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ADNOC Logistics & Services

Conference Call Transcript
ADNOC L&S Accelerates Global Expansion with Acquisition of Navig8

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Corporate Participants

Nicholas Gleeson – ADNOC L&S – Chief Financial Officer

Neeraj Kumar – ADNOC L&S – VP Investor Relations

Neeraj Kumar – *ADNOC L&S – Vice President, Investor Relations*

Thank you, Ali. Very good afternoon and good morning to everyone. My name is Neeraj Kumar, I'm the Vice President of Investor Relations at ADNOC L&S. It's a very exciting time for ADNOC L&S, and many thanks for taking time to join the call I really appreciate it. By now, you must have received the presentation for the call. If you haven't, you can download it from the website in the Investor Relations section.

I would like also to direct your attention to our disclaimer on the slide number two before we begin. It contains important information, and we advise caution on the interpretation and limitations of historical data and forward-looking statements. Presenting today we have our CFO, and with this, I will hand over the call to Nick. Over to you, Nick Gleeson.

Nicholas Gleeson – *ADNOC L&S – Chief Financial Officer*

Great. Thanks very much, Neeraj. And thank you, everybody, for joining. I am very glad to see such a large attendance this afternoon. And we really appreciate your attention to our company. Today we're very glad to have announced the agreement to acquire a leading global maritime platform, Navig8. Immediately at 80%, with a path to full ownership thereafter.

This is a landmark transaction for us, which facilitates globalisation of our leading energy maritime logistics platform, leveraging the global Navig8 platform, which the founders have built over the past 17 years. That platform has been built under the exceptional stewardship of its current owners and management, who continue to run the existing business under this agreement. As a result of this transaction, we established global presence immediately and access for our high performing UAE based business, whilst also benefiting from their tanker fleet, commercial pooling, and the various services businesses owned and operated by Navig8.

The transaction value of Navig8 at approximately $2 billion on a 100% enterprise value basis. Completion of the first 80% is for $1.04 billion, and we anticipate completion in late 2024, subject to regulatory approvals. Completion of the full acquisition is scheduled for June 2027, which is subject to shareholders' views on extending joint ownership and potentially partnering on business expansion at that time. Consideration for the 20% stake is $335 to $450 million, which depends on business financial performance at interim. The total cash consideration is therefore $1.4 to $1.5 billion, with an estimated $600 to $700 million of debt to be assumed.

The current Navig8 management team, who have built and led the business these past 17 years, will continue to operate the business on a day-to-day basis, post completion. The acquisition has a tanker fleet of 32, while significantly expanding ADNOC L&S's global presence, its service offerings, its customer base, and enabling cost savings. The transaction is expected to be at least 20% earnings accretive for the first full year.

If we move to the next slide, let me talk a little bit about the target. Navig8's a global leading shipping platform, providing commercial pooling and tanker ownership and operation, technical management, crewing, bunkering, and other services. The business is financially sound and has delivered exceptional value over its 17 years of operation under its entrepreneurial and expert leadership. The acquisition will enhance ADNOC L&S's global footprint, delivering presence in major maritime markets across five continents.

Access to the fleet of 32 tankers, which includes four MR newbuilds, comes at a time when our outlook for the tanker segment is to see continued strength as a result of undersupply and continued growth and some mild demand. Navig8 has a diversified and loyal blue-chip customer base, comprising major oil companies, traders and refiners. And that customer base overlaps, extends, and complements ADNOC L&S's existing customer base. It's a great fit. The acquisition will increase ADNOC L&S's revenue diversification and access to new markets and new customers for existing and new service segments.

Navig8 has an exceptional leadership and team with a successful history driven by an entrepreneurial mindset. Both of the founders have more than 23 years of experience, and the global workforce is over 350 strong across 15 cities globally. Digital and decarbonisation solutions and market research are also part of Navig8's service offerings, which we expect to benefit from.

The acquisition positions ADNOC L&S as a global 24/7 operator in the energy maritime industry. The owned fleet meets our pre-existing strategy to grow in tankers and extends our TCN portfolio, as we see a strong outlook for the tankers segment. Navig8 owns a modern fleet of 32 tankers, as I mentioned, which includes four newbuild MRs, with an average age of 6.1 years, excluding those newbuilds. The fleet is environmentally efficient, with 85% scrubber fitted.

