the shift very very clearly here.

Kiran B: Got it. Got it. Got it. Sir, just last question, last question from my side. Sir, in terms of we are at whatever INR 400 crores – INR 410 crores from a revenue perspective, given the strategic shift, fundamental shift, when do you think -- I mean, in your estimate at this point in time, I know it's difficult to call, but just in your estimate, when do you think we can potentially reach INR 1,000 crores revenue?

Chetan Tamboli: See, the present facilities and capacity, what we have will get us to about INR 800 crores, okay? And if we do capex as we are planning, which will start somewhere in '26, then that should be another minimum of INR 400 crores. So both put together -- if we do that capex, so then the volume will be about INR 1,200 crores. And that might happen in maybe, it's a wild guess, but maybe '29-'30.

Kiran B: '29-'30. Got it, sir. Thank you so much, I'll join back in the queue.

Moderator: Our next question is from the line of Harshil Solanki from Equitree Capital.

Harshil Solanki: Sir, I have multiple questions. First is we are saying that Q3 onwards, there will be a turnaround. So can you throw some light on the order book or the production schedule that you have in hand from the customer, which is giving us this confidence?

Chetan Tamboli: I'll request Mr. Umesh Bhatt, our Company Secretary to give those numbers. We will just wait for a while. Can you ask your another question?

Harshil Solanki: Yes. Sir, the American Railroad supplies were expected to ramp up from Q3 and we are already in November. So, if you can...

Moderator: Sorry to interrupt, Mr. Harshil, can you please switch to handset mode, your voice is having an echo?

Harshil: Yes. So the American Railroad supplies were expected to ramp up by Q3. So can you throw some light on where are we now?

Chetan Tamboli: There is a slight delay as of now as we speak. So hopefully things should -- we might have to wait for another 3 or 4 months, but what was to start from October onwards has not started. It should start -- maybe another -- it'll take another 3 to 4 months.

Harshil: Okay. Sir, sir, what is the delay exactly about? Is it something from our end or the customer's side?

Chetan Tamboli: See, there are group of components, which we have already developed. Out of five, one component, we are getting lower life. So we are doing some more trials. So that is the delay.

Umesh Bhatt: Mr. Solanki, the firm purchase order we are having right now is around INR 100 crores.

Harshil: Okay. And this has to be executed over what period?

Chetan Tamboli: The current quarter.

Harshil: Current quarter. And my next question is on the defense part. In opening comments, you mentioned that you have successfully delivered one component for the defense. So can you throw some light without naming of course, the product you can't specify. But can you throw some more light on what is it exactly and how much opportunity is this for us?

Chetan Tamboli: Due to confidentiality reasons, I'm not in a position to say this. If we ever visit our facilities, we can show you those products, but I will not be able to give you a total picture on this con-call, so very sorry for this.

Harshil: And anything on the tank tracks, which we had developed, we have supplied five tracks? But any follow-up order?

Chetan Tamboli: All that has been done, we are now waiting for bulk orders.

Harshil: When can we expect that because that has been delayed since a long time? We haven't got any new orders and such.

Chetan Tamboli: The only thing is -- we are working with Government of India, so very difficult to predict.

Harshil: Okay. And one question is on the aerospace thing. In the annual report, we have said we have the certification from a German agency for aerospace. So are we looking to develop any new product in this space? Or how do we plan to leverage the certification that we have?

Chetan Tamboli: This certificate shows our capabilities and the facilities, what we have. So wherever we go, we show this and then we move forward here.

Harshil: Okay. But no specific plans to get into aerospace at all?

Chetan Tamboli: No specific. We continue working with Government of India, defense industry. As of now, there are no plans to do any exports also. And only thing is if the government will keep you to wait, we don't know.

Harshil: Okay, understood. And last question would be -- what would be the volume for this quarter, tonnage?

Chetan Tamboli: Sorry.

Harshil: What would be the production volume in the tonnage terms for this quarter?

Chetan Tamboli: Umesh, bhai, do you have any idea?

Umesh Bhatt: Yes, yes. So it is 2,900 tons.

Harshil: 2,900 tons. So sir, roughly, if you see a good amount to 5,000 tons in H1. So are we on track to do 15,300 tons which we had guided in the September '23 PPT, or is there any need for the revision?

Chetan Tamboli: There will be -- it will be a slightly lower number than what we had shown in the September '23.

Harshil: Okay. By how much percent any idea?

Chetan Tamboli: Umesh, bhai, can you just give that number if you have, or if you don't have, it's all right.

Umesh Bhatt: Sir, it is about 12% to 15%.

Harshil: Okay. This was it. Thank you so much.

