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American Vanguard Corp. (AVD)

Q1 2024 Earnings Call

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MANAGEMENT DISCUSSION SECTION

Operator: Greetings and welcome to the American Vanguard First Quarter 2024 Earnings Conference Call and webcast. At this time, all participants are in a listen-only mode. A question-and-answer session will follow the formal presentation. [Operator Instructions] As a reminder, this conference is being recorded.

It is now my pleasure to introduce your host, Anthony Young, Director of Investor Relations. Thank you. You may begin.

Anthony Young
Director-Investor Relations, American Vanguard Corp.

Thank you, Jessie. And welcome, everyone, to American Vanguard's first quarter 2024 earnings review. Our speakers today will be our Chairman and CEO Eric Wintemute; and our CFO, David Johnson. Also joining us to answer your questions will be our Chief Operating Officer, Bob Trogele; our Chief Information Officer, Tim Donnelly; and our Chief Transformation Officer, Don Gualdoni.

Before beginning the presentation, let's take a moment for a cautionary reminder. The company, from time-to-time may discuss forward-looking information except for the historical information contained in this release, all forward looking statements are estimates by the company's management and are subject to various risks and uncertainties that may cause results to differ from management's current expectations. Such factors include weather conditions, changes in regulatory policy and other risks, as detailed from time-to-time in the company's SEC reports and filings. All forward-looking statements, if any, in this release represent the company's judgment as of the date of this release.

With that, I will turn the call over to Eric.

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Eric Glenn Wintemute

Chairman & Chief Executive Officer, American Vanguard Corp.

Thank you, Anthony. Hello, everyone, and welcome to American Vanguard's first quarter 2024 earnings call. We appreciate your continued support and interest. As you will note from slide 4, I will be covering four topics today: our Q1 2024 financial performance; current market conditions; our 2024 outlook; and our transformation efforts.

Moving to slide 5 on Q1 performance, we recorded a 35% jump in adjusted EBITDA during the period. In addition, our operating income rose by 87%. This improvement in operating leverage is evidenced that the cost control initiatives that we have started in the second half of 2023 are having their desired effect. As I've mentioned in prior calls, our cross-functional teams remain focused on controlling expenses, while maximizing operational efficiency. In that vein, we recorded lower operating expenses as a percent of net sales, while increasing sales by 8%. Further, all three of our businesses grew during the quarter. Within our consolidated sales results, US Crop was up 9%, US Non-crop 28% and International 2%.

Now let's turn to our sales during Q1 as per slide 6. In US Crop, we experienced strong results across multiple crops. Sales of our granular soil insecticides rose, which is indicative of continued strong demand from corn growers. Further, we experienced strong sales of our liquid corn soil insecticide index. Similarly, herbicides rose during the period due in part to Dacthal, which was not available last year due to supply issues. Also, climate sales rose with demand driven by [ph] increased acreage (00:04:00). These increases were partially offset by a drop in soil fumigant sales as wet conditions in the Northwest truncated the application window.

Within US Non-crop our mosquito adulticides sales were up in anticipation of stronger than normal tropical storm activity. Also, our sales of pest strips were up significantly as consumer and technical markets recovered from the prior year. In addition, our ornamental and nursery business, OHP recorded stronger sales led by its biorational and pre-emergent product lines. Our International business was up slightly at the top line, led by Mexico, where most product lines grew and APAC aided by favorable weather conditions in Australia. Our LATAM business was about even for the quarter, with the addition of sales from our recently acquired business in Ecuador, partially offset by generic pressure in Central America. [ph] All told then (00:05:03), all three of our businesses demonstrated improved performance and on a consolidated basis we continue to grow.

Before moving on to current market conditions and our 2024 outlook and details on transformation, I would like to turn the call over to David for his financial analysis. David?

David T. Johnson

Vice President, Chief Financial Officer & Treasurer, American Vanguard Corp.

Thank you, Eric. I will begin my comments with a recap of our first quarter 2024 performance. During the course of which I will present important metrics for the period and will close with comments on working capital. As you will see from slide 8, our overall sales for the first three months of 2024 increased by about 8%, from $125 million to $135 million for the reasons that Eric has already outlined. It is worth repeating here that all three of our businesses US Crop up 9%, US Non-crop up 28%, and International up 2% grew at the net sales line.

