**Kantar Full Year 2023 Lender Call – Thursday 11 April at 2 PM BST, London**

Robin (Producer)

Welcome everyone to today's webinar entitled Kantar Full Year 2023 lender call. My name is Robin and I'll be the producer for today. During the presentation, all attendees will remain on listen only mode. If you require assistance at any time, please put your message in the chat box and send it to me, the producer. Now I would let you hand the call over to Michael.

Robin (Producer)

Michael Uzielli, Kantar’s Group CFO, please proceed, sir.

Michael Uzielli

Robin, good afternoon everybody. Thanks very much for dialing into our full year call. I'll start off as usual by talking about the financial results. I'll hand it to Peter to talk a little bit about the leveraging cash flows and then I will finish with some comments on the outlook. So moving straight into the presentation, if you have it in front of you and turning to page 6.

The results for 2023, I would say were resilient. We delivered a gross revenue, a growth of 4% to 3.453 billion for the year. There was actually an accelerating trend during the year, so the Q4 growth was 4.6% , the Q1 growth was 3.2%, so we showed a sort of uptick quite evenly across the quarters for deliver a fully aggress around 4.0%. Within that we see some encouraging trends on mix, our global clients, which are obviously our biggest customers account for about 25% by revenues our top 32 clients, revenues up 6% driven by the CPG and food and beverage segments in particular, which is a big part of our global client base. the tech sector as.

I think it is well known we have been under some pressure in terms of budgets and at the end of the year, we saw a decline of around 3% in our revenues. Primarily I would say in North America, other parts of the world we actually saw growth from our tech sector clients in North America were particularly impacted by some lower spending on our media solution within the Insights Division in North America which I've talked about before, but I'm happy to talk in terms our business mixes benefited from higher growth from syndicated revenues such as Numerator in the US Teams for some years and continued in that vein and also WorldPanel & the rest of the world 6% actually up 11% in Q4 and then revenue through our tech enabled platform, which is Kantar Marketplace up to 35%.

There's a platform mainly for the creative solution and then when we brought on innovation and in the last year or so we've brought our biggest solution area brand onto this platform. So increasingly Marketplace is covering the full suite of insights solutions. And then another important strategic revenue stream for us in US is Analytics, which can be defined in many ways, but we would think about it as taking the Kantar measurement data, deploying analytical tools often AI powered to predict what will happen in the future, and revenues from analytics has been growing well and was up to six percent in the year.

Just looking a little bit more around strategically, you know, what we've achieved through the year, we've had some good business wins which I talked about in the quarterly calls often in competitive processes, Kraft, Heinz, BMW mars, we're just two or three examples of big multi-year projects that we won I think underpinning our reputation for quality.

Within Worldpanel, again, we won some very big clients, including Sainsburys in the UK, which was our competitor's number one client. We see very minimal churn on our contracts. We've had some, good growth in our new area for us in Worldpanel, which is called a usage panel, so we have purchase panels, which is tracking consumer purchases and the usage panels which is tracking more around what consumers are doing in terms of, for example, what they're eating and drinking, and that's been a good growth area for us when we've won some good contracts. So I think we're quite unique in the market being able to offer usage panels on this scale.

Within Profiles, which is the panel business, we lead on Anti fraud software, it's called cubed. It's now live in 40 markets. We've also launched two important platforms, one to manage panelists, that's the panel platform and one to manage projects and surveys, which is the intelligent sample engine. Both of these has been subject to capital investment and our big enablers for automation and efficiency.

In future years. Numerator I've mentioned, they grew their core panel with total commerce panel by 40% in the year, which also has four years of historical data. There's been tremendous growth in that business over the last few years and now the business is looking at growing into other areas, new verticals outside of CPG for example.

Business which is actually the fastest growing booking stream for Numerator in 2023. We've seen continued momentum more generally in our AI enabled solutions, link AI, which is a creative testing product lift ROI, which is media mix, that sort of analytics.

