

2019 Annual Meeting Transcript

Company: Kathmandu Holdings Limited
Title: Annual Meeting
Date: 22 November 2019
Time: 11:00 NZDT

Start of Transcript

David Kirk: Some faces from last year, thank you all for coming. I'm very pleased to welcome you as Chairman of Kathmandu Holdings Limited to our 2019 annual meeting. I extend a warm welcome to all shareholders present. This meeting is being webcast live for the benefit of those unable to attend in person. Part of our commitment to shareholders is making our meetings as accessible as possible, regardless of physical location.

Today we are very pleased to welcome those of you participating online through our virtual meeting platform provided by our share registrar, Link Market Services. We hope that holding a virtual meeting will continue to support greater participation and engagement amongst our shareholders. I declare that a quorum of shareholders is present and the meeting has been duly convened.

For those of you who don't know me, I'm David Kirk, Kathmandu Chairman. Before we start the formal business I would like to introduce your other directors to you. On my right, your left, from the far end, Brent Scrimshaw, Andrea Martens, John Harvey and Philip Bowman and next to them, Xavier Simonet, our Group CEO and Managing Director, who you know.

I wish to advise that proxies have been received in respect of approximately 75% of issued shares and more than 99% of the proxies directed are in favour of all resolutions. Before moving on to the formal business of the meeting, I'll outline some meeting procedures. An opportunity will be given to shareholders to ask questions about, or make comments on, the items of business on the agenda for today's meeting. For those attending the meeting online, you'll be able to ask questions upon validating your registration.

If you need further information about how to ask a question, please refer to the virtual meeting online portal guide, or call the helpline on 0800 200 220. I ask that for the convenience of all present in the room, those shareholders who wish to speak use the available microphone. Please hold up your white or green cards and state your name if you wish to ask a question. If you are attending online via the virtual meeting, please use the question function and your question will be conveyed to the meeting.

Before moving to the business of today's meeting, I will briefly run through the voting procedures. All voting will be conducted by way of a poll. At registration you will have received an attendance/voting card. If you have a white voting card, this indicates you're a shareholder and are entitled to vote and to address the meeting. If you have a green non-voting investor card, you're either a joint shareholder or have already returned a proxy vote prior to the commencement of the meeting. You are entitled to address the meeting. If you are a visitor to the meeting, you will have received a visitor card and you're welcome here today, but will not be able to address the meeting. If you do not have a voting card and believe you are entitled to vote, please see one of the registry staff from Link Market Services at the registration desk at reception immediately.

Shareholders present here in Auckland can also vote using their smartphone, with the Link vote app. Shareholders using their smartphones for voting today will need to have registered with a PIN prior to entering the meeting. For those attending the meeting online, you will be able to cast your vote using the electronic voting card that you received when you validated your registration. If you have any issues, please refer to the Link Market Services virtual meeting online portal guide, that can also be found on the main page of the Kathmandu investor centre website, or call the helpline on 0800 200 220.

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Minutes, the minutes of the 2018 annual meeting held last year and the 2019 special meeting held in October, were available at the entrance desk. I hope those who were interested in seeing them have had a chance to do so.

Before I invite Xavier to address you, I would like to make some brief comments on the 2019 financial year, as Chairman. Financial year 2019 was another strong year for Kathmandu financially. Strong sales growth, particularly through online channels and from Oboz and well controlled operating expenses allowed the combined business to reach record profits. Our team are proud to have delivered four years of consecutive sales and profit growth, at the same time as executing on the Company's transformation from a leading Australasian retailer to a brand led global multichannel business.

Post-financial year we were excited to announce the completion of the acquisition of Rip Curl. We would very much like to acknowledge the overwhelming support of our shareholders through the equity raising process and their approval of the acquisition at our special meeting held on 18 October. Xavier will talk through the highlights of the acquisition in his presentation and I would like to take this opportunity to welcome Rip Curl's CEO, Michael Daly, thanks Michael, and his team to the Kathmandu Group. And also congratulate Reuben Casey, who's here today, on his promotion to CEO of the Kathmandu business following the acquisition.

Director Sandra McPhee retired from the Board in September. Sandra brought significant non-executive director experience and knowledge of a wide range of consumer facing sectors to the Board. Her insight and judgement have been extremely beneficial for the Company and we thank Sandra very much for her service and wish her all the best for her future endeavours.

