



Transcription

Verisure Group Q3 Bond Call

02 December 2021



Verisure Group Q3 Bond Call

PRESENTATION

Operator

Hello and welcome to the Verisure Group Q3 bond call. Throughout the call, all participants will be in listen-only mode and afterwards there will be a question and answer session. I will now hand over to the company. Please go ahead.

Vincent Litrico

Thank you, Operator. Good afternoon everyone and welcome to our Q3 2021 results presentation. Participants on this call are our CEO, Austin Lally; and myself, Vincent Litrico, the Group CFO.

Our Q3 2021 earnings report and presentation can be found in our corporate website under the Investors section. They were published last week during Thanksgiving, and we delayed this earnings call to allow all of you to join us today.

Before we start, let's have a quick look at the agenda on page four. As in previous calls, Austin will share an overview of the key developments of the quarter, and then I will walk you through the financial performance, which will be followed by the usual Q&A session. With that, I hand over to our CEO, Austin.

Austin Lally

Thank you, Vincent, and good afternoon to all of you joining us today. Thanks for taking the time again to engage with our business.

First, I hope you and your families are as safe and well as can be given the continued pandemic context, including the newly developing situation.

Today we will present the quarter three 2021 results for the Verisure Group. And our first nine months of the year.

Our company has once again delivered a very good quarter both operationally and financially. I'll comment in detail on the numbers later. But let me start with an update on the pandemic.

We continue to manage the situation carefully. To minimise the impact of the pandemic on the health and safety of our people, whilst ensuring business continuity for our existing customers and continuing to grow new sales.

We continue to protect our customers, to provide our service 24/7. Our alarm monitoring response and customer care have continued to operate at high service levels all through the past 21 months.

We are glad that during the early period of the crisis we made it a priority to protect our sales structure for the recovery that we believed would come. That decision enabled the resurgence in our new sales in the second semester of 2020 and our continuing strong new sales performance in the first nine months of 2021 too.

So, let's start with our quarterly top line results on slide five.



Verisure Group Q3 Bond Call

We did almost 190,000 new installations in the quarter. We're now proud to protect more than 4.1 million customers.

Our total revenues were up 14% in the quarter as reported and 19% for the first nine months. Our portfolio EBITDA was up 18% in the quarter, up 17% in constant currencies. It reached €377 million in the quarter, as quarter after quarter we reach new all-time high records. Annualised, our portfolio EBITDA is now over €1.5 billion. Total Adjusted EBITDA was up 8% in the quarter and 18% year to date.

Let's move to slide six. The portfolio has 523,000 more customers than a year ago. We now have a portfolio of over 4.1 million customers. This corresponds to an annualised net portfolio growth rate of over 14%.

Moving to slide seven. As mentioned in my opening remarks, it was another very strong quarter on new sales. We added 190,000 new customers to our portfolio. This was our second strongest Q3 ever on new sales and ahead of our internal going-in targets. It was down 10% versus Q3 last year. However, as you may remember, new installations in Q3 last year were exceptionally high as we caught up on sales that were not made in Q2 due to lockdowns in many of our geographies. So, it's more meaningful from a trend perspective to look at Q2 and Q3 together. If you combine Q2 and Q3 this year, we generated 388,000 new sales compared to 306,000 in the same period last year. That's actually a 27% increase.

If we look into the accumulated installations during the first nine months of the year, we've closed 574,000 new installations so far in 2021, and that represents an increase of 28% versus the same period last year.

We don't give formal forward-looking guidance, but I can say that we continue to be optimistic about the future despite the continuing COVID situation. We see continued demand and customers continue to feel comfortable receiving our security experts in their homes for sales and installations and our technicians for maintenance and service.

Let's move to attrition performance on slide eight. We maintained our strong attrition performance in Q3 2021. It continued at a low level – 6.42%. This is slightly lower than the 6.45% we had in the previous quarter and almost one percentage point lower than one year ago. We've been below 7% annualised attrition in every quarter since the middle of 2015. We believe this performance leads not only our industry, but subscriber-based consumer services overall.

We obviously monitor the attrition performance extremely carefully. We will always act to protect our customer base. Our customers are so valuable and so important to us. The key point is that we have been able to continue to deliver our recognised, very high service level. Also, we have continued to focus on a high-quality customer intake. As I said in previous quarterly calls, we have learned again and again that the emotional need to feel safe and secure, to be connected and protected, for both families and small business owners, didn't diminish, even in the middle of a serious public health emergency. Indeed, perhaps the uncertainty reinforced the importance of the service, even with so many family members working from home or staying at home during lockdowns.

