**Kantar Q1 2024 Lender Call – Wednesday 29 May at 2 PM BST, London**

Welcome, everyone to today's webinar entitled ‘Kantar Q1 2024 Lender call’. My name is Jano and I will be your presenter for today. I would like to advise all parties these conferences being recorded, and now I'd like to hand it over to Michael Uzielli, Kantar group chief financial officer. Michael, please go ahead.

Michael Uzielli

Great, thank you Jano, good afternoon or good morning, everybody, and welcome to the quarter one results for Kantar.

I will do the introduction as usual and talk a little bit about performance for the Q1, then hand over to Peter Russell, our Treasury Director to talk about cash flows and leverage. And then I will come back to talk about the outlook and then we can have Q&A.

Now the last time we gave results on the 11th of April I believe, the FY 2023. So only 9 weeks ago, we gave an outlook then and not a huge amount has deviated from what we said, so I'm hopeful this will be reasonably as expected.

Giving the highlights first on slide 6, as again, I would say we've continued the trend in recent quarters and delivered resilient growth in Q1 with gross revenues up 3% to 821million. We've continued to see as we have for many quarters now. A general trend towards an improving business mix with the higher growth divisions in syndicated revenues such as Numerator and Worldpanel, improving our overall mix, as well as revenue through tech enabled platforms and other divisions such as Kantar Marketplace, which is an Insights’ platform, up 34% and Analytics revenue which are also Insights based, which are up 15%. So again, an improving quality of revenue continues.

Our global clients, which is our top 32 clients comprising around 25% of our revenues are up 2%. The sectors that are shown strong growth at the start of this year have been CPG, food, and beverage. For us, the tech sector has been a bit more muted, actually declined by 3% for the first quarter. I would say tech and media, and really, it's the larger tech companies what I would call the online publishers, where we've seen a lower uptake in some of our solutions. Particularly the, what we call the media solution brand lift and such like, but you know, it's still very substantial revenues and some of the clients are growing, and some have been reducing their spend a bit. Overall, it's been a small decline for the first quarter.

In a sort of general sense across the divisions, we have again shown some strong performance. Insights, obviously our biggest division, achieved actually higher than 97% renewal rate so far in the first quarter on our major trackers. This is a big season for tracker renewals. These are multi-country, typically, contracts that are across the world. And, you know, we very rarely lose one of these mission continuation, these strong renewal rates, I think underpinning the reputation that we have for quality.

Worldpanel, one of those indicated revenue businesses are the consumer panels, that's tracking behavioural trends, had a very good start to the year. As I mentioned before, we won a contract with Salesforce. So we now have contracts with all the major retailers in the UK with the primary provider of this data. That contract launched at the beginning of April and has gone well. We've also been developing a new business stream within Worldpanel called ‘Usage panels’, which combines both what shoppers buy, but also how they use the product, something that we're quite uniquely able to provide amongst our competitors and that's driven some good new business wins. I mentioned one in the past from Pepsi and that was one such win.

Numerator, another syndicated business maintained its very strong momentum on new bookings up 13%, annual recurring revenue is for Numerator now up 16% year on year. And in addition to the core Insights revenue streams, rate has been actually growing quickly, in its survey business with bookings up more like 30% there, so a new kind of growth avenue for Numerator as well.

And then an important strategic development for us was to launch our ‘Blueprint For Brand Growth’, which I have talked about, I think a couple of calls ago, but we launched that externally to our clients in May. This is a unique framework which combines decades of attitudinal data and behavioural data at scale across the world. And something that we're using to frame the discussions that we have with our clients and drive further growth opportunities for the business. So far, the launch has gone well and been well received as a, if you like, a counter point of view on how to help marketeers grow their brand value.

From a business, our continued cost and margin initiatives, delivering a simpler business, EBITDA up 11% for the quarter of revenue growth of 3%. That's 147 million strong focus on pricing, as ever with passed through inflation, plus on most of our major contracts running around 5% across all our divisions. And we're very big focus on product level profitability over the years, we haven't proved, you may notice that the other revenue stream in Insights is down and that's partly to do with being more choiceful around the profitability of the products that we sell. And again, the improving business mix.

Headcount down 1,200 FTE since last March, which is a 5% reduction that's strong focus on cost control continues. Liquidity, 655 million at the end of March, that's up from 536million on the 31st of December.

