

Orange Polska

CONFERENCE CALL ON ORANGE POLSKA OPERATING RESULTS FOR THE FIRST QUARTER OF 2022.

Company: Orange Polska

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Participants:

- Julien Ducarroz, Chief Executive Officer
 - Jacek Kunicki, Chief Financial Officer
 - Leszek Iwaszko, Head of Investor Relations
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Moderator:

Ladies and gentlemen, thank you for standing by. I would like to welcome you to Orange Polska Q1 2022 conference call, on the 26th of April 2022. At this time, all participant lines are on listen only mode. The format of the meeting today will be a presentation by the Orange Polska management team, followed by a question and answer session. Without further ado, I would now like to pass the line to Leszek. Please go ahead, Sir.

Leszek:

Thank you. Good morning, everyone. Welcome to Orange Polska results conference, summarizing first quarter of 2022. Speakers for today are CEO of Orange Polska, Julien Ducarroz, and the CFO of Orange Polska, Jacek Kunicki. Let me hand the floor to Julien for the presentation.

Julien Ducarroz:

Good morning, ladies and gentlemen. Welcome, everyone on our conference summarizing first quarter of 2022. I will go through and Jacek through the financial review. And at the end, we will answer your questions. Let me start with slide five, with our key message for Q1.

Julien Ducarroz:

First, let me emphasize that the world around us changed dramatically at the end of February. We undertook immediate actions to use our resources, to carry support for Ukraine and the influx, inflow of refugees. I will talk more about it in a moment.

Julien Ducarroz:

Our commercial result in Q1 were quite solid. A bit contrasted, with a slow start in the quarter and an acceleration toward the end of the quarter. ARPO continued to grow in all key services. Our financial result were in line with our plan. We achieved good underlying performance due to core revenue growth and cost saving.

Julien Ducarroz:

This has allowed us to mitigate a much higher energy bill, which we were flagging to you in February. I have a pleasure to say that few days ago, we opened our 5G lab. As you know, 5G technology will be the key catalyst to new business opportunities, mainly on B2B, which is important pillar of our .Grow strategy.

Julien Ducarroz:

In lab, we will develop 5G use cases in an open model with partners and startups, and we will demonstrate their benefits to our customer and encourage them to adopt it. The lab will also stimulate our innovative mindset and contribute to our cultural transformation. In this context, we are obviously looking forward to distribution of dedicated 5G spectrum, which is necessary to unlock this potential.

Julien Ducarroz:

Let's look at the next slide. As soon as the war in Ukraine started, we rushed with support actions on different fronts In such circumstances, connectivity is crucial. Since the first day of the war, Orange teams has been working on all border crossing points, handing out free prepaid starter, and helping in registration, which is obligatory in Poland.

Julien Ducarroz:

Until now, we have activated around 400K starters. You can see a big jump in our reported prepaid base because of it. The big influx of refugees resulted in huge increase in traffic. For example, in the first days of March, data transfer between Poland and Ukraine increased over 200 times. This resulted in overloading of the sites at the border, and we had to boost network capacity by launching additional mobile base stations and enhancing some of the existing ones.

Julien Ducarroz:

In such moment it's all about people. We offer some of our property to host the refugees. The biggest one is our training center just outside Warsaw, where we currently host around 350 people, mostly children with their mothers. These actions are coordinated with local authorities. Apart from this big effort, obviously coordinated by company management, there has been, and still are plenty of grassroots initiatives, spontaneously organized by our employees. I'm proud of the CEO of this company to be part of it and to be able to support the Orange teams that dedicate their time and energy to provide humanitarian aid.

Julien Ducarroz:

Going to the next slide, our financial results in Q1 were in line with our plan. They reflected the guidance that we presented to you in February. We maintained all our goals for this year. Revenue grew by 0.4%, but excluding regulatory impact, this was a strong 4.5% growth, driven by core telco services, ICT and energy retail business.

Julien Ducarroz:

Growing retail revenue fueled almost 2% EBITDA growth and helped to offset impact of surging energy prices on our costs. We also generated additional cost savings. Economic capex was much lower than last year, largely due to timing of projects. We have not yet started renewal of our radio access network due to the delay of 5G auction. Let's look at our commercial activities on slide six.

Julien Ducarroz:

Our commercial result in Q1 were satisfactory, especially in fiber and mobile, taking into account challenging environment. The strongest demand in Q1 was for fiber and mobile in standalone offer. As the next step we will focus on upselling convergence packages to these customers.

