CCH – Capital Markets Day
Q&A transcript – 3 June 2019

CORPORATE PARTICIPANTS

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QUESTIONS FROM:

Sanjeet Aujla, Credit Suisse

Ed Mundy, Jefferies

Ewan Mitchell, Barclays

Andrea Pistacchi, Deutsche Bank

Fernando Ferreira, Bank of America - ML

QUESTIONS AND ANSWERS:

Sanjeet Aujla, Credit Suisse

Three questions please. Firstly on the new revenue growth guidance for the next three years. Are you able to break that down between volume pricing and mix?

Secondly, just on the margin side. In the past you very helpfully gave us the volume and pricing leverage, I think 25 bps and 70 bps respectively. Is that still valid?

And thirdly could you just within the 20 to 40 basis points margin outlook now, what sort of marketing spend increase are you embedding within that per annum? Thanks.

Michalis Imellos, Chief Financial Officer

So, you will help me a little bit, going one by one the questions because there's quite a few. So, we are looking at a growth algorithm of roughly 4% volume growth and 2% revenue per case currency neutral growth. Obviously this is not going to be every year exactly that, however the midterm average should be, you know, round about this ballpark. And that's why we said the acceleration of volume over revenue per case compared to the previous era is what potentially is going to have a slowing down impact on the overall growth of margin. Still of course growth to the margin.

Your second question was…?

Sanjeet Aujla, Credit Suisse

Just on the volume and price mix leverage.

Michalis Imellos, Chief Financial Officer

On the leverage factors.

Sanjeet Aujla, Credit Suisse

I think in the past you gave the guidance of 25 bps and 70 bps respectively.

Michalis Imellos, Chief Financial Officer

70 yeah. So I would say no because first of, all at the time we gave a little bit of guidance as to how this whole thing works by giving out those factors. That was back in 2016. Inevitably those factors hold at the particular point in time when the mix of the portfolio, the way that we are leveraging, all the restructuring that took place, the way that we are leveraging the ideal capacity works. Clearly, we are in a completely different era now, three, four, five years later. So certainly those factors are no longer valid. I would expect that based on everything that I described earlier they would be lower, both the 25 as well as the 0.7, they would be lower than what they used to be.

Sanjeet Aujla, Credit Suisse

And then third one, just what level of marketing spend increase are you embedding within your 20 to 40 basis points guidance per annum?

Michalis Imellos, Chief Financial Officer

As we explained it's not only marketing. I mean you saw here a whole suite of investments in technology, not just to fuel the top line but also to drive efficiencies in production and also in logistics. But I would say that in terms of marketing at least 10 bps of revenue annual growth we should expect to see. Plus of course the other acceleration of investments and that's why you saw from Nikos' slide that the pace of production overheads and cost to supply savings is slowing down going forward compared to what we saw in the era of leverage.

Ed Mundy, Jefferies

Thanks very much for the presentation. I've got three as well. Michalis on slide 68 where you show the various moving parts of the margin as you look out relative to history, just to push back a little bit on the category mix and pack mix I think what we've heard today would suggest that they are probably a little bit more positive as opposed to necessarily being similar. Are you just exercising a bit of caution in guiding for similar as opposed to there necessarily being a tailwind? First question.

Michalis Imellos, Chief Financial Officer

Let me take the first one and we'll go one by one. So look it's very exciting, very dynamic sort of categories here overall in NARTD and also as you heard a big opportunity at some point with Coffee. I think that every year we will see different dynamics. As we get stronger and stronger within Sparkling and as the Sparkling category grows, but also as we expand in other categories within Stills, as we enter into new categories potentially. I mean plant-based beverages is the most recent example. So I would expect that this is a dynamic that year after year potentially will shift, but overall if you think of the horizontal expansion that will be taking place, and that was one of the key messages today, beyond Sparkling, quite aggressively you would expect that directionally this will have potentially a slowing down effect when it comes to category mix in the margin.

Positive on a year over year basis but potentially not as fast as we have seen in the previous era.

Ed Mundy, Jefferies

And that takes me onto the second question around the shape of the portfolio. I think on slide 11 you showed that 71% of the business today is Sparkling. Where do you see this by 2025 let's say?