Value creation is not just about the total portfolio, all aggregated and blended. We also pay strict attention to the profitability of individual customers. These are the foundations. So, we're going to look at earnings per customer, EPC on slide nine.

In Q3, we continued to see growth on Earnings per Customer. We reached €30.7 per customer per month, up almost €1 versus last year. This translates into an increase of 2.6% as reported and 1.8% in constant currencies.



Verisure Group Q3 Bond Call

Average revenue per user increased to €42.2 per customer per month in Q3. That's up 2.5% versus last year as reported and 1.7% in constant currencies. This, together with the portfolio growth discussed before, translated into incremental total revenue of €77 million in the quarter compared to the same period last year.

We enjoy very strong unit economics. With a longer-term view, over the past five years we have grown EPC by more than €6 per customer per month. Again, I want to reinforce that this was broad-based. Unit customer profitability improved in all of our main geographies.

With this, I would now like to hand back to Vincent, our CFO, who will take you through the financial performance in more detail. I will come back later for some Q&As and for some final closing remarks. So, Vincent, over to you.

Vincent Litrico

Thank you, Austin. Turning to slide number ten let me first start with a summary of our key financial metrics for Q3.

As you heard from Austin, the Verisure Group delivered a strong operational and financial performance this quarter, especially considering the exceptional external environment.

Starting with revenues, we generated €634 million in the quarter, which is an increase of 14% compared to the same period last year. In constant currencies, total revenue grew 13%.

Our key cash generation measure, portfolio services EBITDA, continued to increase and reached €377 million in the quarter. This is an improvement of 18% versus 2020 and 17% in constant currencies. Overall, a very strong performance across the Group in our portfolio segment.

Portfolio EBITDA margin came in at 72.7% for the quarter, slightly higher than last year.

Total adjusted EBITDA excluding SDIs increased to €271 million in the quarter, which is an increase of 20% versus the same period last year.

Cash flow from operating activities amounted to €266 million for the quarter, compared to €311 million in the same period last year. This represents a minus 15% decrease but is up 33% versus Q3 2019. Underlying cash flow generation from operating activities before working capital changes was up 28% in the quarter and 24% year to date. However, negative variations in working capital more than offset such growth. Negative movements in working capital are mainly driven by the reversal of the tailwinds we enjoyed last year due to the pandemic context. As a reminder, we generated almost €100 million from working capital reductions in 2020, and that was combined with the additional inventory build-up and decreases in trade payables observed this quarter.

Total capital expenditures came in at €181 million in the quarter, roughly in line with last year.

As of September 30th, 2021, our net debt amounted to €7,070 million. The increase versus 2020 is primarily driven by increases in gross debt as a consequence of the refinancing exercise conducted in Q1 this year.

Finally, worth highlighting that we have significant financial headroom from a combination of cash on balance and our €700 million revolver credit facility. At the end of the quarter, we had €581 million in unutilised credit facilities in cash. The



Verisure Group Q3 Bond Call

increase versus last year is explained by the upsizing of our RCF which was brought up from €300 million to €700 million as part of January's refinancing exercise.

In summary, we've had a continued strong financial performance in the quarter, again, especially considering the external environment that we have operated in.

Turning now to the next page, number 11, we show a more detailed income statement for Q3 2021.

Let's start by looking at the numbers excluding separately disclosed items on the left-hand side of the table. As I just explained, revenues amounted to €634 million and total EBITDA to €271 million, generating a total EBITDA margin of 43%.

Depreciation and amortisation amounted to €87 million. This relates primarily to the depreciation of the alarm equipment installed in our customers' premises as well as the capitalised variable sales costs and commissions. The increase versus last year is mainly due to the increased size of our portfolio.

Operating profit came in at €154 million for the quarter, generating an operating profit margin of 24%.

Net interest expense amounted to €76 million. This is up versus last year's result of €59 million, mainly driven by the increase in gross debt.

In total, this yields a result before taxes excluding SDIs of €77 million.

