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Presentation

Jacob Broberg
Thank you very much. Welcome to a warm and sunny day in Stockholm and the Cloetta Q2 report, as usual I have Henri de Sauvage Nolting our CEO with me and also Danko Maras, the CFO and Henri you will start. Please go ahead.

Jacob Broberg
Thank you, operator. Jacob Broberg, Head of Investor Relations here, and today I have Henri de Sauvage Nolting, our CEO, with us. We don't have a CFO today; the new CFO will start as of mid-November. So as of Q4 you will meet and hear more from him. But with that, I hand over to Henri. Please go ahead, Henri.

Henri de Sauvage Nolting
Yes, thank you, Jacob. Welcome, everybody to the Q3 results. If we look on the highlights, we can see that with the FX effect, we ended up in positive growth, but of course the organic growth is much more interesting, and how we are managing the business, so we saw a decline of -3.6%, all coming from the pick & mix business. And it was good to see that the branded business did actually grow, with 1.6%. Due to a lot of factors, but one of the main ones is the production volumes, we could see the operating profit adjusted going up to SEK 194m. And that also then comes through into the profit for the period at 132 million SEK versus last year. Cash flow, I'll come back to. There's an Italy effect in there, and the net debt over EBITDA was at 2.48, so again, within the target we have on debt parameter.

If we look at the markets, we could see that, in particular, July and August – that we could see that markets declined in most of our core markets. Those are the markets we can measure, which is measured by Nielsen and IRI/GfK, 2 to 5%-ish points, but very good to see that we grew. Our market shares, we'll come back to that. Pick & mix, where there are no external data available, we estimate actually a slightly larger effect of market decline. I said we had a negative -3.6%, driven by pick & mix. Brands, which is again where our EBIT is generated for the time being, grew with 1.6%. In such a market, it's important to see what is our competitive growth. And in 14 out of the 16 category core markets combination – so, let's say, chocolate in Sweden or gum in Holland – we have been growing market shares. And that is of course a good signal that we're getting more competitive in the markets.

Then the pick & mix declined with 15%. The main thing is still the lost contract in Sweden, the non-promotion policy in Norway due to the sugar tax and the PR over there, and also the marketing itself, and the fact that we're also preparing the pick & mix business for future growth by integrating, restructuring, and working on improvement of the EBIT.

If we then look at the strategic focus areas, it's simple. It's growing the base business, growing the branded products, which we are doing. A lot of focus on strengthening the brands, coming with relevant propositions, coming with innovations, but also just the base business in distribution, pricing, promotion. And starting to get results. We're also increasing the so-called pure media investment, so this is the money we are investing which the consumer is actually seeing. So it's not the money which goes to agencies to develop campaigns or doing market research, this is really the money which is effective, because that's the money which gives the results. So we're on our journey to increase the pure media.

And then, quite some good core innovations, so innovations on our core business. Again, really important, because on the core brands and the core business, that's where we have our areas of strength and competitive advantage. So we're developing that, and we can see in particularly quarter 4 there's a number of really big activities and innovations coming to the market, which we'll also support consequently.

Then our cost and margin, really important for the funding and for the EBIT development. So the cost efficiency programme is in full swing, and will continue also in the coming years. We have had the Swedish Krona weakening. We've taken pricing to mitigate that, but that is always a few months later then when it comes in. And also the insourcing is actually going really well – that's the insourcing of the Candyking products and some other third-party production. And we can see that we're ahead of plan, and coming to the levels of production utilisation which are very favourable. And we now need to – as communicated before, in the Candyking integration project, we're going to invest in some extra drying capacity in order to do even more insourcing. So that's then the last important area – the capacity investment which we are planning for 2019, as previously announced when we did the Candyking integration.

We have now in the – in the Nordics, put the former Candyking business into our ERP system, which also gives us a lot of insights on how to structure and start to get the EBIT up, costs down. And then next year we'll do the same in the UK business. And then, last but not least, looking at the EBIT in the former Candyking business, now the combined pick & mix business, how are we going to get a better commercial margin in all the markets. And quite some differences between the – between the markets on that, and we're taking steps to improve the EBIT margin to a better commercial margin in all the markets.

So those are the three main areas. If you then look at a little bit what we're doing, I took three things out which I think are interesting to talk about. So, as I said, more pure media. Like for like, we can see that we get 10% more bang for our bucks, you could say. 10% of the money going more to consumers is very positive.