Zoran Bogdanovic, Chief Executive Officer

Definitely I would say that 70% - as a percent will be lower than 70, but in absolute this is going to continue growing because we do expect with the breadth of the innovations, other categories ramping up, space that we have to gain share etc. we will be I would say focusing on that in accelerated way. So definitely 70 I would expect will be in percent lower, but that's also what we see truly follows what the market indicates, consumers' preferences which are shaping up. And especially because we enter into some categories which are so sizeable where we haven't been so far to a really big scale, for example Coffee. So that will impact the percentage.

But the last point that I would just say, and I'm sure Lana shares that excitement, that belief in growth of Sparkling is very strong. This category which was a little bit I think under scrutiny and test over the las few years, I think in the last two, three years in the best possible way is showing how this category, not only in Hellenic territory but you can see in a much broader global way how much this category can offer and it's far away from being saturated. So that excites us a lot and Sparkling remains a very important element of the growth algorithm for us.

And just as a reminder last year was a great example that with 4.3% Sparkling growth, 7% revenue growth, that came at the back of another growth year before and this year will not be an exception in that way as well.

Ed Mundy, Jefferies

And the final question, perhaps you might both want to answer this, one of your peers in Japan launched a ready to drink cocktail drink. I think you mentioned that your share - your value share in drinking out was only 3% so you know you're relatively under indexed there. What is the opportunity to go to market with something similar to that to help penetrate that occasion?

Zoran Bogdanovic, Chief Executive Officer

Lana was waiting for this question so I don't want to steal.

Lana Popovic, Central & Eastern Europe (CEE) Business Unit President TCCC

So, I can start and you can continue. So as The Coca Cola Company we really as Zoran says see the opportunity within the NARTD and we are proud to be the leader within the NARTD global leader segment. However we do recognise that the on premise and the adult opportunities are emerging and they are growing, and there is an opportunity for us to capture higher share. That's why you're also going to experience today some of the propositions that we have developed either from crafts in Romania or from mixers that are here just in Europe and we are going to launch them in Croatia as well, which are really going after the adults and the mixability as an opportunity out there.

That particular example that you have mentioned, it's another example in Japan that it's going to stay very local because it's really driving the local opportunities and trying to develop a solution to address exactly those.

Ed Mundy, Jefferies

Do you think with beer trying to take share of throat with zero alcohol beer and Radler's that there's an opportunity for soft drinks to possibly take some share back the other way?

Lana Popovic, Central & Eastern Europe (CEE) Business Unit President TCCC

Absolutely. I really believe that we are here to create brand experiences. And as the non-alcoholic beer, as Coke we are creating experiences which are behind socialising, fun and ultimately we do need to have propositions which are going to tap into different interests. Ultimately even, and to Zoran's point and Hellenic 24/7 is giving us an opportunity to develop further portfolios which are tapping into those opportunities, even whether it's a more direct competition to beer.

Zoran Bogdanovic, Chief Executive Officer

I would echo that as well that I think that a number of flavours already but I could see in the future even more which are really borderline. Some of those beers stepping into a territory of soft drinks, but also the other way around with ginger flavour and there could be some other like - exactly malt. So it's becoming blurry, but I can assure you that that's not a one way street. We see it as a two-way street. And we want our fair share in the occasions, irrespective of which other players are there. And I'm very happy that there are really emerging solutions in the pipeline.

Just one small note on what you said about this ready to drink, and as Lana said that's a local thing in Japan. However, we are really blessed to have territories where consumers, all of us as consumers also like experiences, so making mixers is part of the ritual and enjoying them. And we do see that through extensive HoReCa presence how much that experience in itself is very important versus just getting a product which is already pre-mixed. So we see that opportunity and that's why we are blending those, the raw mixability programmes like a Snowball more and more and more. So you'll get a little flavour of that.

Ewan Mitchell, Barclays

Just wanted to come back to the coolers and how you talked about those. Can you give us an idea of the lifecycle that they go through, how you think about the return on investment there, especially when you're thinking about geographies, urbanisation, how you distribute them across your portfolio and whether you reallocate them or take them out of market, etc.?

Zoran Bogdanovic, Chief Executive Officer

Naya and I will take it. Just the fact that today we highlighted cooler investment several times is with a reason, because it really directly correlates with the results and importance of how much these assets play in what we are trying to do in the markets across various categories. But Naya can give more colour here.

