LSEG Q3 2022 Trading Update - Investor & Analyst Call Transcript

October 21, 2022

Peregrine Riviere:

Good morning and welcome to the London Stock Exchange Group, third quarter update posted by David Schwimmer, CEO and Anna Mann, CFO. Anna will make some brief introductory remarks about our performance and we'll then open up to Q&A. There are two ways to ask a question. You can share one in writing by following the instructions on the webcast page. Alternatively, you can ask a question over the phone using the number provided in today's release. And with that, let me hand over to Anna.

Anna Manz:

Thank you and good morning. Let me start by welcoming Peregrine, our new head of investor relations on his first set of results. He brings a breadth of experience to our team and I know he's really looking forward to meeting all of you if he hasn't already.

It's been another quarter of strong performance and broad-based growth. We're making good progress to achieve our targets and there's no change to any of our guidance. Our strategy is working and the consistency of delivery in recent quarters demonstrates the strength of our business model. We're generating quality recurring revenues from a range of services that are valued by our customers. As Peregrine said, "I'm going to pick out some of the highlights and then we'll get straight into your questions."

So firstly, on growth. It's a strong and consistent story with constant currency income up 7% once we've adjusted for the impact of the Russia Ukraine conflict exactly in line with what we achieved in the first half. Although the makeup of that growth was slightly different, and this talks to the strength of our business model across market conditions. Again, excluding the Russia Ukraine impact, data and analytics grew 5.4%. In trading and banking, we delivered our third consecutive quarter of positive underlying growth, reflecting the progress that we've made in understanding our customers and servicing them better.

Workspace rollout continues well and in the quarter, workspace for FX moved from beta test into full rollout. Our enterprise data business continues to deliver strong growth. We recently became the first international vendor of real-time data for the Beijing Stock Exchange, and it's this breadth of data that underpins our leading position in real time. We continue to gain share in pricing and reference services too, in part by leveraging the combination with FTSE Russell.

We've maintained good growth in our investment solutions business. Adjusting for the one time impact last year, index subscriptions grew at the same high single digit growth rate seen in recent quarters. Our asset based revenues were broadly flat, despite a 14% market decline in asset values. Success here is built on innovation and that continued in the third quarter with the launch of a fixed income version of the Russell 3000 Index, the world's first bond index to mirror an equity benchmark.

We also continue to innovate in ESG and we're on track to launch over a hundred new ESG index products this year. As you know, revenue in data and analytics is not just about growth, it's about quality and visibility too. We're making great progress on ASV with underlying growth accelerating to 5.8%. A further improvement in the quarter and up nearly three percentage points from the time of acquisition. This acceleration has been driven by the investments we are making to improve our product offerings with stronger sales and better retention. We're executing better across the board, focusing on what data our customers need and how they want to consume it. Then ensuring we do it in a streamlined, resilient, and efficient way. There's still a lot of opportunity here.

Moving to capital markets. This grew 9% in Q3. A slight slowdown from the first half reflecting lower market activity in the quarter. The largest driver was Tradeweb, which saw another quarter of double digit growth driven by market share gains and the electronification of the fixed income markets you've heard me talk about before. Elsewhere, we continue to drive change and innovate. In Q3, we moved our equity market surveillance tools to the cloud. And just last week the LSE launched its voluntary carbon market, which will help projects that mitigate climate change to access capital.

In Post Trade, we saw growing demand in the quarter as we help customers manage their risk in an uncertain market environment. Our platform continues to attract new users, adding our first clearing member from Singapore in the quarter. Cash collateral at LCH reached an all time high in September, driving net treasury income up 31%.

Let's turn briefly to the Refinitiv integration where we remain firmly on track to meet our synergy targets. To give you a flavor, we've launched 16 synergy related products in the quarter, including new fixed income analytics in enterprise data, and rolling out new index tools via our desktop products. We've consolidated our offices in Singapore and Hong Kong, taking the number of properties exited since completion to 33, and we're on target to migrate or decommission over 250 applications in 2022, more than 25% ahead of our original target.

Turning to capital allocation, we continue to be active. We're investing organically, making good progress on initiatives such as our FX matching platform with customers now able to build API connectivity. On M&A, the acquisition of TORA in the third quarter adds execution and order management capability to meet the demand from our trading users. And competition authorities have provisionally cleared our acquisition of the Quantile capital optimization business, which we expect to close shortly. And finally, we've recently completed the first tranche of the £750 million share buyback, with the next tranche due to start in December. So to pull all of that together, our strong Q3 performance is the result of sustained execution of our longer term strategy. We're making progress on all fronts and at the same time, there's still more we can and will do. We continue to invest and we remain well positioned for further growth with no change to our guidance or targets, a reflection of the strength of our business model across market conditions.

