Corporate Participants

Petros Pappas - Star Bulk Carriers - Chief Executive Officer

Hamish Norton - Star Bulk Carriers – President

Simos Spyrou - Star Bulk Carriers – co- Chief Financial Officer

Christos Begleris - Star Bulk Carriers - co-Chief Financial Officers

Nicos Rescos - Star Bulk Carriers - Chief Operating Officer

Operator: Ladies and gentlemen, thank you for standing by and welcome to the Star Bulk Carriers Conference Call on the First Quarter 2020 Financial Results.

We have with us Mr. Petros Pappas, Chief Executive Officer, Mr. Nicos Rescos, President, Mr. Simos Spyrou, and Mr. Christos Begleris, Co-Chief financial Officers of the company. (Operator Instructions) I must advise you that this conference is being recorded today. We now pass the floor to one of your speakers, Simos Spyrou. Please go ahead, sir.

Simos Spyrou: I would like to welcome you to the Star Bulk Carriers conference call regarding our financial results for the first quarter of 2020. Before we begin, I kindly ask you to take a moment to read the safe harbor statement on Slide #2 of our presentation.

Let us now turn to Slide #3 of the presentation for a summary of our first quarter 2020 financial highlights. In the 3 months ending March 31, 2020, TCE revenues amounted to $100.3 million, 3.7% lower than the $104.2 million for the same period in 2019. Adjusted EBITDA for the first quarter 2020 was $32.6 million versus $43.9 million in the first quarter of 2019.

Adjusted net loss for the first quarter amounted to $22.2 million or $0.23 loss per share versus $8.5 million adjusted net loss or $0.09 loss per share in Q1 2019. Our time charter equivalent rate during this quarter was $10,949 per vessel per day. Total cash today stands at $107 million, with total debt at approximately $1.6 billion.

Today's presentation will focus on our cash evolution during the first quarter, the liquidity-enhancing measures we are undertaking, the finalization of our scrubber program, our operational performance and the industry's fundamentals before opening up to questions.

Slide 4 graphically illustrates the changes in the company's cash balance during the first quarter. The company started the quarter with $126.3 million in cash and generated positive cash flow from operating activities of $32.1 million.

After including debt proceeds and repayments, CapEx payments for scrubber and ballast water treatment installments and dividend payment, we arrived at a cash balance of $131.3 million at the end of the quarter. Given the broader market uncertainty, we have taken various proactive actions to protect the financial health of our company during this challenging market.

Slide 5 has an overview of current liquidity-enhancing measures. One of our priorities has been to increase liquidity and strengthen our balance sheet through vessel financing. As of today, we have received commitments from 3 European lenders for new financings, which will release up to $27.5 million of additional proceeds.

We continue working with lenders to significantly increase this figure in the coming months. On the revenue side, we have taken physical and paper coverage for the remaining of 2020 on an unscrubbed basis for 74% of the second quarter at levels around $8,500 per day per vessel and 50% of the second half of the year at levels around $11,000 per day per vessel.

Our all-in breakeven cost is at $11,300 per day per vessel, including scrubber cost and debt service. We have hedged the differential between HSFO and VLSFO for approximately 20% of our annual bunker consumption in the paper market when the differential was much higher than it is today, for an average price of $212 per ton. Given the currently decreased price, these hedges are well in the money, providing a significant contribution to our bottom line.

In addition, we have taken advantage of the decrease in LIBOR curve, and we have locked approximately 24% of our base rate exposure, $380 million of our future interest rate exposure at an average of 66 basis points.

Finally, we continue to focus on having lean and efficient technical and operational management for our fleet to remain competitive. Based on full year 2019 figures, Star Bulk has an OpEx and G&A competitive advantage over its average peer cost of $58.5 million on an annual basis.

In Slide 6, we are providing an update on our scrubber retrofit program. As of today, we've completed all scrubber installations on 114 vessels which are now certified and operational. Since the beginning of the year, despite the meaningful delays due to the coronavirus, we completed installation, we've seen minimum delays and have now more than 15,000 running days experience across the fleet.

Slide 7 has an overview of the total CapEx payments for our scrubber program. Our total expected CapEx is estimated at $212 million, with approximately $150 million of secured debt financing in place. As of May 22, the remaining CapEx is $12 million, out of which $7 million is debt-financed.