And now let me quickly explain the separately disclosed items. Starting at the top, we incurred €45 million of operating SDI expenses during the quarter. Most of this amount is related to a provision following a decision by the first appeal body, the Norwegian Competition Appeal Board, on November 25th last week, upholding the Norwegian Competition Authority's decision from November 2020.

Furthermore, we have recorded €32 million of amortisation of acquisition related intangibles, which is in line with previous periods. Most of it relates to the amortisation of the contract portfolio acquired in 2011 from the Securitas Direct Group. This amount is obviously non cash.

Separately disclosed other financial items amounted to minus €7 million. This is primarily composed of a non-cash FX revaluation of debt items and unrealised hedges of negative €2 million, an amortisation of prepaid financing fees of minus €3 million, in addition to minor bank charges and negative IFRS 9 adjustments related to the modification of loan agreements of negative €1 million.

Finally, if we look now to the reported numbers on the right-hand side of the table, we see that income tax for the quarter was positive €3 million, compared to negative €5.5 million last year.

All in all, this results in a reported net profit for the quarter of negative €5 million compared to negative €33 million in the same period last year.

Let's now move to the next slide, number 12, where we show an overview of our operating cash flow for the first nine months of 2021.



Verisure Group Q3 Bond Call

As you can see, we've had a solid underlying operating cash flow generation during the first nine months of €642 million. This is a decrease of 6% versus the same period last year, but up 21% versus 2019. Excluding changes in working capital, operating cash flow generation was €753 million, up 24% versus 2020 and up 49% versus 2019.

Our main source of cash inflow is the recurring cash flows from our customer portfolio, which is growing month after month, and which generated €1.097 billion of portfolio EBITDA during the first nine months of the year.

As you know, we do not fully capitalise on the balance sheet all our upfront investment costs to acquiring new customers. Part of the upfront investment is expensed directly and accounted for in EBITDA. Such effect was almost €300 million in the first nine months.

Change in working capital negatively impacted cash flow by €111 million. As explained before, those negative movements are mainly driven by the reversal of the tailwinds enjoyed last year due to the pandemic context in addition to inventory build-ups and decrease in trade payables.

Finally, tax payments and one-off SDI items further contribute to a total cash flow generation from operating activities of €642 million in the first nine months of 2021, compared to €685 million in the same period last year and €533 million in 2019.

Turning to page number 13, we illustrate the net bridge year to date.

Starting from our net debt position as of December 2020, on the left-hand side, you see the €642 million of operating cash flow generation we just talked about. Of that, we have re-invested €544 million in additional growth for the company. This mainly includes capital expenditures to acquire new customers as well as investments in product development, upgrades, and IT infrastructure.

Net interest payments amounted to €213 million.

Furthermore, we had a net increase in net debt of €1.7 billion related to the refinancing and the paid distribution to our shareholders conducted in the first quarter of the year.

In addition, we have paid €105 million of bank, advisory fees, and call costs on our old SUN debt, all of which are mostly related to January's refinancing, as well as other financial items.

Finally, we've also had other negative cash flow items totalling €38 million, mainly related to an increase in IFRS 16 lease liabilities.

All in all, net debt increased to €7,070 million as of September close, including €144 million of IFRS 16 debt.

As a reminder, on the back of January's refinancing, both Moody's and S&P affirmed our ratings at B2/B with stable outlook.

Now let's move to the next page, number 14, where we show a summary of the quarterly leverage evolution since 2018. Two points to note. Firstly, since Q1 2021, we disclose leverage on a post-IFRS basis in compliance with our new SFA. So, all numbers presented are post-IFRS 15 and 16 adoption. Secondly, we had talked in past earnings calls about how COVID-19 impacted our operations in terms of volume phasing, cost-to-acquire customers, cost-to-serve customers, and



Verisure Group Q3 Bond Call

working capital. We have dimensionalized these impacts and now also show what our total net leverage trajectory would have looked like normalised for these COVID-19 effects.

As you can see, we've de-levered and levered up on several locations. In 2021, on the back of January's refinancing and subsequent pay distribution, our total net leverage increased to 6.6x, with a corresponding senior secured net leverage of 5.2x. Normalised for COVID impacts, we would have ended Q1 with a 6.9x leverage. Now, in Q3 2021, we are posting a deleverage of 0.2x versus Q2 and are landing at a total net leverage of 6.4x and a senior secured net leverage of 5.0x.