Product building on an acquisition we made called Blackwood7 a couple of years ago. It's a SAAS style revenue and kind of economics for that product. And finally, we've been developing the Blueprint for Brand Growth, which will be launching more formally in a few weeks’ time. This is very strategic for us that we've combining many billions of attitudinal and purchase data points across all divisions of Kantar into a unique framework for our marketers. So essentially just bringing together all the data assets that we have, the methodologies we have, what we call the meaningful different and salient framework and the brandy methodologies with together with the expertise of our people and our products and bringing it all together into a single point of view, a single framework for, for our clients, not something that's we've done before. Moving on to page seven, more on a more financial vein, the cost of margin initiatives across the year have delivered good EBITDA growth, we have operational leverage, if you like, of around three time two to three.

The revenue growth, so 11%, 741 million. We've been very focused on pricing discipline making sure we pass through inflationary price rises, focus on job profitability in our business mix. We've really put a lot of focus really since the middle of 2022, on cost and headcount disciplines.

And that's been delivering operational savings through 2023. So we ended the year with around 1300 fewer headcount than we had at the beginning of the year, so 5% reduction, and that's one of the reasons that our EBITDA in the second half the year is so much stronger than the first half of the year, year on year growth because we see the cost savings that we've made through the year taking effect.

We also have a higher absolute amount of revenue in the second half, which generates more operational gearing too. So a strong cost performance I think, and that continues to be the case into 2024. And then importantly following the carve out from WPP in twenty nineteen, we had a very complex separation from a technology.

That was successfully completed in February 2023. We separated off the transition service agreement for WPP and we now have as a completely standalone technology operation within Kantar. From a portfolio sort of corporate point of view, we continue to reshape the portfolio as part of our strategic focus on consumer brands over the years we've sold businesses that don't focus on consumer brands like health and public etc. and this year we, we sold a couple of specialists healthcare businesses in July, and then the advertising intelligence business, which was branded Vivvix in November. So considerably less M&A activity in 2023 than in prior years with a very sort of small acquisition and a couple of disposals, which is all again part of just sort of tidying up the strategic shape of the business. And finally on liquidity or we ended the year with 536 million dollars of liquidity actually as our today it's closer to 650 million dollars.

We did strengthen liquidity journey with the TLB upsize and of course the business sales, on the other hand, we did have deferred consideration obligations reli resulting to TechEdge and the original transaction from 2019. I've talked a lot about working capital last year and the fact that we were impacted by a number of one off items and we do expect this to improve in 2024 and we are improvements in the early months. and another positive trend I think is that the restructuring and transformations are continuing to trend down and will continue to trend down through this year. In our last 2 or 3 years they've been, been sort of winding down. And of course early on this year new financial year, we did strengthen our liquidity, which is reflected in the 650 million by that 100 million, increase in our overall facility following the amendment extend transactions in February.

So moving on to page 9, I'll go through these quite quickly because I’ve covered most of the main points already. Overall results for the year 3.453, that's slightly higher than the numbers I presented to you as part of the refinancing transaction in January/February, which we're obviously unaudited estimated numbers which were deliberately heard on the website of prudence. we came in slightly higher than that as we did on EBITDA as well, 740 million, 21.5% margin and a slight expansion in our gross margin as well.

Drivers have leveraged, as I've mentioned, cost control, we've really been driving our productivity and utilization of our headcount across the world, which has enabled us to reduce our headcount whilst growing our revenues and obviously a lot of the technology investment we've made, also goes towards improving.

Efficiencies across the business and also our business mix is improving with the growth and this indicated revenues and marketplace which is driving an improved conversion of revenue to EBITDA. On page 10, just a simple P&L there, I think I just highlight the 4% growth in revenue and the 2% growth in staff costs.