Julien Ducarroz:

Fiber in particular continues to sell very well. Retail customers reached symbolic 1,000,000 in the first days of April. Our fiber reach is now almost 6.2 million households, and is growing mainly through the fiber JV. Mobile customer base is supported by all mass market brands and B2B. Our main brand is naturally positioned as a premium offer, but we are also mindful of the more price conscious customer segment. We address this with our flex, Nju mobile and prepaid offering.

Julien Ducarroz:

I would like to underline especially good result of flex offer this quarter, because it is fully digital, and very flexible, easy to onboard, it is an attractive proposal for migrants from Ukraine. ARPO continues to grow in all key services, which is obviously very important in the context of inflationary challenges.

Julien Ducarroz:

Let's have a closer look at this topic on the next slide. We have been the leader in the more for more strategy in Poland. Please note that we made the first price increase as far back as 2018 for B2B customers. Since then, we expanded this strategy to all other key services. This is a key factor behind turnaround of our results and trend in ARPO.

Julien Ducarroz:

On this slide we wanted to give you the two directions by which we address the inflation. Firstly, to remind that price increases are only for new acquired and retained customers. So, by nature it takes two to three years for them to roll into an entire customer base. The pie chart on the slide illustrates this process.

Julien Ducarroz:

The blue part represents customers that were already rolled out on new tariffs. The orange part is our further monetization potential. You will notice that it's around two thirds that are on the latest one, and the rest is subject to more formal strategy. Secondly, value strategy is on top of our agenda in the current environment. And we have a number of options to pursue it further.

Julien Ducarroz:

Apart from potential further more for more price adjustment, we are reviewing certain fees that customer are paying us, and also terms and conditions of customer contracts. For obvious reasons we cannot be more specific. Naturally we have to take into consideration the competitive and regulatory landscape, but we will continue to look for new levers to implement our value strategy.

Julien Ducarroz:

Let's zoom on ICT on the next slide. Q1 was another strong quarter for our ICT business. Revenue growth exceeded 20%, and this was purely organic growth. It was driven by two key business factors fueling our software and application domain. Firstly, our software subsidiaries continued to benefit from a high demand for their services. Combined revenue growth of BlueSoft and Craftware amounted to 40%.

Julien Ducarroz:

Secondly, cloud adoption contracts, resulting mainly from transformation of company approach to data analytics and modern communication solutions. These contracts are mainly based on Microsoft portfolio. We are pleased that portfolio of our ICT customer is getting more diversified.

Julien Ducarroz:

On the other end, deadlock related to new EU Fund is affecting volume of business with the public sector. We are looking forward to unlock this growth potential in the near future. On the slide we provide a few examples of digital transformation projects from different industries realized by our group. Digitalization of business is the number one trend among corporates from many industries.

Julien Ducarroz:

It brings tremendous benefits, reduce cost, provide for new sales channels and enable for data analytics, just to mention few obvious ones. Now, it is a level of digitalization that largely determines competitiveness, and not low labor cost. Thanks to our very strong foothold in connectivity, due to our massive investment in fiber, and competency in the ICT area built organically and through acquisitions, we are uniquely positioned in Poland to take advantage of that trend. This is all for me, I hand the floor to Jacek.

Jacek Kunicki:

Thank you, Julien. Good morning, everyone. Let's start the financial review on slide 12. We'll present the highlights of our performance in Q1. Our financial results in Q1 were strong, with growth achieved in revenues, EBDA, net income and cash generation. We are diligently executing the .Grow strategy, and we are achieving a solid underlying development of our business.

Jacek Kunicki:

It is driven by the expanding top line from core telecom services, and also from the ICT. The growth had offset the adverse impact of the regulated cuts of the mobile termination rates. As a result, we're happy with the total revenue dynamics, having in mind, much faster growth of the high margin for telco services.

Jacek Kunicki:

The growth of our core business translated, thanks to high operating leverage, into a very solid underlying performance of the EBITDA. It grew by 1.8% year on year, despite an unprecedented increase of the energy costs. I'm pleased that the EBITDA growth consistently translates into a higher net income. This is important. It is a key driver for us to increase the return on our capital employed.