Turning to slide 9, while sales were up 8%, overall, gross margin dollars improved by 10%, driven by stronger sales of some of our higher margin insecticides and herbicides and the strong factory performance. Overall, price volume actions, mix of sales and factory performance resulted in gross margin that improved slightly from 30.8% to 31.4% of sales.

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As you can see on slide 10, our operating expenses in the first quarter of 2024 edged up to $36.3 million from $35.3 million in the same period of 2023. This increase was driven primarily by our spending of $1.2 million on developing our digital and business transformation plans. We plan to spend more in the next few quarters to invest in the long-term future of our business by implementing initiatives to achieve substantial improvement in business performance. We will see some initial improvements in 2024 that are expected to be largely offset by transformation spending and then primarily benefiting 2025 earnings and beyond. In addition, we have increases in general and administrative expenses related to foreign exchange, audit costs, long-term and short-term incentive compensation, and investments in initiatives to improve both our information technology systems and our human resources infrastructure. These cost increases were offset by cost control efforts in selling regulatory, product development and R&D.

With respect to cash flow, as per slide 11, the company has a pronounced annual cycle of building inventory at the start of the calendar year, in order to fuel global sales, particularly during the second and third quarters. It is usual for working capital to expand in the first quarter and Q1 2024 is pretty much in line with the same period of the prior year. We use our revolver debt to fund working capital expansion at the start of the year and pay down as swiftly as possible as the cash cycle completes, usually later in the year. We have been carefully managing the inventory build as we monitor industry demand trends. At the end of the quarter, we had $13.7 million in cash as compared to $19.6 million this time last year. This improvement in reduced amounts of cash held in order to pay down debt is a result of significant effort at the end of the quarter to pull cash back to the corporate center to reduce debt and the interest expenses as much as possible.

Looking at our statement of operations on slide 12, you will note that our sales grew by 10% – 8%. Our gross profit increased by 10%, and our operating expenses increased by only 3%. These factors together generated significant improvement in operating leverage, with operating income up 87% over the same period of 2023. Furthermore, the fair value of our equity instruments improved during the quarter. As a result, profit before interest and tax improved by 107%. Our interest rates increased from 6.8% last year to 8.3% this year, primarily related to movements in the Fed rate, but also as a result of the current modifications we have with our bankers. That includes more flexibility on leverage and fixed charge coverage ratios, but adds about 0.5% of interest rate. At the same time, our borrowings are up as a result of our current investments in working capital.

As I just mentioned, our business cycle is such that we will normally see working capital and consequently debt increasing during Q1 and Q2, possibly leveling to slightly up in Q3 and then significantly – significant reduction in Q4 as the growing cycle for our major markets completes its own annual cycle. Our tax rate is higher this quarter, primarily as a result of the fact that our entities in Brazil made losses in the first quarter of 2024. Because of Brazil's past business performance, US GAAP does not currently permit us to take the benefit on tax expense that would normally be available. As a result of the increased interest expense and the changes in year-over-year tax expense, our net income is down slightly, even though our operating performance and consequently adjusted EBITDA was up significantly.

Turning now to working capital, on slide 13, you will see our ending inventory trends on a quarterly basis for the last several quarters. While inventory grew on an absolute basis in Q1 2024 as compared to Q1 2023, you can see that the increase since 12/31/2023 is actually [ph] lower than – in 2024 – than in 2023 (00:11:45). Further, at 39% of net sales our investment in inventory similar to the level at this time last year and though we would like to see this balance come down more quickly, it is something we need to manage carefully down, ensuring that we have the right balance of products in inventory to meet customer needs in a timely manner during the 2024 season. During the later part of the year, we plan to move inventory levels down with the intention of reaching a 2024 year-end target of around 34% of net sales. That sums up my detailed comments.

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On the whole, the first quarter of 2024 showed improvements in comparison to the same period of 2023, in terms of both operating income and adjusted EBITDA. The company is embarked on an exciting phase of transformation and is managing to invest in a major initiative and still return a profitable result. And as such, I'm quite pleased with the progress we're making in this regard. This initiative will be critically important to the business in the latter part of 2024 and into 2025 and beyond.

With that, I turn the call back to Eric. Eric?

Eric Glenn Wintemute

Chairman & Chief Executive Officer, American Vanguard Corp.