Obviously, we did a refinancing of all the term loans pretty much in January and also upsized a little bit of that times that helps the liquidity, but we have seen a good improvement in our working capital. I'm pleased to say, we've seen an inflow for the quarter of 20 million. That's a $75 million improvement on the first quarter of last year. It's a huge focus for us. I'll talk about a little bit more about that in the outlook.

And then restructuring and transformation costs as flagged continue to trend down and we booked 6 million in Q1 versus 23 million in the prior year.

So having covered the headlines I won't dwell too much on the detailed slides, but on slide 8 you can see the key numbers there revenue up 3%, gross margin 3% as well, but a little bit of an improvement in gross margin percentage, but that's a combination of the focus we have on direct costs. But also, the improving business mix and the revenues, great faster and syndicated. And then EBITDA are up 11%, so three times operating leveraged with the margin consequently up 1 point 4%. Capital expenditure down 9 million as we again focus more on our operating cash flows and see to improve performance there with the reduction in not only one-off costs but also our capex spend.

Slide 9, the point I would draw out here is again the revenue growth at 3% whilst direct costs and staff costs only at 1%. So, it's always good to see revenues going faster than costs and the other GNA flat delivering that larger uplift in EBITDA of 11%, that's three times operational gearing and the margin expansion.

Moving on to slide 10, where we just break out the 21 million revenue growth between the core divisions. Yes, we are seeing continued macro headwinds, the environment hasn't had a macro sort of global level, then wouldn't say the environments particularly changed. There are some regions that have improved a bit. EMEA as a general are proven pretty robust and resilient to us and particularly in areas such as the Middle East and Africa, UK, Netherlands, sort of Northern Europe. On the other hand, in Asia Pacific it's got slightly harder this year versus last year, outside of India and Korea and Japan, but I'll talk about geographical spread revenues in a second. But at a divisional level, that's what explains the 1% for Insights growth in EMEA and Latin America, small reduction in the US and a bit down in China and also APAC but netting out to 1% growth.

Profiles, as you know, as a provider of panellists for attitudinal surveys, is operating in an extremely turbulent sector, where we've seen lower volumes but particularly lower pricing, where fraud has become a big industry issue, and I'm pleased to say that Profiles very much leads with this data quality. The acquisition of Qmee a couple of years ago and its cubes software recent partnership with realize, we've made up a big data quality, a big priority for some time, and I think this is playing out in a relatively strong performance versus the sector of Profiles albeit revenues are still down, 4% for the quarter. Slightly up in EMEA, down a bit in America's and APAC.

In Worldpanel, as I said, a strong start to the year. Worldpanel typically shows lower revenue growth at the start of the year, but we have a strong contracted renewal performance. We've seen some good new business growth. And again, particularly in markets such as actually in the case of Worldpanel, Asia Pacific has been growing up 7%, Latam up 9%, EMEA up 3% and the new business I talked about, the usage panels 35% helping drive that 5% growth rate and in Numerator continuing its strong growth, really is the market leader now in consumer panels for CPG companies in the United States.

And then Kantar Media is growing 6% and reflecting long term contracts and also growth in cross Media solutions, new panels and services in Turkey and Romania, the Origin project in the UK, and also strong growth in Techedge revenues. Techedge was a business that we fully acquired a couple of years ago.

On slide 11, just to break out the Insights piece by key solution area, Brand is very much our core strength and continues to grow really well, and I would say, go from strength to strength growing by 5% growth across all regions. And really underpins the sort of correlationships that we have with our clients, the ‘Blueprint For Brand Growth’ will only help that. We have some very good wins that I talked about last year with companies such as Mars and Craft Heinz and BMW and others and all of that is helping drive that year on year. Brand revenue growth as well as the renewal strong renewal rates that I mentioned. Customer experience is growing in Americas, but not so much in Asia Pacific, flat overall. This is a business that has a strong bias towards EMEA for us around 2/3 of the revenues that rising EMEA. EMEA was where, year on year, for customer experience, in creative, we are seeing a little bit of growth in EMEA. It is just slightly lower overall but encouraging ongoing shift to Marketplace. Marketplace revenues up 30% have been for 2 or 3 years. It's delivers higher margins cause it's much more automated. And we're seeing that across the world in America's, APAC and China as well as, as well as well as in EMEA as well. So again, slight bias in our creative revenues towards EMEA with around 40% of revenues sitting there.

Innovation, we see growth in China, but lower overall. But again, there's a shift towards ‘Kantar Marketplace’, for innovation is the second largest solution on Kantar Marketplace, delivering higher margins.