Following an extensive international search, I'm very pleased to welcome Andrea Martens to the Board. Andrea brings first rate experience and knowledge of consumer brand strategies. Her appointment adds important skills and experience to the Board, as we implement our global growth strategies across multiple brands.

On behalf of my fellow directors, I would like to thank management and the wider team for their hard work in delivering another great year, both financially and operationally. I would also like to thank all of our shareholders for their support over the past 12 months and into the future. I will now ask our Group CEO, Xavier Simonet, to address you.

Xavier Simonet: Thank you, David. Good morning everyone and thank you for joining us today at today's annual meeting. I'm not going to make a long speech, we're just going to show a presentation and I'm going to make a few comments on the slides.

FY19 was another year of significant growth and change for Kathmandu, both financially and operationally. Sales for the overall business grew by 9.7% over FY19, driven by a strong contribution from Oboz and our growing online channel. The sales growth, combined with improved cost control, drove another year of record profit, with EBIT and NPAT up 12.7% and 13.6% respectively. We paid out a record full-year dividend of \$0.16 per share, fully imputed and franked.

Online sales now comprise over 10% of our direct to consumer sales. We expect to see continued growth across this channel, as online traffic has significantly increased. We were very pleased with the performance of Oboz, which posted another year of substantial growth, with sales up 30% and EBIT up nearly 39%. As it continues to grow, it will widen our footprint in North America and provide us with new channels for our other brands.

Moving onto the operational highlights, we worked hard this year to improve the customer experience across both our digital and retail channels and this included the launch of our first global brand campaign, World Ready. The response has been favourable, as our digital reach expanded and engagement with our current customer base has strengthened. We will continue to seek more opportunities to leverage digital channels to enhance our brand equity.

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We have also made improvements to our existing online platform, enhancing the provision of product information, payment options and fulfilment solutions. The 12% increase in Summit Club membership was a key driver in our online sales growth this year. We will continue to develop our mobile platform as another key method of customer engagement.

On the retail side, over \$10 million has been invested into the store network, with 12 major store refurbishments and four new stores. Our retail network optimisation has shown its effectiveness as we are outperforming other sports category retailers in leading domestic shopping centres. The Oboz acquisition has proven effective in improving customer and product diversification, as well as geographical and channel diversification and has helped open a pathway for Kathmandu to expand into the North American wholesale market, which we see as a large opportunity over time.

Sustainability continues to be a key value for our business. We are proud, very proud, to have become a certified B Corporation, which signifies that we have met the highest very far standards of social performance and have scored an A in the ethical fashion report for the second year running.

Moving on to slide 8, Kathmandu's strategy, I mean our strategy remains consistent with previous years. We have been continuously improving our business in our core markets of Australia and New Zealand. In the coming year, one of our key goals is to supercharge our Summit Club offering. Membership has increased 12.4% year-on-year and we currently have over 2.2 million Summit Club members. They spend 29% more per transaction than non-members. Summit Club members represent a key part of our business, they're our core consumers and we want to improve and expand our engagement with them.

Traditionally, the Kathmandu business has been seasonal, with stronger sales in the winter months. Improving the summer offering has always been a goal of ours. The acquisition of Rip Curl should greatly improve our seasonal balance, but we still intend to develop a strong summer product line-up for the Kathmandu brand. Our existing domestic retail network has been the backbone of our business and we will continue to optimise our stores and elevate our key metro markets.

A key focus for all of our brands is designing and engineering innovative and sustainable products. Each brand has its own key products and target demographic. We aim to extend the leadership positions we hold in these categories and further build our competitive advantages. However, our focus extends beyond key product categories and to grow our business we're always seeking new opportunities, looking for potential high growth categories. This includes scaling up our women's opportunity.

Online sales have become a key driver in our growth, now accounting for 10% of our sales. We aim to further improve our existing platform and integrate it with our other channels more efficiently, to make it more convenient for our customers and to enhance our brand and product. Mobile is a key channel for Kathmandu and we will build our capabilities in this area to allow for greater accessibility.

Looking abroad, now with added strength of both Oboz and Rip Curl, we will be able to further accelerate our expansion into overseas markets, particularly North America and Europe. Both these businesses have existing wholesale networks and will provide a platform for us to launch our Kathmandu brand. We will be able to drive improved network efficiencies and economies of scale and build upon existing partnerships. We are very well placed to expand into new core target markets, to establish a deeper and more meaningful global presence.