Thank you, David. As per slide 14, on news of an improving US economy, the Fed seems to have shifted away from making interest rate hikes and is now debating whether to cut or hold those rates. In addition, US dollar has begun to strengthen over foreign currencies, while helping consumers with purchasing power or foreign made goods. The strong dollar, when coupled with high grain inventory stocks, has served to suppress commodity prices compared to 2023. Nevertheless, even as current corn and soybean prices at current levels, farming still remains a profitable business. Further, while still observing conservatism and buying crop inputs, our distribution partners have [ph] relaxed their stringent de-stocking (00:13:47) approach from last year, at least with respect to [ph] our portfolio (00:13:53). In short, the farm economy is strong and we expect stable, albeit more deliberate, buying activity. The same is true of the Non-crop market, where we are seeing further normalization of procurement patterns by retail and professional customers.

Now let's turn to slide 15 on our 2024 full year outlook. While market conditions remain stable, there is one factor involved in our herbicide Dacthal that causes us to adjust our previous full-year targets. In the course of routine registration review USEPA has expressed concern over potential health issues of this product. Accordingly, out of abundance of caution, the company has voluntarily suspended sales of Dacthal and submitted a significantly narrow product label to the agency that we believe addresses their concerns. We have committed to maintaining that suspension of sales pending [ph] UPSEA's review (00:14:52) and potential approval of that new label. The outcome of the agency's review is uncertain at present, but we are factoring the loss of Dacthal sales into our 2024 forecast numbers. Accordingly, our full-year 2024 targets are as follows: we expect net sales to increase between 6% and 9% as compared to 2023, while adjusted EBITDA will be within the range of $60 million to $70 million. The midpoint of this range would be a 19% increase over 2023 adjusted EBITDA. Further, at that midpoint, our stock is currently trading at a discount of nearly 50%, assuming a standard valuation metric of 10 times EBITDA.

Let me turn next to our transformation initiatives as per slide 16, on the digital slide, we are working with QAD not only to upgrade their current – to their current adaptive global ERP system, but also to standardize our business processes. At the end of this initiative, then all segments will be following the same processes, using the same set of tools, and drawing from one source of truth. This will give senior management a clear, granular view into our business operations and both increase our ability to make real time decisions and to plan and forecast with greater accuracy.

On the structural transformation side, we are moving quickly with what we call Project Accelerator, working with [indiscernible] (00:16:34) team over the next 16 weeks. We'll be doing deep level analysis and several sub initiatives in parallel. Within the commercial realm, we will focus on our sales and marketing strategy, pricing and product mix within operation we will do deep dives into material sourcing, logistics and manufacturing productivity. Within G&A, we will select and refine an organizational design that best supports our future business plan, as well as ensure that these many efforts are managed through a properly resourced transformation office. This broad initiative will generate EBITDA benefits through a range of results, including reduced costs, improved efficiencies,

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emphasis on higher margin products and better defined roles and responsibilities. As I stated in our last call, we are confident that we will gain at least $15 million of annualized adjusted EBITDA by 2026 through this investment.

In closing, during the quarter, we navigated our business through complex markets, while improving operating efficiencies and growing sales. Further, the 2024 market conditions are stable and I would argue stronger than 2023. These conditions will serve to generate demand for our products and enable us to improve our inventory and working capital positions. In addition, having begun transformation initiatives in earnest, we are poised to generate even greater operating leverage. In short, we see promising opportunities for growth and are have taking strong measures to ensure that we are positioned to capitalize upon them. So with that, I'll turn the back to you, Jessie. Thank you.

QUESTION AND ANSWER SECTION

Operator: Thank you. Ladies and gentlemen, we will now be conducting our question-and-answer session. [Operator Instructions] Our first question is coming from the line of Scott Fortune with ROTH MKM. Please proceed with your question.

Scott Fortune
Analyst, ROTH MKM

Q

Yeah, good afternoon and thanks for the questions. Just want to follow up regarding transformation strategy. Nice to see that that's starting to be implemented here. It looks like Fed will really come through for most of the year, but I heard you say in your comments that any cost savings for 2024 here will be offset by some of the expenses to that. So really kind of factoring in more of a 2025 to expect that that $15 million inefficiencies, 2025-2026 going forward here. Just want a clarification on that from the operations standpoint.

Eric Glenn Wintemute
Chairman & Chief Executive Officer, American Vanguard Corp.