Finally, and before moving into the Q&A, I'd like to quickly show some perspective on the development of our key measures over the past years on slide number 15. Here you can see an overview of our resilient track record delivering successfully strong, high-quality growth, both top and bottom line every year irrespective of the external environment. It's about growing the company at a high pace while improving unit economics at the same time.

Starting with the sales engine at the top left-hand graph, we've had very strong growth in new customer intake over the years. Over the last five full years, new installations have grown at a 16% CAGR, including 2020, which was a very challenging year due to the pandemic. In 2021, customer intake is growing even faster than that. Please note this is of course growth on growth.

In parallel, we've had a continued focus on improving customer experience and bringing attrition below 7% from an already low industry level.

Strong customer intake combined with low attrition leads to strong portfolio growth. We've enjoyed double digit growth rates in our customer portfolio for several years and we now have over 4.1 million customers. You can see this in the top graph in the middle of the page. It's remarkable that during the last 24 months our customer base has increased by almost 1 million customers.

At the same time, this volume growth is complemented by strong improvements in unit economics and profitability by customer, EPC, year after year.

Improved EPC, which you can see in the bottom graph in the middle of the page, is the result of both our ability to earn higher pricing, above local inflation, and also driven by strong product and service innovation, as well as improved efficiency and cost to serve, supported by operating leverage.

EPC has grown at a CAGR of over 6% in the past five years. The key reason why EPC growth in 2021 is slightly lower than that in previous years is the normalisation of the abnormally low service workload we enjoyed in 2020, as the COVID-associated lockdown situation impacted the ability to perform maintenances, among other things.

So, overall, as you can see on the right-hand side of the page, strong portfolio growth and continued improvement in customer profitability has led to consistent high double-digit growth in our key profit and cash flow measure, portfolio EBITDA. It has consistently grown between 17% or 20% per year in constant currencies, and portfolio EBITDA is now over €1.5 billion on an annualised basis and has almost doubled since 2017.

With this, we conclude this part of the presentation. I would now like to hand it over to the Operator for the Q&A session.



Verisure Group Q3 Bond Call

Q&A

Operator

Thank you. Ladies and gentlemen, if you have a question for the speaker, please press 01 on your telephone keypad and you'll enter a queue. After you are announced, please ask your questions. Please hold until we have the first question.

Jenna Permelou with JP Morgan, please go ahead.

Jenna Permelou

Hi, thank you very much for the presentation. I have three questions. My first one is on your capital structure. You have a bond maturity in 2023 that's going to be callable. Just wondering if you could give us a bit of colour in terms of refinancing. And then as a second part to that question, if you have any preference of secured or unsecured issuance. And then my other question is about your market share. If you could remind us of your market share in some of your main regions, and then how much more do you think you can target from here because if you see you've had a good uptake in the number of new customers in Q3. So, just some general colour there and what you think for Q4. Thank you.

Austin Lally

Well, maybe Vincent I'll let you handle the forward-looking question of finance. I think your answer will be relatively short and simple. On the market position. I don't want to actually disclose percentage market share estimates because of course they are estimates. We obviously know how many customers we sell. We don't always have accurate information, for example, on what's happening from all the other competitors in our marketplace as you would expect. But what we are happy to say is that in, for example, all of our top ten geographies, today we have the number one position. Looking to the future, we actually believe that we will strengthen our competitive position because of the strength of our brand and the strength of our innovation programme.

I think when we look across Europe, for example, and Latin America, and we compare the size of our portfolio to a range of other professionally monitored security providers, we think that we have a significant advantage on relative market share, which we think is important.

Now, in terms of growth prospects for the future. I think the important thing to say is that all markets have a very significant penetration opportunity. So, rather than just thinking about market share or customers who have an alarm, what I prefer to think about is the size of the untapped market in these countries. That is what gives us great optimism for the Group's prospects. If you compare Europe to, for example, the USA, it's still a much, much less well-developed market for professional security services.

Vincent, why don't I hand over to you on the finance question?



Verisure Group Q3 Bond Call

Vincent Litrico

Yes, sure, thanks Austin. So, indeed, my answer is going to be short. You will note that we do have half a billion of SSN coming due in May 23. That's a year and a half of maturity still to enjoy. It's a bit premature to make any comment on the timing or the type of mix that we would want to look for when we look to refinance that piece of debt. As you know, we don't make any forward-looking guidance on capital structure choices. I'll just leave it there.

