Selecta Group Q2 & H1 2023 Results Noteholder Presentation

Wednesday, 2nd August 2023

Introduction

Angela Cinelli

Investor Relations Manager, Selecta Group

Introduction

Thank you and good afternoon all. And good morning to those joining us from the United States. Welcome to Selecta's Second Quarter and First Half 2023 Results Presentation. Please note that the call will be recorded. On the call today, we have with us Christian Smith, who is our Chief Executive Officer, and Nicole Charriere, who is our Chief Financial Officer.

Disclaimer

Before we initiate, I would like to refer to the disclaimer, which can be found on the page two of the presentation. As a reminder, after the presentation, a Q&A session will follow.

Agenda

Moving on to the agenda page. Today's presentation will cover business update and financial results. I kindly remind the speakers to refer to slides change as they progress through the presentation.

And now, I would like to hand over to Christian.

Business Update

Christian Schmitz

Chief Executive Officer, Selecta Group

Introduction

All right. Thank you, Angela. Good morning. Good afternoon. Welcome to our first half-year call.

We're very excited to share our news of the first half with you. I guess time flies by. Feel like we just completed our full annual presentation. Here, we are already with our first half year. Very excited about the next, around a half hour that Nicole, our CFO, and myself will take to walk you through some of the updates. We put a little more in terms of business update and content in the front, given it's the half of the year. And then we go through the financials of the second quarter, and obviously, looking forward to questions towards the end of this call.

H1 Update – 2023 Priorities

All right, so I'll go to page five straight away here. We try to simplify it and just walk through the very beginning, a brief update on our key priorities. If you remember, myself and Joe Plumeri, we laid out in our full-year earnings call, what the priorities are for this year. And we marked four main areas.

We said this year is really around Foodtech growth, driving the growth in the part of the business which we consider the future of this company. And the second piece is margin expansion. We're coming out of a challenging time with a lot of inflation. We said this year, we've got to get grip on that. We talk about EBITDA growth ultimately driving profitability here. And then the fourth piece is the cash conversion.

So, let me start with a brief update on these four areas, which we gave you as the priorities for the year.

Foodtech growth

Overall group sales growth 7%, we continue to have strong growth in the business. Foodtech sales growth is much stronger. We'll give you some more specifics on our individual Foodtech solutions later in this presentation, where we see that we've got strong accelerated momentum on these solutions.

And then, I think, very important to say the SMD, which is a sales per machine per day, reached a new record high of €13. And that is coming from much, much lower numbers and is something that we're very focused on.

We mentioned it before, this business is about sustainable, profitable growth. It's not about signing up revenues that do very little, that gets contributed to the bottom line. Which is why we continue to focus on SMD as a very critical metric for us, which represents the commercial success of this company.

Margin expansion

On the margin side, we implemented our price increases as we had planned for the year, that is approximately 6%, and covers what we've been dealing with our suppliers and supports the gross margin recovery. So, we're on plan with our gross margins, and got that stabilised after the inflationary pressure that we had in our business over the past year and a half, two years. And obviously, we continue to be very disciplined on cost, as we've been from the first moment that we've shown up here.

Cost discipline and structured productivity gains through telemetry, through smarter routing, through better planning, through a lot of the above, has led us to an adjusted EBITDA margin of 18.9%, which is up 1.8% points in a very challenging environment, right? So, from a profitability perspective, we feel this is a strong delivery and that in combination the sales growth, with the increase in the EBITDA margin then translates into very strong EBITDA growth.

EBITDA growth

Adjusted EBITDA is up 18.2% to €116 million, and then reported EBITDA is even up more by 21.6% to €107 million, right? So, we also what we see in growth and what we see on the margin side also translates into reported EBITDA in the bottom line and obviously, pricing initiatives, cost savings and all the above, is an important part in that, and that is where we continue to focus and execute for the rest of the year.

Cash conversion

Let's wrap the summary up with the cash use. So, from a cash perspective, the work that we've done leads to free cash flow in half one of €41 million, and then we continue to have very strong liquidity headroom of €153 million, which is also, as you know, a critical priority for us here at Selecta, to maintain a very strong position in that regard.

Growing Foodtech – Foodies

SNCF

With that, I'd like to go into a couple of details. I'm going to the next page, page six. I want to talk about some really exciting Foodtech opportunities which hopefully gives you an idea of where this whole piece around Foodtech, that Joe and myself have been talking about a lot, is going.