If we then look at Venco, which is the number-one liquorice brand in the Netherlands, had not been supported for eight to ten years. And now we're on TV, on social media, on outdoor, reclaiming the territory which this brand is owning, and strengthening the – yeah, the key difference between this brand and its competition. So we're going to see what will happen in Q4.

In Sweden, we've taken our very famous local Plopp brand into the tablets market, by introducing Plopp with a taste from our candy and other chocolate brands also. Initially really good results, and as we discussed before, we keep on expanding the Choice For You programme, where we're giving people, next to the original products, a choice with 30% less sugar and no sugar. And that's going into Sweden and Norway, again with a combined campaign where we're leveraging scale. That will happen in Q4, which also means I'm really pleased to see that – now that we have higher efficiency on the media budget, that we're also going to increase the absolute media budget in Q4, as we already communicated that we would have higher absolute investment in the second half of this – of this year.

We're now ready to do that, to make those investments in a good-quality way, so that will happen now in Q4.

Then we go to the financial updates. So, there's no structure. Candyking has been with us for more than a year, so it actually is quite an easy way to look at it. We can see the organic growth at -3.6%, and that's compensated by the exchange rate with 5.8; we come to a total of 2.2%. Again, you know, we are looking at the organic growth of Cloetta, and we do not steer the business on the exchange rate differences.

This slide is something you have been asking for. We really think we have two businesses within Cloetta, one is the branded and the other one is the pick & mix business. If we look backwards into time, which you can see on this chart, as from 2016. And that is now the third consecutive quarter where we have growth on our brands, so that is really important, because that's where the margin is being made for the time being, while we are making the pick & mix business ready for competitive growth by increasing the EBIT level. So this is positive news to have. I would say, first signs that we are getting where we want to be, that we're starting to grow the business, and we're going to grow market shares with all the strategic initiatives we have put into place last year.

Now, there's also work to be done, as you can see on the next slide, because here we then see that we have also three consecutive quarters with negative growth on the pick & mix business, which, if you go back in history, has been one of the key growth drivers for the top line of Cloetta. And now you see that we have work to be done. Of course the lost contract is a big one, the Norway sugar tax impact on the promotions is a big one. But there's also a lot of underlying things we still need to sort out, to start making our proposition more interesting and for customers to be willing to pay a higher price for the Cloetta pick & mix business, in all countries, not only in a number of them.

If we then look at the P&L, it's good to see that the net sales of course went up with 33 million, but it is fully driven by the FOREX. If we focus again on the organic growth, it's negative with -3.6%. Gross profit amounted to 559 million in the quarter, which is 32 million higher than last year. The improvement is mainly coming from the margin effect we get from the re-translation from euro into SEK, but also higher production volumes versus last year. That's all coming from the insourcing and the growth we have on the packed business.

If we then look at gross margin, it's 1.3% higher than quarter 3 2017, which then is driven by the production volumes and the higher organic growth in the branded packed products, which has a positive effect on the mix which comes through in the gross margin.

Operating profit adjusted is at 25 million higher than last year, again driven by the higher production volumes in our factories, together with cost efficiencies, and also the growth of the branded products of course trickle down over here. The operating profit non-adjusted, you could say, is 180 million. This is an improvement of 11 million versus this last year. It is lower than the operating profit adjusted, because we have 14 million of one-off cost in the quarter, mainly related to Candyking. Half of that is the re-measurement of the Candyking earn-out, which every quarter we recalculate the earn-out consideration. And given the forecast we have, the earn-out has been adjusted upwards. And the other half of this one-off cost is related to the Candyking integration, which is still ongoing.

We then look at net financial items. They were lower in the quarter compared to last year. The improvement is mainly related to the exchange differences on borrowings and cash equivalents, related to the development of the Swedish Krona against the euro during the quarter. Corporate income tax – the effective tax rate for the quarter is somewhat lower than last year, due to a one-off positive effect resulting from the closure of a previous ongoing tax case.

And if we then look at cash flow, the cash flow of our operating profits did improve, mainly driven by a higher operating profit. Here it is important to remember that the comparator was negatively impacted by the cash flow from the now divested Italian business, and this was about 95 million. So that's important to – to make this like-for-like comparable. The cash flow from the investing activities were on a comparable level with last year, when adjusting for the fact that Cloetta Italy was divested in the comparative figures.