Jacek Kunicki:

We report 125,000.000 Zloty of net income in Q1, which is a marked increase year over year. Economic capex was much lower year over year. We benefit from the FiberCo JV, executing the fiber rollout. We allocated more capex to mobile this year. However, these are mostly planned for H2, for the second semester, as we're adapting to the ever delayed 5G spectrum auction. Finally, the organic cashflow was 17% up year over year, due to higher EBITDA, and less cash capex.

Jacek Kunicki:

Let's review our results in Q1 in more detail, starting with the top line on slide 13. We are satisfied with the revenue performance in Q1. While the overall dynamic was influenced by the regulated cuts of the mobile termination rates, our underlying growth was very positive. Excluding the regulatory impact, the revenue dynamics would have come at a strong 4 1/2%. The key drivers of the strong performance are consistent with prior quarters, and they are based on sustainable demand for our services.

Jacek Kunicki:

Firstly, core telecom services continued the high pace of growth. Benefiting from simultaneous expansion of the customer bases and ARPOs, as well as roaming recovery. As roaming started to recover in the second quarter of the previous year, its impact on the year on year trends will obviously diminish going forward, due to higher comparable base.

Jacek Kunicki:

Secondly, strong ICT performance that was already covered by Julien. Finally, the increase of other revenues was boosted by our energy resale business, reflecting higher output prices for our customers. The expansion of our core business was the key driver for the operating profitability.

Jacek Kunicki:

Let's look at this now on slide 14. Our EBITDA, means Q1, increased by almost 2% year over year. This was the result of a very strong underlying growth, reduced by an unprecedented rise of energy costs. It's clear that a part of the -67,000,000 impact of the energy cost increase, the underlying performance was very strong. Firstly, we grew our direct margin, converting the strong core subscription revenues into profits.

Jacek Kunicki:

Secondly, we continued to generate cost savings in indirect expenses other in energy, decreasing our labor cost, advertising and promotion activity, as well as general expenses. The cost of energy nearly doubled year over year, driven by steep price increases, mainly of electricity, which grew by 150% year over year, when you take a look at the variable electricity price. This was coupled with rising costs of fuel and gas.

Jacek Kunicki:

Throughout Q1, we worked on minimizing the future impact of energy prices, especially electricity. Through traditional hedging and through buying certain volumes of electricity from renewable sources. While we continue to focus elevated prices of energy for the future, we now expect less pressure coming from this domain in the consecutive quarters, versus what we have experienced in Q1.

Jacek Kunicki:

Over to cashflow on slide 15. We generated 230,000,000 Zloty of organic cashflow in Q1. It was 17% more than last year. If we look at the year on year evolution, there are three elements to this good result. Firstly, higher EBDA, translated into more than 35,000,000 Zloty higher cash from operating activities, before working capital.

Jacek Kunicki:

Secondly, around 120,000,000 lower net cash capex, including the sale of assets to our FiberCo. This concerns some fiber assets that we started to build as OPL, before we had established the JV. These positives were partly offset by the anticipated lower year on year working capital release as it already is on a very lean level. Good cash generation further reduced our net debt in Q1. Our balance sheet is solid, with financial leverage at 1.3 times EBITDA.

Jacek Kunicki:

At the same time, we're mindful of the upcoming cash outflows, cash outlays, for the renewal of the existing to 2.1 gigahertz spectrum, which we expect already in Q2, as well as for the dividends to be paid in July. We're also looking forward to the start of the 5G spectrum option for the C-band, which has still not been announced. This is all for me, and I hand the floor back to Julien for the conclusion. Thank you.

Julien Ducarroz:

Let me briefly summarize our presentation. Our results in Q1 were very solid, taking into account unfavorable micro environment, which we successfully mitigated. Next month we will continue to focus on our commercial growth and inflation mitigation measures. This will include continuation of value strategy, acceleration of green agenda, and further transformation actions.

Julien Ducarroz:

Regarding PPA, we have already signed a new contract for sourcing of energy from wind farms. However, as the contract is conditional, we are not yet in a position to provide details. If successful, it will cover a significant portion of our needs in Q4 2022, and in 2023. Circular economy is an important part of our environmental strategy.

Julien Ducarroz:

To boost our efforts in this area we have launched a new so called RE program, placing resale, recycling, and repair and refurbishing of devices in our mainstream marketing activity. We are on track to reach our full financial goals, but we are obviously mindful of macro challenges. This is all from us, we are now ready to take your questions.