The first one, and very proud of, is bringing Foodtech into the public space, and we're talking about the largest railway network operator in Europe, in France, SNCF. Here, what we've been doing – you see some of these cool pictures. We started to deploy our Smartfridges, which is our prime Foodtech solutions in the public railway. And we implemented five pilot stations in Paris, in their large flagship stations, and we see amazing results. Amazing results, when it comes to the revenue that we can drive in these units. It's obviously, a whole different assortment which is fresh in there. We got little sushi packs in there, and delicious sandwiches and salads and items, I guess, that people weren't expecting to see from us. And it's very well received.

Also, we had some initial concerns around could these units be vandalized? They're not. So actually, it's a solution that works really well, and we think there's a massive future potential when we think of our entire public estates in rail, airports, the semi-public space, hospitals, universities. So, we've got more and more of these really cases now where our clients see there's real additional upside that we can drive. Obviously, upside on our side from a revenue perspective, but also upside for them who participate with the variable percentage in our revenues. So, whole win-win that we're planning on further growing.

Novotel

The second one, I'm really excited about, is that we start getting more traction in the hotel space. This is a space that takes some time to penetrate. You got to get into them, you got to get all your framework agreements done and everything to get going. Here, we got an example out of Italy, Novotel, which, obviously, is one of the Accor brands. We put a combination of Smartfridge and Starbucks in there, which is a great solution for this kind of hotel. Also, we see those as a platform where we get a lot of growth done.

Utz

And then on the right-hand side, a company that you might not know, Utz, which is a manufacturer of returnable plastic transport solutions. We put that there because it's our 100th branded food market just in Switzerland, in our partnership with Coop, which is the leading food retailer in Switzerland. And we got that done in less than a year of partnership.

So, this is really exciting because it also shows that the combination that we've built in some of the markets of a leading brand in combination with our Foodies concept, technology and the logistics that we bring that this really works out. And you see that in the total number of units that we have year-to-date, which is up substantially, and I think a very good result here, that we see.

Growing Foodtech – Intelligent Vending

We also wanted to take the opportunity this time, if you go to page seven, and share a little bit of light on another angle of Foodtech, which is intelligent vending. We haven't done that much in the past and show you a couple of examples where we think that there is also great innovation that we can drive in what originally was classic vending.

So, on the left-hand side here, you see an example of our great partnership with Parques Reunidos, one of the largest amusement park operators out there in the world. And they do anything from amusement parks to zoos to all sort of different places. You see here examples of the Blackpool Zoo. You see Belantis, which I think is an amusement park in Germany. And you see that these modern solutions also can really help us drive revenue. It is exciting. We got much more flexibility. We can use the digital space for videos, for promotions, we can sell the space, we can do bundles, we can do promotions, there's just a lot of that we can do.

And Parques Reunidos is one of the classic examples of companies that have a great proposition now that COVID is gone, everyone's flocking back to their activities. But there's shortage in staff, right? So, we can offer a lot of flexible solutions there, which is why they're very excited about growing this very fast.

And we also put an example out there on Coca-Cola. We're partnering with Coca-Cola to digitise their machine park. We're doing a lot of that in the UK. We're looking at many more opportunities to come, and also think this huge opportunity here to drive. So, we talked a lot about Foodies and the fresh food component in the past, but also think that this one here, is an important and critical element, where we can drive very strong growth on a sustainable basis.

Mars Partnership Expansion

We go to page eight. We wanted to just wrap this context up. I want to talk a little bit about our partnership with Mars, that we formed back in the days.

We mentioned in some of the previous calls, but I think it's interesting maybe to just mention how this works and also how this is a pillar in transforming our business. It's also a pillar where we clearly differentiate from a lot of what our competitors do. What we've done, is in this great partnership with Mars, very grateful for their partnership, is that we've taken over operating a state for Mars that they did in the past. You got the example in the UK. We recently took over 350 locations in Austria and then what we do is we convert these locations to digital, and we see substantial SMD uplift when we do that because obviously, it's much more attractive, it's a more attractive way to interact with the consumer. As mentioned before, we can get to better baskets through bundles that we offer. It's more convenient. Everything's cashless, which we have standardised with one partner across the entire state. So, there's a lot here, that we can do, and a lot more that we can build on those partnerships.