So, if we go to a summary of what has happened in Q3 and what we're doing, good to see that the brands are growing now for the third consecutive quarter. Too early to say, ‘Well, hooray, we've solved everything,’ but I think it's good that we step up gradually, quarter after quarter, getting the strength but in the – back in the brands, and also making better investment choices in the pure media. Going up with 10%, we're not yet at the goals we have set ourselves for that in the strategic five-year plan. But we are certainly improving, which gives me also then the confidence that we can actually start to spend, on an absolute level, more in the next quarter.

Pick & mix declined, not good. Building it for competitive growth, making the trade-off between the top line and the bottom line, when we're looking at how we do business across all the markets, and at the same time, taking cost out, getting more efficiency in. So that is a project which we already discussed was going to take us up till 2020 on the insourcing and getting all the – all the synergies ready.

The operating profit adjusted improved. Candyking integration is in line with the plan, but will take more time. And then again, because of the insourcing, as discussed before, part of the 175 million of integration cost is going now into increasing the production capacity. It's not actually the lines which are producing the products, because those we will have, it's the drying capacity for the moulded products, which have to dry between 24 hours and more, in drying chambers, before we can pack them.

And that was it, so we now can open for questions.

Q&A

Operator
Ladies and gentlemen, if you wish to ask a question, please press 0 and 1 on your telephone keypad. Please wait a few minutes for first question to arrive.

We have our first question from Mr Niklas Fhärm, from SEB Equities. Sir, please go ahead.

Niklas Fhärm
Thanks, operator, and good morning, everyone. So, my question is really if you could give us some insight into the disposition of the organic sales developments in terms of how much of that is volume-related, what is the price component, and what is possibly the mix? But in order to make this useful, I would like to start by asking you how much of lost revenue is actually due to the Coop contract recorded in Q3? Give us a ballpark number, please.

Henri de Sauvage Nolting
Yeah, so the Coop contract is about 50% of the lost revenue. It's about 35 to 40 million SEK. So that is, by far, number-one explanation for the loss. Then there is the – second-biggest factor is the sugar tax impact in Norway on the promotional activities of the customers. Customers are not promoting pick & mix any more, which is an important – an important part of the volume-driving activities. The third one was that we could see, in particular during July, August, that people in the Nordics were staying more in the countryside, and there's less pick & mix availability in the smaller stores. But

there's also still a lot of integration work to be done, which is sometimes leading to – that we're not completely on the ball when delivering products to the stores, or that we have out-of-stocks in the stores. That is the fourth explanation, I would say. And then, last but not least, we're also looking of course at how to improve profitability for the business going forward.

Niklas Fhärm
Thank you, that's very helpful. So, if I may, is it a fair conclusion then that pricing is probably up a bit, mix is probably unchanged or better, but it's mainly a volume issue explaining the sort of organic like-for-like decline in the quarter?

Henri de Sauvage Nolting
Well, what I would like to stress is that you really need to – or you don't have to, but I'm really looking at these two different business models. We have the, let's say, traditional FMCG branded business, which of course is a combination of volume and price, with investments in A&P, and where we are making, of course, a lot of profit. You all have seen the P&L of Candyking when we bought them, and the profit levels we have on that business, which is then the second – the second leg. They're now completely integrated; it's impossible to make a difference between the former Cloetta business and the Candyking business. So we really look at two different business models, branded and pick & mix. And of course in pick & mix, volume is much more a driver, because we put the volume into our factories, and then get an effect across the whole portfolio of Cloetta, with better coverage, and of course, when factories are running at higher capacity utilisation, it trickles down in the transfer prices of all the products.

But at the same time, we know that we have still optimisations to be done in some of the markets on the pick & mix. We have merchandisers driving around, and that is partly, of course, more efficient when you have more volume in the system. On the other hand, you know, we don't think that, for the future, that we should accept the kind of EBIT level we have in some of this contracts or some of these markets, and that's what we are looking at right now, so that we get to a better EBIT margin for the business. Because we have a target to get to 14%, and here we need to make then sometimes the trade-off to take a bit more risk in 2019 on the top line on the pick & mix business in order to get a better EBIT delivery.

Niklas Fhärm
Can I possibly also follow up with basically at the same question, but if you could elaborate on volume versus price and mix in terms of impact and organic growth for your branded goods business only, please?