Moderator: Our next question is from the line of Khush Nahar from Electrum PMS.

Khush Nahar: My first question was sir, what time -- do we plan to enter aluminium casting as a business as a strategy or we are comfortable in the steel segment as we are in right now?

Chetan Tamboli: We are very comfortable in what we are doing, which is steel casting, and we have no plans to get into this aluminium.

Khush Nahar: Okay. And sir, considering the industry dynamics, what kind of top line growth and EBITDA margins we are seeing in the next three years?

Chetan Tamboli: As we've always said in our all-con calls that we aim for 22% EBITDA, and that's what we want to do all the time but end up getting – having a bit more. So the planned EBITDA will be always 22% plus, okay.

Khush Nahar: On the top line growth considering industry dynamics in the next 3 years, what kind of growth can we see?

Chetan Tamboli: From this year to next year, we should surely be 25% better and maybe another 25% better from -- in '26-'27.

Khush Nahar: So 25% in FY '27, is that what you're saying?

Chetan Tamboli: Yes, yes. There is a possibility.

Moderator: Our next question is from the line of Sahil Rohit Sanghvi from Monarch Networth Capital.

Sahil Sanghvi: Congratulations for maintaining the margins. My first question is the 2,900 tons volume number that you've given, is that the production number or the sales volume?

Umesh Bhatt: It is production number, sir.

Sahil Sanghvi: Would you be able to give the sales number -- sales volume?

Chetan Tamboli: That might be around 3,000 tons, maybe.

Sahil Sanghvi: And what would be the same number for Q1 FY '25, the previous quarter?

Umesh Bhatt: Corresponding quarter or previous year, you are talking?

Sahil Sanghvi: No. Same year, Q1 FY '25.

Umesh Bhatt: Yes. So you want production?

Sahil Sanghvi: No, no, sales volume?

Chetan Tamboli: 2,600 tons in Q1, 2,532 tons in Q2.

Sahil Sanghvi: Yes, yes. 2,600 tons in Q1 and 3,000 in Q2, right?

Chetan Tamboli: No, 2,532 tons in Q2.

Sahil Sanghvi: Okay. So yes, okay, this makes sense because then the realizations are largely maintained. Otherwise, I was getting a wrong number on the realization front. So the pricing trend is largely maintained. I mean is there a pressure due to the decline in the steel prices, any kind of pressure on that?

Chetan Tamboli: No, we have -- as most of you already know, we have set pre-decided formula for the input prices. If the input prices go down, the sales price goes down. If input prices goes up automatically with the lag of 1 quarter, we get price increase. So all this pressure on steel prices, input costs are down, so we'll pass on some reduction to them.

Sahil Sanghvi: Correct, sir. And sir, is it fair to say now that the destocking, which is happening largely on the customer front, you're seeing that getting down now is it over now? Are you getting...

Chetan Tamboli: It's only over and that's why in my initial talk, that is why we are seeing -- seeing uptrend from Q3 onwards. That is precisely the reason.

Sahil Sanghvi: Got it. Got it. And what would be the revenue contribution from American Rail Roads this quarter? Sorry, I joined a little late. I was -- there was a lot of calls going on?

Chetan Tamboli: There is a delay in the volume picking up for railroad maybe by one or two quarters.

Sahil Sanghvi: Okay. Okay. But next year, next year, we should have revenues somewhere.

Chetan Tamboli: Absolutely.

Sahil Sanghvi: And next year would be what, 4%, 5% or lower than that -- the revenue?

Chetan Tamboli: If everything goes well no, we should go around 7%, 7.5% next year.

Moderator: Our next question is from the line Ashwini Agarwal from Demeter Advisors LLP.

Ashwini Agarwal: Congratulations on maintaining margins in a very tough operating environment. So a couple of questions, sir. One is this U.S. Railroad; you're saying that one of the five components that you're supposed to supply have a lower-than-expected life. So do you have a root cause insight and how you are going to fix that because without that root cause visibility will still be limited, right?

Chetan Tamboli: So that's what I said that we are working on it. We have not yet been able to identify the root cause. So we're trying to diagnose this. And we should be able to come up with an answer, maybe in coming three to four weeks, sir.

Ashwini Agarwal: Okay. And sir, any update on the ground engaging tools conversations that you've been having with one of the large existing customers?

Chetan Tamboli: It is -- the business is trickling in a very small way, but we were trying to work out a very large volume with 2 of our large buyers, but the discussions are on. We're not able to conclude anything so far.

Ashwini Agarwal: Okay. And the new capex that you were speaking about for fiscal '26, this is a new site for roughly about 5,000 tons or am I right on that?