Naya Kalogeraki, Chief Customer and Commercial Officer

Yeah in terms of allocation, if I got your question right, it all starts with the route to market. So what I shared with all of you earlier is actually the platform based on which we allocate coolers because our route to market methodology is actually addressing three areas: sales, logistics and execution. So when it comes to sales we see any type of areas from prospecting, look of success, customer management, when it comes to logistics we're housing inventory management, and when it comes to execution what is happening in the outlet. So this is informing actually the way we are allocating coolers. It's very dynamic in a way so that we do not lose any opportunity out there when it comes to the end outlet.

Ewan Mitchell, Barclays

Thank you very much. And perhaps one more, perhaps Lana I don't know whether you could give us some more thoughts on the CCBA acquisition and how you are thinking about that? I think it's inevitable.

Lana Popovic, Central & Eastern Europe (CEE) Business Unit President TCCC

I think this is a much better question for my investor relations to come back. I can just say that from my standpoint, from The Coca Cola Company's standpoint we really value Coca Cola Hellenic as our true partner, not only in the past but also in the future. At the moment Coca Cola Company decided to focus on a short term building up of the business, first CCBA. Now what's going to happen in the future I really wouldn't comment but I can only wish that when the refranchising negotiations open I really hope that Coca Cola Hellenic will be interested to be part of them.

Andrea Pistacchi, Deutsche Bank

Two questions please. The first one on the top line guidance, what level of confidence do you have on this 5%, 6%? You said you're expecting the macro to remain fairly benign so in a scenario where you have a bit of a macro slowdown but of course not a major crisis are you still confident that you can deliver within this 5% to 6% range?

And the second question is about cash returns. So with the special dividend you're taking the balance sheet back within your 1.5 to 2 range, but with the cash you generate you'll soon, fairly soon, maybe a year, year and a half down the line you'll be again below this range. In the absence of M&A, how do you think about cash returns in the sense of with the ordinary dividend that you're paying at a 45% payout it's not enough to absorb all the cash you generate, so every year will - is there a potential for a special dividend every year in the absence of M&A?

Zoran Bogdanovic, Chief Executive Officer

Thank you Andrea. Well on the first one we have pretty good confidence, because of reasons that we laid out today. Now you're absolutely right, this is not a walk in the park and growth does not come easy. But structurally and looking at facts and lots of analysis that we have done to come up with the 2025 roadmap we've really done lots of groundwork and not only estimating the categories' growth, we see our population, we see where the per capitas are today, we see how per capita increases, how it correlates with our volume growth. We see that affluence of the market slowly, slowly is getting better and we know when that happens in the market that also per capita is growing.

Innovation which last year was 4.4% we together have a full pipeline not only for this year which you will see, but also for the years to come. Just recently entered categories, some more to come in the future. So there are so many reasons from which we really believe that we see that level of growth as something that we deserve and we really have to go after.

On the second point we will cut it in two pieces. Michalis can say a little bit more on the dividend payout ratio. But I would just reiterate that that ability of this business to generate that level of cash, number one focus is that we really want to support our organic business. That's why what we've been telling today and explaining and sharing with you through our plans as well as examples was primarily focused behind the organic story, because we really believe that's the base. However, we also are very alert, dynamic in looking, evaluating, we do that together as a system on an ongoing basis. And as I said also during the calls we really believe that some of that money will be also invested for something that fits very well in our businesses to support that growth agenda.

And for the payout?

Michalis Imellos, Chief Financial Officer

Look Andrea I'm tempted to say that if we pay the special dividend every year it wouldn't be so special.

So I think that we did say that by the end of this year and certainly next year we will be at the upper end of the 1.5 to 2 range in terms of net debt to comparable EBITDA. With our track record of cash generation we would be able potentially to see I don't know, depending on how also bolt on acquisitions turn up, what 0.1 to 0.15 times reduction in this ratio every year? So it bodes very well that potentially at the end of this new growth story cycle let's take stock and see where we are with the cash generation, with the success of the growth story like it happened with the 2021. And potentially, as you say, if there is space at that time I'm sure the Board will consider whether that's the appropriate time for another special, another extraordinary distribution. But this follows more the success of the execution of our strategy rather than a regular kind of financial KPI adjustment on an annual basis.

As far as the payout or the other characteristics of our financial algorithm are concerned, look we are a growth company, we are significantly exposed to emerging markets. We know how volatile they are. So all the elements, all the cogs of our financial model are set like this so that we can comfortably continue to invest behind the business to grow it organically as Zoran was saying, without having any issue to put the right capital behind where the growth acceleration is taking us.