Henri de Sauvage Nolting
Ah, that's a little bit dangerous, because you know then I talk of course indirectly to my competitors as well, and also our customers.

Niklas Fhärm
Okay, okay.

Henri de Sauvage Nolting
And it is also, you know, it is so different market by market. Of course, when you have the weakening of the Swedish krona, we take action in Sweden in order to compensate for that on the full-year – on the full-year run rate. And in other markets where we maybe already have very good margins, we try to be more volume focused. So of course, we have those figures, but I wouldn't like our competitors to know exactly what we are doing. But be assured we do – like, in our professional FMCG company, constantly looking at volume and price and seeing what is the best EBIT delivery in the competitive step of the different markets we are operating in.

Niklas Fhärm
Sure, appreciate that. Final question on the same topic. Would you care to give us some elaboration on any possible impact on volume from at least some more grocery trade going online and the propensity for, you know, customers to actually put in a pick & mix bag in the shopping basket, checking out, etc? Is there any signals, any updates you could give us on consumer behaviour that possibly is impacting your organic growth rate already now, please?

Henri de Sauvage Nolting
At the moment, it's not having a serious impact, but of course we want to be ready for the future, so we have e-category managers in all of our main markets, with a central resource coming from one of the top e-commerce platforms in the Netherlands, and we are having several – I call it experiments, several cooperations with the e-commerce players, both the pure players and the e-retailers in each of the countries, to see how is consumer behaviour at the moment on impulse products like candy and chocolate, but also how can we stimulate people in that e-commerce environment to then still buy these impulse products.

We even have an experiment with pick & mix ongoing with one of our retailers where people can do actually pick & mix online. So they can choose from the screen which products they would like to have in the pick & mix basket, and then that retailer is choosing those products. So it is very much something for the future and then the good news is, you know, it is impulse, so we are also very much looking at other channels at Clas Ohlson, which is an important retailer in, call it do-it-yourself and peripherals, and they're now selling our products. And of course, people are interested to buy our products, so – under control.

Niklas Fhärm
All right. I may come back later in the call with further questions. Thank you so much.

Henri de Sauvage Nolting
Yes.

Operator
Thank you. We don't have any more question for the moment. Ladies and gentlemen, let me remind you that if you wish to ask a question, you have to press 0 and 1 on telephone keypad. That's 0 and 1 on the telephone keypad.

We have a next question from Nicklas Skogman from Handelsbanken. Sir, please go ahead.

Nicklas Skogman
Yes. Hi. The comparable for the packaged branded business is quite – or it was very easy, it was -4% in Q3 last year. And you do grow this year, but it's – you're not sort of recapturing the organic sales you lost last year. What is – is there an issue here?

Henri de Sauvage Nolting
No, I mean, you could look at the comparator. I think, if there would be an issue, then we would not be growing our market shares in 14 out of the 16 markets. So that is probably something I would be looking at –

Nicklas Skogman
Yeah.

Henri de Sauvage Nolting
So are we growing competitively, and I would say yes. Then, of course, I'm not saying that the job is done and that now everything is in place. It's only three quarters in a row we are seeing market shares

improving, as we said, in a tough – in a tougher market during July and August, so that's pleasing to see that we are growing market share. That for me is the ultimate proof, but this has to continue. And, you know, we're having better people in, we're having more focus on where we spend on media, we're renegotiating contracts with media agencies, research agencies to get cost down. We are now only working with Läkerol with one brand team across all the markets, rather than four or five markets doing it on their own and spending costs on their agencies or research for consumers.

So there is a lot of efficiency coming in. That will all then – should trickle down, of course, in making our brands more competitive in the markets. But that is probably, you know, we're – a two-year journey. I mean, if I were you, I would only believe this when I would see it two years in a row, or at least six out of the eight quarters of growth. But that is very clearly what we are doing on the brand. That is basically the case, and again, that is where the EBIT margins are very high and that of course then is also trickling down into the bottom line. And at the same time, we are preparing this pick & mix business for future competitive growth and the Candyking integration, call that sharpening the proposition, taking the cost down, but there's two very different business models we are working with.

Nicklas Skogman
I think you said July/August the market was down to 5% in packaged. Was that correct?

Henri de Sauvage Nolting
Yes, in Nielsen, yes.

Nicklas Skogman
Okay, and what about September?