Moderator:

Thank you very much for the presentation. We'll now be moving to the question and answer section of the call. If you have a question, please press *2 on your keypad, wait for your name to be called. You may

also ask a voice, or a text question if you're logged in via the web platform. We'll now give a minute, or so for the questions to come in. We have our first question from Mr. Maurice Patrick. Please go ahead, sir, your line is open.

Morris Patrick:

Hi guys. Can you hear me okay?

Jacek Kunicki:

Yeah. We can hear you. Hi.

Morris Patrick:

Great. Always checking. A couple of questions for me on the energy side, if that's okay. Looking at your ESG slide at the back of the deck, it shows how you've reduced your energy consumption by 2% in 2020, and 1% in 2021. You talk about in that slide fiber replacing copper and mobile network sharing as drivers of energy efficiency.

Morris Patrick:

Many telcos talk about reducing energy consumption through 5G and fiber replacing copper, but actually the energy consumption goes up. Yours is actually falling. So, if you could provide some more color in terms of how much saving you get from energy consumption saving you get from new technologies, that'd be very helpful. And just to come back separately on a couple of specific points in the release, on this slide where you talk about the energy cost, I think it's slide 14. It shows, is that a 67,000,000 impact from surging energy costs? I think you talked about 150,000,000 in the remarks. If you could maybe provide some more color on that that'll be helpful. Thank you.

Jacek Kunicki:

Thank you for your questions. I'll start with the second one. In fact, the impact of energy cost increase on the EBITDA is minus 67,000,000, which it means that they have almost doubled year over year, energy costs. What I was referring to is this is driven by 150% increase of the unit price of those elements of the electricity purchase which are variable. There is this fixed part of electricity purchase, which is distribution fee, and some taxes, and there is the variable part, which is buying the base energy. And this is the one which has grown by 150% when you take a look at year over year perspective, but this is the unitary price.

Jacek Kunicki:

When you take into account our impact of our hedging policy, the green sourcing, which we already have in place, as well as the fixed elements of the energy cost, the net impact was -67,000,000, or close to 100%. I think it's 90% year over year.

Jacek Kunicki:

Coming back to your first question on the ESG, you will appreciate that the drop of the energy consumption. On one hand it's not huge, so it's one or 2% yearly that we have been achieving. You will appreciate that most of the efforts that we can do on the cost side has got to do with sourcing and pricing. Every new system that you add, every new technology layer that you add puts on additional

pressure on electricity and energy consumption. So, I will say -1%, or -2%, while this is not very impactful, it is a huge effort and it reflects a very, very good energy efficiency.

Jacek Kunicki:

If we were to measure, for example, the network efficiency, as in the consumption of energy per one kilobyte, or one gigabyte of data transmission capacity and throughput, we're really in the best quartiles of the energy efficiency. This has offset the underlying pressure coming from additional systems. But when you're thinking about the way forward, both in terms of financials, and also in terms of the CO2 emissions, the big lever, this is the way that we will source energy, and this is where we're focusing on. And this is where, as Julien was mentioning, we have signed a PPA agreement for a wind farm, which would cover a large proportion of our energy consumption for Q4, and also for the entire 2023. So, it has a condition precedence. So, we will be more open to talk about it once it's final. This just shows you the ways and the means that we're using to limit both the cost, and the CO2 emissions.

Morris Patrick:

Thank you for that. If I could just follow up very quickly. I think also in the prepared remarks, you talked about how you expected the impacts of the rising energy cost to become lower in future quarters. Was that because you have greater net savings elsewhere? Or was it because you see other reasons? What was the driver of reduced headwinds in the later quarters?

Jacek Kunicki:

Thank you. Well, it's pricing. When we take a look at the average price that we have paid in Q1, it is higher than what we have already contracted for Q2. And as you may imagine, there is a lot that we have already contracted for Q2.

Jacek Kunicki:

Then, if we compare to the expected costs of Q4, which would be also covered by this PPA that I was mentioning, then also we do expect the average cost for Q4 to be lower than what we have experienced in Q1. So it's got to do with the sourcing of energy, with the effectiveness of the hedging, and also with pricing, which was basically the highest for the first quarter.

Morris Patrick:

That's super helpful. Thanks, guys.

Jacek Kunicki:

Thank you.

Moderator:

Thank you very much. Our next question comes from Mr. Marcin Nowak from Ipopema Securities. Please go ahead, sir. Your line is open.