Before we finish, I want to take a moment to recognize Paul Froud. He'll be leaving LSEG after 20 years as our head of investor relations. In that time, the group has seen its market cap grow from a billion to almost 40. And Paul has weathered everything that that journey has entailed. He's a consummate professional and all of you on this call will have benefited him from his vast knowledge. On a personal note, Paul, I've really enjoyed and valued your friendship and your dry sense of humor and we're all going to miss you. And with that, David and I are happy to take your questions back to Peregrine.

Peregrine Riviere:

We have a couple of written questions through already, so we'll take those first. The first one is around growth. How confident are you in your ability to continue to grow in the current environment and should we expect to see a slow down in some areas given some customer pressures?

David Schwimmer:

Thanks Peregrine. And before I jump in on the question, I also just want to make a comment on Paul Froud. Great appreciation for his 20 years of work service with LSEG. I've personally enjoyed working with him. And Paul, we wish you all the best. So thank you. So Peregrine, to your question. We're really very well positioned for an environment like this and you can see that in the strong performance that we are talking about this morning. As we've talked about before, our business model is very well diversified across asset classes, across products, customers, geographies, currencies. We do have about 70% recurring revenue across the business. And then the 30% or so of the business that is transactional tends to benefit from the volatility and the uncertainty in an environment like this and whether we see that in LCH, Tradeweb, our FX business.

So another point I should just touch on is that times like this with the volatility, the uncertainty in the market, highlight the value of our products and our solutions to our customers. So it's also worth mentioning that while this market is very, very difficult for some, some of our customers are also seeing actual benefits in this environment, such as the banks that are seeing the higher interest spreads. So I'll just finish by pointing you to our ASV growth, which has risen 40 basis points or so this quarter. It's now at 5.8%. It really shows the continuing growth momentum in our business.

Peregrine Riviere:

Great, thank you. And another written question on pricing. Given the moves that some of your competitors have made, can you give us some indication of your plans for price increases in D&A next year.

David Schwimmer:

Anna, you want to take that one?

Anna Manz:

Sure. So we take price on the biggest chunk of our business, which is the subscription business in data and analytics on January the first every year. And our approach there is it's not a blanket increase because we've got different customers on slightly different terms and different products we treat in different ways. When we take price, we take price in the context of our medium term customer relationships. So it's really important that we're consistently growing those relationships.

Historically, our price increase has been about 2%. And this year in the context of both inflation, but also the significant investment that we've put in to improve our products over the last couple of years, we expect to take a little bit more than we've taken previously. And I would say, just going back to that ASV point that David just made, I think we're really well placed in that we've made significant investment in our products and in our customer relationships over the last 18 months since close. And you really see that showing up in our strong ASV performance. So we're going into this price increase cycle well placed.

Peregrine Riviere:

Thank you. We currently have no more written questions, so I'd like to hand over to the operator for questions over the phone please.

Operator:

If you would like to ask a question, please signal by pressing star, one on your telephone keypad. As a reminder, participants can continue to submit questions in written format either via the webcast page, by ticking the ask a question button or via email to the LSEG investor relations team at ir@lseg.com. We will pause for a moment to assemble the queue.

We will take our first question from Michael Werner of UBS. Please go ahead.

Michael Werner:

Thank you for the opportunity to ask questions. In your data and analytics division, can you explain the increase in the cost of sales, I think on a constant currency basis is around 9%, about twice what we saw in terms of revenue. So I was just wondering if there was anything one off in there, if there's anything related to acquisitions.

And then secondly, just to kind of get a little bit more color about the pricing, you provided some information about average pricing and data and analytics as a whole. Can you maybe focus that within the trading and banking solutions business in terms of what you expect in terms of price increases next year? And ultimately when should we expect or how do you expect that to flow through the P&L on the revenue side? And is this something that on Jan 1, we should expect higher pricing to start coming through or is this something that gets staggered throughout the year? Thank you very much.

David Schwimmer:

Thanks Michael. Anna, you want to take this?