Please turn now to Slide 8, where we summarize our operational performance. OpEx was at $4,047 per day per vessel for the first quarter of 2020 versus $4,015 per day per vessel for Q1 2019. Net cash G&A expenses were $1,057 per vessel per day for the quarter or $11.5 million, effectively in line with last year's level.

The combination of our in-house management and the scale of the group enable us to provide our services at very competitive costs, complemented by excellent ship management capabilities, with Star Bulk consistently ranked among the top 5 managers evaluated by RISI. We are also currently #1 among our listed peers in terms of Rightship Ratings.

Slide 9 highlights that Star Bulk is the lowest cost operator among our U.S.-listed dry bulk peers, with operating expenses approximately 19% below the industry average based on latest publicly-available information.

Slide 10 summarizes the evolution of dry dock expenses and total off-hire days for dry docks as well as scrubber installations. I will now pass the floor to our CEO, Petros Pappas, for a market update and his closing remarks.

Petros Pappas: Thank you, Simos. Please turn to Slide 11 for a brief update of supply. During the initial 4 months of 2020, a total of 17.7 million deadweight was delivered and a 5.9 million deadweight was sent to demolition for a net fleet growth of 11.8 million deadweight or 1.4%.

A total of just 3 million deadweight has been reported by Clarksons as firm orders up to end April, the lowest level in more than 20 years. The order book currently stands at 8.1% of the fleet, the lowest level since 2002. The expected reduction of steaming speeds did not take place in the first month of 2020 as crude oil prices collapsed to levels last seen in the late 90s.

In the first 4.5 months of the year, the average speed of the fleet was 11.34 nodes, down just 1% to last year. The coronavirus outbreak during Q1 affected aging shipyards and caused delays in new building deliveries and retrofits.

During the last month, it has seriously affected Indian and Bangladesh ship breakers and brought demolition activity almost to half. During 2020, the dry bulk fleet is projected to expand approximately 2.5% as demolition for Capesize and overaged deal of ships should pick up once scrapyards resume operations following the lock down.

Let's now turn to Slide 12 for a brief update of demand. According to Clarksons, total dry bulk trade during 2020 is estimated to decline by 3.6% year-on-year, down from 0.6% during 2019, with COVID-19 the key factor behind the contraction.

The projected decline is expected to take place mainly on the back of coal and minor bulk trade weakness concentrated on the first half of the year, the synchronized global economic stimulus to expand trade activity during the second half and into 2021, where Clarksons expects demand to bounce by 4.3% in tons and 5.3% in ton miles.

Iron ore trade during full year 2020 is projected to stay flat in tons and to expand 0.6% in ton miles. Brazil iron ore has suffered major supply disruptions since the Brumadinho dam disaster took place in early 2019.

During the first months of 2020, bad weather conditions and the coronavirus outbreak have pushed back the recovery time line. Brazil exports in the initial 4 months of the year are down 8.6%, with a strong negative impact on Capesize on miles.

Only iron ore imports in early February were affected by a tropical cyclone that led to further tightening of international iron ore supplies. During the last 2 months, exports have fully recovered and now operate close to full capacity with average weekly levels up 11% year-on-year.

Despite the coronavirus outbreak, China year-to-date crude steel and big iron production increased by 1.2% and 3.3%, respectively. China began stimulating the economy before the COVID-19 outbreak, and last week, announced additional measures with a special focus on infrastructure.

It is worth noting that iron ore stockpiles have reduced significantly, and the new restocking cycle during the next 2 years is likely to support the iron ore trade. However, steel production from the rest of the world remains a concern, with volumes down 6.6% during the first 4 months.

Focusing on April, rest of the growth was down 27%, with India steel production tracking 64%. During the second half of 2020, a gradual recovery of Vale exports is expected to take place and should inflate iron ore ton miles.

Coal trade during 2020 is projected to decline by 5% in tons and 6.4% in ton miles as the coronavirus streamed import requirements, while high-cost Atlantic exports into Asia are being sweeped. China thermal coal supply has been recovering faster than demand. China domestic coal production expanded by 3.8% until the end of April, while electricity generation declined by 3.5% as a result of the contraction in industrial activity.

Thermal electricity generation declined by a faster pace of 4.8% year-on-year during the same period, abated with signs of recovery during April and May.

At the same time, coal imports increased by 26.9% during the first 4 months of the year, following the December 2019 import ban, increasing inventories. The same patent is taking in place in India, with thermocoals stockpiles at power plants presently standing at record high levels.