Marcin Nowak:

Good morning. A few questions for me. Starting with the TowerCo project, because you haven't provided any updates about analysis of the project. Could you provide more color and current status? And also

your parent company has not included Poland on the shortlist of countries to start the carve out of passive infrastructure to the Totem project.

Marcin Nowak:

Second question would be about mobile offers. Could you comment on competitors' recent special offers in postpaid pricing? Do you consider it as a potential threat or a value model? The third question would be about mobile capex. How much Orange plans to spend, on mobile network development capex in 2020, and also in relation to last year?

Julien Ducarroz:

Thank you, very much for those. I guess I will start with the TowerCo. Here we haven't reported any progress still, because not that much has happened since we were communicating for the full year results in February. I think that the macro environment is ... Well, it's not helping, if you could take a look at both the geopolitical situation and uncertainty regarding the inflation and interest rates. So that's something which is not pushing to accelerate the pace.

Julien Ducarroz:

The project is ongoing so we will be happy to report to you once we have made any meaningful progress on this part. I think it's worth noting that the other element that I have been mentioning in February, so the tax environment still not fully clear and it's likely to be tweaked further throughout this year.

Julien Ducarroz:

The 5G environment, including the C-Band auction, the cybersecurity hasn't progressed either since that time. So, we will basically inform you once we do have something we need to report. Regarding the second question for the parent company, I need to refer you to the parent company, but there was a question asked and explained during the Orange results conference this morning. So, you might be in a best position just to hear that directly from the transcript or the recording without my any additional comment. I think the answer was very clear.

Julien Ducarroz:

Maybe on the mobile capex, we have guided for the full capex, which is between 1.7 and 1.9 billion this year. We haven't been more specific regarding the mobile part. I think we did mention when announcing the Orange .Grow strategy, the average amount that we will spend on the mobile, but this is for the rollout of 5G and for the swap of the radio access sharing network.

Julien Ducarroz:

Now, for the specifics of this year, I think we need to adapt to the changing environment and a lot will depend on how soon will the auction be started. Because to an extent this will maybe not determine, but it will help us to make a decision when exactly to start spending this and at which pace? So, we need to be patient with this. We're patiently awaiting the start of the auction before we engage too much capex into the rollout of 5G.

Julien Ducarroz:

On your question related to mobile offers, I will say first of all you have seen, and I'm quite satisfied with our mobile results in terms of net adds. So, I have not noticed something fundamentally change on offer.

There is tactical offer, yes, there is some portability aggressive offer on the market, but we have not noticed on our side any real change of trend. I think I could comment that we see as well due to the change of the players on the market, that there is more competition on convergence in urban, because there is more players.

Julien Ducarroz:

There is not necessarily a huge change of offer level, but there is more players in urban where there is a saturation and overbuild. But besides that, I think commercially we're satisfied with our result, given the economical context, which it doesn't push, I will say, people necessarily to rush to buy new services. In this context, I'm quite satisfied.

Marcin Nowak:

Thank you very much.

Moderator:

Okay. Thank you very much. We will just do a reminder once again, for any additional questions, *2 on your keypad. If you're dialed in via the web you may also ask a voice, or a text question. The next question comes from Mr. Dominik Niszc from Trigon. Please go ahead, sir. Your line is open.

Dominik Niszc:

Hello. Dominik here from Trigon. I've had a question on your acquisitions in the first quarter, you acquired three small operators. The question is, how many clients do they have? The coverage is like 40,000 homes passed, which seems to be a good price you paid, but wondering how it affected your statistics and your KPIs in terms of clients? And whether you plan to buy more operators like this, or it was just one off? Thanks.

Jacek Kunicki:

Thank you for this. In fact, it's a purchase of two operators, because the third small entity was cooperating with one of them for the provision of television signals. So, it's two small operators. We do not disclose separately the number of customers that we have from them, but they were not included in the numbers that you see for quarter one. We decided to consolidate these two acquisitions in a simplified way for Q1, because those acquisitions were made really towards the quarter end, and hence they're not included in the KPIs for Q1.

Julien Ducarroz:

And just on the strategy, I do confirm that it's part of our .Grow strategy on the axis of the leadership in the infrastructure. So, our big move is obviously the JV FiberCo, but we did say, and now we execute this strategy, that we believe there is an interest for us to go after some consolidation of these open market, these markets that there is a lot of small players, and we do see potential to consolidate and strengthen our infrastructure portfolio.