I think through the year, just mentioned earlier, we've seen the benefit of the cost savings being realized through the year in Q1, our staff costs will actually up 6% on the prior year and we end the year with our staff costs down 2% in Q4, and that was a steady reduction across the year. So we've ended up plus two, but the trend is very much with lower costs year on year as we come into 2024. On page 11, we show these splits of revenue growth here by key divisions. Q4 growth was broadly in line with year to date growth, said slightly improving overall, the one division that did show a big uplift in Q four as well panel, which showed around 11% revenue growth, the bring is fully grows to 6%, this is not untypical of the Worldpanel business and sort of how the revenue phases across the year with the mix of contract renewals. The beginning of the year followed by a pick up in project work towards the end of the year but generally a kind of continuation of the positive momentum across all the divisions.

On page 12, we split the insights revenue growth into the different solution areas. We operate across six solution areas. Brand is our biggest by some distance around half our revenues and it continues to be a big strength for us growing at 7%, which is, you know, which is some of the big contracts that I mentioned.

We're focused in sort of brand area and Kantar is very much well known for its strength of our expertise and the data that we have behind brand. Innovation is the other area that's grown well, which i think we've seen a lot of client focus on product development coming out of Covid. Innovation is around testing new products and things like that. So we've grown well there. Within Creative, there's been growth in it has been lower overall, but it has been quite a big mixed shift here to counter Marketplace, which operates on much lower costs, much more automated sort of self-service like will delivering higher margins, and then the media solution area which again is a mixed picture. We've actually seen revenues growing in that solution area in Asia Pacific and in EMEA but it has been lower in North America primarily driven by the technology sector, some of the major technology players with big bars of the media solution that they're still buyers, but they're, they've just reduced their spend a little bit in twenty 2023. And then finally from me on page 13 is a, a view of our Insights revenues by geography.

Again, points I've made earlier, America's overall down slightly, but that's a 5% reduction in North America with some strong obviously a smaller segment but a strong double digit growth in Latin America been strong all year. EMEA we've seen growth in all our top markets and actually accelerating growth.

So we started here with around 1-2% growth, we ended the year with around 5-6% growth. Asia Pacific, a good year up 6%, I would say the trend and our commodities on the outlook has been a little bit lower in the second half of the year. It is slowing a bit in some markets across Asia Pacific we've noticed. And then in China.

We saw a big return to growth in the second half of the year with nine percent growth in quarter four having actually declined by around four percent in the first half of the year. So that takes us to overall overall 2%. So that's the picture on the sort of financial results trading, the strategic update. I'll hand over to Peter now and then I'll come back in a minute or two and talk about the outlook. But over to Peter to talk about leverage.

Peter Russell

Thank you Michael, so I'm now on, slide 15. So first of all, usual numbers on our LTM EBITDA position. We've reported at the end of the year an LTM covenant adjusted EBITDA of $717 million.

This number is lower than at Q3 mostly due to the disposals adjustments.

For the year and the quarter the Vivixx disposal in Q4 being the largest part of this. Again, you'll notice that our run rate adjustment has come down and then there's the other usual adjustments going through to get to our covenant adjusted EBITDA. Then applying this number and moving on to our leverage our senior secured net leverage is four and a half times at December 2023

Slightly higher than a Q3, but again in line with our expectations and well within our covenant test ratio of 7.2x.

So now I'll move on to our liquidity on slide 16. So slide 16 shows the key drivers of cash and liquidity in the senior Lender Group for the full year 2023. Note we've made some changes to better align this with our primary financial statements, mostly around the allocations to financing, restructuring and the other category. Before I move on to the full year.

Just a point to note that in Q4, we saw a net inflow of $70 million in our cash position, which represents a broadly flat cash flow before net M&A proceeds and within this cash flow we actually saw a networking capital inflow for the quarter. So moving on to the full year, and as usual starting on the left of the slide, the senior group generated $744 million of EBITDA had actual FX rates, offsetting is a net working capital outflow of a 182 million for the full year, which as I've just mentioned was improved versus the position at Q3.