Jenna Permelou

That's very clear, thank you.

Operator

Emmy Mckaken with Blackrock, please go ahead.

Emmy Mckaken

Hi, I know you've mentioned it on previous calls, but I was wondering if you could just go over again exactly what's driving the slight uptick in the CPA? And then also on the working capital front, when do you expect that to normalise? Obviously, you've got the addition on slide 14 showing where you would have been in Q1, but are you kind of back to normal now from a working capital standpoint? Or are you still seeing kind of abnormalities there I guess because of COVID-19?

Vincent Litrico

Sure, let me take both questions. So, first, on CPA. The CPA we're posting this quarter, relative to the same quarter a year ago, represents indeed an uptick. But it's more of a normalisation. I mean, you've noted that last year, especially in the second half of the year where we had a lot of pent-up demand for products on the back of the Q2 2020 lockdowns, we had a lot of volume to install. We managed to basically spread the fixed costs against a broader volume base. The cost of installation and of customer acquisition was unusually low, as we commented before. What you see in this quarter is more of a normalisation.

Maybe the one thing I want to call out is that we do see, as in many other industries, an increase in input cost inflation impacting partly our materials, to some degree the cost of marketing advertising, as well as labour costs. That contributes a bit to the increase you're seeing. But aside from this, it's largely a normalisation.

Now, on the second question you had on working capital. This is something I alluded to in previous earnings calls. This is something we fully anticipated. COVID created some sort of tailwinds for us in terms of working capital last year. We reduced working capital by over €100 million from an already negative position in 2020. You can see a bit of a reversal of that this year. In addition, there is a clear deliberate increase in inventory due to the current tense supply and logistics environments context in general, in particular affecting the electronics market and the semiconductor microchips that we use in many of our products. This is also something I commented on before.



Verisure Group Q3 Bond Call

So, we did step up in inventory to make sure we had the products to give to our salesforce and not to miss a sales opportunity. We expect to continue to build up inventory also to manage the transition and the launch of the new set of products that we announced a while back, which are now being deployed in more countries across our footprint.

Emmy Mckaken

Yes, that's very clear. Thank you.

Operator

As a reminder, if you do wish to ask a question, please press 01 on your telephone keypad.

Our next question comes from Askuma Pjim. Please go ahead.

Askuma Pjim

Hi, just one question. I noticed that sequentially, your ARPU and EPC are down slightly. While the movements are not large, I am just wondering if you could shed some colour on the reason for this change of direction.

Vincent Litrico

Sure, and just to be clear, do you want me to comment on the change in ARPU versus last quarter or year on year?

Askuma Pjim

Yeah, a quarter year. Year on year you're up, but sequentially—

Vincent Litrico

Okay. Perfect. Just wanted to confirm. So, year on year we're up 2.5%, reflecting largely the pricing that we take. Typically, our pricing window as you know is in Q1. So, versus Q2, indeed we are almost 30 cents down on average. That's a function of mix largely. And what I mean by this is primarily the mix of business and residential. We've had a nice growth of residential customers, which come at a slightly lower ARPU than what we request business customers. That's largely explaining the slight decline you see versus a quarter ago. In addition, there's also a bit of a country mix coming to play, but it's mostly the former.

Askuma Pjim

Sure, and then just as a follow-up from the last question. So, have you been seeing any inventory or supply side issues given the COVID situation because you mentioned building up inventories?



Verisure Group Q3 Bond Call

Vincent Litrico

There's clearly challenges, for sure. My team is working super diligently, jumping through hoops to make sure that these don't turn into issues. So, we haven't had an issue. We haven't had – if you mean by this out of stocks preventing us from delivering our service, our product and basically installing new equipment. We haven't had any of this in any of our markets. But certainly, our team continues to work through what is a very, very difficult environment.

Austin Lally

We haven't missed a sale as a result of supply chain, but we have to work hard on that topic including longer lead times—

Askuma Pjim

Sure, no. Very clear. And then just a final one, if I may. It's just regarding the recent fine. I was just wondering, are there any other investigations in the sector that you're aware of and are able to comment on?

Austin Lally

No. I would say that we don't expect this Norway decision to have an impact in other jurisdictions. As a company we're fully committed to complying with all applicable laws and regulations, and we take ethical conduct very seriously. And frankly, we take fierce competition very seriously.