Fernando Ferreira, Bank of America - ML

My first question back to the discussion of the 24/7 portfolio, I mean as craft brewers continue to grow at a double-digit rate in Europe and some other bottlers globally also distribute beer, why not think about entering that category, maybe helping some of those smaller breweries reach the HoReCa channel as well?

Zoran Bogdanovic, Chief Executive Officer

Well first of all it's a very fair question. I read it in the context of the unique HoReCa capability and strength. Second point is prioritisation. You know picking the battles and deploying the right leaders in a sequenced manner and in the right way, and in that sense we have really prioritised because we have seen a tremendous leverage from this selected premium spirits portfolio, as well as with coffee. So there is so much work to be done in that space.

With that I am not saying ever in the future that we would not consider that. We are not adamant that we will not explore, however I think that in quite some near midterm future we have so much work, so much opportunities with these categories that I mentioned, that we very openly share with you today through some impressive examples. And especially you know also honestly when you see premium spirits as complementary business that helps to support the growth, it's a business of small quantities, high value. Beer can also be high value but also lots of quantity. So we also need to in that prioritisation take into account all the operational matters. That's why we simply make certain choices and how we go after them.

Fernando Ferreira, Bank of America - ML

And then the second question, just asking about benchmarking across the bottler system. How do you rank amongst the global bottlers in key metrics, and where are the key gaps that you see relative to the system?

In terms of efficiencies, operating margins, what are the key gaps that you're thinking about?

Zoran Bogdanovic, Chief Executive Officer

Of course it's easy to compare that because many of these companies are publicly listed as we are. From that point of view you can see that when it comes to operating margin that that's something where we still have headroom versus a couple of others. At the same time any such comparability needs to have double clicking to understand the structure of the markets, type of markets, level of emerging, etc. So, we do see that when we compare ourselves, that's one, headroom. Secondly we see how versus so many other let's say we are very advanced in terms of HoReCa focus, our practices that we do from which many other bottlers globally come to learn from us.

I would rather emphasise here the point that there is always something that you can learn from others as well as others can learn from us. Last week in Romania we had a great visit of a number of other outside of Hellenic people who came to see what Romania does leaving with so many impressions. At the same time last year Naya took 16 people for a dedicated specific study visit to Latin America because we want to see what they do with a fragmented market, how they develop revenue growth management. So this is hunger to learn.

Second always there is something to see in what others are doing very well. That's something that helps us and keeps us on our toes. I can honestly say that I do believe we do some things maybe better than others, but equally I'm always happy to see whenever our people go somewhere how they come back with things that we can further gear up.

Fernando Ferreira, Bank of America - ML

Great, and then just a last question if I may. If in the next period we do see a recession right as we were discussing, how different do you think the business is today relative to let's say 2008, 2009, and how do you think about the resilience of the business today to avoid that major operating deleverage that you went through in the last episode?

Zoran Bogdanovic, Chief Executive Officer

I'll start but Michalis also please jump in. I think that the business today versus when we were here in this same room 2016 is very different. Just one example that Nikos showed today what we have done in Nigeria in that period, how much we have optimised, how much we have let's say made a better balance between fixed cost and variable cost, exactly for the reason to make us more prepared, resilient, flexible is something that makes me more comfortable.

Now we also need to be realistic. Whenever if there would be such recession or something happening even close to the magnitude of what happened in 2008 I think anyway in the short term no one can absorb that let's say in year one. But personally, that doesn't worry me. There may be a year where this may happen but as long as we are building capabilities fundamentally in a strong way, working on efficiencies on our agile way of working that Naya presented, I mean that gives me confidence that look you can have sun but one day there may be rain, but then the sun will come back again. But how fundamentally we are prepared, I think that that's what we mean by our business is stronger than ever or is definitely stronger than five, ten years ago. I honestly feel that.

Michalis Imellos, Chief Financial Officer

I think just a couple of thoughts building on what Zoran was saying. Not only on the cost side because I truly believe that if there was a magical way to lift Hellenic as it is today and put it back in 2008 you would see clearly superior margins than the 10.8 that we were commanding at the time. So we are a different company, completely differently structured, more optimal in terms of not only producing but also bringing the product to market.