And Media revenues are down. This reflects primarily the continuing softness in publisher demand in North America when I talked about the tech sector, the revenues in Media in North America and the Americas do comprise around 55% of our Media revenues. In the Americas revenues in North America particularly down 12%, which is a number of the larger online publishers driving this. So, we are seeing signs of that settling down the order momentum is a little improved and some of the key clients, but it has been the area that's grew really, really well up until about a year ago. And then there has been some softens in that line, but still a very strong and profitable line of business for us. Encouraging the analytics growth that we're seeing is around 10-15% up year on year, has a quite a bias towards Media and includes what we call Hamilton AI, the business that we acquired with Blackwood7. Which is where core kind of analytics solution in the Media domain.

And then finally, just to take the regional view before I hand over to Peter. We again bringing together the themes. I've really talked about before, overall Americas is flat, but there has been low revenue in North America and Insights offset by growth in Latin America, and most of these softness in North America has been in the tech and media space. In EMEA, we see growth in some markets of our biggest markets UK, Netherlands, Germany, also strong growth in Middle Eastern Africa. Not so strong in southern Europe, France, Spain and other areas of southern Europe where revenues have been down slightly offsetting some of that growth. In APAC, continued strong momentum in India, growth in Korea and in Japan, but in other areas of southeast Asia, this is where it's slightly different to last year. We have seen a bit of a slowdown in some of those other markets, Australia and New Zealand, Singapore, so we'll see how that continues across the year. And in China, there's obviously our smallest market for Insights, but has been ongoing client caution, particularly I'd say from multinational clients but they're just slightly down in China. So that's really the view of trading across the business and performance for Q1.

At this point I'll hand over to Peter to talk about leveraging cash flow.

Peter Russell

On page 14, where we can look at leverage. So, we're reporting last 12 months governance adjusted EBITDA of 771 million dollars. This is in line with what we reported at Q4 23, and as in previous quarters we've again reduced the adjustment for run rate savings, now standing at 21 million dollars. Moving on to leverage our senior secured net leverage is 4.5, six times at March 24. Again, in line with expectations and well within our covenant test ratio of 7.2 times.

And so now move on to slide 15, where I'll discuss our cash and liquidity position. So as usual slides, again starting from the left, our closing cash at the end of December was within the senior lender group was 224 million dollars. And in the last quarter in Q1, the senior lender group has generated a 146 million dollars of EBITDA and actual FX rates. And as Michael said moving on in terms of working capital, we've had an inflow of 23 million dollars in the quarter. A big improvement on the same period last year. And this reflects the significant work we've done in this area. In particular with reducing our spend on one-offs. The debt service of 54 million is the net cash paid on senior lender debt and is higher than the 48 million dollars paid last year, mostly due to higher interest rates. The tax paid of 33 million dollars is higher than the 16 million dollars paid last year due to 10 million dollars of taxes paid in the quarter relating to disposals. And we have some instances where the group companies are now tax paying. The Capex of 35 million dollars is lower than the 44 million dollars spent in the same period last year, mostly due to lower spend on properties and also reflects our commitment to control Capex, while still ensuring our technology investment meets our strategic requirements. The net cash outflow from changes in financing of 57 million dollars, represents the net impact of the repayment of the revolver in the period less the proceeds from the 110 million dollars of additional debts we raised in Q1 when expanding when extending our term low maturities. Moving on the M&A outflow of 11 million dollar is the advisor fees paid in the quarter. The next the restructuring costs of 14 million, reflect the cash costs of our transformation programs paid in the quarter, and the other costs of 22 million dollars, includes our lease payments of 15 million dollars. This is capital and interest and a small impact of FX on our cash balances.

So our senior cash at the end of March of a 167 million dollars along with available facilities provided us with a comfortable liquidity position of 655 million dollars at the end of the quarter.

I now hand back to Michael who will provide an update on the 2024 outlook.

Michael Uzielli

So just the final slide, this slide is exactly the same as the slide I presented in April, because the outlook is the same. So, as I've been saying, given the uncertain macro and it does remain uncertain, we are planning for revenue growth in 2024, similar to current performance so far. So the pressure really that we see, is on prime budgets. Obviously, it's a competitive environment and we win some good contracts, so we lose a few. I'm glad to say we seem to win more than we lose, but the I would say the key external pressure has been climbed budgets.

We have multiple relationships with our clients globally, as you know, we serve 98 of the top hundred advertisers globally. Then, if different clients in different regions are in different stages of their own development and finances, and so that is the pressure that we sometimes see, is on their budgets. This is the challenge that we have to convince them the value of spending money with Kantar.