And we think that is one of the values that Selecta can bring. Given that we operate in 16 countries, and we're the only operator in 16 countries, we can work with the Coca-Colas, and Mars and others of the world, and offer that distribution and build these great partnerships, which would be very hard to do, if they wanted to do it in a fragmented way with a lot of other players.

Similar thing working on a pan-European level, like the example I've given you of Parques Reunidos, who's got amusement parks all over Europe, doing that with us, with differentiated technology but all the same service promise and level and under one framework is something that we think is hugely beneficial. And we think there's many more out there, in terms of clients and partners, that we can grow in that regard in the future.

Foodtech Partner to SBB

There's one more commercial highlight that I want to bring in here, which is on page nine, is our contract extension with SBB. SBB is the national railway of Switzerland, and that contract is the foundation of this company. So, we thought it was important to mention it, not only as a very important contract from revenue and profitability perspective, but it's a contract that really this business was built on, after its foundation in 1957.

So, after a long time, the Swiss Rail launched a tender. And we're happy to report that we won a seven-year contract extension with our partners here in Switzerland. We're very proud of that. We think we're doing a great service, and the combination of solutions and service and everything that we have to offer, and I think what we've demonstrated over the past decades led SBB to awarding us all lots of the tenders. So, we will continue to serve the entire state. And we're very excited about modernising that, and taking that to the next level, bringing digital in, bringing more regional products in, and really driving that business further over the next seven years to come.

With those commercial highlights that we wanted to share in this call, I just want to briefly talk about where we're going with our entire piece around telemetry and productivity, which I mentioned in the beginning, is an important backbone of the continued performance, productivity, profitability growth that you see in the business here. We continue to drive the penetration of our estate with telemetry, so that continues to happen.

Telemetry Expansion Continues to Support Efficiency

And then we showed you last time in our full year presentation, Joe and I showed you the massive jump that we did from a productivity perspective from 2019, or the beginning of 2020 to now. And even after that massive jump of productivity, you see that we don't stop, and that it continues here. When you compare the first half of '22 with the first half of '23, you see that we got sales up 7%. We're doing that with 7% less people. So, we got 16% productivity growth here, which obviously, is a combination of you focus more on higher profitable and larger revenue machines, which you see a little bit reflected in our second quarter revenue, when I talk about that in a minute. But there's a plan behind it. And then you see that we continue to hone in on deploying technology, the algorithms that drive the route planning, the planning accuracy and everything that goes with that.

So overall, we think this is a very strong picture and this is the backbone of the profitability growth that we continue to show in this company.

Our Latest Sustainability Report

Before I wrap the business update up, and go into the financial section, I briefly want to talk about our latest sustainability report that we've published on page 11 of the presentation. I hope that everyone had a chance to download our report and look at it because there's a lot of activity that is going from that perspective. We talked a lot over the past year around our entire transition of our Pelican Rouge brand into a fully sustainable brand. But outside of that, we've also made, I think, very substantial progress.

Carbon reduction

Carbon reduction down 25% versus our baseline. And obviously, the entire fleet piece is the critical piece that we're now focusing on for the years to come. Given that we have a lot of vehicle renewals now coming up over the years. We'll convert a lot of that to electric, and we'll be able to drive that. We got a target of 480 electric vehicles by the end of the year, coming from 89 electric vehicles by the end of last year. So, you also see here, a step-change that we're driving. But as you all know, if you got a fleet with a lease portfolio that has a number of years per car, it takes a bit of time to churn through that and roll over.

Supply chain

On the supply chain side, we're stepping up substantially our farmer support program, given that our new sustainable Pelican Rouge coffee is generating more funds, allows us to support more farmers, work with more people, launch more farm-level programs. So, there's a lot of great stuff that is happening here, and the target here is that by 2025 you get 2,500 farmer families that get supported through the Selecta Coffee fund, something we're very proud of. We think that is part of doing our businesses. We want to build a business that is great business for our clients, that brings joy to the people. We want to build a business that is great for employees and gives them associates, gives them stability.

We also want to do something that is good for the partners out there that we work. So, that farm level program that we're driving is really critical for us.

Diversity & Inclusion

And then last thing, Diversity & Inclusion, we continue to focus on that as well. We got 26% of women in Selecta, and we got 26% of first-level leaders, also women. So, you see that what we have in leadership first-level, and what we got in our overall population is in sync. But of course, we want to drive that overall share further up. And we've also got very transparent targets here, that we want to share here also in public, which is around 40% women and 40% first-level leadership positions. And that is something we also continue to drive around.