Moving on to sustainability, over the year we have achieved several goals that we are very proud of as a company, but also as a team. We are now a certified B Corp, we have scored an A in the ethical fashion reports for the second year in a row and we have ranked second in the Textile Exchange report also for the second year in a row. Sustainability has always been a key value of our combined business. As such, we have created our best for the world sustainability goals for 2025, to show our commitment and provide some concrete targets to work towards.

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This five-year plan is designed to take recommendations we have received from the sustainability partners review and group them into three pillars; people, planet and practice. I encourage you to read our sustainability report, to get a better idea of what we're planning to do and how much work we're willing to put into this area.

Moving on to Rip Curl, as David mentioned earlier, we were very pleased to announce the acquisition of Rip Curl in October this year. Following the previous Oboz acquisition, the acquisition of Rip Curl is the next step in Kathmandu's transformation journey. The combined business will be a \$1 billion global outdoor and action sports company, anchored by two iconic Australasian brands, Kathmandu and Rip Curl. Rip Curl is complementary to Kathmandu in several ways. Both brands have a focus on technical innovation and providing quality products to a dedicated consumer base. Rip Curl's The Search and Kathmandu's adventure travel ethos highlights the alignments between our brands in underlying philosophies. The Kathmandu business has been traditionally skewed towards a winter product offering, but Rip Curl's line of surf apparel and equipment is expected to provide a summer seasonal balance.

Rip Curl also offers greater geographical and channel diversification, providing a platform to expand into new core markets globally and reduce reliance on the Australian and New Zealand markets. Both brands will be able to leverage their respective expertise to develop their presence in markets they have not yet penetrated. Kathmandu's expansion into the European wholesale market will be assisted by Rip Curl's strong existing presence there. Kathmandu will in turn be able to help optimise Rip Curl's retail network and build its online platform. We expect to achieve synergy benefits over time and we are forecasting FY20 pro forma EPS accretion in excess of 10%.

We have a very clear view, a very clear vision for the combined Group. This vision for the combined Group is that Kathmandu, Rip Curl and Oboz will retain their strong brand identifies and cultural values. They will also retain operational ownership of their businesses. All three brands will leverage their respective strengths and benefit from shared support functions where operational value can be derived.

Moving on to summary and outlook, we delivered another record year of sales and profit in FY19. Oboz grew rapidly in terms of sales and profit. We generated strong cash flow and acquired Rip Curl, which was a major activity in FY19. In terms of outlook, early FY20 Group trading is in line with our expectations. Rip Curl is also well positioned for the summer trading period. The integration of Rip Curl into the Kathmandu Group is on track. Of course, as usual, the first half result remains highly dependent on the critical Christmas trading period to come. Just one word on the gross margin, Kathmandu only gross margin is in line with previous guidance for the first quarter, at 130 basis points below last year.

Thanks very much for your support and for listening to me and I am going to hand back to David to run through the formal part of the meeting.

David Kirk: Thank you, Xavier and again, thank you and your team for all the hard work and the great results in FY19. Before I go onto the formal resolutions, I do want to thank my fellow directors very much for their hard work and excellent judgement in what has been a challenging and very busy year for directors. Whenever you make a major acquisition there's a lot of work to do for directors and the directors have been wonderful in executing that work, so thank you all very much. I'd also like, again, to express my thanks and those of my fellow directors to you and your team, to you our shareholders I should say, for your support this year.

Item 3 on the agenda is to receive and consider the financial report together with the directors' and auditor's report, as contained in the Company's annual report for the year ended 31 July 2019. This is the opportunity for shareholders to ask any questions or comment on the annual report, the presentations Xavier and I have made today, or on any other matters relating to the Company. I also note that we have Mr Leo Foliaki, a representative of our auditors, PricewaterhouseCoopers, present at the meeting, should there be any queries of a technical nature relating to the audit of our financial statements.

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Would anyone now wishing to ask a question please hold up your card and a microphone will be passed to you. Those that are present online via the virtual meeting, please ask your questions using the ask a question button. If you need further information on how to do this, please refer to the virtual meeting online portal guide or call the helpline 0800 200 220. And can I ask, we will try and keep it to one question per shareholder and please try to ask the question rather than make a speech. So were there any questions? Please go ahead.

