Currys Peak Trading Update

Remote Audio Webcast | Conference Call

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Transcript

Disclaimer

Alex Baldock: Good morning everybody, a few words from me before Bruce and I take your questions. In short, a pretty successful peak. We did what we said we'd do, which is getting the Nordics back on track and it's now in recovery, keeping up some encouraging momentum in the UK&I business, and Looking ahead, we now expect profit to be ahead of consensus and on the back of strong balance sheet and liquidity. We think that we're well set to build on this strengthening performance as and when the consumer sentiment rebounds.

In December, we updated you on a solid first half performance and the sales during peak were mostly consistent with that first half trend, with the exception of the Nordics, which saw a significant improvement from (6)% to (2)%, nudging up the group like-for-like trend slightly from (4)% to (3)%.

What sold well? Well, first of all, mobile was a really well performing category, especially in the premium end, over £900 mobiles were +4% YoY, and our share of that premium segment was up +260bps. New form factors like flip and fold, Samsung Galaxy Z Flip5 for example, sold especially well, and all of this was helpful in driving our mobile ARP up +15%. All helped by some strong trade-in offers. Headphones went well, not just AirPods, but the over ears. In TV, which had some weakness overall, but not at the uber supersize 98 inch plus segment, which went well and we're expecting that trend to accelerate in the busy sporting calendar year, this year with the Olympics and the Euros. Gaming was good. PS5 sales, and with Xbox Series X not far behind, helped by some AAA game releases and the Meta VR Headset is showing some very promising growth. Appliances, the energy efficient trend is still going very strong with air fryers powering ahead, up 60% YoY. A-rated appliances, both washing machines and dishwashers, sharply up, but also there's good signs of a trend for refurbed product as well. Good for the planet, yes, good for the customer's pockets in a cost-of-living crisis. They can get hold of premium end appliances for much less when they're pre-loved, but also good for us, because they tap into some capabilities that we've got that others haven't got on repair, and have them at scale. So we can do that and do it profitably.

So, a successful Peak then. an upgrade on profit expectations and allowing us to stand by our expectations of an improved YoY cash position for the year-end.

So let's get into Peak, starting with the Nordics, which is now recovering and that's despite a still tough market with consumer confidence. it's bottomed out, but it's not showing much signs of improving yet and that's feeding into still soft demand, especially in Norway and Sweden. Inflationary pressures might be easing, but competition is still intense. So a challenging market, but our response is much improved.

The leadership team is dealing with a challenging situation very well and producing more engaged colleagues, back up to record highs after a dip last year, and more satisfied customers, with customer satisfaction up 40bps YoY, and +2ppts Yo2Y.

We're showing a really good balance, in our trading between sales and margin rate in the Nordics. We remain the clear number one in market share in every market, with stabilised market share, while we've substantially grown gross margins.

You'll recall we flagged +190bps growth in margins in the Nordics in the H1, back up to the levels of two years ago, and Peak has seen a continuation of this positive trend. As adoption of margin accretive services and accessories has improved, and just as we are not chasing less profitable sales with better pricing discipline and lower promotional intensity in the Nordics.

On the cost side, we're making more of group synergies. We've moved to a single group IT function, we're offshoring more Infosys, and making the most of group synergies on GNFR procurement. And that added to efficiencies in stores, contractors and marketing is solidifying this £25m a year of permanent cost out in the Nordics flagged last time. So, Nordics getting back on track.

UK meanwhile, some encouraging momentum continues. On the foundation of more engaged colleagues, now up to the top 5% of companies worldwide and driving some robust profits as well.

We're keeping our gains on gross margins, which were stable over peak, while continuing the cost out that sees us on track for £300m out by the year-end.