So, if I wrap that up, before I get into the financials, we got, obviously, strong profitability growth in the business. We got very strong Foodtech growth, we got exciting client stories, and I think the business model is very differentiated in that regard. There's a lot more we can do with that, with our solutions, with our international footprint, with our unique way to work with our partners, and continue to drive productivity through technology, and we've got a very ambitious sustainability program that is core of what we do here in this company.

Financial Results

H1 2023 Financial Summary

Strong EBITDA Growth and Margin Expansion

With that, I'm going to go into the financials of the company, and I will give a brief overview of the first half of the year, and then hand it over to our CFO, Nicole, to walk you through more of the details of the second quarter.

So, first half-year perspective, the highlights, clearly, we got very robust net sales growth 7%, there's pricing actions, there's new clients, there's SMD growth in the business. So there's a lot of that's contributing to that, and that results with the gross margin that we got stable through pricing and assortment and productivity gets us to the previously announced adjusted EBITDA margin expansion of 1.8 percentual points, 18.9%. Strong growth reported EBITDA, I mentioned that earlier. We got strong growth of free cash flow conversion.

And as you know, there's always a first half and a second half of the year in this company, the way our business is structured. So, it's a good first half year that we got here and robust liquidity.

I think the important thing is to mention is, and Nicole is going to talk more about it, is we see that we got a strong sales growth for the first half, but we also see that the sales growth in the second quarter is a little lower than the first quarter. What's interesting here I think is two things.

One is there's a little bit of COVID catch-up effect in the first quarter that played into it. But more importantly, Nicole will walk you through how we continue to home in on our footprint. And you'll see that there is a very strong SMD growth that I mentioned earlier. But at the same time, we still continue to take some of the lower profitability machines out, and the lower revenue machines out. We also continue to make an active decision when contracts are coming up for tender that the company might have signed up in the past, but is now coming up, and it requires a lot of CAPEX at very low returns, that we'd rather put our money elsewhere. We see this company as a future as Foodtech. It's business that brings value to clients. We do not see the future of this business in deploying a lot of capital on very low return opportunities, and I think that's important to keep in mind when we think about the transformation that's happening in the business.

With that, Nicole, I want to hand it over to you for some more details on second quarter.

Financial Results

Nicole Charriere

Chief Financial Officer, Selecta Group

Q2 2023 Financial Summary

Strong profitability and cash conversion

Thank you, Christian, and a warm welcome from my side to today's results conference call.

We are very proud to present the quarter with a strong profitability uplift versus last year, driven by our focus in cleaning up unprofitable machines and contracts as well as driving structural productivity gains and continued cost discipline, which led to an adjusted EBITDA of €63.1 million, up 21.1%, and a strong adjusted EBITDA margin of 26%, up 3.1 percentual points versus last year. With that, we demonstrate the great results of the progress Selecta is making.

The strong adjusted EBITDA leads to a significant growth of reported EBITDA, which reached €55.6 million, up 20.9% versus last year. As a result of the profitability-focus actions and the transformational environment in Italy and France, our sales growth slowed down in the second quarter. Sales price increase initiatives continue to be in place. We also see a strong cash generation in the quarter, reaching a free cash flow of €35.3 million and a cash conversion of 56%, 3.4 percentual points up versus last year.

Considering the one-off payments of €11.8 million happened in the quarter, excluding this impact from the cash conversion, we would have reached a cash conversion from 75% as a result of our focus on cash generation action plan.

Q2 2023 Group – Sales per Machine per Day

Continued SMD growth leads to new record high

We will now have a look at our SMD development.

So, our profitability focus is also reflected in the sales per machine per day, the so-called SMD metric, reaching again a record high of €13.1, up 21% versus last year. This is a very important achievement for us, as it proves an efficient management of our operated business, particularly also in challenging environments. The resilient SMD of our machine park is a key factor for us, also, for potential challenges to come. The, again, record high SMD is a result of our Group-wide initiative to strengthen our unit economics by monitoring and actioning on our underutilised machines. Machine removal continued, but leading to significant SMD improvement, and with that also significant EBITDA expansion.