Bruce Parkes: (Shareholder) Thank you, I'm Bruce Parkes, I'm a proxyholder of the Shareholders Association. My question is to the chair of the audit and risk committee. There's been a formal review of your risk framework in the last year. What was the result and will the Rip Curl make any changes to that?

John Harvey: Yes, we did do a formal review and we engaged some consultants to advise us on that as well. We reviewed as a Board our risk appetite, we reviewed the risk assessments that we'd previously made and the allocation of responsibilities within the organisation, updated all that as well. So that's very much part of the activities of the audit and risk committee. In fact yesterday we committed to hold a dedicated session purely on risk management in the early part of the New Year, just to refresh that as well and clearly a key part of that will be to incorporate Rip Curl into it. We haven't really got into that part of Rip Curl in the few weeks that we've had control there, but we've talked with Michael and we will certainly incorporate that into our risk management process.

I guess that's the details component. If you look at the big macro picture, even just the acquisition of something like Rip Curl is very good in terms of, as Xavier and David emphasised, the seasonality risks that we had before get reduced, not totally overcome but reduced and those sorts of things. So the geographic risks of just being in Australia and New Zealand, obviously Oboz has helped that but this takes us a stage further. So all those things are looked at in the context of risk management.

David Kirk: Thank you, John. Any other questions? No, good, I'll move on then. The fourth item on the agenda is the election of directors. The NZX listing rules which were updated earlier this year require that a director must not hold office without re-election past the third annual meeting following the director's appointment, or three years, whichever is longer. And a director appointed by the Board must not hold office without re-election past the next annual meeting following the director's appointment.

Pursuant to the updated NZX listing rules, Mr Xavier Simonet as an executive director is no longer exempt from the director requirement by rotation provisions and therefore, is required to retire at today's meeting. Xavier offers himself for re-election by shareholders. And Ms Andrea Martens, having been appointed by the Board of directors on 1 August 2019, retires at this meeting as required by the NZX listing rules and offers herself for election. The Board unanimously supports the re-election of Mr Simonet and the election of Ms Martens. Information about both Xavier and Andrea is contained in the explanatory notes to the notice of today's meeting.

So resolution 1, to comply with the listing rules it is necessary for each director to be appointed by separate resolution. So I'll now move the following as an ordinary resolution, that Mr Xavier Simonet, who retires at the annual meeting and is eligible for re-election, be re-elected as a director of the Company. Is there any discussion on this motion? There being no discussion, I will now put the motion which I've just read. On your voting card please tick the box either for, against or abstain. We're just voting for resolution 1. Thank you.

Resolution 2, I now move the following as an ordinary resolution, that Ms Andrea Martens, who was appointed by the Board on 1 August 2019, retires at the annual meeting, be elected as a director of the Company. Is there any discussion on the motion? There being no - yes, thank you.

Unidentified Female: Could we hear from her please?

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David Kirk: Yes, certainly. Andrea, would you like to say a few words about the Company and anything else you feel like talking about?

Andrea Martens: Thank you. So first three months on the Board, fantastic opportunity to be able to contribute to the acquisition and the work that we have done. In terms of my background and history, my background is in strategic brand marketing with some of the biggest organisations in the world, consumer facing and then also retail. So bringing that background to the discussions that we have to see the growth of Kathmandu and then also continued growth of Rip Curl is where the future, from my perspective, is the contribution that I bring.

David Kirk: Thank you. If there's no further discussion or questions, I'll now put the motion. I'll read it again, that Ms Andrea Martens, who was appointed by the Board on 1 August 2019 and retires at the annual meeting, be elected as a director of the Company. On your voting card please tick the box either for, against or abstain. We're just voting on resolution 2 at this point.

Resolution 3, the fifth item on the agenda is to authorise the directors to fix the fees and expenses of PricewaterhouseCoopers as the Company's auditor. Therefore, I move to record that PricewaterhouseCoopers continue in office as the Company's auditors and to authorise the directors to fix the remuneration of PricewaterhouseCoopers for the ensuing year. Is there any discussion on this motion? If there's no discussion then I'll put the motion. On your voting card please tick the box either for, against or abstain. We are voting this time on resolution 3.

Again, shareholders participating via the virtual meeting website should ensure they have now submitted their votes. Thank you. Link Market Services will now collect your voting cards and once all the cards are collected, Link Market Services will count the votes. The results will be announced to the NZX and the ASX once counting has been completed.