But I think it's not only that, it's also when you look at the breadth of our portfolio, the sophistication of our route to market today. If there was a situation like it was at the time, we have a much, much bigger ability to segment whereas at the time we were more if you like single dimensional in terms of let's say the Sparkling portfolio, today you saw so much around Adults, premiumisation, more niche segments within the portfolio. So we will have far more options to address the crisis and address different segments of the consumers because not everyone at the same time, if you like, goes into or experiences the financial crisis in the same way. So that makes me far more optimistic that yes of course it would have an impact, you cannot say that we won't have an impact, but margin resilience wise, volume impact wise, and most importantly revenue per case which was at the time the biggest impact that hit us, we would be in a much stronger position to face.

Sanjeet Aujla, Credit Suisse

Just a follow up on the margin against Michalis, just to clarify if you do have a period where input costs and FX are negligible, as in if they're not a headwind on the margin in any particular year which is contrary to what you're expecting, but if they're not a headwind to margins, should we expect those benefits to drop through to the margins in that particular year or would you use that to accelerate the investments in the PR?

Michalis Imellos, Chief Financial Officer

I would love to jump to that question but I think Zoran has to commit us to whether the benefits of FX and input costs would flow down.

Zoran Bogdanovic, Chief Executive Officer

Yes. Look I think we would - we really want to invest behind growth. We don't want to pocket all of that, I can only say that. Now to which balance or to which ratio or how much it depends, but our game plan fundamentally is about investment, investing more not investing less, and when such let's say warm rain, nice tailwinds come, we really want to use that. So I will remember these words and hooping they happen we will be definitely fuelling more of the growth, more capabilities faster as we really want to create this as a stronger momentum. It's not about just pocketing and reporting one year a great result and then thinking okay so what do we do next year. No, as much as we are very responsible for the short term and the current year, I really want to emphasise that our focus also is really of building a proper, sustainable story mid and long term, and that requires investment.

Got it. And just to come back to the Coffee opportunity, it's the first time you've really spoken about it today. I think you've had the strategic partnership with Lavazza in a handful of markets but I didn't see them in the presentation anywhere. Is that still strategic or will you be focusing on coffee only with Costa?

Zoran Bogdanovic, Chief Executive Officer

As you've noticed very well that we've primarily focused on Costa because The Coca Cola Company and us are different dimension strategic partners. We've been and we are with Lavazza in a selected small number of markets, however the Costa opportunity that The Coca Cola Company took from January is something that we really think was a fantastic thing that The Coca Cola Company has done. And that's why we wanted here for the purpose of such a long-term story wanted to focus on something that's much more strategic and definitely we see as much more scalable and much more impactful and that's what we have as an expectation. And to anticipate a little bit a question but also in fairness The Coca Cola Company has really taken over in January, they are really ramping up fast in getting to know things.

I just want to say that we are in the conversations, we are as we speak thinking together, planning. And as soon as we will be able to share more in terms of phasing and the approach and the plan we will be talking about that. But we are super excited about that and we see that as a tremendous opportunity. Lana, anything else?

Lana Popovic, Central & Eastern Europe (CEE) Business Unit President TCCC

Nothing to add.

Zoran Bogdanovic, Chief Executive Officer

That's a good answer.

Lana Popovic, Central & Eastern Europe (CEE) Business Unit President TCCC

If you had said something wrong I would add in.

Ed Mundy, Jefferies

Can I just ask about Nigeria and what the assumption is on Nigeria as to how it relates to the guidance? Do we assume that Nigeria comes back strongly or what's the main assumption?

Zoran Bogdanovic, Chief Executive Officer

Yes, the assumption is that Nigeria can only be more of a growth market, not less. Now first of all Nigeria as a 5, 10, 20-year opportunity is mind blowing. It's a tough market, very competitive market. However, we have absolute belief and conviction. I said many times if you want to be in emerging markets especially as Nigeria, if you don't have patience and if you don't have love for that type of market you shouldn't be there. We happen to have both. And I am absolutely convinced that our 2025 story simply would not be what it is without Nigeria growing and contributing to Hellenic. As we speak, as you remember from the calls, we are in a quite intensive market play where we have in Q4 really regrouped, done further adjustments etc. I can only say from the last call we had in May reporting on Q1 that our trading over there continues to be very good, very positive, very encouraging.