During 2020, grain and soybean trade is projected to increase by 1.7% and 2.5% in tons and ton miles, respectively on the back of a sudden rise in Latin America, soybean exports and a recovery in U.S. exports.

The Phase 1 trade deal is expected to weigh positively on the recovery of U.S. soybean export volumes during the second half of 2020, with China demand emerging higher after the lockdowns and as the country's big population recoveries from the African swine fever.

A potential risk may, however, arise in the U.S.-China relationship over the breakout of COVID-19 and impending new stricter Hong Kong measures enforcement by China. Minor bulk trade during 2020 is estimated to decline by 6.6% and 6.9% in tons and ton miles, respectively, where stocks bauxite exports are, however, projected to expand by 7% during the year and generate ton miles for Capesize vessels. It is worth noting that Clarkson's forecast, minor bulks experienced a 7.7% recovery during 2021.

As a general comment, we expect disruption of world maintenance supply of dry bulk commodities due to the coronavirus to gradually ease. Dry bulk trade has the upside potential in the next quarters and further into 2021, while dry bulk freight is expected to improve once oil prices recover sustainably, inducing vessels to slow steam.

Last but not least, although the fundamental impact of IMO 2020 has been suppressed due to the demand shock and collapse of oil prices, we remain optimistic on the prospects of our scrubber-fitted fleet in the coming quarters.

On the supply side, smaller sizes are likely to benefit from slow steaming due to lower scrubber penetration than Capes. On the demand side, we continue to expect Capes to benefit the most from cargo cascade as straight recoveries.

Without taking any more of your time, I will now pass the floor over to the operator to answer any questions you may have.

Operator: (Operator Instructions) Our first question is from the line of Amit Mehrotra from Deutsche Bank.

Amit Mehrotra: Hi, everybody. I hope everyone is safe and healthy. My first question is on the 4 bookings that you guys talked about in the slide presentation. I know you noted that rates are on an unscrubbed basis.

There's obviously, believe it or not, a (inaudible) out there. And then there's obviously some gains on the fuel hedge, I think, Simos, you mentioned.

So if you could just help us think about how that would translate to the time charter of the PCE equivalent uplift? So we add $1,000, $2,000 per day, so the rates that you basically outlined in the slide deck? Just help us think about how that translates to the QTS?

Christos Begleris: Sure, Amit. This is Christos. basically, there is a spread right now between high sulfur fuel oil and very low sulfur fuel oil, and the spreads for the remaining of the year in the paper market, if someone wanted to hedge is at $79 per ton.

Given the very low freight market, our consumption is lower than what it would have been in a healthier market, but we're still consuming, in our fleet, on average, approximately 60,000 tons per month.

Therefore, if you assume, on average 80% data see and 90% capture of the scrapper, which is conservative, even that in larger vessels, we have 100% and being smaller, maybe we have closer in (inaudible) this is basically an additional revenue of approximately $24 million for the remaining of the year from June until December 2020.

Now if you add to that, the fact that we have hedged on a portion of our consumption at much higher levels, this is 14,000 tons per month at an average level of $213 per ton, as we mentioned.

This is an additional revenue of approximately $13 million, therefore, this is an additional revenue of approximately $37 million for the remaining of the year, which I divide by the base available ownership days, this translates to a premium of approximately $1,500 per day. We hope prices is higher as hopefully, the spread moves higher. But these are the numbers right now.

Amit Mehrotra: Okay. That's very competent. So basically, the $11,000 that you booked in the back half with the 50% age is really more like $12,500 once you overlay them the scrubber benefits, correct?

Christos Begleris: Correct. One note here is that for the second quarter, given that there was a violent move in the prices of the fuel, we expect that there may be a set in the CCS, even effectively the fact that the PC numbers that we report are being reported on the first in, first out method versus the numbers that we have laid out there that are basically calculated on the base of the current market prices. Therefore, specifically for the second quarter, you may see it in the PC that we are being reported.

Amit Mehrotra: Great. Okay. That makes sense. And then so obviously, that allows you to have a good visibility on a big chunk of your revenues and cash flows for the remainder of the year, but then you also have 50% of the days in the back half that are not booked that are exposed to spot market, and we obviously have little visibility.