I would now like to give shareholders an opportunity to ask questions concerning any matters addressed at this meeting. We'll just wait for the collection before we go on. All done, great. I'd now like to give shareholders an opportunity to ask questions concerning any matters addressed at the meeting. Anyone who now wishes to ask any further questions should raise their card and use the microphone provided. Again, please ask a question, don't deliver a speech. Those that are present online via the virtual meeting, please ask your questions using the ask a question button and would you mind just stating your name when you stand up, thank you.

Hayley Chang: (Shareholder) My name is [Hayley Chang], I'm a shareholder of Kathmandu. I'm sorry this morning was a little bit late, because there's a phone call from Toronto because I asked my agent the situation there. So delay 10 minutes for the bus. Because I've been investing in Canada a long time ago, since maybe a long time ago and I've been paying taxes to them very happily.

David Kirk: Hayley, can we pop to Kathmandu? Can we just leave Canada for a moment and come to the Kathmandu question? Do you have a question?

Hayley Chang: (Shareholder) Sorry, what did you...

David Kirk: Sorry, do you have a question?

Hayley Chang: (Shareholder) Yes, but not question, yes. Yes, question, but I'd like to say first what I'm going to say please, a little bit patient because I know that you are very busy. You are, what shall I say, managing so many big companies and you are maybe under stress.

[Laughter]

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David Kirk: I am, thank you very much for your concern. I really do appreciate that, but I'm feeling fairly relaxed actually. But if we could come to the question, that would be great, Hayley.

Hayley Chang: (Shareholder) Yes, then talking about that, is Amy Beck listening to me now?

David Kirk: No, she's not, but we will relate a question if it's necessary.

Hayley Chang: (Shareholder) All right, then please relay my suggestion to her. By reading the annual report, you have the Canada revenue about \$700,000 receivable. I think that will be on the west coast of Canada, am I right? Because Montana is at the west coast and you...

David Kirk: I don't know, but that's likely, there's certainly a big market on the west coast.

Hayley Chang: (Shareholder) Yes, then I assume that it is only on the west coast, because Montana is on the west coast and then I think Amy Beck can promote Oboz to Canada, to take opportunity to even the risk. Because now is quite risky because of China and USA tariffs. We cannot blame President Donald Trump of imposing the tariffs and also we cannot blame he is going to increase the tariffs on Vietnam as well. Is this because...

David Kirk: Hayley, I'm sorry to interrupt you, but I'm going to have to ask you to ask your question or pass the microphone on, because there are other shareholders who'd like to ask...

Hayley Chang: (Shareholder) ...but it's just all the history - not the history, analytical, politically in order to survive, because the business depends on politics as well because if you...

David Kirk: Yes, I just don't think this is the right environment for a presentation on strategic geopolitics. So if you - you can ask a question about the Company, about the business, that's great, otherwise I'm going to have to ask you to pass the microphone over please.

Hayley Chang: (Shareholder) It's just I wish to say that is a good investment opportunity to the west coast of Canada. Not west coast, midwest is like Quebec, Montreal and also Ottawa and Toronto. That is a total population of about five-plus million people and it is, what shall I say, like Quebec City, Montreal, et cetera, they are French speaking...

David Kirk: Hayley, thanks, we're going to finish there. Thanks Hayley.

Hayley Chang: (Shareholder) You don't like that?

David Kirk: No, well it's not a question and it's just a long speech about things that are not terribly relevant. So I think we just need to pass it...

Hayley Chang: (Shareholder) No, because they like French...

David Kirk: I'm sorry, Hayley, I'm going to have to ask you to...

Hayley Chang: (Shareholder) ...French products that is the Oboz and the...

David Kirk: I'm going to have to ask you to...

Hayley Chang: (Shareholder) ...and the Oboz is made in Vietnam and they would like that, because Vietnam was a French colony.

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David Kirk: Correct, thank you. Are there any other questions? Yes please.

John Rayden: (Shareholder) My name is [John Rayden], shareholder. I was wondering if you could give some colour on how you would promote the Company with the three different brands. What your plan is and how you go about it?

David Kirk: Thank you, I'll pass that one to Xavier.

Xavier Simonet: Sorry, I didn't understand...

David Kirk: How do we intend to promote the Company with the three different brands?