If we have a look at the segments, then both private and semi-public segments reached record high SMD. Private is mainly driven by a strong performance in manufacturing and logistics, whereas semi-public showed strong results in Horeca and Healthcare. Public SMD continued to grow steadily, benefiting from a healthy park and increased travel activities.

Q2 2023 Net Sales by Country vs Last Year

Slower sales growth whilst continued profitability focus

If we have a look at our sales development by country on the next page, in very general we got a negative impact from FX. At constant currency, our net sales growth would have been 3.8%, not 3%. Then on a single country basis, we see a very strong footprint expansion in Germany and Austria, with both new gains and volumes trending positively. Strong net growth in both markets is also supported by our Foodtech expansion.

Then in Belgium and Spain, we saw a strong SMD development which basically has then not only driven the sales we see here, but also the profitability.

The Nordics, you may can recall that you saw them a bit more on the left side of the graph. So, the Nordic countries are heavily impacted by FX headwinds, and on top of that, we have also taken profitability actions to further strengthen our Swedish market.

Then in France, we have strongly worked on our footprint, and on our profitability, which has led to a very strong SMD improvement and with that, good profitability improvement of our French business.

Then, as explained earlier, we continue to see headwinds in Italy. There, we do have actions on the way to address those challenges as we speak.

Q2 2023 Net Sales and Adjusted EBITDA by Region

Margin expansion across all regions

On the next page, on a regional basis, we can see that in this quarter a strong profitability increase in all of our regions. So profitability, just the EBITDA margin went up between 1-4 percentual points versus the same quarter last year, and that demonstrates the effectiveness of our broad-based profitability initiatives.

Q2 2023 Adjusted EBITDA

Strong reported EBITDA growth and margin expansion

Then on the next slide, we look at the whole P&L. We already talked about the net sales element, but given the inflationary pressure we faced in the past, our strong focus was also on gross margin. And that led to an improvement of 0.2 percentual points in gross margin versus the previous quarter, and contributed to close the gap versus last year. Now down to -0.5 percentual points, coming from a -2.2 percentual points gap in Q1. So, a strong development in stabilising our gross margin. The remaining gap is driven by the inflationary pressure and also an impact coming from mix.

As we did in the past, we remain to be very focused on cost and productivity, which allowed us to improve the personal expense ratio, being 27.5%, increased 2.3 percentual points versus last year, and the other overhead ratio 13.9%, 1.7 percentual points improvement.

Overall, the total cost ratio improved significantly by 4 percentual points. But we don't stop here. So profitability, of course, remains to be our focus for the future.

The difficult environment, particularly in Italy, made it necessary to invest further in sustaining our profitability. Nonetheless, our gross one-offs, meaning the one-offs before recharges to the Group AG, were €0.7 million lower than it was last year.

Q2 20223 Working Capital and CAPEX

On the net working capital side. So, our net working capital decreased by 7% versus March. So we saw an increase in trade receivable, inventories and partially other receivable which is driven by the pickup of our business activities. And on top of that, we had some elements of balance sheet reclassifications, which had no impact on the total net working capital but has grossed up some of the lines.

And in addition, we also saw inflation which, of course, has impacted the single line item of our working capital.

Our net cash CAPEX this quarter stands at 4.3% of sales, slightly up versus last year and within the expectations.

Our well-balanced ownership model is supported by a strong €11.3 million of client leases. So, this is the leases which we don't book on our balance sheet where the clients takes that for us, which has avoided their respective cash impact. This is an initiative we continue to drive.

Q2 2023 Leverage and Cash Liquidity Evolution

Then, on the liquidity side, on the next page. Given the strong development of our adjusted EBITDA and reported EBITDA, our last 12 months EBITDA increased, and with stable net senior debt has led to improved leverage ratios, we stood in terms of reported EBITDA at 8.4x in December 2022, and now improved to 7.5x in June 2023.

The group's available liquidity landed at €153.3 million, whereof cash at bank was at €43.8 million and the cash in point of sales at €6.2 million. This results in cash and cash equivalents of €50 million.

Our available RCF was at €109.5 million. We repaid roughly €20 million in March due to the higher liquidity level.

Cash Conversion Action Plan Contributing to Robust Liquidity

If we have a look at the liquidity bridge on the next page, we can see that we improved the liquidity throughout the quarter, due to a strong free cash flow of €35 million, which remained to be impacted by one-off payments in the amount of €11.8 million.