Anna Manz:

Yeah, sure. So on the D&A cost and sales, the big impact that's coming through that you're observing is the impact of the M&A, which has about 150 basis points, if not a little bit more impact. Beyond that we've got various other moving pieces in there, but nothing specifically one off in nature. Little bit lumpy as we see our cost of sales come through. But that's how I think about it, nothing unusual or concerning.

With respect to pricing, we take pricing across the whole subs business on January 1, and that includes trading and banking. So you should see that start to flow through from the beginning of the year. In terms of the amount of price increase, the comments that I've made about our subs as a whole, also apply to trading and banking. So historically we've taken, on a realized basis, about 2%. We'll be seeing, as I say, a little bit more in 2023 and you'll see that flow through the ASV metric as at the end of the year in that the ASV metric reflects the combination of pricing, gross sales and retention.

David Schwimmer:

Thank you.

Operator:

The next question is Philip Middleton of Bank of America. Please go ahead.

Philip Middleton:

Yeah, good morning. And first of all, as one of the few people here who's been around longer than Paul, I would also like to thank him for all he's done. Now second... It's true. Secondly, I know this is a revenue update, a revenue focused update, but you have talked about your guidance and obviously inflation is a valid topic at the moment. So could you say a little bit more about how you are thinking about cost inflation and how that may manifest over the next few years as you roll through your integration process?

David Schwimmer:

Sure. Philip, thank you. I'll turn it over to Anna in a second, but it is just worth pointing out that in an inflationary environment like this, we actually see benefits across a number of different parts of the business. And so I touched on that a minute or two ago in terms of some of the uncertainty driven by the inflationary environment. We're certainly seeing the benefits of that in the trading businesses, particularly around interest rates swaps, particularly around some of the government bonds and then of course also in FX. So some positive elements to an environment like this for us. But Anna over to you.

Anna Manz:

Sure. So absolutely, we have effectively reiterated everything we said at the half year today. So I remain very confident of our 5 to 7% revenue growth target. And I remain very confident that we will exit 2023 with an EBITDA margin of greater than 50%. So specifically with respect to cost, our guidance for 2022 was low single digit organic cost growth. And we are in good shape on that and are reiterating that, and we're confident to do that because we are well practiced at looking for efficiencies in our cost base and driving synergies. And whilst we are continuing to invest in all the areas we've already described to you in line with plan, we can manage the overarching situation to be confident of that low single digit growth. I haven't been specific about 2023 just because it's a little bit too early beyond saying that we're very confident of delivery of that margin target and through a combination of price and cost, we know where we'll end up, exactly what the moving parts are. At this point in, I'm not going to get into.

Philip Middleton:

Thanks. That was very helpful.

Speaker 1:

Next one.

Operator:

The next one is from Arnaud Giblat from BNPP Exane. Please go ahead.

Arnaud Giblat:

Yeah, good morning. I have two questions for you. Firstly, could you talk about the NTI, I mean that's benefited by a significant increase in collateral. I'm just wondering with volatility continuing at perhaps the high levels of collateral is likely to stay for a few quarters, but where do you see that settling out in the longer term? My second question is related to capital allocation. I was wondering if you could share any further thoughts in terms of the possibility of a directed buyback next year and what the timing could be around that? Thank you.

David Schwimmer:

Thanks Arnaud. Anna you want touch on NTI and then I'll talk about directed buyback possibilities.

Anna Manz:

Sure, and I'm smiling as I touch on NTI because I realize that every time I say that NTI will probably decline in the subsequent quarter, I've been wrong so far. Because market volatility has continued to be unexpectedly high. So what I would say around NTI with a really big caveat that I don't have a crystal ball, Q3 has been record level of volatility and therefore cash collateral, which has driven the very high NTI numbers that you see. Will that continue? It's likely to come down. Exactly how fast and when, I'm not sure. And certainly we have started Q4 continuing with high levels of cash collateral. So, that's a long way of me saying Q3 was more volatile than the first half, will we see that level of volatility in the next quarter? I'm not sure, but I should think you'd be fairly safe at the level of volatilities we saw in the first half.

And just to remind you what drives NTI, predominantly it's the quantum of cash collateral, that's the driver. Because a big chunk of our NTI is fee based rather than margin based, which is slightly different from some of our competitors set.

