Transcription

# Sanoma Q3 2024 Interim Report

**Kaisa Uurasmaa:**
Good morning, everyone, and welcome to Sanoma's third quarter 2024 results presentation. My name is Kaisa Uurasmaa. I'm heading Investor Relations and Sustainability at Sanoma. The third quarter is always important for us, especially in the learning business. We had a solid quarter and delivered improved operational EBIT also for the first nine months. Today, we have president and CEO Rob Kolkman and CFO Alex Green presenting the results.

After the presentation, we will have a Q&A session. We will first take questions from the audience here at Sanoma House. Please use the microphone. Then we will hand it over to the telephone line. Finally, you can also use the chat function in the webcast platform. The full event will be recorded, and the recording will be available on our website shortly after the event. So, with this introduction, I would like to invite Rob on stage, please.

**Rob Kolkman:**
Thank you very much, Kaisa, and good morning, everyone. It's my pleasure to present to you the quarter three results today. As Kaisa was saying, it's a solid quarter, important quarter for us. We delivered overall for the first nine months the improved operational EBIT. Let me, as usual, zoom in on a couple of the key elements and then go into both businesses a little bit more specifically. First and foremost, on the sales side, there we saw pretty much the indications that we gave earlier, they also happened in both businesses. This means, in Learning, the expected lower sales in Spain as a result of the end of the curriculum is now very much reflected in the quarter three numbers. The same is true for the planned discontinuation of the low-value distribution contracts in the Netherlands and Belgium. Also as expected, that was partly offset by continued good growth in other learning content markets. Of course, I will zoom in on that a little bit more in a minute.

Media Finland decreased if you look at it for the nine months, mainly due to the divestments. Again, I will zoom in on the specific elements of that. Our improved operational EBIT for the first nine months was driven largely by Media Finland and Learning, with the solid results in quarter three, was stable. We're very pleased to see that the free cash flow continues to improve and has improved for the first nine months, actually significantly, partly driven by Solar. Solar really helps us to continue to be on track to reach the long-term profitability target of 23 percent in 2026 for Learning. We're also pleased with the continued deleveraging of the balance sheet in line with what we were expecting, and that leverage has now improved to 2.4, well below our long-term target of 3.0. As a result of the solid quarter and the first nine months, we're now in a position to narrow the group's outlook, which, as you can see here, means that our reported net sales are expected to be between 1,32 and 1,34bn€, and our operational EBIT, excluding PPA, is expected to be 172 to 180m€. Both of them are at the higher end of our original outlook that we gave back in February.

Let me now zoom in on Learning first. The lower net sales in the quarter were very much in line with our earlier indications and the key trends were there as expected. Therefore, the net sales decline in Spain of 21 million was actually on the better side of what we expected. For the full nine months, that's 18 million because of course, we still saw a little bit of an uptick in the first six months, and very much driven by the ending of the LOMLOE curriculum renewal, the cycle that we talked about. That was offset by growth in other learning content markets, in particular Poland and the Netherlands. Across the board, we saw the second year now of above-average price increases also supporting our numbers. On that point of the above-average price increases, we've now seen two years of that happening as we intended. That also means we have compensated now for the very high inflation impact we saw a few years ago. Going forward, we expect our price increases to be more at normal levels.

With regard to the planned discontinuation of our low-value distribution contracts in the Netherlands and Belgium, which had an impact of 28 m€ if you look at the first nine months of Learning. That remains a tough part of our market. Nothing new as such there, but of course, we have done a lot of work to see what's the best way forward there. That means that we continue to work with the market on finding the right business models for going forward. In the short-term, next year as well, we expect a further decline in these low distribution sale contracts as well. We expect that to continue to go down. As a result of that updated outlook, and Alex will talk about that later, we have also booked an impairment of 27m€ in quarter three.

As always, as a reminder, the divestment of Stark had a nine million impact on the top line, and for the full year, that will be 14 million. Regarding the operational EBIT for the nine months, that is stable on the back of a, as we describe it, a solid quarter for Learning, the same trends here as you've seen before, the net sales decrease in Spain, of course, on the profitability, having the bigger negative impact. We continue to see that we are supported by lower paper costs, and the price increases that I mentioned in the other learning content markets also support the earnings.