A

Yeah, Scott, that's true. So we do have cost to implement and go through this deep dive that we're going through an implementation right now. We hope to have – we'll have some benefit certainly this year. But as I said, we're projecting that to – overshadow the amount of the – transformation. But as we go into 2025, most of the heavy lifting will be done and we'll start seeing getting that $15 million of improved actual EBITDA.

Scott Fortune
Analyst, ROTH MKM

Q

Got it. That's helpful. So and then just following up on your outlook, obviously bringing it down to the 6% to 9% from the 8% to 12% net sales side of it just kind of step us through that thought was just getting back on the market from that standpoint is kind of the size of that from a kind of revenue standpoint that's driving that down a little bit. And are there other factors in that net sales of 6% to 9% outside of Dacthal? And then just any color for timing from a historical standpoint, kind of as you reregister through the EPA? I know it's kind of known, but your sense of timing for Dacthal coming back [indiscernible] (00:20:52)?

Eric Glenn Wintemute
Chairman & Chief Executive Officer, American Vanguard Corp.

A

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So we submitted the revised label this week. It is a fairly restricted label. We expect EPA to respond fairly quickly. We've been in strong negotiations and discussions with the EPA now for well over a year. And we think we're kind of reached where we're going to be. And then we discussed pathways of additional information and data that would essentially let us give back at least some of the market that we're not going to have, and certainly in the short term. So the timing of that some pieces maybe relatively quick, but others could be in that one- to three-year timeline, depending on the scope of the studies and then the timing for a review. As far as scope, this is about a $15 million product. And we had about a third of that in the first quarter. And so what we've done is we've just made the assumption we're not going sell anything more for the balance of the year, and we'll factor that. We'll have a much clearer picture of what 2025 is going to look like soon and certainly before we come up with 2025 numbers and if anything were to change for 2024, we'd certainly adjust it. But at this point, we're not anticipating anything material here for the balance of the year. And as far as...

Scott Fortune
Analyst, ROTH MKM

Q

Got it. And just a little follow-up, on that.

Eric Glenn Wintemute
Chairman & Chief Executive Officer, American Vanguard Corp.

A

Sure.

Scott Fortune
Analyst, ROTH MKM

Q

As for as, out – coming out of the registration process, does that position is even stronger to kind of be a bigger market for you or how do you look at that [ph] once it once (00:22:50) you get through the process here for the competition and the opportunity for Dacthal?

Eric Glenn Wintemute
Chairman & Chief Executive Officer, American Vanguard Corp.

A

Well Dacthal was growing nicely for us. It's a very, very niche herbicide kind of – for cold crops and onions I don't think we see going back into the onion market but the cold crops and so yeah, we don't have any assurance that we're going to – what we're going to get back, any significant amount of that. But we really have to kind of wait and see. Again, this has been a long process. We've been in discussion with EPA, had a very good call this week, but we're waiting to hear back from them of their assessment of what we just submitted.

Scott Fortune
Analyst, ROTH MKM

Q

Great. And then one last one for me. Any updates on kind of I know the [ph] growth (00:23:48) kind of products for you, especially the green solutions. We've seen a lot of generic pressure from China in that space especially impacting Latin America. But as the growth that you've seen for this year in 2024, can you kind of highlight the Green Solutions side and the ongoing product adoption from your standpoint?

Eric Glenn Wintemute
Chairman & Chief Executive Officer, American Vanguard Corp.

A

Yeah, so Green Solutions were up 14% this quarter. And most of the growth for – I mean most of the areas have had growth. And so that seems to be going well. We have additional opportunities for product expansion as we continue to have companies coming to us and saying, hey, would your market access? Would you kind of

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distribute this product and that product? So a number of companies there, we did sign up on a – with precision plant, a protein called Harpin for the Chinese market. Not sure how big that'll be, but this is a product that's – that's been around for quite a while. Monsanto had it at one time. But yeah, we see nice growth in that segment as adoption for green products continues to build. So that's kind of [indiscernible] (00:25:23) on Green Solutions.

Scott Fortune
Analyst, ROTH MKM

Q

Appreciate it. Thanks for all the color and I'll jump back in the queue.

Operator: Thank you. Our next question is coming from the line of Chris Kapsch with Loop Capital Markets. Please proceed with your question.