Ed Mundy, Jefferies

And just one final one on the portfolio as well. You've done a good job at integrating a number of innovations, you know FUZETEA, AdeZ, it's not water. The Coca Cola Company has got 500 or 600 other brands, is there a big opportunity for more brands to go through the system once these brands are embedded?

Lana Popovic, Central & Eastern Europe (CEE) Business Unit President TCCC

Innovation as you also heard from Naya from a Hellenic angle, but from a system angle is one of the key pillars for growth. And so for sure we are developing a portfolio expansion primarily thinking of what the future looks like. So as a system we are defining what this 2025 system of the future should look like, but also the consumer of the future. And then what are the platforms which are different or changing from today into tomorrow. You would be surprised but actually as The Coke Company we are even using the science fiction writers to define what that portfolio may look like in the next three to five years on, how can we define the needs and translate the needs of the consumers in our portfolio.

Now one of the global strategies is lift and shift and scale, and so for sure as a next step or the roadmap we will define what that portfolio looks like. But yes innovation is important. At this point in time I would not talk about what categories. We have mentioned a couple of very obvious ones which is the Energy, there is Coffee. We have discussed AdeZ and plant-based. Even that on its own gives you a richness of what we can do in our portfolio expansion even within those categories but we are looking beyond too.

Naya Kalogeraki, Chief Customer and Commercial Officer

And this is the beauty of the complementarity, very useful from The Coca Cola Company and our 24/7 and gives great opportunities in terms of literally going out there and capture anything that is an opportunity. So, it's not like anymore another product, another launch, what you saw out of all our presentations today we are trying to slice every information, every analytics and then translate it.

And then when we get from Coca Cola all these insights and then we translate them into what's in it for the customer and the outlet, the only thing that you can expect is of course more innovation. And then internally we have a process and approach in terms of how we go through anything that goes out there, always with a value accretive mindset. So we do have innovation steer cos, innovation councils where we sit together as a system and we assess what is there, and based on this we take decisions. Whether we go after one product for scale or whether we're going to use a proposition for incubation and so on and so forth.

Zoran Bogdanovic, Chief Executive Officer

And Ed just one more thing and I think it's worthwhile to complement in the story. We said how excited we feel at this point what's in front of us versus how our game plan was in the past. Coke system was always kind of an example of that we were able to do things which are only scalable. If they are not scalable it's not our game. That's what really is changing is that we don't want to lose our scale and that's what really makes the difference that we have versus many other players.

However, as we speak in the last couple of years with AdeZ, with Honest, with so many smaller niche brands which are targeted to sub segments, the bottom line is that we are learning how to play now to cater with scale, but as well as niche small products in a much more segmented way. And that's a big difference when you think what's happening today. What will be happening even more going forward is that you will be seeing us with products, brands, where volume size is really not the criteria. And that's what it used to be in the past.

Or even models yeah. So that's really rebirthing the way we do things and I really have to say we are going through a process that we learned over so many years and decades to do things one way. We have been going through approaches of unlearning lots of that and relearning now, and that makes a huge difference that I honestly believe makes us so much stronger and capable to respond not only to big competitors but to many of those smaller ones emerging and playing a respectable game.

Any others? Okay before I hand over to Joanna who is going to very briefly tell you what happens in the room next door I just want to use the opportunity while we are all together like this just to thank you very much everyone for coming, for joining us today. We really appreciate your interest and time. We really wanted to share with you very openly our roadmap with concrete examples, just to give you not only the flavour of direction and what we are trying to achieve but also substantiate it with concrete examples in a spirit of total transparency and openness because it matters to us a lot to understand the story and be with us along this journey. So thank you very much. I also thank Lana for joining us today because our 2025 simply would not be possible without very close collaboration with The Coca Cola Company. Equally like Coca Cola Company's journey is not possible without us or other bottlers, but that's the beauty of it and what makes it exciting and inspiring from our side.

Lana Popovic, Central & Eastern Europe (CEE) Business Unit President TCCC

Fully agree, thanks for having me.

Zoran Bogdanovic, Chief Executive Officer

So thank you very much. With that we'll have more opportunity in the next session or the next part. I know the throats are a little bit thirsty. Please use the time, we also have Vitaliy, Jaak, Jovan and Sean is with us so we will be at your disposal for anything that you would like to discuss also in the next part.