Navig8 also provide commercial pooling, technical, ship management, and bunkering services. The bunkering business is a leading supplier of marine fuels and lubricants, with a global network of over 200 ports. Navig8's commercial pooling business is a global leader across the tanker market, offering benefits of scale, risk management through diversification and cost effective technical management, port agency, as well as market analytics.

Their ship management business offers high standards of safety, performance and reliability, leveraging digital tools and data analytics to optimise vessel efficiency and to reduce costs. The business serves both Navig8's own fleet, as well as third-party customers, offering competitive pricing, quality assurance, and environmental regulations compliance. On top of the benefits we anticipate through globalisation and the extension of the tankers fleet, we anticipate significant cost savings, leveraging Navig8's global services and tools.

This slide in particular helps to understand the significance of Navig8's global reach and the extent to which that will enable internationalisation of ADNOC L&S's pre-existing offerings. This is the key for us. This acquisition essentially moves us from being a highly successful UAE-based operator of integrated logistics and shipping, to having access globally to extend our services across Navig8's platform across the world.

Navig8's service portfolio includes overlapping, complementary, and ancillary services. Their modern, efficient fleet will extend our presence in the spot and short-term charter markets, at a time when we consider this to be highly attractive. Their global bunkering services extend our portfolio offering and can benefit our own costs. Navig8's global client base and extensive geographical reach are expected to open avenues for extension of our integrated logistics activities into new markets.

Beyond this, Navig8 will bring superior market intelligence and digital solutions that will help to optimise revenues and costs, while reducing our carbon footprint and emissions profile. The acquisition of Navig8 is a key component in the realisation of our transformational growth strategy, unlocking and enhancing a wide array of international opportunities for growth.

We've already addressed our constructive views on the tanker segment in our earnings release and in meetings since then. But in summary, what we see in tankers is continuing growth in ton-mile demand across tanker asset classes. Declining supply due to limited orders against an ageing fleet and increasing relevance in comparative value of modern assets with lower fuel consumption in light of emissions profiles and carbon tax costs. We expect a continuing, robust tanker market over the next two to three years, at least, in light of the dearth of newbuilding activity and the low availability of newbuilding slots.

As a result, extending our fleet of modern tankers has been a priority for us, which is quickly realised by this transaction at a time when immediate access to tankers is particularly valuable. One of the most satisfying features of this acquisition is its positive impact on our ability to implement all four facets of our announced growth strategy. It enables us to grow with ADNOC, domestically and internationally. Our relevant service offerings to all clients are extended in areas of particular value and relevance. For example, the growth of the tankers fleet, the pooling offering, bunkering, technical management, crewing, port agency, and analytics offerings. International activities with blue-chip clients are not only immediately extended, but the avenues to further grow internationally are significantly enhanced by Navig8's relationship based on exceptional global team.

Immediately on acquisition ADNOC L&S gains entry to adjacent verticals to existing operations, while enhancing its ability to extend even further. With the significant coming growth in the gas segment, the growth in the tankers fleet helps to deliver balance across the shipping subsegments. At the same time, extension in bunkering and provision of third-party technical management services help to extend earnings diversification beyond the charter rate exposed shipping market.

ADNOC L&S will seize the opportunity to deliver at least $100 million in efficiency-driven savings through the acquisition over the coming years, focusing predominantly on our pre-existing business, driven by improved global costs of bunkering, reduced technical management and crewing costs, included extending international reach on procurement. Benefiting from pool participation with internalisation of related costs, and enhanced market intelligence on opportunities to drive revenue and to save costs, including the data analytical benefits of performance analysis on an increasingly global fleet.

By accessing Navig8's to commercial pooling platform, we expect to optimise our fleet utilisation and to capture premium rates, especially in niche markets, where Navig8 has a strong presence. We have a proven track record of successfully delivering value from acquisitions, most recently Zakher Marine. And we see tremendous value in Navig8, which we're determined to exploit for the benefit of our shareholders.

Over to the financials. The transaction is expected to be immediately value accretive, in light of the effective transfer of economic interest as at 1 January 2024, since which time the tankers market has continued to perform strongly. Now, when we're showing you the numbers today, we're showing 2024 on a pro forma basis. And the reason for that is the date of actual completion is subject to regulatory approval, so not highly predictable. We think the best way to show is to look at 2024 on a pro forma basis, as if we had taken ownership of the business from 1 January 2024. And that will help to define results going forward.

In this case, what we're showing is the combined results for 2023, which will help you to project what 2024 would look like on a fully consolidated basis and to understand our guidance thereafter. As a guide to the anticipated financial impact of the transaction, we provide 2023 comparable financial statements, noting that we've seen something of a boost in the tanker market performance since that time.