Additionally, we also had interest payments, mainly coming from RCF and lease interest. All in all, we landed a strong liquidity headroom of €153.3 million, which enabled us to pay our senior notes semi-annual interest on July 3, with a substantial headroom remaining.

With that, I hand back to Christian for the closing remarks.

Conclusion

Christian Schmitz

Chief Executive Officer, Selecta Group

Conclusion

All right. Thank you, Nicole.

Look, I think conclusion is pretty straightforward. Obviously, we're very focused on profitable growth and free cash flow in '23. You've seen that we've delivered that in the first half of the year, and we intend to deliver the same in the second half of the year. Margin expansion through organic growth, pricing, productivity, those are things that continue to be front and centre.

It is a tricky environment that we operate in here. Inflationary pressures, certainly some of the core markets. Think of Germany entering a mild recession and also other European economies not being strong, is certainly something to watch out for, and make sure that we adjust to the environment accordingly. And then, look, we've been on our transformation here now for almost three years, and as in every one of these calls, we say we're confident in achieving our strategic plan in the year and beyond, and we'll work very hard to do so.

So, we appreciate the time. Thank you very much and look forward to questions.

Q&A

Operator: Our first question today is from the line of Wolfgang Felix of Sarria. Wolfgang, your line is now open.

Wolfgang Felix (Sarria): Yes, hello, thank you for the presentation. Some, I think, very good results in there. My first question today is the same that I asked last time already. I'm just wondering if maybe we're a little further along in our thinking, and that is around when you think your machine park is going to begin to stabilise, i.e., when will new machines perhaps begin to outweigh the continued reduction of the unprofitable machines? That's my first question.

My second question is about your target profitability. I haven't had much time to go through your numbers yet, but at a first glance, it looks like your IFRS 16 EBITDA would be at around 16% now of sales, which sounds like a fairly strong margin already. And with CAPEX under 5%, maybe sort of an otherwise unadjusted free cash flow of 10% sounds relatively good. How much further do you think you can push that without making any additional changes?

And my last question is a specific one, just on the SBB contract extension. When was the last time you've extended that contract, and are all the economics the same? Thank you.

Christian Schmitz: All right, look, I think there's a couple of pieces where I can probably give you an answer, and there's probably other ones that are a little trickier.

On the first question in the machine park. You should expect to continue to see that trend throughout the year. As we've said multiple times, we're transitioning the business model of where we go and where we operate. Right? In the past, this business has been about many machines and in many places. And I think a little bit of the idea of, as long as you have as many machines as possible, somehow you get density, and you'll be efficient and profitable. I think that was probably some of the ideas behind the path.

And I think we've been very clear that we don't think that way, especially because that might have been true 20 years ago. But today, where we have technology, and we can be very targeted in terms of when we visit and how we visit, this entire thing doesn't hold true anymore. Right? So, we are focused on Foodtech growth. That's what we are excited about. If that comes at the expense of taking some plain standard CAPEX machines out where we need to put capital in with very little return because there's a lot of vending fees that we have to pay, we just don't consider it accretive. Right? So, we will not change on that just because it will look better on paper. But that's what we think is basically the future of the business.

So, expect that to continue throughout the year. As we haven't done in the past or anything that's related to future numbers in terms of profitability, cash is – obviously, we can't comment on that. We don't get forward guidance here, where we continue to deliver on our plan. So unfortunately, I'm afraid I can't give you more details on that.

And then there was a third part on the SBB contract, and the hasn't been – I don't think there's been a structured tender in the past of this business. It's been more a continuation of business. So, this is really a kind of like probably also SBB taking a step back and seeing what we got from the market and what is it that everyone else can bring. There's been a lot of press around it, given that it's such an iconic contract, and we're happy to continue that, and we're very happy with the outcome. But again, I don't think I can comment on any specifics of the commercial terms of that agreement. I'm not allowed to do that.

Thank you for the questions.

Operator: It appears we have no further questions in the queue today, so it'd be my pleasure to hand back to management for any closing remarks.

Christian Schmitz: All right. Just want to say thank you. Thank you for listening in. We appreciate everyone's support, and anything comes up, any question that you think of later tonight or in a month or three months from now, we've got a great team here. Angela is very excited to take your question, and we'll see what we can do for you. Okay?

Thank you very much. Have a great day. We'll see you soon.

Angela Cinelli: Thank you all.

Nicole Charriere: Thank you. Bye.

[END OF TRANSCRIPT]