Christopher John Kapsch
Analyst, Loop Capital Markets LLC

Q

Yeah, good afternoon. I have a couple. Just as a follow-up on the Dacthal discussion, Eric, if I remember correctly, was just the product that you mentioned, you've been in discussions with the agency for over a year, if I remember correctly, that also manifested in disruption to your sourcing the AI for this particular product. And I thought that the outcome of that was that [indiscernible] (00:26:07) came to resolution. So it's a little surprising to hear this cautious stance and reregistration now. And just wondering, what are the risks associated with getting this to a favorable outcome and how are you managing that?

Eric Glenn Wintemute
Chairman & Chief Executive Officer, American Vanguard Corp.

A

Yeah, so the two different issues, one was supply and we didn't have supply for a year and so that we have resolved and we have actually two supply sources. So the supply side was certainly taken care of – on the reregistration process, at different path with the EPA and we're not necessarily in agreement on their assessment, but rather than push that further with them, we went as far as we think we can go for right now and we believe we submitted a revised label that they should accept, but that will be certainly a reduction of the market that we've had. So as far as the timing, it's kind of as I anticipated, we've got different stages of pieces that we would like to reinstate. And first piece, as I mentioned, I think will be relatively short. The next two kind of running between one and two years and then maybe between two and three. And I'm not sure that we're going to end up doing all of it. We'll assess the market and when as we get further information from an EPA.

Christopher John Kapsch
Analyst, Loop Capital Markets LLC

Q

Got it. And the cost associated with these purchase studies and reregistration, is that just sort of normal course of business and factored into your R&D spend, your normal R&D spend?

Eric Glenn Wintemute
Chairman & Chief Executive Officer, American Vanguard Corp.

A

Right. That's correct.

Christopher John Kapsch
Analyst, Loop Capital Markets LLC

Q

Got it. And then so just curious about this year's sort of the mood of the growers in the trends – in the Midwest and we came off of what was described related to another company I follow, as the most mild winter in my 25

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years. And so sometimes when that happens, there's, the infestation of the insects is greater. So I'm curious if you, there's any evidence that was the case for corn rootworm pressure this season. Are you seeing any indications that you can have an uptrend in demand for your certified insecticides?

Eric Glenn Wintemute
Chairman & Chief Executive Officer, American Vanguard Corp.

A

Well, I'll let Bob add some color, but I'll just say I'm talking with my people that there are wet conditions, particularly [indiscernible] (00:28:48). So planting at this point is maybe in the 50% range with – on the self out there, but there's large parts of the corn and soybean market that have not been planted yet. So it is an extended period. But Bob, your color?

Ulrich G. Trogele
Chief Operating Officer & Executive Vice President, American Vanguard Corp.

A

Yeah, I would say, Chris, the mood has been very cautious by the growers in the Midwest, in the US. I think, there's been this past week a little bit of a pick-up in the July corn and soybean pricing, which people are locking into that and averaging out better if they're doing forward pricing and contracting. So the moves picked up. So I think, there's more optimism out there. But you do have pockets right now where people were planting. Someone told me this morning, a grower told me was like April 16, he had about 90% of his planting done. And since then he has been able to get back in the field because it's been wet. So 10% to go. That's a long window of not stop to go. So it's a little bit of that. But that's, normal for the ag markets, weather is weather.

Eric Glenn Wintemute
Chairman & Chief Executive Officer, American Vanguard Corp.

A

Yeah with regard to the corn rootworm pressure, so Aztec and to some degree Counter and Force are primarily used in that heavier pressure at corn rootworm area. We haven't really participated in the kind of mild to mid corn rootworm pressure. But we have a new price that we put out a couple of years ago, but we just haven't had enough material. We make it internally, but demand has gone faster than we've been able to produce. But we had good production and sales in the first quarter up until, I think we're up until April 17th or April 18th or whatever we were selling product. And we're building inventory now for kind of the fourth quarter, because we do have – we did have stronger demand than what we have supply. But we're thinking we can kind of dramatically increase and this is again, it's a liquid material so it kind of competes with [indiscernible] (00:31:20) in that market. And so that's an upside for us going forward. Much, much more acreage covered are treated for mild to medium corn rootworm pressure than heavy pressure.

Christopher John Kapsch
Analyst, Loop Capital Markets LLC

Q

Right. That's helpful. And then last question. So your herbicide impact is often used sort of to complement some of the workhorse broad spectrum herbicides and just curious like, given what had happened with – well, the supply chain and the supply chain is with [indiscernible] (00:32:01) globally and the spike in those prices and certainly outside demand for alternative herbicide. I'm curious how that's played out now that sort of everything is kind of normalized in terms of pricing availability and some of the cash flow in crop herbicides. Thanks. And then how that affects your impact sales and how that play out in your guidance and expectations this year? Thank you.