Chetan Tamboli: Yes. This will be a new site some 10 kilometres from our present site. We may do anywhere from 5,000 to 10,000 tons depending upon time. We will take this decision in 2026.

Ashwini Agarwal: Okay. And what would be the order of capex sir, total?

Chetan Tamboli: If we do about 10,000 tons, the number should be about INR 80 crores.

Ashwini Agarwal: Okay. All right. And sir, when you said that you have firm purchase orders for INR 100 crores for the current quarter. So I mean that's -- and do you have any visibility for the Jan to March quarter in your order book or these are all short cycle orders only?

Chetan Tamboli: That answer was -- the firm orders in hand, but the general practice is people give two to three months' orders and then they give us visibility for the coming forward 12 months.

Ashwini Agarwal: Okay. Sir, last question from my side, there is a margin conundrum, right? You always say that our desired margins are 22%, but you do much better than that, even in such a difficult quarter like September, you've delivered over 25% EBITDA margin. So what causes the margin to come out at 3% to 7%, 8% higher than what your desired margins are?

Chetan Tamboli: See, one is the -- see, the factors are common, about four or five factors, okay? Which they keep shifting between quarter-to-quarter, and we've been lucky enough to get this. Like this quarter, there were benefits on exchange rate and input prices. And obviously, reasonably good internal cost controls also, but every quarter, we keep fluctuating within 4%, 5%, 6% different types of reasons for this.

Ashwini Agarwal: So Chetanbhai, would it be fair on my part to say, okay, forget about what happened in the next few quarters or next year. But let's say, two, three years from now, when you are probably -- in the shooting distance of INR 900 crores to INR 1,000 crores in revenue. At that point, I mean would it be reasonable for us to expect that as your revenue grows, you will definitely have more operating leverage available to you and your margins should be somewhere in the ballpark of 28% to 30%? Or is that too aggressive?

Chetan Tamboli: No, I think it will be too aggressive. I think on a long-term sustainable number should be around 25%.

Moderator: Our next question is from the line of Darshil Jhaveri from Crown Capital.

Darshil Jhaveri: Firstly, congratulations on a great set of results, very commendable, sir, that you've been able to maintain margins, sir. Sir, just wanted to ask a bit in terms of revenue visibility like I think we said we have INR 100 crores orders that we would execute in Q3. So what kind of like revenue can we see for Q3, Q4? Like, could we end the year at like INR 100 crores, INR 120 crores revenue?

Chetan Tamboli: The SEBI restricts us to give exact numbers and all, but we can say 20%-25% better sales than Q2 and maybe another 20%-25% better in Q4 compared to Q3, okay.

Darshil Jhaveri: So just wanted to clarify, sir, Q3 will be better than Q2 by 20% and Q4 will be better...

Chetan Tamboli: I think, I said 20%-25%. And again, yes.

Darshil Jhaveri: Okay. Okay. Fair enough, fair enough, sir. And just earlier, I think you said, in FY '26, you could have around -- was it correct 30%-35% growth in FY '26?

Chetan Tamboli: No, I didn't say that.

Darshil Jhaveri: So, okay. So what kind of top line could we see...

Chetan Tamboli: No, you're only asking us for the coming 2 quarters, right?

Darshil Jhaveri: That I asked sir, that you clarified, sir. And I think previous question you were answered to somewhat for the three-year vision. So just wanted to clarify what...

Chetan Tamboli: As of now as we speak, we -- we should go 20%-25% better in next financial year also.

Darshil Jhaveri: Okay. Fair enough, sir, yes. And sir, just wanted to know -- my last question, sir, the capex by what time will we come up with? And what is the capacity utilization currently?

Chetan Tamboli: Currently, we are at about 45%, we are likely to go up to about ~90% in FY '26, '27. So we'll decide about capex in '26.

Moderator: Our next question is from line of Kiran B from Table Tree Capital.

Kiran B: Sir, just one question from my side. Sir, what gives us this confidence of a 25%-30% growth or whatever that number is right, 20%, 25%, 30% for the next 2, 3 years? I mean, the railroad order is only one order which can add to our revenues. But to go -- we are at a fairly high base. So let's say, we end this year with about INR 350 crores, INR 400 crores revenue from there, 25% is INR 500 crores and there -- from there 25% in INR 650 crores.

So there's a jump of INR 100 crores, INR 150 crores from here on for that kind of growth to come through. I don't know if railroad business is going to give that kind of revenue year-on-year. So if you could just explain what gives us that confidence of adding that extra INR 100 crores, INR 150 crores every year for the next 2 years, at least, wherever you have visibility?