On UK&I gross margins, this stability stems from five things. We're not chasing less profitable sales, because with a better understanding of end-to-end profitability, we don't have to, as well as getting some good efficiencies on PPC and some better pricing disciplines. We are doing a much better job of selling Sold With solutions, more on that in a moment, as well as services, and as the customer experience improves, so we can charge more for it. Finally, supply chain and service operations costs, which land in the gross margin line here, are down too. I said more in a moment on Sold With solutions. What we mean by that is if there are fewer customers in the market, we want to make the most of everyone, and sell them everything they need. Customer adoption is up fully +11ppts YoY, nearly a third of products are now sold with a solution. That's true online, as in stores, and it's true in every category.

In computing for example, instead of just selling you a laptop, we're doing a better job of selling the software. Whether it's internet security, Microsoft Office 365 or doing a better job of selling peripherals; mice, keyboards, bags with the laptop. That's good for the customer, they get everything they need and a good deal on the bundle, it's good for us, significantly higher margins. Not just computing though, TVs; doing a better job of selling the installation services and peripherals like brackets and cables with the TV. On mobiles, we're doing a better job of selling the connectivity, the cases and the screen protector with the phone. On appliances, we're doing a better job of selling the dust bags and the fabric softening balls. So, right the way through, thanks to better availability of all of these peripherals, and better bundles that the customer needs, we're doing a better job of selling these high margin software, services and peripherals with the hardware. We’re not stopping there, and we're certainly not happy with where we've got to. It's better, but it's still not good, especially online, which might be up +220bps through things like the Bundle Builder that we landed during peak, but it's nowhere near the big improvement, of a higher base that we've seen in stores, fully +1880bps YoY. So, solutions online a big area of focus as is the growth of the impulse range that you'll see getting bigger in both channels in 2024.

We've also focused on customer satisfaction boosting, and profit boosting, improvements across the customer journey. So take delivery and installation as an example. We do 3m big-box deliveries a year, just under 1m of them installations, and we've been focusing on getting it Right First Time for the customer. So making sure the customer's there when we turn up, making sure it's not damaged, that the product's not damaged when it arrives, fewer technical failures. All driving fewer repeat visits, higher customer satisfaction, and higher profits.

So, delivery and installation, alone worth £9m of annual cost savings, which is worth remembering is worth more than +1% LFL sales. Lower customer acquisition costs as customers recommend us. And improved installation adoption, +600bps Yo2Y, as well, as the customer experience improves, we can charge for it, as we did with deliveries. Those two things together, delivery and installation, mean that D&I revenue per order is up more than 3x Yo2Y, high margin revenue as well.

Delivery and installation, clearly these improvements translate into customer satisfaction, +200bps YoY, but not the only area where we've improved. Order and collect satisfaction improved by 12pts as wait time comes down. Both the store, and the online purchase experience sharply improved, as did the total store and online experience. So, on stores for example, improved time to sell and online, better customer experience in areas like search, filtering, bundles and the like.

All of this driving quite pleasing improvements in satisfaction across the board, and translating into record overall customer satisfaction scores. Still, we're not happy with where we are. There's lots more we can do on store wait times and the order and collect process, much improved though it is, it's got further to go, but we do like the trajectory.

So we're making ourselves easier to shop, and this peak, we’ve built more customers for life. Customers who keep coming back, through the services that Currys is fortunate to have, at a range and a scale denied to any competitor. Services makes a significant in-year, as well as longer term, economic contribution. It's worth remembering, £700m of product sales are on our growing credit book and a further 13% of our revenue is from all of our other services.

Credit, to take one example, produces customers who are happier, who spend more and come back more reliably, that continues to grow well. Customer numbers up 25%. Adoption now over 20% of our total sales, up +240bps. We've done this through better user interface, better promotions and partnership with suppliers, stimulation of the existing book, now 63% of our credit sales are from existing customers. But we're not happy and we're on with further improvements. For example, more personalised offers and campaigns on credit, better user interface in every channel - More to come from credit.

Repair is the other big service that's had a strong peak, up +170bps overall, and it's through the best customer proposition that we've got in our repair proposition.