David Schwimmer:

And Arnaud, to your question on directed buyback. So this is an available tool in the toolkit in the world of UK PLCs. But one point that we have touched on before, in order to make use of it, we would need shareholder authorization and we have not asked for that in the past. So you should not be surprised to see us asking for that as part of our AGM process in the spring. So hopefully that answers your question.

Arnaud Giblat:

Great. If I may have a quick follow up. Yes. Just on NTI, it's fee based with rates going up and clients generally paying higher interest margins in other markets companies. I'm just wondering if there's perhaps an opportunity here for some pricing increases.

David Schwimmer:

We're certainly aware of the different business models that some of our competitors. I would say that we have a medium term, very, I'll say medium term perspective with respect to our customer relationships and we value those relationships. So as Anna mentioned, there's a lot of thoughtful work going on in terms of what the right pricing is going forward, but nothing to comment on around that specifically right now.

Arnaud Giblat:

Thank you.

Operator:

The next question is from Haley Tam of Credit Suisse, please go ahead.

Haley Tam:

Morning. Thank you very much for taking my questions. I going to ask a couple of, I suppose, follow ups really. Firstly, congratulations on the continued improvement in the ASV growth. Given the comments you've made about a little bit more price increase this year and the continued rollout of synergy- related products, should we expect this rate of improvement to accelerate in 2023 and do you actually have a specific target ASV growth rate in mind? And then the second question actually on Tradeweb, are you able to give us a simple split of maybe the nine months revenue growth, which has come from market share and electronification so we can get a handle on what that might be, excluding any volatility related benefits? Thank you.

David Schwimmer:

Thank you. Do you want to touch on the first question and then I'll happy to take the, I'm happy not to answer the Tradeweb question if I can put it that way.

Anna Manz:

Sure. So on ASV, I'm not going to give you a target I'm afraid, but what I would say is this. As we've said, looking forward to 2023, we expect our pricing to be a little bit higher than the levels we've taken previously. And that will flow through to ASV and fairly immediately because of course that will be reflected in our book business as of the 1st of January. Now, otherwise, what you're going to see us do is more of the same. So in a subscription revenue business, it's about consistently improving our customer relationships and our product offering to be consistently selling more and retaining our customers better. And you've seen that very steady trajectory quarter on quarter. You'll see continued improvement, maybe not quite as fast as we've delivered in the early periods because we've kind of tackled some of the low hanging fruit, but you should continue to see that quarter on quarter focus on continuing to drive those customer relationships.

David Schwimmer:

Thanks Anna. And then on the Tradeweb question, nothing that we're in a position to say about market share gains relative to continuing electronification of the sector. I'll refer you to the Tradeweb teams' own disclosure and feel free to raise any questions like that with them. What I would say is that we're very pleased with how the Tradeweb business continues to perform very strong underlying dynamics there and also pleased to see how the executive team there is developing further very smooth transition from Lee to Billy, Tom Pluta coming in there, Sara doing a great job so very happy with Tradeweb on a go forward basis.

Anna Manz:

Thank you.

David Schwimmer:

Thank you.

Operator:

The next one is from Ian White, Autonomous Research. Please go ahead.

Ian White:

Hi morning. Thanks for taking my questions. Just a few follow ups from my side please. First up, can I just ask for an update on the progress on the workspace rollout and also the data platform migration? How's that progressing please? And how has it helped you so far to launch new products more rapidly? For example, as I understand, that was a limitation that the Refinitiv business had faced prior to the acquisition. How far through that process are we at this stage please?

Secondly, can I just ask a bit more color on your thoughts on the outlook for the fixed income businesses, especially in light of more difficult market liquidity conditions? How confident can we be that the sort of strong volumes that we're seeing in OTC rates and at Tradeweb will actually persist in light of evidence of decreasing market depth and wider spreads, for example, over the next six months? And just lastly on NTI, I hear what you're saying around collateral. The yields are a bit lower this quarter it seems. Just wanted to check if you're doing anything different there or if that's just simply the output of conditions and the rate rises that we've seen. Thank you.

David Schwimmer:

Thank you and I'll touch on the first two and then Anna if you want to want to touch on the NTI yields. So as Anna mentioned, the workspace rollout continues to go well. Significant product difference in this quarter is that we moved from the beta version of Workspace for FX Trading to the now regular commercial version and that's going well. The rollout continues to go well. As we mentioned at the half year, we were a little bit ahead of schedule there and pleased with how that was going. We still do have a few more, I'll say a couple more years ahead of us in terms of the continued rollout. By the end of this year, we expect to have at least beta versions of the remaining workspace products coming out into the market. So looking forward to that.