And maybe I just want to comment for the benefit of everyone on the call. We were obviously very disappointed at the Appeal Board ruling that came out a week ago. It effectively upheld the original decision of the Norwegian Authority in 2020. We strongly disagreed with the original decision. We strongly disagree with the finding of the Appeals Board. I mean, we continue to believe that the Norwegian market, in contrast, is actually always characterised by fierce and intense competition, so we are disappointed with the outcome of that appeal process. Now, we're going to carefully review the content of this – we got a week ago – before we decide on the next steps as a company.

Askuma Pjim

Sure, very clear. Thank you so much.

Operator

Our next question comes from Samuel Stuart with Rothschild & Co. Please go ahead, Sir.

Samuel Stuart

Hi, all. Just on the back of the Norway question, really. Sector Alarm have settled the fine. Could you provide some sort of colour on the magnitude of the fine if you were to pay it?



Verisure Group Q3 Bond Call

Austin Lally

Well, I mean, there's been an original fine made by the authority, which was 766 million Norwegian crowns, so that's the number that currently stands. Now, maybe, if I sort of move beyond that. We obviously have to decide as a company what we do next. There is obviously still the opportunity to appeal this ruling. We have three months to do so as of the date of the decision, and we're going to carefully consider as a company what the right thing to do is. Therefore, any discussion about the magnitude of a final fine I think is premature.

Samuel Stuart

Okay, thank you for the answer.

Operator

As a final reminder, if you do wish to ask a question to our speakers, please press 01 on your telephone keypad.

Our next question comes from Miguel Merina. Please go ahead.

Miguel Merina

Good afternoon. Just a follow-up question on the competition fine. So, if I understood correctly, what you have booked so far is a provision. You have not made any payments yet to the Norwegian competition authorities. And also, the size of this provision is smaller than the fine as it stands right now. Is this correct?

Austin Lally

No, actually just to sort of clarify. We have made a provision for the full amount.

Miguel Merina

Ah, for the full amount?

Austin Lally

For the full amount. But you are correct that we haven't paid anything to the authority yet, given that the process is not finished.

Miguel Merina

Understood. Thank you very much.



Verisure Group Q3 Bond Call

Operator

We have a follow-up question from Jenna Permelou with JP Morgan. Please go ahead.

Jenna Permelou

Hi, thank you. Just had a follow-up question as to the earlier inflation question. My understanding is that your pricing model is somewhat of a premium pricing model. I just wanted to make sure in terms of inflationary pressure that you might be seeing on the cost side, are you able to pass on some of that inflationary pressure to your customer base? If not 100% then is that close to the high 90s or so? Thank you.

Austin Lally

I think if you look at our track record multi year. I won't comment on 2022 plans, but if you look at our historical track record we've had a track record of actually pricing a bit ahead of inflation as a company, because of the quality of service that we offer, because of the innovation we bring, and because of effectively the high degree of loyalty that we have from our customer base.

Operator

We have no further questions at this moment. I'll hand back over to our speakers.

Austin Lally

Okay, well thank you very much, Moderator, and thanks for the engagement today and for the questions that we had.

Thanks also for the continued interest in our company. We remain fully aware that these are serious times. We know that we have a responsibility to our employees, our customers, our investors, and other stakeholders like police and fire services to continue to perform with excellence during this challenging period.

We continue to do everything we can to protect our people and our customers. As I noted earlier, our service levels remain high. Our portfolio is robust. Our new sales performance is strong. Our financial delivery is strong. We've delivered strong overall performance during the last nine months, and we've achieved new records for the portfolio and on performance metrics against a difficult backdrop. So we're very proud of the team.

We continue to believe the future is bright. The opportunities are there. As I mentioned in my remarks, penetration in our geographies remains low. We believe that the fundamental customer need that we serve – peace of mind – will only increase in the future.

Our intention as a company remains unchanged, which is to serve more customers, to serve them better, to continue to innovate, to continue to grow, to develop our talent, to reinforce our culture, to be an effective contributor to a more sustainable future, to become stronger, leaner, more effective.



Verisure Group Q3 Bond Call

So, in closing, again, many thanks for your interest and your support and for the questions. Please continue to do everything you can to keep you, your families, and friends healthy and safe. We look forward to talking to you again in a few months when we present our 2021 full year results.