Generally, we were happy with our current performance, but it is an uncertain macro. So we will continue to tightly control our costs and our headcount to drive the operating leverage. We're in a position where our revenue is growing faster than our costs and we intend for that to continue.

We are investing in our technology transformation with Capex spend of a 160 million plan for this year versus 200 in 2023. There's around 40 million of data Capex in Worldpanel, Numerator around 100 million of software development and 20 million or so of hardware both property but also in Media division.

And then the one-off spend, which includes severance expected in cash terms to be around 50 million. That's the combination of technology remediation, improving the estate, and severance. This is obviously down from a 114 million in 2023. In P&L terms, it's considerably lower, more like 30 million, with 20 million of the balance flowing through from the prior year. Accrued in ‘23 and flowing through in cash in ‘24.

Working capital, we do expect this to improve significantly this year versus 2023. We saw unwind in 2023, not 2024. And the management focus that we most definitely have on all aspects of working capital trade and non-trade area, whether that's management to targets, improved information, weekly reviews, and just in general a very strong focus on operating cash flow and settling down our operations that we transitioned offshore or within our internal units but offshore through ‘22, ‘23, and I'm hoping that we can continue to see the improvements in working capital that we've seen today through the rest of the year. So I'll leave it there.

Jano, I hand back to you to open it up to Q&A.

Jano (BT)

Everyone, our question session we are now begin. If you want to ask a question, simply click on the raise icon next to your name. In case you joined using the phone line, please type in star and free. Thank you.

And the first question is coming from Mary Pollock. Please go ahead, your line is open now.

Mary Pollock

Q: I had some trouble signing on the call at the beginning so I'm sorry if I missed this, but have you provided any colour on plans for potential refinancing of the bonds? And my second question was a little bit more housekeeping related. What do we expect for tax cash costs in 2024?

Michael Uzielli

Thanks Mary. Well, you haven't missed either of those points. That's good news. I'll ask Peter to address the tax cash costs. From a refinance, we haven't said anything about refinancing the bonds except that obviously it's on our minds. We have some redemption penalties between until the end of this year, but it would make sense to think about that you know once those are passed, but there's no sort of current plan. On the tax cash costs, Peter, have you got a number? You can answer that one?

Peter Russell

Yeah, it'll be where we're projecting to be around about 100-110 million dollar mark in 2024.

Mary Pollock

Q: And is that because there's more of these taxes related to disposals?

Peter Russell

It's a mixture, so some of it will be that and some of it is because some of our entities are becoming taxpaying, you know, it's with a large group. Although, you know, in our consolidated basis. We can sort of be lost making all of low profits, on certain entities are profit making and, and all of those are coming into the scope of tax.

Mary Pollock

Okay, thanks. And actually, if I may just one more. Do you have a guess, any updates on a potential sale of the Media business? I know last quarter you sort of were willing to discuss a little bit those press reports. If there's any change there than what you said last quarter.

Michael Uzielli

Yeah no Mary, there's no change, no change.

Mary Pollock

Thank you so much.

Michael Uzielli

Thanks, thank you.

Jano

Next question is coming from Eleanora Martignoni. Please go ahead, your line is open now.

I don't know I'm not sure we can hear her But we definitely can't.

Eleanora you are live now.

At the moment, I cannot see more questions right now.

I just leave it 30 seconds, there's one popped up.

I believe. There's a couple now.

Jano

Next question is coming from a user who joined over the phone. So if you'd like to ask a question, please introduce yourself before you take the question. Thank you.

Q: So this is Denislav Antonov from Partners group. Just a few questions from me. Yeah, could you maybe talk about how EBITDA comparables are going to look like later in the year? I mean, I understand also the personnel has been reducing last year, so this means obviously personnel cost was higher at the beginning of last year, but as we move into Q2, Q3 through Q4, can you give a little bit of sense whether the comms for you that are going to start to look a little more difficult? That's my first question.

Michael Uzielli

Okay, did you want me to answer each question and then I'll answer that one and then ask the next one.

I think it might get a little bit harder in the second half of the year and not to your question if your question is behind is the 11% year on year run rate like a kind of full year expectation. I don't want to give a forecast EBIDTA number, but I think the forecast might get a little bit harder. But not hugely so because there are also other factors working the other way. We didn't have a very good Q3 for revenues in some parts of the world which we're hoping to improve on. So I think there are some ups and downs there. But obviously the year-on-year staff cost performance will probably narrow a bit because to the point you just made.