If you look at the full year '24, we expect the margin to be relatively stable versus '23. Therefore, similar message as we gave in the half-year results. Again, the main impact there is the lower curriculum cycle in Spain. If I give a little bit more colour on that for quarter four what is still there in the learning business, that's particularly in some of our markets, and most notably Spain and Italy, the returns that happened. Of course, we have provided the latest information we have, but that's always still a little bit of uncertainty in those markets.

Let's zoom in on the program Solar that remains firmly on track. As you can see here as well, with all streams continuing to perform well and deliver what we want to do, most notably, we are doing a very tough second reorganization round in Spain that we announced also in quarter three. I would like to highlight that in the financial numbers that Alex will talk about, you therefore see the IAC booked for that in this percentage that is not included yet. That will happen in quarter four, because the discussions and negotiations with, for example, the work council and unions are still ongoing. That's a little bit of how you interpret these numbers. For the full year, we expect to continue to be on track and therefore materially have made all the key decisions for program Solar that one will support initially, as I mentioned before, the cash flow. But then after that, of course, also our operational result.

Let me now zoom in on Media Finland. If you look at the quarter three, there were two things there. The element of the divestments that I highlighted already for the first nine months, but between quarter two and quarter three, you might recall there was also an element around the events. More events in quarter two than in quarter three, if you compare it with the previous year. The trends very much continue to be the same, which is good development in subscription sales, particularly the digital subscription Ruutu+, but also digital news and features. Those are solid performances on the top line. The advertising sales and the trends there are no surprises, the growth in digital being offset by the decline in newsprint and TV. Events, I already touched on with a bit of the phasing effect. Overall, the events year has been, of course, a relatively small part of our business, but has performed in line with our expectations. Also, here it is good to realize the impact of portfolio changes in the quarter, three million. For the first nine months, it was eight million, and it will be 10 million for the full year.

If you look at the earnings, we saw slight improvement compared to last year. Same drivers there that you can see here, continued growth in digital subscription sales. That's more than offsetting actually the decline in print. That's an encouraging sign. The growth in digital advertising sales is offsetting the decline in print. If anything, we see both of those elements actually be more pronounced, i.e. the growth in digital advertising is slightly higher than may be expected, but the decline in print also remains at quite a high level. As I mentioned before, we see customers, and we work with customers as well to actively make that switch to digital. That is also long-term to our benefit. Good to mention here as well that the lower paper costs have of course two aspects, the price and the volumes. There are still a bit of both there, but increasingly going forward it's mainly volumes because the prices have now come down. That already happened also in a similar period last year, so you now see the pricing being more stable. However, the volumes of course continue to come down based on the move to digital. We reconfirm that for the fourth quarter and therefore more or less for the second half of the year, we see earnings to be expected to be similar to the quarter four 2023.

A few words additional on the outlook. You see the numbers here again, the 1.32 to 1.34bn€. With regard to sales, the 172 to 180m€ for operational EBIT in both cases, the higher end of our original guidance. Two key things remain the same as well, which are we continue to see the advertising market in Finland decline slightly for the full year, and the other economies be relatively stable. On the Learning side, I also mentioned that what is happening in quarter four is mainly around some of the returns in markets, especially in Italy and Spain. When you look at Finland specifically, with the advertising market, we still don't see many signs that the market is improving. Therefore, despite interest rates coming down, we do not see that reflected in a more positive situation in the advertising market. That's also why we are continuing to highlight the full-year decline expectation. With that said, I would like to hand it over to Alex, who can talk you through a bit more of the financials.

**Alex Green:**
Thank you, Rob. Good to be with you here today. With the financials, let's start off with the operational earnings for Q3. Now, as you heard for Learning on a year-to-date basis, the operational EBIT was relatively stable. However, it's here in Q3, we see where the impact of Spain really hits with the highly profitable sales being a lot lower this year versus last year. This is slightly offset by growth in other markets, particularly in the Netherlands and Poland. Also, the lower paper costs, which had about four million positive impacts on Learning in Q3 specifically. For Media Finland, the operational EBIT as you saw, is relatively stable. Again, lower paper costs, adding about two million to EBIT, although a lot of that is volume rather than price. Then here the growth in

digital subscriptions and advertising slightly more than offsetting the decrease in print. The other elimination line, there is a slight change here year-on-year, but overall, that is timing. On a full-year basis, the 2024 costs are expected to be similar to 2023.