Navig8 pro forma revenues for 2023 with integrated joint control accounted were $1.9 billion, which equated to 68% of ADNOC L&S's revenues for the same period. Pro forma EBITA would have added $400 million, or 44%, delivering a combined 28% EBITDA margin for the period. Combined pro forma net debt to EBITDA would have been 1.4 times, so we're still well within that long-term target of 2.5 times. And combined shipping fleet would have been over 50% larger in combination, which of course excludes the four MR new buildings.

The completion date of the transaction will drive the accounting outcomes, and that's dependent on regulatory approvals, as I mentioned. But typically, we would anticipate completion late this year or in the early part of 2025. Post completion, the business will be fully consolidated, with the exception of Integr8 the bunkering business, which is anticipated to be a joint control activity, leveraging the deep knowledge of the business founders.

What does this mean for the medium-term outlook? For 2024 impact, once again it's very important to contemplate the accounting impact of the transaction, which is driven by the timing of completing regulatory approvals. The P&L is only consolidated post completion. Up until completion we own, if you like, the net profit of the business from 1 January 2024 until completion. That will be part of the PPA, the purchase accounting or the acquisition accounting. And so essentially, the net profit continues to increase the value of the business until that point in time.

Pre-completion, the net income attributable to the period from transaction effective 1 Jan 2024 to completion will be recognised, along with acquisition accounting, EPS accretive from 1 January 2024, as a result, with full P&L accretive from completion. If a transaction completion delays beyond 31 2024, which we don't expect as the base case, then we will prepare a pro forma set of accounts, as at 31 December 2024, including the impact of the acquisition, as if completed on that date.

We've updated our group medium-term outlook on a pro forma basis, assuming the transaction was completed from 1 January 2024, treating Integr8 as accounted under joint control, which is the case we expect. 2024 would then see revenue growth of over 90% and EBITDA growth of over 70% year-on-year. In the medium term, that would translate into revenue growth in the high percentage teens and EBITDA growth in the mid to high percentage teens. So that's from 2023 going into 2024. And net income would grow beyond 50% in 2024, and in the mid-teens year-on-year over the mid-term from 2023.

As we view growth CapEx separately to M&A, which is this transaction, we're not adjusting our 2024 growth CapEx target of $1 to $1.1 billion, nor our mid-term target of $5 billion-plus by 2028. So just to be crystal clear, we maintain the same outlook for that spend, which is beyond this transaction. There's no change to our low double-digit unlevered IRR target on growth CapEx. And we continue to contemplate M&A which enhances our international growth potential, while bearing in mind our ability to successfully realise the benefits of the Navig8 acquisition. One more point I should have made there, is there's no change to our target net debt to EBITDA of 2 to 2.5 times over the medium term.

So, closing remarks. The acquisition of Navig8 is a landmark transaction for ADNOC L&S, which will enhance our position as a global energy maritime logistics provider significantly. We've worked hard on finding the right candidate and on realising this transaction, and we're excited to deliver the outcome, which we anticipate will be of benefit to Navig8 and their exceptional global team, of benefit to ADNOC L&S, and of benefit to our customers and our shareholders.

The acquisition will be immediately value accretive on completion, delivering profits from 1 January 2024 and P&L consolidation post completion, with significant growth in earnings per share. The transaction immediately expands our global footprint and service offerings substantially, and enables us to capture new opportunities in the global energy maritime market. We're excited to welcome Navig8s talented team to ADNOC L&S, and we look forward to working together to achieve our strategic objectives.

Now, I'm sure there'll be quite a few questions. So, with that, let me first address one of the questions that we've received on screen.

Sathish Sivakumar, Citi Group

Firstly, on the lock-up terms and conditions for the incoming management team. How does it vary to get to the lock-up period by 2027 and how does the payment work? And then the second one around the newbuilds and what are the CapEx commitments there? In the next 12 months, is there any CapEx due? And then the third one is around the overall revenues, exposure and the mix. The tanker segment, is it completely spot or do you have like multiyear contracts, if any thoughts there? And then, customer wise, do you expect any churn as you try to integrate both the businesses together? What is the level of churn that you think there's any overlap? So those are my three questions.