Denislav Antonov

Got it, that's very helpful. And just to zoom in a little bit on the tech spend, I think you said that they're a little, maybe I missed it, but do you see any signs of things starting to turn any green shoots pointing towards, you know, clients maybe, resuming spend, yeah, any colour you can give on the outlook for tax spend this year would be helpful. Yeah.

Michael Uzielli

I mean, it's you know, we've got a lot of clients, and some are growing still through that. I don't want to give client names, but some of the major clients and companies you'd have heard of are still increasing their spend and others have pulled back a bit and net is down sort of 2%-3%, which isn't much, and they're still spending a lot. So it's not like they're not spending and they're going to now resume spend. It's a case of whether they're going to spend a bit more and then rather than being slightly down. There are some, I would say it's not getting worse, and it's at a low grow in an aggregate level, it's we can hope we can improve from here. Like I said it's mostly concentrated in the solution airline that we call Media revenues, which is 55% in the US. Outside of the US, the tech growth has been ok. But it's not, we're not talking about huge differences here, you know plus or minus 2% or 3%. So I'm hoping it will improve a bit. There are signs of orders. You know, in some cases some clients are picking up a bit as well, so that's a good forward looking view or there's not being revenues across orders are being secured revenue for the future. But we'll have to see. I can't be too specific about that.

Denislav Antonov

That's a very helpful and then the final question I had is on Profiles. I mean the slide talks about turbulence in the market. You mentioned the sector is dealing with a lot quite a bit of fraud. So is the decline in Profiles linked to the client budgets pressure or can you give a sense how much is the rest of the industry down relative to the 4% decline?

Michael Uzielli

Well, I think you'd have to look at some of the listed companies that are in the sector. I mean, who have presented some results and there's a 2 or 3 quite big clients or the companies out there that have been in the news for their results, they're listed and also there's one that's just recently gone through a track for eleven. And they've definitely been affected by pricing. And my understanding of it is a bit of volume, but it's mostly there's been a quite a significant reduction in pricing especially through the exchanges. And we don't actually sell that much through the exchanges, but it affects the whole market. But what it does, and that's because it's been concerned about quality, basically. And we we've got a lot of statistics on this. A lot of credentials around the fact that we, that we are 4-5 times better on data. When you do surveys and you then have to extract data, that's not valid for whatever reason, it's not always fraud, but it could be fraud. And they call it a reconciliation rate and our number's about 2%, and the industry average is about 12% and some of the people out there have been at sort of 20%+, so we feel we're in a different league in terms of the quality, which is helps support us, but it's definitely a market that's attracted some, you know, you can see it's sort of, there is some turbulence in that market right now.

Denislav Antonov

Super helpful. Thank you very much.

Michael Uzielli

Okay, thank you, thanks a lot.

Jano

The next question is coming from Jonathan Kovacs, please go ahead, your line is open now.

Jonathan Kovacs

Hey, thank you for taking the questions. Just want to make sure am I coming through ok?

Michael Uzielli

Yeah, loud and clear.

Jonathan Kovacs

Okay, great, thanks. So just a couple from me. First, on just the cap or the cash flow item movements. I think you gave some helpful commentary in the slide deck on Capex and the one-off spend just in terms of working capital, it sounds like it looks like based on one key it was a positive source of cash on the balance. Can you help us, you know, fine tune expectations a little more for how much cash flow release you expect from working capital over the course of the year?

Michael Uzielli

Uh, I'm hesitant about forecasting cash flow from working capital. If I'm honest because of we did have a difficult time in the last year or so when you say release I don't know if you mean positive cash flow. I wouldn't expect positive cash flow from working capital for the whole year. I mean quarter one is normally better for cash flow, it's much better than last year. But it normally should be positive for cash flow in Q1. So, I'm looking just for a big improvement on what we had last year, and I just don't want to give you a forecast for cash flow for the rest of the year, which I'll then have to explain again in a few months’ time. So, but I'm looking for a big improvement and so far it looks like we're on track for that through, year on year improvement versus last year. We're on track for that, you know, at least for through the first half. That's not to say it will be positive to the through every quarter because there are periods when we have negative working capital through usually the middle of the year. And then it should usually better from the last quarter of the year.