Xavier Simonet: Yes, so our Company is all about the brand. We've got three iconic brands, one global brand, Rip Curl. Kathmandu, which is currently a local brand in Australasia but very strong here, that we plan to expand into international markets. And Oboz, which is a very strong brand in the US and also in Canada that we plan to expand internationally and also in Australia and New Zealand through the Kathmandu network. So when talking about promoting our business, it's really about promoting our brands and making sure that we continue investing in the right stores, the right visual merchandising, the right advertising, brand equity, to over time become a Group that's more international than just, at the moment, Rip Curl.

David Kirk: Thank you. Are there any other questions? No, Hayley, I'm not going to take you because you don't ask questions.

Hayley Chang: (Shareholder) No, I'm asking.

David Kirk: Well we'll see if there are any other questions, I think. Any other questions? Yes?

Gerrard Pin: (Shareholder) Mr Kirk, if a Board speaks to me with intelligence, I tend to respond to them back with intelligence. Is it all right if I make some complimentary remarks about this Company and then ask a question? Is that all right?

David Kirk: Yes, if hopefully briefish.

Gerrard Pin: (Shareholder) Is that all right? I gave you the script actually. Is that all right for me just briefly?

David Kirk: Yes.

Gerrard Pin: (Shareholder) Thank you very much. Right, good morning, my name is [Gerrard Pin], I'm a shareholder in Kathmandu and it's a very classy brand, if you'd pardon the expression. Kathmandu to me is an astonishing brand because if you sit in a shopping mall and count the number of Kathmandu jackets that walk past, you will reach an astonishingly high number in a very short space of time. And while our customer base is broad, it also includes a group of people that are educated and affluent. So what are we waiting for? I would like to commend Kathmandu for their acquisition of Rip Curl and for its entry into the accessory and streetwear apparel market. Rip Curl might look cool but it's a very hot brand and so congratulations to our Board and management for seeing something that other people cannot see.

But at the same time, I would like to ask our Board to consider new ideas where we may be able to sell more to our KMD customers on premise and without largely increasing our structural overheads. If I may illustrate this with an example before I end, Rip Curl does not need Kathmandu because they are both separate brands. But I think Kathmandu may need a bit of Rip Curl and when I say this I'm using Rip Curl as a metaphor. I observe that we peak our sales during the winter season, whereas the department store retailers that I am familiar with, because I used to write merchandising systems, try to peak their sales during all seasons.

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Therefore, can the Board please challenge why we accept that Kathmandu should only peak its sales during the winter season? Why can't we have two bites of the same cherry and peak our sales at Christmas times also? Kathmandu is now undoubtedly much more than an outdoor clothing company and I feel certain that if we extend our product range during the festive season to include something special for our customers, we may easily equal or excel the sales during our winter season. Would the Board please give the suggestion some air time? It is only a suggestion. Or perhaps you have already thought through this thought process and you will tell me that I am wrong.

David Kirk: Thank you. Is there a question, sorry?

Gerrard Pin: (Shareholder) There is a question there; it's if the Board would consider that.

David Kirk: Yes.

Gerrard Pin: (Shareholder) Will the Board consider that?

David Kirk: Yes, definitely.

Gerrard Pin: (Shareholder) Excellent, because that's what I asked you. That's all I wanted you to say. It's really a yes or no question.

David Kirk: Yes, definitely.

Gerrard Pin: (Shareholder) Thank you very much.

David Kirk: Thank you. Thank you for your kind words. Are there any more questions? Hayley, if it's not a question then we're not going...

Hayley Chang: (Shareholder) I am going to compliment your - I have the answer to you...

David Kirk: No, Hayley, I'm afraid it's got to come through the Chair. This is not a debate amongst shareholders, discussion amongst shareholders. But after the meeting you're very welcome to discuss as much as you'd like to with other shareholders.

Hayley Chang: (Shareholder) After the meeting I'm going to eat because I've been reading all the things - I only have five hours of sleep, particularly this time of chaotic situation in Hong Kong here and...

David Kirk: Okay, we're not going back into strategic geopolitics, Hayley. Are there any other questions? Okay, well thank you. Ladies and gentlemen, that concludes the formalities. Thank you all for your continued support and attendance today and in declaring the meeting closed, I invite those present here in Auckland to join us for some light refreshments just outside the room. Thank you.

End of Transcript