It's based off the best capability. We're the only retailer with our own repair’s facility, as those of you attended the event in Newark in September would've seen for yourselves. Europe's largest tech repair centre, 1,000 expert colleagues, repairing everything from TVs to laptops to mobiles to appliances. Those of you who didn't see or make it, can see all this online. This gives us capability that nobody else can come close too. Repair is great, obviously for the customer's pocket in a cost-of-living crisis, it's good for the planet, and it's good for our profits. Which is why we intend to do more of it and do a better job of shouting about it. Much more to do here as well, notably, replicating our success in credit online in repairs where we lag significantly, and we also want to do a better job of selling mobile insurance.

Though mobile overall is back into healthy, profitable growth. It’s a bit of a highlight for us, with all the historical issues that we've had in this category, and especially strong in premium. As I mentioned, the Apple iPhone 15 was selling every three minutes during peak and foldable phones are adding some excitement and innovation to the category. ARP nicely up.

iD, our own MVNO, our own mobile subscription business, that's also going well, +29% YoY customer numbers, over 1.6m now and climbing, through excellent value, good agreements with Three and Vodafone on the connectivity, and also good execution in the channels. We're building something valuable here, and there's more to come here too with a new app, with better billing, with e-com improvements. More to come on mobile subscriptions.

So, we're doing what we said we'd do in the Nordics, as well as in the UK, and finally, we're ensuring we stay financially healthy as well, with the debt and pension total liability down by £500m Y05Y. We expect net debt at year-end to be better than last year-end, which was £(97)m. And with the expected Greek disposal, that should take us, or will take us, into a net cash position.

So to conclude. In an environment that's doing us no favors at all, these are solid results, good progress, Nordics getting back on track, UK&I continuing to strengthen with services. The boosted gross margins and long-term value, a particular highlight, with balance sheet and liquidity in good shape, and the

Greek disposal will further strengthen that. So, I think we're proving our resilience today, as well as our fitness to prosper, as and when the macro picture normalises.

So with that, I'll pause and we'll go to your questions.

Operator: Richard Chamberlain, RBC

Richard Chamberlain: A couple from me please. I wondered if you could just give an update on shipping disruption and how is Currys thinking about managing through that?

Second, I think you call out, in the statement, Norway as improving in the Nordic area, helping to offset Finland, but what about the Swedish market - What's going on there and how do you see the outlook for that market?

Alex Baldock: Okay, I'll let Bruce lead off on the impact of Red Sea and I'll build on it.

Bruce Marsh: I think the first thing to say is clearly very early days in terms of the situation. We have got a robust level of stock within our business, good availability. So from a supply chain and a stock perspective, no impact. From a cost perspective, clearly, we are coming off the back of a couple of years of very high levels of cost across shipping, and therefore when you look at the costs at the moment, they are favorable for us. Now, clearly, we remain vigilant and make sure we've got good contracts in place going forward, but clearly it's an area we are staying very close too.

Alex Baldock: And just to build on that, zooming out a bit. Of course, if the conflict in the Red Sea were to escalate or to endure, it's going to affect everybody. But as it stands, we don't expect, and we're not experiencing, significant disruption. I mean there are a few products that are having up to 14 day delays, but it is a few products, and it's worth remembering of course, that supply chain disruption is not a novelty for us. We've been dealing with waves of it for years now, and it does help being number one in our market that we're first in the queue with suppliers when stock is scarce, which is one reason we were able to post availability +21pts higher over peak than two years previously. We've learned a few things, we've got up to 6-8 weeks cover on key lines to give ourselves some buffer, and this is one of the things that's enabled a successful Peak trading. So, we're watching it very closely. No significant immediate disruption to report.

The Swedish market. We are looking prudently when it comes to our planning across the whole of the group, and that's true of Sweden as well. Consumer confidence has stopped getting worse, you can say that, but it's barely rebounded as yet. There's a very high concentration of home ownership in Sweden, and they're all variable mortgages which have hurt disposable income. So it's tough, it's a challenging market, but that's true across the Nordics. We said that demand is still soft and even though inflationary pressure might now be easing, competition's still intense. So it's our self-help that we're relying on, and it's that good progress, excellent progress on gross margins allied to some strong cost discipline, which leaves us confident of a significantly improved YOy profit performance from the Nordics.