Henri de Sauvage Nolting
September was more back to normal, so that we can see the other kind of zero percent volume growth in the markets, and then a bit of price growth depending on the market.

Nicklas Skogman
Okay.

Henri de Sauvage Nolting
What we don't want – we tried to sketch a picture, you know, what happens with the markets, and of course you could say it was warm and maybe people are then eating less chocolate. On the other hand, you know, I don't want to hide behind the weather. There's a lot of other things we need to fix which are having a bigger impact than the weather impact, and that's what we are doing and that's what our investors can then count on. So that's why you also don't read in our reports an effect of weather on business, etc.

Nicklas Skogman
All right, very good. That is it for me for now, thank you.

Jacob Broberg
Hi. I have a question here from the web, why the earn-out for Candyking increased when the organic business in pick & mix actually declined? Is it all coming from the Cloetta pick & mix? And Candyking shares are performing well – how is that possible?

Henri de Sauvage Nolting
Yeah, so first of all, it's important to understand that the total business is on the earn-out, so the earn-out which we have defined in the deal with the former owners is that it looks at the total volume of pick & mix. So old Cloetta, plus old Candyking together. How this works is that, in each quarter, we have a process where we do a sales and operation planning which is looking forwards. And if we are

seeing now that there are – is a better forecast in quarter four than we had in the earn-out consideration, we adjust the earn-out consideration up, and of course also down when it would be lower. And that is the way this works, and of course then at the end of this year, so by December, then we know the total volume development and we can calculate the exact earn-out consideration, which we will then publish in 2019.

Jacob Broberg
No further questions?

Operator
Yes, we have two more questions. Next question from Mr Niklas Fhärm from SEB Equities. Sir, please go ahead.

Niklas Fhärm
Thanks for letting me back into the call. So my next question would actually be on the gross margin bridge. I understand perfectly that most of the very positive development year on year is because of insourcing efficiencies, but still I was wondering if you could give us an update on any implications from raw material and cost of goods? And implicitly I guess what I am asking is, is there are any other negative parts in the gross margin bridge which actually means that the effect of insourcing is actually even higher than the total net change year on year, please?

Henri de Sauvage Nolting
Of course, as this is in gross margin, of course there's many different factors in there. As such, you know, the insourcing was the biggest effect. Then, of course, we can see that some of the raw materials like sugar is going down, so that is a positive. On the other hand, we have a very big business in Sweden which is buying a lot of the products from Europe, where we then see a transfer price or a negative effect on the transfer price because we are producing in euros and selling here in Sweden. And as we explained last time, there is a way of working in Sweden with customers is that three months after such SEK weakening has started, we can start to negotiate, and then there is an implantation time of three months. So there's always a minimal of a six-month lagging in that process. So it's a mixed effect. Also, the way we work with customers between FOREX and raw material.

Then, of course, we also are trying to improve the mix, which is an element we are bringing into our planning that we are looking at, okay, how can we improve the gross margins through the mix, which is something we – also with our new marketing organisation and the planning forward, is getting a lot of attention. And maybe last but not least it is the whole trade spend, so how can we be more efficient in promotion. So there are different elements where we are working on in order to work on gross margins.

Niklas Fhärm
Thank you very much. I guess the production line in Belgium was up and running as of Q2 this year, and I just meant asking is there any particular reason for why we should not expect similar positive contribution to gross margin developments for the coming six months, as well as Q4?

Henri de Sauvage Nolting
We have the – we of course have the – what is called the T minus 1 principle, but I don't expect, you know, a big impact. And we are running on full capacity, and we are actually making extra shifts in most of the moulded network factories, also in the chocolate factories, in order to produce more. And if we have to work weekends or some of the Christmas or New Year days, that also comes at a cost, but that is a positive problem to have because it means we are selling more branded business and that the insourcing is ahead of plan. And as we previously communicated in the Candyking synergies and insourcing, we are expanding now the drying capacity in two of our main factories in order to be able to produce even more than on the production lines we have.

Niklas Fhärm
Now, can we also come back to your earlier statement on marketing spend and A&P in absolute terms going up in current trading? Does that also imply that you are planning at least for a positive impact on organic sales, or is this more sort of A&P spending that sort of is an investment for 2019? How should we look upon that statement from you?