So I mean you guys are closer to the market, much closer to the market than I am or most of us are in this call. So I think it would be helpful to help us understand, you have $107 million of cash on the balance sheet as of May 22, you're going to add $27.5 million to that on the financing in July.

So did you perform with that through the end of the year, what do you think is kind of a reasonable way to think about your ending cash balances a year? I know there's a lot of variables, the range is obviously uncertain.

But just you're closer to the market than we are, I think it will be helpful to have everybody understand where do you think you'll end on at on the balance sheet figures.

Christos Begleris: I mean, on the basis of what we have done already fixing rate coverage as well as the hedges on the bunker side, on the basis of the current figure, our cash balance is basically the lowest, basically around where we can today, if we go today as of the end of June, and that increases up until the end of the year.

We basically expect to be on the basis of current, let's say, private. Approximately, there is $40 million above where we stand today by the end of the year.

Amit Mehrotra: Got it. Okay. That's encouraging. And then the last question before I hop off, I wanted to ask about the additional opportunities for refinancing. Simos, you mentioned -- I think Petros has mentioned in the press release. Obviously, that has to be considered contract and asset values.

It just seems like the bid-ask spreads are narrowing dry bulk to the fire saver, which is what you would expect given what rates are so low is a reasonably long period of time. Can you just talk about what the impact is at all to your net LTV? Where does that end today pro forma for the financing that you're doing? And what is the additional room for additional liquidity in that kind of a OTD framework?

Christos Begleris: So just to clarify, as we lever our fleet, we essentially take more debt, but at the same time, we are holding more cash on our balance sheet. And therefore, on a net debt basis, that is the basis also for our covenant calculations, the effect is 0, unless, of course, we burn cash, which we are not projected to do for the second half of the year.

And therefore, on the basis of a net leverage, the fact that we're taking on some more leverage now, we'll not have an effect on our balance sheet.

On the basis of valuations that we have obtained as of the end of the first quarter, our gross leverage stands a bit below 60%, and this gross leverage number is expected to increase by a couple of percentage points as we take on additional debt, but there is still significant buffer given where the levels of covenant of lines are on a corporate basis for Star Bulk.

Amit Mehrotra: Right. And then just the additional liquidity question. How much do you think you can raise further? I know you don't need to, but you mentioned in the press release this morning, I was wondering about that.

Christos Begleris: I mean, we are working currently of the adoptions that may potentially result in 1 or 2 multiples of the liquidity that we have already stated we have same commitments for. So let's see whether we are going to be able to get the commitments.

We are working hard, and we are glad that we're enjoying the support of financial institutions from Western Europe to China and Asia in our efforts to raise additional cash without necessarily increasing the interest cost for our fees.

Petros Pappas: Amit, Amit, this is Petros. Hi, Amit. We are more positive about the future, actually for the second half and 2021 going forward. However, the main thing here is to make sure that even if things go sour, we're here to enjoy the good markets that will eventually come. And that is why we're raising that money, that is why we're hedging our bets. So I assume you understand that.

Amit Mehrotra: Well, I understand it perfectly. I mean, the bottom the question though is that I wonder what circumstances do you think Star Bulk will have to issue dilutive financing?

And based on everything I'm hearing in the numbers, it looks like it that close to 0% unless the market is $5,000, $6,000 for the next 1.5 years, 2 years. Is that a correct characterization?

Simos Spyrou: Yes. We're designing our situation to eliminate the possibility of having to issue dilutive financing under any but the most extreme scenarios.

Operator: Our next question is from Randy Giveans from Jefferies.

Randall Giveans: Quick question. I guess you gave the kind of unscrubbed ratio of 74%. But in recent quarters, you kind of broke that out by asset class. Can you give that 2Q kind of quarter-to-date and state the new (inaudible) versus the kind of smaller comments?

Christos Begleris: Hi Randy. So this is cost the breakdown for the case is around $9,800, (inaudible) is $9,700, a bit at north of that. And then Ultra Sopo is around $6,650. As a blended all this, again, is on scrub. And the blend of the day and a intention.

Randall Giveans: First, you said $9,800 per patient with (inaudible) unscrubbed?

Christos Begleris: Yes.

Randall Giveans: Well, all right pretty good. And then looking at your (inaudible) scrubbers, you installed all of them, but you still have, I think, $12 million remaining CapEx. Is that related to getting them certified? Is this final payments that come somehow after delivery and installation?

Christos Begleris: Correct, Randy, these are the final payments, it has nothing to do with the certification of the scrubbers.