Nicholas Gleeson, CFO

First one, in terms of the lock up, essentially, you have the incoming leadership, who are also shareholders in the business, and they benefit from the completion of the transaction. So, in 2027, when we acquire the remaining 20%, you've seen that there's an upside, that transaction value can go from 355 million to 450 million, depending on EBITDA performance. So the retention of management is driven predominantly by that structure.

In terms of CapEx, we have four MR tankers under construction, and the total CapEx related to those is just over $200 million. In terms of spot exposure, yes, indeed. This is a fully spot exposed or short-term fleet. The nature of the tankers operating in the ports is essentially spot and we have our own fleet 100% on the spot market. There's no accident there. We have a very strong, constructive view on the tanker segment going forward, but I would anticipate that over time we'll transition some of our assets either to longer term time charters or, in particular, bring our assets into the pool. And the benefits of pooling through economies of scale, risk protection in a downside market. Typically, the pooling performance is the strongest to its participants in a relative negative market.

In terms of customer churn, we don't see any significant reason for customer churn as a result of the transaction, and we don't see ourselves competing head to head for business, if you like. If anything, we think the extension of service offerings to customers will be attractive, and this will create an opportunity for us to increase our revenues going forward. But so far, we've continued to provide our guidance based on combining the fleet with the same level of utilisation with market rates as we've projected them going forward. So hopefully that answers your question, Sathish.

Sathish Sivakumar, Citi Group

Thank you. In terms of the regulatory approvals, what do you see the biggest challenge would be for the transaction to be completed? And then the second one is on the Integr8 and the JV. Can actually give us more colour on that, is it 80/20 split, you take on 80 and then 20% goes to the founders? Or why specifically this has been not captured as part of the transaction? Thank you.

Nicholas Gleeson, CFO

The first one, regulatory approvals. The most important set of regulatory approvals will be the antitrust approvals in various jurisdictions. And that tends to be impacted by which jurisdiction is providing the approval and the relative materiality of the combined fleet to the total market size. So you can imagine the global tankers market is extremely large, so in terms of the materiality, there's probably less complexity, but there are multiple jurisdictions where we'll need to make filings. The other one, of course, is the release of vessels to operate under new ownership structure in certain cases. So we anticipate that to take some months to complete, and the target is hopefully within 2024 to complete that.

In terms of the joint control structure on Integr8, what we see for most of the business activities that we combine with Navig8, we do have the historic experience. The bunkering business is new to us, and we see value in operating that business under joint control. And from discussion with our accountants, the model that we're looking at to operate that business in terms of control, delegations of authority, is likely to result in joint control accounting, similar to the joint venture that we have with one of our chemicals, AW Shipping. We're preparing and presenting our numbers at the moment on the basis that that type of joint control accounting will take effect. That's something that we'll be able to confirm between now and completion.

Nicholas Gleeson, CFO

Thanks very much. So, I've got another question here. Congrats on the deal and landing an attractive valuation. Could you let us know who is the seller and did the $400 Million EBITA include any one-offs? How should we think about the sustainability of this EBITDA over the cycle?

In terms of who are the sellers, we're not going out there with details on the ownership of the company, although I think some of that information is publicly available. But what I can tell you is that the remaining management in the business, some of the most important management to the business, do have a material continuing financial exposure to the business and motivated to deliver the upside on the remaining 20% ownership.

Did the $400 million EBITDA include any one-offs? No, that's adjusted normalised EBITDA for the business. How should we think about the sustainability of this EBITDA over the cycle? I think the most important thing to look at, and you can see that in the notes, essentially I would look at the importance of the owned fleet. So the 28 owned tankers at the moment, which are subject to the volatility of the rates environment in the tankers segment, that will impact the delivery of EBITDA over the cycle. Your outlook, your view on the tanker segment is very important to the valuation of the investment.

Beyond that, the commercial pooling is quite resilient, as is the bunkering business. The bunkering business is somewhat exposed to bunkers rates, and the same for the commercial pooling. There's an exposure to the absolute rates in the tanker segment, but it's much more muted than the impact of owning vessels. And the other services businesses continue through the cycle.

If I move to the next question, what is the net margin profile of the asset? What is the book value of the asset? What has been the dividend payment track record? Let me take those first. The net margin profile of the asset, you can see there on slide 11. It delivers a slightly lower EBITDA margin than our pre-existing business. The reason for that is that commercial pooling business is essentially, you can look at it like the margin on charter out activity. So they don't have ownership of the vessels that they're operating, so the EBITDA that they generate is lower compared to the revenue. That's why they have a lower EBITDA margin.