Data platform, we continue to make progress. Probably nothing specific to mention there, but in terms of products, we're adding content to Workspace. We've acquired TORA in this quarter, looking to integrate that into the broader business. We've made a number of other products available through Workspace, whether that relates to our fixed income analytics, whether it relates to some interesting things we're doing in a beta testing manner with our index product, et cetera, so good progress there and we look forward to continuing to push forward on those fronts.

Your question on the outlook for the fixed income business, really hard for us to predict the future on this one. I would say, and we've said this in the past, uncertainty around interest rates, uncertainty around inflation tends to be good for these businesses and we still see plenty of uncertainty in this environment. And to be clear, as we've mentioned in the past, for us it's not about the directionality of rates, but it's about the movement and the uncertainty that leads our customers to do a lot of repositioning. So that's really as about as specific as we can be on that. And then Anna, over to you on NTI yields.

Anna Manz:

Yeah, they are a little bit lower. No, we haven't, we're not doing anything differently. That's just a reflection of the market environment.

Ian White:

That's great. Thank you.

David Schwimmer:

Thank you.

Operator:

The next one is from Kyle Voigt of KBW. Please go ahead.

Kyle Voigt:

Hi, good morning. Also, just a follow up for me on the cost of sales question earlier. Can you just remind us where the bulk of that line is coming from? I know OTC clearing and FTSE Russell are two large drivers as well as some pass through on the recoveries but is there anything else to note in terms of outside drivers of that line? And when we're thinking about the medium term growth of that cost of sales line, is there any reason why the growth there should be higher than the growth that we see in LCH OTC clearing or FTSE Russell for example? Thank you.

Anna Manz:

Sure. So the big drivers of the cost of sales line are the ones that you've called out so the revenue share in LCH, transaction volumes but the one that you didn't call out is the news agreement and the Reuters news agreement sits in that line in data and analytics so those are the big drivers. In terms of the pace of growth of those drivers, you are absolutely right that we shouldn't see growth in the cost of sales line ahead of the revenue line in things like LCH, however, the nature of the revenue share agreement means that it's a little bit lumpy so in any given quarter it can a little bit distorted, but over a 12 month basis, higher revenue is going to drive higher cost of sales, but we'll get outsize benefit on the value of the revenue and the nice leverage down the P&L.

Kyle Voigt:

Understood, thank you.

David Schwimmer:

Thanks Kyle.

Operator:

The next one is from Russell Quelch of Redburn. Please go ahead.

Russell Quelch:

Yeah, good morning. Just a couple of questions. Firstly, one relating to the operating performance in investment solutions. Can you provide some color on how you delivered flat year-on-year, asset-based revenue growth in a period where markets fell? Wondering if that is the result of flows into new products.

And secondly, just stepping away from the operational performance of the business, just wanted to ask regarding the timing of a potential placing of the Blackstone stake. Am I right to suggest that even though the lockup expires in Jan, that they're actually unable to place stock until after the full-year results in March as they're insiders? And can I also clarify, are Blackstone able to sell when you're doing your buyback in the market? Thanks.

David Schwimmer:

Thank you. And why don't you take the first question and then I'll answer the second.

Anna Manz:

Yeah. So you're absolutely right. AUM growth has been flat in a market where we've seen declines. So a couple of factors there. Firstly, we have some caps and colors around our AUM structures so that we don't see the full benefit on the upside, but we're also protected on the downside.

And separately, secondly, to your point, we've outperformed the market because we have seen some quite significant inflows in the period and that has offset, in part, the market movement. And we're pleased with the progress we're making on actually rolling out new product and the inflows that we're getting with it.

David Schwimmer:

Thanks, Anna. And to your question on Blackstone and timing, we're not in a position to comment on anything specific around timing other than the first tranche of the lockup expires at the end of January. And then beyond that, there's really an element of this that's up to Blackstone.

On your second part of that question with respect to the buyback, they are able to participate proportionately in the buyback. So just to put some numbers around that, the buyback that we have completed in the first tranche was about 230 million or so. And so they have about a third of our stakes, so you should assume that they participated about a third of that.

Russell Quelch:

Okay. Yeah. Sorry, can I just pull up from... on those two then? So Anna, can you just give a bit more detail as to where particularly the new product rollout has come and where the flows have come? And David, can I just clarify, so Blackstone aren't able to sell until March because they're insiders given their positions on the board. Is that right?