The debt service of just under $287 million is the net cash paid on senior lender debt and as usual includes a small amount of amortization. And it's higher than last year due to higher interest rates and the additional debt we raised in Q1 this year. Although I would point out that we are hedged but not fully hedged.

But as a reminder, our senior debt is 90% hedged and fixed, meaning that a 100 basis point increase in rates would increase our interest expense by approximately $10 million dollars. The tax paid of a $100 million is higher than the $89 million last year and reflects the timing of M&A related tax payments and also the global nature of the group where, for example, taxable profits in one jurisdiction cannot offset taxable losses in another. The capex of $201 million is higher than the $186m spent in the same period last year, as Michael highlighted earlier as we continue to invest in the technology aspects of our business.

And the cash inflow from changes in financing of $193 million represents the net impact of the $185 million debt proceeds in Q1 along with a small net revolver draw to manage working capital during the year.

The M&A inflow of forty six million reflects the disposal proceeds from the sale of Kantar Media Healthcare Research and Vivvix in Q3 and Q4 net of the deferred consideration payments to Tech Edge and WPP and related M&A advisor fees and the restructuring costs of 114 million, mostly reflect now the cash costs of our transformation programs and Other of a hundred and nine million includes items we previously showed within either financing or restructuring such as lease costs the full lease costs for the year and payments to minority shareholders.

Our senior cash at December 2023 of 224 million with available facilities provided as Michael said earlier with a comfortable liquidity position of 536 million at the end of the year, up from the 477 at the end of Q3, and as Michael has already pointed out, liquidity has increased to 650 million that the end of Q 1 2024. So now hand back to Michael who will provide trading updates.

Michael Uzielli

Great, thanks, thanks Peter. So just to finish off on page 18, so what I would say from what I would really consistent with the messages that we were giving in January and February at the time of the financing transaction that given the uncertain environment that we operate in.

We are prudently planning for revenue growth to be in line with the trends that we saw in 2023 and that's so far has sort of born out to be the case There's a slightly different mix, as I mentioned earlier, the APAC region is a little bit softer across the board, that's not to say there's not growth in some markets, quite strong growth in some markets, but overall as an average is a softer environment we've noticed the US is fairly steady actually Europe, Middle East Africa Latin America have continued to grow well. So in an overall level we're planning for every grow sort of in line with current trends and sort of planning our business and our headcount on that basis and sort of seeking further productivity savings. That said, if I look at secured revenue, kind of renewals, order levels, they're all in line with our expectations in line with where we were expected to be at this time of the year, we're being fairly successful at passing through in inflation pricing.

I would say the key challenge for us, it's not so much competitive, it's more the pressure on client budgets. Generally speaking, we compete very strongly in the market. We typically win more than we lose, we're very strong player of mention some of the projects we won't continue to win, but the challenge is, has been the pressure on the client's budget.

As they face their own financial challenges. Again, sectors vary, but an overall level I would say that's no particular change on the last few months, but that just continues to be the situation. Consequently we continue to focus on tight cost and headcount controls, which will should drive operating leverage as it did in 2023. We are still investing in technology transformation in tech enabling Kantar, which isa very key plank in our strategic story. However, the one off spend, the severance is and some of these sort of fixing the sort of tech, tech deficit has been winding down as I mentioned.

We're expecting that to be in cash terms around $50 million in 2024, that's down from 140 million that Peter mentioned about 20 of that is a flow through from 2023 in terms of booked the P&L so there's always a delay between cash and profit, so in terms of what we're booking this year.

It’s more like 30, so again, that trend of reduction continues in in that in that vein. capex reduced from around two hundred and one million in 2023 to a 160 million of that 40 million is data software development and 20 is hardware. So again, a kind of appropriate level of capex enables us to level as well. And then finally on working capital, we are expecting this to improve significantly given the one of factors in 2023. It's a huge focus for management.