Chetan Tamboli: See, we are in constant new parts development and those are continuously going on. Second, the reason is the markets which are subdued now may also revise over the next 6 to 24 months.

So even if there is no railroad business, we should be still able to have growth in '25-'26 and '26-'27.

Kiran B: Got it. So this is basically inventory restocking, even aside from the railroad business, we are seeing inventory restocking from all the markets?

Chetan Tamboli: Restock, revival of demand, many factors plus new parts, which are there. We are consistently developing new parts. So we always have some additional sales.

Moderator: Our next question is from the line of Harshil Solanki from Equitree Capital.

Harshil Solanki: I have two questions. One is recently your largest customer announced that they are investing some INR 500 crores to increase plant in South India. So are we seeing some initial inquiries from them as to ramping up the volumes or anything on that front?

Chetan Tamboli: They have already told us to be prepared for better volumes in about 2 years' time. And plus, we have a lot of inquiries on different parts, which they will need the new facility. So all that work is in progress.

Harshil Solanki: Okay. But that is like two year away thing for us and not something in the near to medium?

Chetan Tamboli: Yes, minimum two years away.

Harshil Solanki: Okay, understood. And one book-keeping question on the financial. Sir, our other financial assets have increased by INR 13 crores. So what is it exactly about if you can highlight?

Chetan Tamboli: Mr. Sharma, can you respond, please?

Subhash Sharma: Mr. Solanki, is this other financial assets? Is this INR 72 Lakhs that you are talking about?

Harshil Solanki: No, if you take from March to September, there is a INR 13 crores increase in the other financial asset line item. So if you can help us with what, there is an example.

Subhash Sharma: So this is other financial assets, March 24, INR 42 lakhs and then that INR 81 lakhs that you are talking about?

Harshil Solanki: I don't have the results exactly right now, but...

Subhash Sharma: No, sir, we can take this offline.

Harshil Solanki: Okay, thanks.

Moderator: Our next question is from Arnab Sachdev from Cruze Investments.

Arnab Sachdev: Just a couple of questions. Sir, you mentioned export degrowth is expected to reverse from Q3 FY '25. So can you elaborate on this a little bit?

Chetan Tamboli: Please repeat your question.

Arnab Sachdev: You mentioned export is going to de-growth. It's expected to reverse from Q3 FY '25. Can you elaborate on this?

Chetan Tamboli: No, no. I said for the whole year, there will be a de-growth, nothing to do with exports de-growth.

Arnab Sachdev: Okay. And what are the other key milestones that you have planned for H2 FY '25 to maintain this pace that we're going at. Any other key milestones?

Chetan Tamboli: We don't have any other key milestones to work for, but we want to do 20%-25% more in the third quarter and again, 20%-25% more in the fourth quarter, which is what we want to do for sure. And next year, too, we want to achieve about 25% growth. So all the work and efforts are going into this direction.

Arnab Sachdev: Okay. And just 1 last question. So any other strategies that we are going to use to maintain or maybe grow the domestic growth -- our business in India.

Chetan Tamboli: See, at the macro level, we want to have 50% exports and 50% domestic market, so which we will continue, which may keep fluctuating 5% to 10% here or there, but by and large, we want to keep this mix.

Moderator: Our next question is from the line of Rushabh from RBSA Investment managers.

Rushabh: So, we have mentioned in the previous con calls about the industry size being 5 lakh metric tons, including the rail roads, sir. So I just want to understand, overall, how has been the growth overall in the industry last three to five years. Has it been flattish or there has been some growth?

Chetan Tamboli: I think the industry is growing moderately with 5% or 6% annual growth over the last three, four years.

Rushabh: And sir, we mentioned about this ground engaging tools. So is this market size of this included in this 5 lakh metric tons or this expands the market?

Chetan Tamboli: No, that's another separate market. So we are working on it. We are talking to our two large customers as we want to get into this line. So once we have something from, we will probably put up a separate facility also.

Rushabh: Okay. And how are the conversations sir, can we know by the next six months to one year? How advanced stages are the discussions going on?

Chetan Tamboli: We should know something maybe after March, maybe.

Rushabh: Okay, thank you.

Moderator: Thank you. Ladies and gentlemen, in the interest of time, that was our last question for the day. I would now like to hand the conference over to the management for closing comments.

Chetan Tamboli: Thank you, everyone, for joining this call. We appreciate your participation. If you have any questions or queries, please feel free to reach out to us directly or through Orient Capital. We look forward to connecting with you again in the next quarter. Thank you.

Moderator: Thank you. On behalf of Steelcast Limited, that concludes this conference. We thank you for joining us, and you may now disconnect your lines.