On the other hand, the return on equity as a result of that business is essentially infinite, because there's no or hardly equity deployed to managing those assets because they're not owned. What's the book value of the assets? So the book value of the assets, we've shown price to adjusted net asset value is approximately one, so essentially $1 billion book value of the asset. Sorry, $1 billion to 80% of the asset or if you look at the full payment across the cycle, it's about one-to-one on the $1.4 to $1.5 billion level.

What has been the dividend payment track record of the asset? Because of the ownership, it's not appropriate for us to talk about the dividend payment track record. But I think you can look at the earnings record of the asset. And if you look at the 2023 earnings record, you can see it would be very accretive to us. And that's why we're saying that we see 20% EPS accretion in the first year of ownership.

Why is the transaction closing date so far into the future? That's a result of those regulatory approvals that we talked about. In particular, we have to be careful that the antitrust approvals can take some time, and that also is the major hurdle. What is the spot versus time charter split of the current fleet base? It's spot. You can look at this as spot and short-term contract.

Is it possible that some of these vessels move to time charter format to service any requirements that ADNOC Group may have in the near future? We don't anticipate that at the moment. We're not averse to moving some of our fleet into period charters, but at the moment, we don't have any specific announcement or ongoing activity to do so. And frankly, because we're very constructive on the spot market, and we don't see a significant overbuild of the tankers market in the coming two to three years, we think it makes good sense to remain exposed to the spot market.

And finally, can management reiterate the accounting treatment? This question has cut off, but I think the answer to this is essentially until the time of completion we're exposed to the net profit of the business. So we own the net profit of the business from 1 January 2024 and on transaction completion accounting, that net profit will be an uplift in the value of the business, which is used for acquisition accounting purposes. Post acquisition or post completion, it will be a full consolidation of the P&L of the business, with the exception of Integr8, which would be joint control accounting. And how that joint control accounting works is essentially, we have a share of profits of the joint controlled entity, comes onto the P&L and is a component of the EBITDA. but the revenue of that business is not consolidated into the revenue of the combined entity.

The next question, assuming the deal is closed in 2025, ADNOC L&S will only record attributable share of 2024 net income from Navig8 in its financial statements. If we close the deal in 2025, what will happen is we'll show nothing in our 2024 financial statements, but we will prepare a set of pro forma financial statements for 2024, so that shareholders are able to understand what's coming, if you like, what's been brought forward to the following year, then that net profit, which has been generated in 2024, will be captured in 2025 as part of the acquisition accounting, as an increase in the value of the business being acquired. So what you have stated there is net income from Navig8. What will actually happen is that net income won't be recorded in the 2024 financials, because we can't account for the transaction until it's complete. So what would happen is that net income would be a contribution to the purchase price accounting in 2025.

Is this acquisition part of the US $5 billion investment guidance, or is it above that? Additionally, will this investment impact dividend distribution? Good question. So, no, it's not part of the $5 billion. So what we've been doing, when we guide to that $5 billion-plus investment between now and 2028, we're talking about organic growth. This is inorganic growth, incremental to that investment that we've been talking about. To be fair, when we take over the fleet of 28 plus four tankers, that does offset a certain portion of the investment plan that we had over the next few years. However, in the meantime, we've seen growth in that plan, and we're not going to revise our US $5 billion plus investment guidance.

Will it impact dividend distribution? So at the moment, we're not changing our guidance on dividend distribution. We are conscious that over time the consolidation of this entity would see our dividend payout ratio decline from around 50% projected at the time of IPO to below 35%, so there is room to contemplate what we do with dividends going forward. But the base case for us is we've built ourselves as a growth platform. We continue to see significant growth opportunities going forward that we think are significantly more value accretive to investors than paying that money out as dividends. So watch this space, there'll certainly be a discussion with our board over time as we consolidate the strong cash delivery of the Navig8 business. But the base case is that we focus more on growth.

Next question, what is the maintenance CapEx profile of Navig8? We're not releasing anything specifically on that now, but if you look at our tankers subsegment and you look at the size of their tanker segment, there's not a significant difference in terms of their annual maintenance CapEx on an asset-by-asset basis against our own. We then look to exports increasing in the event that rates decrease. Can these tankers be contracted for long-term charters with ADNOC? We've already answered that question before. I think the answer is there's potential, but we don't see any activity in that direction at the moment, so there's nothing that we would comment on right now.