Eric Glenn Wintemute
Chairman & Chief Executive Officer, American Vanguard Corp.

A

Yeah, I mean, I think you recall that the herbicides were kind of drop that prices were high in 2022 and came down in 2023. And there was a high inventory and high price out there seems to have improved. But if I – looking

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at larger peers, first quarter was not good for them. So I think, there's probably still some hangover into that herbicide market. We don't have the kind of large [ph] order scale (00:33:03), although we do have impact with glufosinate as a product. And so yeah, again, impact has been more a tank mix partner than I mean our main course, but it looks improved versus last year.

Christopher John Kapsch
Analyst, Loop Capital Markets LLC

Q

Is there any way to quantify that, the improvement, like what's factored into your outlook on that particular product? And then I'll leave it with that. Thanks.

Eric Glenn Wintemute
Chairman & Chief Executive Officer, American Vanguard Corp.

A

Yeah. So we had – we were up about – yeah, we were just about even to last year I think we had good fourth quarter sales versus the prior year. It looks like we are about even in the first quarter and then second quarter looks considerably stronger than last year's second quarter.

Christopher John Kapsch
Analyst, Loop Capital Markets LLC

Q

Thank you.

Operator: Thank you. [Operator Instructions] Our next question comes from the line of [ph] Andrew Lester with Harlan Capital (00:34:26). Please proceed with your question.

Q

Hi. Thank you for taking the question. If I'm reading it correctly and forgive me if I'm off by this. 18 months ago or 24 months ago, you sounded very optimistic. You laid out some exciting timelines and information. And even, in the last year or so, again, you sounded very clear on ways to enhance value to board refreshes, all sorts of things that we are pointing to as milestones that lead to significantly better results. And when I listen to you today, you sound very intuitive, a quizzical and really uncertain and looking for really a more significant improvement without quantification for like a year from now. Is that a fair read? Is – have you become much more cautious about your prospects?

Eric Glenn Wintemute
Chairman & Chief Executive Officer, American Vanguard Corp.

A

Well, I would say that we are pointing towards improvement with through the transformation process. But that that has an expense of transferring now. It's one-time expense, but yeah, as we've mentioned before, that we've grown through acquisitions of companies from since 2017 and we did not get the benefit of incorporating those the way we wanted to and hampered certainly during COVID. But the process now is that we put underway is to get all the systems on the same page so that we can do better management and where we deploy working capital and improve the quality. And as I said, we're – our target here – I think we're maybe 11.5% of EBITDA to sales, what we're looking through this transformation process is to improve that that EBITDA margin to 15%.

Q

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If I look at things, it's just a follow-up on a sort of more mercenary basis, as a shareholder, I'm probably down over 40% in the past year. How do you think or when do you expect things to translate into better equity performance?

Eric Glenn Wintemute
Chairman & Chief Executive Officer, American Vanguard Corp.

A

Well, I think we're up little over 14% so far this year. As we mentioned last year, we were hit with two supply issues that really hurt us. One was our biggest insecticide and the second was the supply of Dacthal that we mentioned. So we've improved the sourcing or the sourcing on both of those. We have ample material of Aztec going forward. And so that was really a hit to fourth quarter of 2022 and certainly to the 2023. And we were unable to meet demand, supply wise we're in a different position and we're back to moving Aztec and our index and Force and SmartChoice kind of back up into the corn market. So I guess I mean, I look at what were our peers have been discussing. They forecasted downsides in Q1 and that turned out to be the case we did have improvements in Q1 and so we made the forecast based upon the best that we can see at this point.

Q

Okay. Thank you for your time.

Operator: Thank you. [Operator Instructions] Ladies and gentlemen, it appears we have no additional questions at this time, so I'd like to turn the floor back over to Mr. Wintemute for any additional closing remarks.

Eric Glenn Wintemute
Chairman & Chief Executive Officer, American Vanguard Corp.

Okay. So thank you all for listening in today. We provide updates as we have them. But I guess the next scheduled time would be our Shareholders Meeting, which I believe is June 6 or 7? 6 yeah. Okay. Thank you and have a good evening. Bye.

Operator: Ladies and gentlemen, this does conclude today's teleconference. We thank you for your participation, and you may disconnect your lines at this time.

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