Moving to the key items from the income statement. The overall EPS for Q1 to Q3 is increasing. There are two notable items here to talk about in the IAC line, as mentioned earlier. Firstly, we have a 27m€ impairment linked to the distribution business in the Netherlands. Now, this is the time of year when we do our annual impairment review for the full amount of goodwill and intangible assets on the balance sheet. With the high season over in Learning, and with us updating our long-term strategic plan, we have the optimal amount of information to look at those impairments. Out of that came this 27 million impairment. This is connected to the discontinuation of the low-value contracts, which drops the revenue in this quarter by 28 million year-on-year. We expect that drop to continue in '25 and '26. The calculation we do looks at the revenue profile and the value coming from that over the years in the future, and that led to an impairment of the value on the balance sheet to the tune of 27m€.

In addition, here we see the restructuring costs related to the second phase of the restructuring in Spain. This was announced in Q3, and the conditions of the announcement were sufficient to trigger the need for a provision in the books of 12 million. This is being worked on and negotiated through Q4, which is why, as Rob said, you don't see it in our Solar chart taking us up to the 80 percent that will happen in Q4. This will be completed in Q4, but the provision is done at this point at the end of Q3. Looking at net financial items relatively stable in Q3 overall year to date, it is higher with the average interest rate rather being around five percent this year in Q1 to Q3 versus 3.6 last year. Therefore, the reduction in debt, as you'll see, but still the interest rates are higher.

Looking at the free cash flow, we have a strong improvement year-on-year on the free cash flow, going up to 77m€. Higher operational results coming through, particularly in Media Finland are accompanied by the active working capital management that we've improved over the last couple of years. This leads to faster collections, earlier invoicing in a lot of cases, and also lower inventories across the units with the high cost of capital. We're also having lower investments a year to date, both in pre-pub costs in the learning business and partly driven by Solar with the changes we've made there, but also in Media Finland with lower investments in TV programming rights. This is countered by the net of the higher financing costs with slightly lower taxes. These levers are generating a strong position year to date. Some of them are timing and will reverse a little bit, but these levers will still lead us to have a stronger cash flow this year rather than last year.

The second instalment of the dividend was paid in September, and we will now pay the third instalment of $0.11 a share on 12 November.

Looking at the net debt chart and our leverage, good progress in deleveraging the balance sheet, as we talked about at the Capital Markets Day about a year ago. Therefore, net debt is significantly lower at 616 versus both the June point where it tends to be at its highest in the year, and also versus last year, where it was 691. This leaves our leverage to improve to 2.4. Our net debt over adjusted EBITDA leverage is 2.4, so well below the long-term target of three. Our equity ratio is close to 41, which is in the middle of our long-term target range of 35 to 45%.

Finally, a chart to show the maturity profile of our external debt, where we've made some changes this year and improved that maturity profile. First of all, within Q3 on the 5 September, we issued 150 million social bonds, which was the first social bond in the Finnish market. We're very pleased with how that went with the oversubscription enabling us to get a very competitive rate. The social bond aspect of it is the fact that we are going to use the money to finance or refinance expenditures related to education, related to learning, and improving access to essential education services. For the refinancing part, we use some of the funds to repay the Santillana loan as well. That's one thing. We also extended the maturity of the 300m€ revolving credit facility to November 2027, with the second and final extension option, and we also extended the maturity of our 100 million term loan that you see on the right there, which is now extended to 2027. Much improved maturity profile of the external debt. Our focus on ESG is also leading us to get improvements in a number of our ratings and taking us up to industry-leading levels: the ISS goes up to Prime B-, earlier C+, and the S&P global to 51, which is also an increase following a lot of the hard work and the passion that we see in the company around ESG and the increased reporting that we're doing as well. With that, I'll invite my colleagues back to the stage so that we can go through the Q&A process.

**Kaisa Uurasmaa:**
Thank you, Alex. Thank you, Rob. We are now happy to answer your questions. First, here at Sanoma House, please, Pia from Carnegie.

**Pia Rosqvist-Heinsalmi:**

Yes. Hello. Thank you. Regarding the distribution contracts. Just to clarify, was it a 28 million impact for Q3 or for the whole year?

**Alex Green:**
The 28 million was the Q3 impact, but because most of that business comes in Q3, it's similar to the full year basically.