We do see better outcomes so far in 2024. Some of the issues that we faced last year we've fixed and we're seeing better results, so I guess I would end by saying that in terms of financially, we're looking at and continuing to enhance the cost and disciplines focusing on revenue to cash conversion, fewer adjustments and a cleaner financials going forward. Now with through the sort of years of kind of significant transformation following the acquisition out of WPP.

So I will leave it there and Robin, if you're still there, we'll open up to questions.

Robin (Producer)

Absolutely everyone, your Q and A session may now begin. If you wish to ask question on the Webex, please click on the raise hand icon at the bottom of your screen. In case you join using a telephone line, please press star three. We will pose for a moment to assemble the queue.

Hi there, this is […] from MFS. I've just got a few questions. First of all on cash flow going forward. You obviously give guidance for capex for 2024. How should we think about that for the following years? should that continue to trend lower or is a 160 so the baseline that we should assume going forward.

And then just in terms of working capital, you obviously mentioned this should improve significantly. will it still be use of cash or would it be potentially break even or even a source of cash? And then I've got another question on refinancing after that and thank you.

Michael Uzielli

Yeah, sure. Okay, thanks Christian I think on the capex 150 – 165% percent or so revenue feels like about the right sort of number, so I think that's probably.

A decent assumption for, you know, capex investment going forward. I'm working capital I mean honestly it's difficult to say because as a business we should have fairly good working capital characteristics that we have quite a bit of deferring income for certain invoicing up front. So I would like to think that we can get this to neutral to break even going forward, and if we were growing well it should, you know, some divisions it might be better than that.

I don't want to give a forecast for this year though, just as we, we sort of see what's happening this year. There are other trends against us as well in terms of the environment around all clients are looking at payment terms and amending their own cash, but that's what I'd say on that.

MFS

Okay, helpful. Sorry, one more follow up I actually had in terms of cash flow, you mentioned this agreement which is a 10 year agreement I believe with certain technology systems that you will be using for 700 million in aggregate. So assuming sort of 70 million annual cost, is that gonna be booked as capex or opex?

Michael Uzielli

Yeah, so that's Opex and it's not 70. I mean obviously that is the maths, 700 divided by ten, but it's not actually 70 in a year it you pay for it as you use it and so it would be sort of less at the beginning and more at the end and obviously there are various, you know, different things in the contract that kind of manage that, but overall we're confident we hit the financial commitments.

We think it's a good deal.

And answer your question though, that's Opex.

Thank you, that was very helpful. And then last one I have just in terms of the 226 C secured notes, you obviously did a very good job in terms of extending your maturity profile with the extension of the term loans. any plans to refinance those in the near term?

Michael Uzielli

Well, I think probably but not now. I mean we'll leave that for now. We've obviously would pay some retention penalties if we did it now and we'll be looking at that in the future, but we thought we'd start with the loans and take it from there. But no imminent plans.

MFS

Great, thanks so much. That that was all I had. Thank you.

Robin (Producer)

Right, we have two more people on the phone and I will open the first one. Please proceed your line is open.

Yeah, so right here is from BHF asset management. My question is also regarding the cash flow generation, you mentioned that you have 109 million of other cash outflows. Can you again reiterate what are included in that and should we consider them for financial at 2024 and moving forward?

Yeah, sure so within that 109, you've got around 60 million that is essentially leases. So those would continue. and then the other 40 million is around dividends to essentially non controlling interests in subsidiaries. If I can put it that way. Which is the payments, the US payments, right?

Michael Uzielli

Yeah, it's so we make payments up to our shareholders because of our structure, so we have a US partnership structure and we have a, you know, a, a non US bit, and when we have profits in the US, the tax arises with the partners so we, we, we have to pass up effectively dividends to settle those tax for them to settle those tax liabilities.