Operator: Matthew Abraham, Berenberg.

Just to start with the market share expansions that you've called out, could you just talk about which names you think you're taking share from and the key names in which you think you're winning share?

And then the second question is just a query in reference to mix. Seems as though a higher uptake of some of your premium products have contributed to the strength of this print. Just wondering how sustainable you think this mix is and the key factors that you think are driving a higher take up of some of those premium products in your range.

Alex Baldock: On the first point, just to clarify what we talked about was stabilising market share in the Nordics. And while we're not giving numbers to anything, but we flagged some market share erosion in the UK in the first half, and we're not flagging a change to that over peak. Now, two important things. In the UK the point to make is that we're not solving for market share. What we're solving for is sustainable profits and cash flow, and that's the thing that's most important to us. We're not chasing less profitable sales, and so we've consciously foregone some sales when it comes to, for example, spending less money on PPC digital marketing, when it comes to being more disciplined on pricing to name but two. Of course, though there's a balance here because we enjoy the benefits of being number one in our markets, so we intend to hang on to that market leadership, and at the same time as we're looking to continue the march forward on margins. So there is a balance here, but I think that a successful peak in the UK, as in the Nordic, shows that we're probably getting more right than wrong when it comes to market share and the balance with margin growth at the moment. By the way, one last thing to mention on market share is some of these improvements that we've made, whether it's better PPC efficiency or better understanding of end-to-end profitability by supplier, by product, by category. We'll be coming up to anniversary on that, so we're not flagging the likelihood of indefinitely continuing erosion of market share. That's not our intention. We like being one, but at the same time, we're solving for sustainable cash flows here.

Your point about premium, that specific point was about mobile, where within the mobile category, the premium segment did grow and we did grow, about +160bps our market share, of that premium segment. That's driven by good product innovation, and I mentioned the Samsung Galaxy Z Flip5 foldable phone as an example of that. It's not necessarily true right the way across the piece. We didn't see significant ARP growth, for example, in TVs or in the bulk of computing. We have seen it in appliances and there's a different trend going on there, which is energy efficiency. The consumers have become much savvier about looking at the total costs of ownership, of a washing machine for example, helped by us helping them to see that picture. And that means that they're willing to pay more for a more premium product upfront in return for lower lifetime costs through lower energy bills. So, there are different dynamics going on in different segments. Mobile and appliances being the two examples.

Operator: Warwick Okines, BNB Paribas Exane

Warwick Okines: A couple of questions please. Firstly on cost, Have you got any further thoughts on how to deal with the minimum wage increase in April? I appreciate that's the next financial year, but just any comments you might have on that.

Secondly on costs, you said you're working towards the £300m of cost savings by year-end in total. Does that mean you're on track to deliver £60m in the second half? Just check that I've got that right please.

And third on CapEx, your guidance has been cut from £80m down to £70m, which was already a number that you'd said was being managed very tightly. Can you just give us now a look on how you're thinking about CapEx into the new financial year?

Alex Baldock: So I'll let Bruce take the points on costs and on CapEx, but let me start with your question on the minimum wage. Again, this is a question of getting the balance right. We like the fact that we're able to upgrade profit expectations, and we intend to keep growing profits over the medium term. One of the ways that we do that is by having the most capable and committed colleagues in the market, with our colleague engagement in the UK now at 82, for example, putting us in the top 5% of companies worldwide, and reward and the reward opportunity is a big part of that. We've invested unapologetically in those colleagues, 14% increase in base pay for frontline colleagues in the past year alone, and we intend to stay competitive and that means we need to find a way to absorb and deal with the inflationary cost pressures that the government is mandating. So, there's no real change there.

Since you mentioned the minimum wage, it's not the only cost burden that the government is putting our way. Whether it's rates or the recycling proposals, we're arguing hard for a change of sentiment from government on a few proposals that are going to be counterproductive as well as expensive, but that's one side. The main point here is that we've got the benefits of having engaged colleagues. The engaged colleagues themselves are behind the gross margin improvements and the profitability improvements that we're driving in the UK and we don't intend to let that go.