And let's keep going down. It looks like we've answered most of those questions. A couple more to come in. What's the intention in terms of staffing of the combined organisations and retention of the management team? The leadership team of the Navig8 business have been extremely successful in delivering a very high value business over many years. And it's one of the reasons that this business was so attractive to us when we looked at potential targets to partner with and/or to acquire as part of our globalisation going forward.

The leadership team and the team of Navig8 remain very important to our business going forward. As I keep saying, we intend to grow very significantly, so reducing staff is not a focus for us. Our focus is taking the platforms that we have full of expert people, people capable of doing great things globally, and to leverage that to continue to grow our business.

And then the final one is, how do we intend to deal with the increased exposure to the spot market in the tanker segment going forward? I think I've already answered that somewhat. But essentially, there are two avenues for us. One is with the ADNOC L&S assets to look at period charters increasingly, but by the nature of pooling itself, we see a hedge against the lower end of the market because of the potential for pools to outperform the average market in a negative market. Having said that, we think the outlook for the next two to three years for the tanker segment is very constructive.

One more question has just come up. Will your report Navig8 as a separate segment in your IFRS accounts, or will it be blended with shipping in a similar manner as ZMI is blended with Integrated logistics? Listen, Anna, this is a great question. I wish I could answer it in complete detail right now.

We have a lot of work to do in terms of looking at our segmentation, and we hope to do most of that by the time we're reporting our 30 June results.

Navig8 includes more than a shipping business. So Navig8 has a global bunkering business, it has international technical management and crewing. And these businesses can be of value, not only to our shipping segments, but also to our Integrated logistics. So it's not a case of fully integrating Navig8 into shipping. I would imagine that the owned tankers business will be integrated to our shipping tankers segment in terms of the results.

The commercial pooling could be under our services segment. But we also have the bunkering, for example, which falls outside the shipping. And we have other areas, such as the data analytics platform and technologies. So I would have to say, at this stage, watch this space. That's why we've provided our guidance at the moment on a group basis. And going forward, we will have to relook comprehensively at how we provide our segmental reporting.

How is Navig8 performed on a year-on-year basis so far in 2024? So we're not going out at the moment with year-to-date 2024 results. We do plan quarterly to provide an indicative update on the performance of Navig8. But I think one way to look at it would be their substantial exposure to the tankers market and the substantial, strong performance of the tankers market in the beginning of this year. You'll also be able to see that through our results. So the tankers market performing extremely strongly. We don't see any deviation in Navig8's results from the type of results that we've been able to achieve in the tankers space, and we anticipate that to continue.

Can you elaborate on the potential of synergies and what sort of synergies you're looking at? Great question. So there's a few different things. I think when we look at the international ship management platforms in Navig8, we certainly see opportunities for ourselves to benefit from that internationally. Our ship management platform, as strong as it is, is operating solely out of the UAE. And so with an international platform, there's usually going to be an opportunity to find benefits. For example, international procurement and management of ship maintenance and international construction activities would be one example.

Bunkering business, absolutely. So, improving the cost of bunkers internationally through that 200 port network of relationships that exists in the Navig8 platform. And then finally, availing ourselves of the benefits of commercial pooling, potentially with our own fleet. And at the same time internalising the fees related to that. So we see a number of areas of potential synergy going forward.
I don't see any other questions there. I'm conscious that my answer was convoluted in relation to the question on P/NAV, so let me go back and restate my answer on P/NAV. I think what you need to do is to look at the total transaction value of 1.395 billion to 1.490 billion. And that essentially equates to one-to-one price to adjusted NAV.

There's a lot of information passing hands here. I encourage you to contact, to reach out to Neeraj and our investor relations teams as you have more questions going forward. I know it's a little frustrating that we can't go out very specifically right now with how we see our segmentation going forward. I hope people will understand that involves quite a lot of discussion with our external auditors, to make sure that what we target to do is going to be IFRS compliant. And that's something that we'll be working on in the coming weeks, and we hope to provide some clarity on that by the time we release our results for 30 June this year.

I really appreciate the very high attendance we have for this call, the number of good questions that we've had, and everyone's interest. We're extremely excited about this transaction. The Navig8 platform is an exceptional international maritime platform, which provides substantial opportunity for us to continue to grow our business internationally, to generate cost savings, to generate revenue efficiencies, and to continue the high value accretion growth of our business across the world. We're really excited to be working together with Navig8 leadership and their team, and we thank you very much for your interest in our presentation today.

Neeraj Kumar – *ADNOC L&S – Vice President, Investor Relations*

Thank you very much.