Now they were a bit higher in 2023 because of the asset sales led to sort of slightly higher profits in the US because the asset sales that I mentioned were mostly in the US are Vivvix and the healthcare businesses. So they should be lower than they will be lower than that. So that that that 60 is something you should consider will happen most years or whatever year and the 40 should be quite a bit lower in 2024.

BHF Asset Management

Yes, that would be helpful and one more question regarding the use of factoring. What would be the amount of factoring used at the end of 2023?

Peter Russell

The factoring was fully utilized at the end of the year, so in dollar terms it was about a hundred and $80 million worth of factoring at the end of the end of the year.

BHF Asset Management

Thank you for the answer and that's.

Thank you very much. I'm from Spread Research and I have a question.

I just have a question concerning multiple press reports mentioning your desired, your potential desire to propose your Media division. Can you confirm this report and if it is the case, can you give us some indication from some of the news.

Michael Uzielli

I didn't fully capture the question. It's a little bit muffled. I think you I don't know, you talked about use of proceeds, you talking about ok you can use it from the Media.

Spread Research

I saw a couple of press reports concerning your desire to dispose of your Media decision and I just want to know if you can confirm this price report and if it is the case.

What do you want to do with the proceeds?

Michael Uzielli

That's show so I mean, in terms of, there was obviously the comment in the press about the Media division, we don't want to comment specifically on that, but we are.

You know, as I said earlier, as a business we focused on, we are sharpening our focus on consumer brands and the countermediate divisions are very successful significant divisions of growing well that is not quite on that consumer brand focus is a little bit a little bit off that focus, so it's something that we have, you know, been, we have been considering and you know.

In concept, that's something that could be an option for us and we've been considering it. There's no sort of specific process right now to talk about, but it would be wrong to say it's not something we've been considering, so maybe that's where the rumors come from.

in terms of if we, if that were to happen and we were thinking about use of proceeds, the, the lender documents obviously quite prescriptive about what we would do with any cell proceeds from any part of the business.

Especially on that scale. So, you know, our direction of travel is to reduce the leverage for Kantar. We think we're a good, good candidate for IPO in due course and with that we're gonna need to reduce our leverage, so again, that hopefully gives you an idea of what we might be thinking of in terms of use of proceeds.

Spread Research

Okay, thanks for the answer.

Robin (Producer) 01:48:19.300 --> 01:48:22.540

This one is coming from Filippo, please proceed, your line is open.

Filippo Boselli

Good afternoon. Thanks for the good results. Just a quick one on M&A. In terms of inflows and outflows for 2024, can you confirm I think I had thirty minutes outflow to be paid for TechEdge and roughly 60 million inflow from a previous asset sale.

Filippo Boselli

And you know, this is correct, could you remind me which asset saved that release to and you know the potential timing of these payments? Then I have another follow up.

Michael Uzielli

Okay, well you're right that we had a so in in 2023. There's a a 30 million outflow for TechEdge, that's correct and there's one more of those payments to come in in August. You're talking about a future inflow from a sale of an asset, is that what You're that the question?

Filippo Boselli

Yeah, I think it might be a deferred payment that you are set to receive, if I'm not mistaken.

Michael Uzielli

Yeah, so there's a couple, now there's the Public division where there's a, receivable in early 2026.

For around $40 million, and there's also the Vivvix transaction included a vendor loan note of around thirty million, and that is due in about three year’s time. That's obviously a new one that we wouldn't have mentioned before because we only sold our business in November. The one you're thinking of is public, I think. The public division, which is due in January 2026.

Filippo Boselli

Okay, so no inflow in 2024.

Michael Uzielli

No inflow in 2024. No.

Filippo Boselli

Okay, thank you. And, do you, is there any additional tax payment from others that says to flow through into 2024?

Michael Uzielli

Yes, there was a $10 million payment in January in the US relating to the Healthcare division sale that I mentioned or is it the Vivixx sale? I get confused, sorry, there wasn't a huge amount of tax to pay, but it was in the US and I think it was, it was 10 million that is in January 2024.