Anna Manz:

So we're seeing some quite nice inflows across the board actually, across our customer base and across the new product that we're launching. So I wouldn't point it to any one specific area. And I quite like that in that broad-based performance is good. So yeah, nothing specifically to call out that's driving that beyond. We're launching a lot more product than we have done historically.

I think we've talked about that before. I think we've actually said that the pace at which we're rolling at new product this year is... We've already rolled out at the half year more than we had in the last prior years. And we're saying that what's coming with that is that solely, we're saying the assets follow it effectively.

David Schwimmer:

On your second question, it's true that Blackstone is an insider given the position on the board. And so you can take the conclusions from that in terms of timing with respect to our full year results in early March. But we're not going to get into a practice of being drawn on specific timing around what Blackstone's going to be doing.

Russell Quelch:

Yeah. It's good. Thanks. Yeah, I appreciate that. Thank you.

David Schwimmer:

Great.

Operator:

The next one is from Enrico Bolzoni of JPMorgan. Please go ahead.

Enrico Bolzoni:

Hi, good morning. Actually, my question has been asked, so thank you. I'm going to pass.

David Schwimmer:

Okay.

Operator:

The next one is from Ben Bathurst of RBC CM. Please go ahead.

Ben Bathurst:

Morning all. I've got two questions, if I may. Firstly, on post-trade, just to follow up on the collateral level, could you perhaps give an indication of what the level was as you exited the quarter? Because I think the 151 billion euros was the average for Q3.

And then secondly on geographical split, thanks for the color on the Beijing deal. In H1, you showed, I think, 15% of income coming from Asia. I wondered if you could just share roughly what the portion of that comes from China as it stands. Thank you.

David Schwimmer:

You want to take this?

Anna:

Yeah. So on the post-trade collateral level, I don't have the exact number off the top of my head. But I want to say it was in the region of 120, so down from the 150, but we'll come back to you precisely on that.

David Schwimmer:

And then on the second question, we don't break out revenue by particular countries, so nothing to add on the specifics around China.

Ben Bathurst:

Okay. Thank you.

Operator:

The next one is from Johannes Thormann of HSBC. Please go ahead.

Johannes Thormann:

Hi, thanks. Good morning. Johannes Thormann from HSBC. Just a follow-up question on your cost direction, we have previously seen in the half year results that cost of sales has go going up in the low teens, now accelerating to the high 20s, but you were able to mitigate the other or the overall cost increase to basically being flat.

Is this also happening in this quarter? We don't see the cost that the currency mix will also help. Or what is else behind it, how you can mitigate this big gap in the dollar move? Thank you.

Anna Manz:

So when we talk about cost of sales, we're talking about cost of sales on a constant currency basis. And you're absolutely right. 48% of our cost overall is exposed to the dollar. And so we do see significant currency driven volatility on the cost of sales line, also on the cost line.

But I guess the important piece is more of our revenue. So 57% of our revenue is exposed to the dollar. So in the current environment, although costs are going up, our revenue is going up even faster. Just to talk about cost of sales for a moment and maybe to help you with why it appears to have accelerated in Q3, so firstly, in the first half, year-on-year, we were seeing better revenue growth and that has driven our cost of sales.

And I'm talking now on a constant currency basis. If your question is why have we seen cost of sales then accelerate in the third quarter versus that first half of the year, really, it's two things. One is the fact that we've seen such a strong performance in SwapClear because of the very, very volatile market conditions. And you've seen that flow through both the strong performance in SwapClear, but also the NTI line.

And of course, we have a revenue share. And so that revenue share is reflected in the cost of sales, but you've seen the upside in revenue. And the other reason you've seen cost of sales go up this quarter is because we're starting to see the impact of the new acquisitions. And so that has... Their cost of sales effectively is starting to show up this quarter.

Johannes Thormann:

Okay, understood. Thank you very much and thank you to Paul for all his help, much appreciated. Thank you.

David Schwimmer:

Thanks, Yohan.

Operator:

Thank you. There are no further questions on the conference line at the moment. I will now hand the presentation back to Peregrine, group head of investor relation.

Peregrine Riviere:

Thank you very much. We actually have no more written questions submitted so we can end the call here. Thank you very much for joining, and we look forward to seeing you soon.

David Schwimmer:

Thank you all.

Anna:

Thank you.