Bruce Marsh: So, how do we think about the minimum wage impact? Clearly we've got a focus on maintaining and continuing to drive down the cost within the organization, and that will continue going forward and will allow us to offset some of the inflationary pressures that Alex described.

In terms of the £300m, as you know, that was a UK number we talked about in December. We're on track to deliver that. So the £60 million that you described in H2 is pretty much where we expect it to be, but I'd also remind you that we've got a cost programme within our Nordic business as well, as we focus on getting the profit back on track within our Nordic business, and that will be incremental to that number.

The final point on CapEx, the reduction from £80m to £70m. I think perhaps the most important thing to say, and this is true on most areas where we've changed our guidance in terms of some of those cash flow items, there's a big element that relates to FX. So the NOK has devalued, roughly between 12-15% over the course of the last year and that is having an impact. But of course, that's also having an impact on our profit number as well. So, when we're talking about this step forward in guidance, that's despite some significant headwinds. The other half of the CapEx reduction is really our ongoing focus on making sure that we're maximising the returns that we get from all the money that we're investing, and we are maintaining that focus. Now as we come into next year, we are likely to perhaps relax some of those constraints that we've got in place, but we'll talk more about that at the year-end.

Alex Baldock: Just one other thing, while you're asking about mitigating the minimum wage. There's one example that might be useful to you. Our store's customer satisfaction increased by +500bps YoY. That's despite us making some savings in the total number of hours of colleagues that we have in store, and we achieved that while increasing the number of customer-facing hours that we have for store colleagues. The trick there is process improvement, and we're not done with that. There's a great deal more that we can, and intend to do on process improvements in the stores that will reduce the total number of hours, while continuing to improve the number of customer facing hours. So that's just one example of a mitigant that we intend to build on.

Operator: Adam Tomlinson, Liberum

Adam Tomlinson: Three questions from me please. The first one is just on the UK and coming back to that gross margin stability that you highlighted in the statement. Now, obviously we've had some of your direct peers in the space warn on profits, really around gross margin coming in below expectations. So, keeping hold of those gains you've made over the past few years, really interested to understand how you've done that over peak, and particularly in an environment that your competitors are noting the consumer remains very price conscious, so it's great to run through those details.

The second question on the Nordics, I think you spoke about your competitors behaving more rationally in these markets. So, good to just get some more colour on that and I think there's been a little bit of M&A as well in that space, so just whether that changes anything in terms of the competitive landscape for you.

And finally, overarching question for both territories, just around subscription numbers and loyalty schemes and the ability of those, the opportunity there to continue driving repeat purchase and customer lifetime value. Just some thoughts on that would be great as well, please.

Alex Baldock: Right, three big topics there, Adam. So, first of all, to answer your question on how we're able to keep gross margin stable while others perhaps are having less success at that. I think it speaks to some of the things that we've got that competitors simply don't have. The solutions selling for example. That depends on really well invested channels. It depends on capable and committed colleagues who have got good tools and who are well motivated in the stores. It depends on a top class commercial team negotiating good terms with suppliers for bundles that encourage the customers to take them. It depends on the investment, the heavy investment that we've made in our online channel that allows us to put in innovations like the Bundle Builder for example. The results of all of this have seen this big jump forward in customer adoption of complete solutions rather than buying a product on its own, now up to nearly 30% of all products are sold as part of a solution, +1100bps YoY. This is hard work that depends on some real capabilities that we've got at scale that others perhaps don't have. That's certainly true of services, the other big driver of gross margin improvements that we've seen, and we've built, over years, this credit business that's now over 20% of our total sales. It's hard work doing this, but I'm glad we've done it, because that's good for customers, but it's also very good for in-year margins and for longer term value. And then the repair facility and the repair capability that we talked about before. You can't just magic up an 11m customer repair capability overnight. No one else can realistically replicate what we've built in Newark of 1,000 colleagues in Europe's largest technology repair centre. I mean, these things take years to improve and we've worked hard to do so. We're not happy with where we are on all of this. There's a lot more to come, but we are happy with the trajectory, with our repair up 170bps YoY, and then there's mobile subscriptions as well. So we've got assets that I hope we're making better use of that others simply haven't got, and that can explain our gross margins. It's for others to explain theirs.