Filippo Boselli

Thank you very much.

Michael Uzielli

Yeah, thank you.

Robin (Producer)

Okay, we have one more question from a person on the phone. Please proceed. Your line is open now.

Dennis – Persons Group

This is Dennis from persons group. Just two questions for me. One is, so can you confirm is there more deferred consideration left from TechEdge and could you also remind me what was the payment for Numerator. Roughly?

Michael Uzielli

The payment for you mean sorry the original payment.

Dennis – Persons Group

So the deferred. Any deferred payment for numerator.

Michael Uzielli

Okay, so there's a just over 30 million for Techedge in July or August 2024 (this year). That's the last TechEdge payment. And the Numerator earnout, which isn't technically deferred consideration, but I suppose a similar sort of thing is uncertain because it depends on what the EBITDA delivery is in 2024 but it could be up to say a 100 million in 2025.

Or I'd say around a hundred million rather than up to because it could be more it could be less. But.

Dennis – Persons Group

That's very helpful and just one last final point. And I guess it depends on where the working capital will shake out, but I think you previously gave guidance for free cash flow positive for 2024 if I'm not mistaken.

Does this still hold or that's conditional how working capital develops?

Michael Uzielli

Yes, I mean originally I said the target and I have still said the target I would still say the target is to be free cash flow positive. It does though unfortunately inevitably depend on the performance of working capital because that is swing item.

I'm certainly expecting to see a big improvement and we should see a big improvement in the first quarter versus quarter one 2023 and then we'll see how we go for the rest of the year.

Dennis – Persons Group

Thank you very much.

Robin (Producer)

The next one is coming from Tanisha. Your line is open now.

Tanisha Sondhi

Hi there yes, I'm Tanisha from BNP for asset management. I just wanted to understand and get some more color on the division trends that you see year to date in particularly in the US and Germany, and the second question can be on these restructuring costs that you are still incurring till when do you expect to incur these costs.

Michael Uzielli

Yes, so taking the two together, the US is, that was too big I mean if you're talking about the Insights North America yes, Numerator US which is the US businesses difference sort of segment but continues to, deliver very well in line with previous trends. North America Insights has improved on last year in terms of its performance. It’s still not an easy market.

With mainly with the technology sector. It's still, a challenging market, but I would say it's, much more stable and orders are, you know, has sort of holding up better than they were last year.

Germany actually finished quite well last year, it's probably one of the slightly harder markets in, in Europe but I wouldn't say it's a serious concern. Was your next question re restructuring?

Well, I would expect them to go to not a lot at all in 2025. I mean we're not looking at a business that should have regular restructuring costs clearly, so we've reduced thema lot. As I said in the P&L it'll be closer to 30 million this year, down from 60, 70 million down from 100 plus over than previous years, so I would expect that to be very low in the post 2024. As an example of sort of severance that we do as a sort of BAU severance, you know, all of that will continue to happen, but it will go through is going through the, the operating results, not going through the below the line.

Tanisha Sondhi

Right, ok. Thank you. And I just want more question regarding your capex. So the 160 million that includes the capex spend on contra panel and sampling engine.

Michael Uzielli

Yes exactly. In the Profiles division that includes that's within the 100, so the 160 was made up of data capitalization hardware and software development. So within the 100 million software development, there's an amount in there for Profiles for those two projects.

Tanisha Sondhi

Okay, thank you so much.

All right. Thank you.

Robin (Producer)

No more questions left in the queue.

Michael Uzielli

Great, well thanks Robin. We finished a few minutes before the allotted time, which is great. Obviously if you got any follow up questions for me or Peter, you will let us know. And we will be back in a few weeks’ time to present the quarter one results. Thanks very much for dialing in.

That's concludes your webinar for today. Thank you for joining and have a nice day.