Randall Giveans: All right. And then lastly, looking at kind of the fuel spread, was there much of an upfront cost or working capital required to hedge the differentials for 2020 and 2021?

And also, can you give a little context around the value, right? You have 150,000 tons hedged for this year, I guess that's remaining. And then 24,000 tons next year, are you still burning about 1 million tons per year of fuel?

Christos Begleris: So Randy, this is Christos. To your first question, given our relationships with some of our financial institutions that are supporting us on the lending side, we actually have to post 0 margin on the hedges of the pure spread.

We effectively set up at maturity, and these are facilities that are supported also by some senior debt facility that we have. So there is 0 margin that we have to post on a daily basis.

To your second question, given the softer markets, the entire fleet is going at the lower speed. And as a result, the consumption is reduced from the previous estimate. So now we estimate that our fleet on an annual basis consumes approximately 60,000 tons per month, therefore, 720,000 tons per year. 1 million was closer to a speed at healthier markets, which we saw back in Q4 as well as Q3 of 2019.

Randall Giveans: Wow. So this fleet's largest, let's say, 25% reduction.

Christos Begleris: It's not larger. By Q4 '19, we essentially had all the vessels that we have today.

Petros Pappas: And remember, Randy, that fuel consumption is proportion of the (inaudible) above the speed. A little change in speed is a big change in fuel conduction.

Operator: (Operator Instructions) The next 1 is from Ben Nolan from Stifel.

Benjamin Nolan: First of all on the -- so on the (inaudible) -- obviously, you're well in the money on those as part of the thinking about improving liquidity, is it possible to actually monetize those currently or is it necessary in part of the credit facility? I mean you -- I think you said $13 million is a possible to convert those future values and the cash flow or cash today.

Simos Spyrou: Ben, this is Simos. The answer is yes, if we want that we could monetize this position, but as this is considered ahead, and it's not just a percentage of our total consumption. We prefer to keep them open and not monetize at this stage.

Benjamin Nolan: Okay. Very helpful. And then as it relates to the FFAs and the half of the book has been fixed, diluted $11,000 for the balance of the year, the second half of the year.

Is that primarily case by FSA anything through sort of, obviously, the market or the just class is to always move exactly in line trying here the sensitivity of the (inaudible) vary relative concern where your FFOs are positioned?

Simos Spyrou: It's about equal for each type of vessel for Q3 and Q4. And just to add, Ben, increase of that, it's not all the same. There's also some physical casters. The majority of this position is at the phase, but there's also physical cover there, which obviously doesn't have margin requirements.

Petros Pappas: And the intention is that time goes by to actually cut down on FFAs and increase the physical coverage. As we increase the physical coverage, we will be cutting down on FSA.

Benjamin Nolan: Okay. Very helpful. And then lastly, just thinking through the cash flow going back growth, and I might have missed this, but can you maybe walk through what is the remaining current for the updated debt amortization scheduled for the balance of the year?

Christos Begleris: So, Ben, you should estimate basis current the committed financing that we have announced. And annual debt amortization schedule of about $178 million for 2021 plus another $30 million per annum for scrubbers. So in total, it's about $208 million for 2021.

This is -- for the second half of 2020, you should estimate about $44.5 million per quarter for normal amortization. And then about $3 million for the third quarter for scrubbers and $9 million for the fourth quarter.

Operator: And our next question is from J. Mintzmyer from Value Investor.

J. Mintzmyer: Some great questions earlier on liquidity, and it sounds like you have a lot of pathways there. Just 1 other question on -- we're looking at Slide 5 and looking at all the levers you pulled.

You mentioned that Q2 coverage and you mentioned a half 2 coverage about 50%. Are there any charters that extend into '21 or '22? Like any sort of really long-term things? Or are these just 6-month coverages and such?

Petros Pappas: Hi, Jay, it's Petros. We have very little coverage for next year, actually. The intention is if we see the market improving during Q3 or Q4, the intention is to cover Q1 as we do every year because seasonally, Q1 is not a very strong quarter.

This year, of course, Q2 was not -- was the weakest of the quarters, but it's a special case because of the virus. So on the way to the end of this year, we will be hedging at least Q1 to -- at similar levels as we do every year.

J. Mintzmyer: Excellent. And then I think it was pretty well covered previously with Randy, but you talked about the scrubber hedge that you locked in. It sounds like that's about 20% of consumption for the rest of 2020. Is that correct?