Dominik Niszc:

Okay. That's clear. Thank you.

Julien Ducarroz:

Thank you.

Leszek:

We have two text questions that came online. Let me read first question that came from Rohit Modi from Citi. There has been multiplying broadband market share in the past few quarters. Please, could you give more color if market share is going to cable players, or this could also be related to third party fiber take up at FiberCo? Secondly could you share what percentage of xDSL customers move to your fibre product and % goes to competition?

Jacek Kunicki:

Okay. Thanks for the question. I don't believe that this has got anything to do with the third party take up of the FiberCo. So, it's basically got to do with the evolution between on one hand declining fixed broadband customer bases in ADSL and in VDSL, and in a very good take out of the customer base for fiber. So, it's a combination of that. The number that you're referring to is basically 0.1% points of the broadband market share.

Jacek Kunicki:

So, I would say it's within a statistical error. Then regarding the DSL move to fiber, or the migration to fiber, we don't really report it, because it depends area by area, region by region. Where do we build fiber? The DSL is not evenly overbuilt by fiber. And in those areas that we do cover with fiber, we do see a nice, good inspiring migration of DSL customers to fiber, because obviously this is the superior technology and a nice way to offer a convergent package.

Jacek Kunicki:

Then you have other areas of DSL, which are not overbuilt by fiber. Some of those are in competitive areas, some of those are in quite remote areas, where overbuilding is difficult to be justified by economic benefits, and obviously the trends here would be very different with DSL customers migrating out of Orange. And this is predominantly I would say to the mobile broadband offerings, rather than cable operators in those remote areas.

Leszek:

Okay. Let me read the second question that came from Piotr Raciborski from Wood, "What is your view on the price evolution in Polish mobile and fixed line market? Iliad has just announced in France that it will not increase prices for the next five years despite the inflationary environment. Do you think it might make the same decision in Poland?"

Julien Ducarroz:

Well, it will be hard for me to comment what Iliad will do, but just as a way to reframe the difference of the ARPO pricing level between Poland and France, which we are on a similar, I will say, infrastructure, not penetration, but when it's available we have the same services. You are looking probably at a three time ratio when we are talking about ARPO in France and in Poland.

Julien Ducarroz:

So, I think that France is a bit different than Poland. As well the inflation level is not exactly the same between the two countries. Besides that, I cannot comment what they plan to do. We have our own

strategy that we commented today, and I express again that we are set in our .Grow plan that we will continue and pursue our more for more strategy. We are as well looking, I would say, more in short term, whether there is other things we can do in order to tackle the inflation, which is a concern that we need to address. We have been able to mitigate in Q1, and we are convinced that we will do for the rest of the year as well.

Leszek:

The second part of the question from Piotr is, "What are your estimates on negative impact of energy price hikes on our EBITDA in full year 2022?"

Jacek Kunicki:

Thanks for that. I do believe that we've commented that a bit first of all when we're discussing the full year results. But also, I think the Q1 is an indication. So, -67,000,000, this is the impact that we've observed in Q1.

Jacek Kunicki:

As we've commented, I do expect that the impact on the consecutive quarters will be smaller, I would say visibly smaller, but it does give you the range that it is quite significantly affecting our performance, and in fact the underlying performance that we did. And we did generate in Q1 to report this result, it's much about the 1.8% EBITDA growth that we have reported as the final figure.

Jacek Kunicki:

So, it will be meaningful. It will be impactful. Not as impactful as in Q1, but we will see it. And every single quarter we need to initiate actions and we need to take measures and make an effort to offset this energy price increase and to ensure that we're able to convert the growth of the core telecom services and ICT into the growth of EBITDA, and then the net income, and then the return on capital employed, because this is what we have clearly stated in the Orange .Grow strategy, and this is what we have a real intent to do.

Leszek:

As it appears we have no further questions. So, I would like to thank everyone for listening to us today. If there are any follow up questions, please do not hesitate to reach us. Otherwise, thank you very much again, and goodbye.

Jacek Kunicki:

Thank you very much.

Julien Ducarroz:

Thank you.

Jacek Kunicki:

See you in July.

Moderator:

Thank you very much. This concludes today's call. We'll now be closing all the lines. Thank you. Have a great day. Goodbye.