Henri de Sauvage Nolting
I think you are right to say, well, that's the plan we have for quarter four to invest more in the brands. Also now at an absolute level, up – the first three quarters, we have been very focused to get the efficiency up. I mean, I don't want to invest in something when too much of the investment is leaking away to, let's say, third parties. Of course, they're doing an important job, but we now really have the whole marketing organisation lined up that more and more of the money has to go into what you call, let me call it pure media. So that is media which is being seen by the consumer, rather than paying an agency.

And the second part is that we now also have worked on getting some of these launches really, I call it perfect, but that they were really in the good seats, and only then start to invest. So that comes together now in quarter four, and that's why we are going to invest more in quarter four. But this will be a theme going forward, of course, as well towards 2019, but we do that because we want organic growth on the branded business because that's again also for gross margin a very good way to improve EBIT of this business.

Niklas Fhärm
Final question. There is an 80 million build-up of stock in trade and towards the end of Q3 this year compared to last year, but at the same time, there is a nice little working capital release in the cash flow statement compared to a quite negative development, or a working capital build-up at least, in Q3 last year. Could you just briefly walk us through the main reason for the working capital release, given that the stock in trade is actually up?

Henri de Sauvage Nolting
Yes, the main working capital is Italy. So last year we had Italy in the comparator. You remember that we stripped it out as to-be-divested business, but we did not do that in the cash flow. On the top of my head, it is the majority of the cash flow benefit, but also the ongoing business, or let's say the retained business or the Cloetta plus Candyking business, we see an improvement in the working capital, but it is in the order of 4-5 million SEK.

Niklas Fhärm
I see, I see. All right, thank you so much for taking all these questions.

Henri de Sauvage Nolting
No, no, it's my pleasure.

Niklas Fhärm
Thank you.

Operator
Thank you. Next question from Nicklas Skogman from Handelsbanken. Sir, please go ahead.

Nicklas Skogman
Yes, two more, please. Firstly, on the price increases you have been doing, do you expect to see any sequential positive impact in Q4?

Henri de Sauvage Nolting
We never give forward-looking statements, but, as already mentioned, we have increased prices due to FOREX in August. But the way I described how we work with FOREX, of course a lot will depend how the SEK is going to behave in the fourth quarter, because we are doing price increases based on an average SEK rate over a three-month period. And that we announce a price increase and that is then common practice in most of the Nordic markets, but certainly in Sweden what we're talking about that this is a three-month negotiation. So, in total, we have about a six months' delay. So if the SEK would strengthen a lot, it will be a benefit for us. If it would weaken, we will have to plan for further price increases. So this is not something which we can predict, and I would probably be doing another job than the CEO of Cloetta, right, if I would know where the SEK would be going.

Nicklas Skogman
Yeah. Okay, so you raised – you announced new prices in August, and then that –

Henri de Sauvage Nolting
Again, we implemented a price increase on the 1st of August. So that is in. We will not communicate due to competitive reasons what then the price increase was or at which sector we are, but of course if the SEK would deteriorate, we have to do another one, and if it doesn't deteriorated or goes below where we have landed a price increase, it could be a help.

Nicklas Skogman
Okay, good. And then the last one is on M&A. When do you think that your balance sheet is ready for another acquisition?

Henri de Sauvage Nolting
Well, balance sheet is actually ready for another acquisition; that is not what is holding us back. And we've done some fantastic refinancing, some very good commercial paper programmes which is giving us access to loans at a very competitive or extremely competitive rate, I would say. But I am a believer myself that we first need to integrate the Candyking business in a good way. So that house needs to be 100% in order. We need to have, you know, the business in each of the markets gaining competitive growth. We need to get the EBIT up, the costs down, and that takes a lot of, yeah, focus from the organisation, and therefore we are a little bit more careful at the moment by ourselves actively going out and with hunting or looking for new acquisitions. So that will be somewhere next year that we will be actively going out again looking for acquisitions, but you know, the core is what we have. That needs to grow, and if that grows, we can start to add acquisitions.

Nicklas Skogman
Okay, perfect, thank you very much.

Operator
Thank you, ladies and gentlemen. We don't have any more questions for the moment. If you wish to ask a new question, please press 0 and 1 on the telephone keypad. That's 0 and 1 on the telephone keypad. We don't have any more questions. Back to you for the conclusion, sir.

Jacob Broberg
Okay, thank you very much for listening and asking questions, and say thank you for today and speak to you next time. Thank you and goodbye.

Henri de Sauvage Nolting
Thank you.