**Pia Rosqvist-Heinsalmi:**
All right. Good. Then for the remainder, you alluded to '25 and '26 as well. How much of a decline should we expect then for the next years?

**Rob Kolkman:**
Yes. If you look at that, we continue to expect that some of the low-value contracts will stop. We think towards '25, it's always difficult to predict exactly, but a similar amount could happen in '25 as well that we now see, maybe slightly lower. However, very much firmly keeping in mind, of course, these are very low-value contracts, in some cases, are more around to break even. Therefore, it's all about the top line. That's not an impact on the bottom line.

**Pia Rosqvist-Heinsalmi:**
Good. Thank you. Then to clarify the impairment of 27m€, how much value is still left on the balance sheet?

**Alex Green:**
Well, overall at a company level, we have over 1.5 billion left on the balance sheet relating to goodwill and intangible assets. As I said, we do a full review of that at least annually, which we've just done. The only significant impairment coming out of that is the 27 million one, and so no other risks or no risks changed outside of what we're showing there.

**Pia Rosqvist-Heinsalmi:**
Okay, but the 27 million, I just try to understand, is it goodwill, or is it other intangibles you are writing down?

**Alex Green:**
The 27 is related to an other intangible asset. The goodwill is part of the whole goodwill of the learning business. This is related to an other intangible asset related specifically to the Iddink business that was booked there on the acquisition, at a time when the revenue levels were expected to be higher.

**Pia Rosqvist-Heinsalmi:**
All right. Okay, but can I find this in your statement? How many of these other intangibles are still left to be, possibly under--

**Kaisa Uurasmaa:**
I can come back to you on how the total 1.5 billion is split between those.

**Pia Rosqvist-Heinsalmi:**
Okay. All right. Thank you. Then I would still like to understand more about sales in the Netherlands and Poland. They have been surprisingly strong this year. Is it really price increases that are mostly driving that, or is there also a volume increase?

**Rob Kolkman:**
There is a small volume impact as well, and there is pricing. I think if you look at the two markets, they're quite separate, but it's dynamics, so in the Netherlands on the learning content you see really continuous good solid growth, reflecting also that we have a strong position in that market and continue to build on that. There is also a small volume aspect there, meaning we still win schools there with our products as well. In Poland, there's also a bit of an element of a curriculum phase, much smaller, but that is year-on-year noticeable as well. Poland, as you might recall, still has much more of those fluctuations. This was a little bit of an up-there, but the majority is around the Netherlands.

**Pia Rosqvist-Heinsalmi:**
Thank you. Then, Spain seems to be doing slightly better than expected, as you noted. What's the driver behind this? Is it also pricing?

**Rob Kolkman:**
I think with Spain, it's good to realize that it's very difficult to predict exactly when you're at the end of a curriculum. What will happen in quarter three in this case? You're correct, it's still a significant decrease, of

course. That's that's very noticeable, but it is, let's say, at a slightly better end than what we saw. At the same time, I would like to highlight that if you look at any of the quarter four uncertainties left, then, of course, the returns in Spain are one of them. Right. I mentioned that, and we always do our best to calculate that appropriately. However, that remains the one uncertainty in that market, but overall we're happy to see that. Of course, the strong position that we created as a result of the curriculum change is still very much there, but of course, on a much lower level at the end of the curriculum.

**Pia Rosqvist-Heinsalmi:**
Thank you.

**Kaisa Uurasmaa:**
Thank you. Further questions from Sanoma House. Yes, Sami from Danske, please.

**Sami Sarkamies:**
Thanks. I will continue on the Iddink topic. The first one would be that you're doing the 27m€ impairment now in the third quarter. It's based on voluntary discontinuation of a business that has been loss-making. Why are you doing the impairment now and not one to two years ago when you realized that this is not going to be a profitable business?

**Rob Kolkman:**
Maybe first on the voluntary part or not. What happens in this business is that contracts come up for tender, and at that point, we still tender because we have been in the Dutch market for a very long time. We continue to play an important role in that market. That means we also take these tenders very seriously. However, we do think that the market structurally needs to change its pricing level in that. It's not like just voluntarily stepping out of it, it's also a result of a tender process where the way we bid, we currently are not winning those tenders. That is because we really believe that the market needs to change. Then I'll leave over to Alex how the process works for the impairment.