Petros Pappas: Correct.

J. Mintzmyer: Excellent. And then final question for you. I know in the past, a couple of years ago, you did some consolidation where you issued sort of stock-for-stock sort of NAV-to-NAV yields, and that is kind of a lever that you could to change your balance sheet or add a little bit of liquidity if you found another counterparty, for instance, that wanted to combine, right, and grow a larger fleet.

Are there any sort of candidates out there today or is consolidation sort of out of the market on pause right now?

Simos Spyrou: Well, Jay, I think it's basically on pause. If ever there was a time when people were acting like a deer caught in the headlights, it's pretty much right now with the virus. I think before you're likely to see M&A activity. I think the world has to return a bit closer to normal.

J. Mintzmyer: Yes, certainly, I figure that was response, and I'm glad you're not 1 of the ones that caught like deer in the headlights. Final question, we heard a lot about surveys being delayed, special surveys.

And I think it's more of an issue for tankers maybe than bulkers. Is that happening in the dry bulk sector? I know there the 3-month sort of blanket extension, is that happening in the market? And if so, when should we expect those surveys to take back in?

Petros Pappas: Jay, well, for us, it isn't happening because we passed also the surveys, and we did all our dry docks. And we have no more of that coming in the next 4 quarters, so it doesn't apply to us. I also read about what they're saying. I'm not sure whether it's happening with other companies or not. Not for us, though we passed everything.

J. Mintzmyer: Excellent. Well, hopefully, it takes some supply out of the market this fall and next winter.

Petros Pappas: We think it will take some supply out of the market because there's going to be a number of vessels that get into dry docks that wait until the last minute. Now whether it is past the last minute, with the class side is allowing it, I'm not sure, but we are pretty certain that when -- as soon as things normalize, we'll see more vessels in the yards.

Operator: We've got a follow-up from Amit Mehrotra at Deutsche Bank.

Amit Mehrotra: I asked for a follow-up because this question is kind less yield, and forgive me if it is totally off base, but you obviously have a lot of dry bulk ships. The tanker market is doing reasonably well.

Is there any technical possibility of converting a drybulk bulker to a tanker? I know it's a crazy question, but I was just wondering, it came with your synthesis and stuff like I was wondering if you can give a thought about that, what would be involved in it, how much would it cost along would it take? Is that even a possibility at all?

Simos Spyrou: Yes. So we looked into this possibility in terms of using a bolter for a storage charter, and we concluded that it will cost a lot, that it would take a long time, and I think that was really the killer that it would take long enough that by the time it was done, the storage charter business would be done.

And of course, the storage charter business at the moment pretty much gone, and it would have taken a lot longer than it would have needed to take to get that storage charter business. And in terms of modifying a bulkers to be a tanker to be used for transportation and not storage, I think you'd have to consider that to be essentially as possible.

Amit Mehrotra: Yes. Okay. And then the other follow-up I had is back in 2016 where we saw rates that were similarly weak, even a little bit weaker, scrapping really picked up quite a bit in the first and second quarter of 2016.

Of course, with COVID-19, there's some capacity restrictions on scrapping. I was hoping you could just talk a little bit. I mean the -- there a lot of warm layouts that are happening because the market is so bad?

What's the spike out there from a supply perspective? Because we haven't necessarily seen the scrapping levels that we would expected. I don't know if that's on the comp or any softer, that would be helpful.

Petros Pappas: Amit, the scrap yards were actually closed. And at the moment that a number of mostly cake owners wanted to scrap their vessels, they couldn't do it. So we see a number of vessels in various areas that have not moved, especially those big older below sales, and we expect that they will flood the yards as soon as they open up.

Of course, now we'll have to see where prices are going to be because on the 1 hand, there's going to be a lot of supply of vessels willing to scrap.

And on the other hand, iron ore prices are up and iron ore prices and scrap prices have some relationship between them, so we don't know where that's going to be. We would have seen a lot more scrubbing in the last 1.5 months as we not had the closures.

Operator: There are no further questions at this time, so I'll hand back to the speakers for closing comments.

Petros Pappas: No closing comments, operator. Thank you very much for being patient enough to listen to us.

Operator: Okay, thank you very much. Ladies and gentlemen, that does conclude the call for today. Thank you, everyone, for joining. You may now disconnect.

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