Jonathan Kovacs

Got it. Okay, slightly different but similar question than in terms of I guess overall free cash flow. I think in past periods you've talked about 2024 being likely the year when the company uses free cash low positive, you know, for the full year. Is that still sort of the current expectation or do you think working capital is just a swing factor that prevents you from saying that with constants right now?

Michael Uzielli

That's correct. I mean, working capital is the swing factor. We do still have some outflows and preferred consideration this year. We've talked about Techedge, which is 33 million. We have some payments to WPP from the original sales probably about another 10. So there are some deferred considerations which are reducing a lot, right? At the end of this year will pretty much, aside from the Numerator, which is a different point, will be through those. But yeah, I mean I can't say it was with definitive confidence until I see how working capital flows for the rest of the year.

Jonathan Kovacs

Got it. That that's helpful and then I guess just one quick business segment question, going back to your comments on the Inside segment. Sounds like the renewals are tracking pretty well. Could you tell us at this point in the year, like, you know, late May, how much of the book of business for the full year is sort of in the books or already signed at this point? Like how much visibility you have in terms of full year revenue and how that compares to what you were seeing at the same time last year?

Michael Uzielli

I mean, we call that secured revenue and I said on the call that we have at the end of Q1 58% secured. Actually, the end of April, that was 65% percent. That's pretty much similar to prior years, you know, very close to where you look at prior years. Order volumes are kind of all orders which is partly reflected in that security revenue sort of 4-5% up or so on last year currently, orders, order volumes do jump around a bit, but secured revenue is in line and answer your question with prior years so it's not to say that we'll deliver the full year because you still need to get the work in and some of the shorter term stuff, is always more last minute. But, but yes, I mean so far, we're on track.

Jonathan Kovacs

Yep, that's helpful, and then just the last follow up just on that point is, you talked about the brand tracker business within Insights doing pretty well. Can you just remind us how much of Insights as a business segment is brand trackers versus some of those other project type works you just mentioned?

Michael Uzielli

I mean brand, as a whole, is about half of the Insights revenues. That's not all brand tracking, but a lot of it is. Probably 70% or so of that is I would say, brand tracking and 30% is more strategic work or slightly less of a tracker. I mean we have lots of different types of products, but as a general point of view, that would be right.

Jonathan Kovacs

That’s helpful. Thank you.

Jano

Just a quick reminder everyone, if you wish to ask a question simply press a raise hand icon next to your name or alternatively if you joined over the phone, please type in star and free.

And the next question is coming from Rui Soares. Please go ahead, your line is open now.

Rui Soares

In the free cash flow bridge, the change in financing what exactly is that?

Michael Uzielli

I'll let Peter answer that one.

Peter Russel

So, the net outflow 57 million it's basically repayment of the revolver around a 167 million. Net of the increase in our term debt of in dollar equivalent 110 million, which Michael referred to earlier on in the call. So that's negative of 57 million in terms of cash.

Rui Soares

Again, thanks very much.

Jano

The next question is coming from Eleanora Martignoni new line is open now.

Eleanora Martignoni

Oh, just have a quick one. Do you use any factoring? And if so, what was the balance on outstanding at the end of the quarter, and at the end of 2023, please?

Michael Uzielli

We do and that's something that Peter can provide the information on.

Peter Russell

I'm trying to get out the exact numbers, but we at the end of the year at December 2023 is when we tend to have our peak borrowing, and that would be around about in dollar terms around about 175 million dollars outstanding. It'd be pretty much using the whole facility at that point. And then at the end of March as we see an unwind, it'll be probably utilized about a hundred and forty million dollars or a little bit less. So facility size is as actually Euro facility of €160 million. So yes, we do use factory and it's non-recourse, so it's off balance sheet. It's been going since the beginning of the Bain acquisition. It's still working very well.

Eleanora Martignoni

That's just a direct factoring so our receivables you do anything with payables?

Peter Rusell

No, we don’t.

Eleanora Martignoni

Okay, and just to confirm at the end of March it was 140.

Peter Rusell

Actually, I've just been handed the exact number. So our outstanding financed receivables was actually a 122 million dollars at the end of March.

Eleanora Martignoni

Okay perfect. Thank you.

Jano: We have no more question right now? We'll leave it there unless there are any more questions which I don't see coming.

Michael Uzielli

That is great. Thanks everybody for dialling in, obviously if you have any further questions, you feel free to contact me or Peter, otherwise we will be back in two or three months to present the half year results. Thanks very much for your attention.

Jano

Thank you, Michael Peter, everyone that marks the end of your webinar. Thank you for joining and have a nice day.