**Alex Green:**
In terms of the impairment, this is related to other intangible asset that is depreciated over a long period of time. In reviewing that, every single year, we look at the future values of the revenue streams and the value coming from that, and create a calculation to see if that value in the balance sheet and this sort of cadence of depreciation of it or amortization is actually supported by the future revenues. Therefore, it's a point when you update your strategic plan, do it in detail, and get the results out. That gives you the right information to make an accurate assessment. We do that every year. As the discontinuation has accelerated into this year, that's given updated information that's led to this calculation. We did the same review last year and didn't have the same result.

**Sami Sarkamies:**
Okay. The second question on Iddink would be how much of this distribution revenue is left? You acquired the business in 2018. It was with 140m€ of revenue. How much of that revenue was distribution, and what is the level today?

**Rob Kolkman:**
Now, I think if you look at that business, then that has come down already a long way. From a de-risking point of view, I think a few years ago it was more this particular part around the 90 million level. We're now more in this 50 to 60 range. As I indicated earlier, we expect that to come down in the next couple of years more towards the 30 to 40 million range. It really shows you that kind of de-risking of that part of the business. Longer term, let's be very clear, we think there is a real service to be given to the schools. Therefore, the change in business model we still see happening in the outer years from '26 onwards, but that of course is hard work together with the schools to see how we can make that work.

**Sami Sarkamies:**
Was the 90 million the starting level, or was that the situation a couple of years ago?

**Rob Kolkman:**
That was 22--

**Kaisa Uurasmaa:**
A couple of years ago. Yes, exactly.

**Sami Sarkamies:**
Starting level?

**Kaisa Uurasmaa:**
The 140 million, which, of course, includes the net sales of the digital platforms as well, so it was not fully a distribution business.

**Rob Kolkman:**
Therefore, it was a bit higher than that--

**Sami Sarkamies:**
A hundred and twenty, maybe.

**Alex Green:**
Maybe a bit less.

**Kaisa Uurasmaa:**
Less.

**Sami Sarkamies:**
I'm also curious to find out how much book value is left for the remainder of the Iddink distribution business. However, maybe a question, do you think there will be future write-downs that if you lower the business next year, will that also be triggering write-downs?

**Alex Green:**
As I said, the calculation is done by looking right now at our strategic plan over that period, which is up to 2029. As Rob indicated, we have a drop, and then we're in a position to win tenders and build that up again, so we have a profile that equates to this impairment. Therefore, the balance sheet value sticks to that plan. There's no reason why we wouldn't, then that stays the same. If there are external factors or something changes, that means that next year the world will be different in that business. Then we'll need to relook and adjust, but that's the strategic plan and that's what we intend to stick to.

**Rob Kolkman:**
Maybe from a business point of view, just to give a little bit more colour. As I mentioned in my presentation, we do see it as being a tough market also for next year and the year after. Therefore, we have very low expectations of winning contracts in the short term.

**Sami Sarkamies:**
Okay. Then moving on, but still within Learning, when do you think you would be in a position to make additional bolt-on acquisitions?

**Rob Kolkman:**
We're constantly looking for those. I think we're confident that if the right acquisition comes along, we will also find the right way of financing it. In the short term, of course, we have indicated we have the room to do some acquisitions to a certain level, and we're particularly focused also on the in-market consolidations in some of our markets. However, also if the right, bigger acquisitions were to come along in a new market for us, we will at that point really make sure that we're in a position to make that happen as well.

**Sami Sarkamies:**
Okay. For example, if we think about the Solar program, it wouldn't prevent you from doing larger deals.

**Rob Kolkman:**
No, it does not prevent us.

**Sami Sarkamies:**
Okay. Then finally on the media business, if you look at the Finish macro, it's not great at the moment. Is there a risk that the advertising media market could still get worse before it gets better someday?

**Rob Kolkman:**
Well, a good question, and not an easy one to answer. I think at the moment, what I said earlier as well, I don't see many indications that things are getting better, although, at a very high level, you would start to think, "Okay, that could happen." However, it's not visible yet. Certainly not in what we see in the advertising there. The trends that are highlighted are still there. Of course, over time, you would also expect that with the macroeconomics and the lowering of the interest rate, that would at some point have an impact on the Finnish advertising market as well. At the moment, there are very few signs to show that.

**Sami Sarkamies:**
Okay. Thanks.

**Kaisa Uurasmaa:**
Thank you. Please, Samu from Nordea.

**Samu Wilhelmsson:**
Yes. Maybe one brief question regarding the rationale behind your guidance. If you could elaborate on that further, given that the new guidance was now narrowed. For example, if we take the midpoint at 175m€, that would indicate actually that the Q4 in terms of operations is going to be even lower than Q4 and it's going to be stable at best if we assume it's going to be 180m€. Therefore, if you could elaborate more on that, what are you expecting to see in Q4? Is it more like seasonality issues or something else?

**Rob Kolkman:**
No, I think the core element there is around the advertising market in Finland, and you are absolutely correct, that is a very difficult one to predict. If you ask me, what has the biggest potential for swing? It is that one. If you purely look at how things are going as of today, you could say that logic would dictate, as you say, the 175 to 180m€. However, we see those kinds of uncertainties. What makes us really clearly say the outlook is to 172 to 180, 175 to 180 is when you expect things to continue to be more or less the same.

**Samu Wilhelmsson:**
All right. Thanks.

**Kaisa Uurasmaa:**
Thank you. At the moment, we don't have any further questions from Sanoma House. Do we have people on the telephone line? Yes. I would like to--

**Automated Sound:**
If you wish to ask a question, please dial Pound Key five on your telephone keypad to enter the queue. If you wish to withdraw your question, please dial Pound Key six on your telephone keypad.

**Kaisa Uurasmaa:**
[silence 00:31:34-00:31:51] There should be someone--

**Automated Sound:**
There are no questions at this time, so I hand the conference back to the speakers.

**Kaisa Uurasmaa:**
Okay. Thank you. We do have questions on the chat, so let's go there. I continue from Poland, which was discussed already. You said that now there is a small uptick still in the curriculum cycle this year, how do you expect that to develop going forward?

**Rob Kolkman:**
The Polish line is more or less in line with what we presented also on Capital Markets Day, so I think the up in Poland is more in '26 and '27, not in '25.

**Kaisa Uurasmaa:**
Yes. Thank you. Then continuing on the free cash flow, what are the expectations regarding full-year free cash flow? Should we expect the year-to-date improvement rate to apply for the full year as well?

**Alex Green:**
As I said, we had a strong year-to-date free cash flow result coming from results, lower investments, part of which came through from the Solar program. Therefore, those levers will leave us higher at the year's end, but some of it is timing. Although we expect to be higher, it won't all flow through from this particular point. I will also add that in the last quarter, we still have 220m€ roughly receivables to come in, so it's quite hard to know exactly where that will land. The timing of that can influence that number, so we're not giving an accurate forecast on that point. However, we know that those levers will lead us to have a higher cash flow in '24 than in '23.

**Kaisa Uurasmaa:**
A bit related question, because one of the reasons for a higher cash flow now was lower investments in TV program rights. How sustainable is the lower investment level there?

**Alex Green:**
That's one of those items that is heavily dependent on timing, so there will be things that switch between Q3, and Q4. That statement year to date does not necessarily follow that it will be there for the year.

**Kaisa Uurasmaa:**
Thank you. Then one question that is reflecting a bit back to the Capital Markets Day that was held a year ago. At the Capital Markets Day, you shared an expectation of stable EBIT margins in learning in '24 to '25. Would you agree that that looks conservative today?

**Rob Kolkman:**
I think if I look overall at what we presented at the Capital Markets Day, then there are a few things to note. Of course, some things have changed. We talked about the learning materials expectations there. We also have done a few divestments, so there are a few things that have changed on that top line. Compared to the capital markets that ended actually better in the year slightly better on the margin, particularly in Learning. We now see that stability to continue. If I were to look forward to the real change is '26, I would not expect that to have a bigger impact on '25, clearly, with the core elements being if the media would improve on the advertising side. That would really be a different situation from what we currently see. However, on the learning side, I think the trends there on the curriculum changes really have an impact on '26. Then we fully benefit from Solar. That remains firmly the case.

**Kaisa Uurasmaa:**
Very good. Thank you. I don't think we have any further questions on the chat that would have not been already discussed. With this, I would like to remind you of our next results publication, which will be for the full year results, '24 on 11th February next year. With this, we conclude the presentation and the Q&A. Thank you all for participating, and if you continue to have questions afterwards, please be in touch with us at IR. Thank you all.