Your second point was on the competitive environment in the Nordics There has been some M&A. NetOnNet and Komplett have got together, and Power bought out MediaMarkt Swedish business, for example. There are rumours about one or two others, and everything else being equal, that's helpful as the market consolidates. We don't see competitors having to desperately discount to get rid of excess stock, that's washed through by and large. The competition is still intense. We're not claiming otherwise. For example, the grocers in Denmark are still using some electrical goods as loss-leaders. That makes life complicated. Power themselves are investing heavily in marketing as they rebrand the MediaMarkt Swedish business, NetOnNet Komplett are opening new stores. So it is not as if the competition has become any less intense, but it is perhaps a shade more rational. Ultimately, we're not depending on consumer sentiment recovering. We're not waiting for it. We're not waiting for the competition to change. We're getting on with our self-help action, and that's the +190bps improvement in gross margins in the first half that we flagged, as well as the cost disciplines that Bruce spoke to. With no help from the market that's leaving us confident to doing much better on profits YoY in the Nordics.

And then finally, I've touched on this already, you asked about the various drivers of loyalty. We are fortunate in this business to have a number of them. Credit customers are much likelier to come back and make their next purchase from Curry's. So, as we increase the proportion of our sales on our own credit product, and it's just overtaking credit cards by the way, as the number one means of payment in Curry's. As we increase that proportion of sales on credit, we're increasing the recurring nature of those relationships. Likewise on repair, when customers sign up to a Care and Repair plan, they're likely to come back and give us their business. So we keep going with that. And likewise on mobile, when a mobile customer signs up with ID, as 29% more customers did YoY over peak, they're likely to come back and give us their next handset deal. And that's before we start talking about our millions of Perks customers and Nordics customer club members, which are obviously also the more conventional drivers of loyalty if you like, which also serve to drive repeat business. So, I'd give us about a six out of ten in terms of our maturity on all of this, but we're improving and there's more to come.

Operator: Ben Hunt, Investec.

Ben Hunt: Just to continue on that theme of adoption rates in Care and Repair and delivering & installation. What exactly do you think is driving the adoption rates? Is it the market itself, or is it a function of you shouting a bit more louder about what you do? Is there anything specific you can do that's pushing that acceleration there?

Alex Baldock: I don't think it's shouting louder, because I think I mentioned that that's one thing that we are being self-critical about. We need to do a better job of it. You talk about Care and Repair, we have this fabulous capability up in Newark. We've got 11m customers. It speaks to customers enthusiasm for sustainability, as well as their desire to save money in the cost-of-living crisis, and it's profitable for us. So it is tick, tick, tick, and we are making more of it with +170bps improvement in adoption, but we are nowhere near our full potential and we're challenging ourselves that we need to do a better job. Both about shouting about it, but in the case of repair, replicating the success we've had in credit online. We're doing better at selling Care and Repair online, but we're nowhere near good, and that's a big focus for this year. When it comes to delivery and installation, again, it's not about us shouting about it, and actually it's not about price competition because we're charging more, more than 3x increase Yo2Y in terms of revenue per delivery and installation. The reason we're able to charge more for it, and the reason that adoption is growing, isn't because of our skill in shouting about it, which we need to do better. It's everything to do with getting it more Right First Time for customers.

Ben Hunt: And that's despite annualising the £10 increase? I think roughly is how much more you were charging in September last year. Is that correct?

Bruce Marsh: Yes, that is correct.

Ben Hunt: Okay. Second question, are you actually able to give us a number for your market share in the UK for Q3?

Alex Baldock: That we’re not guiding to, we'll come back and report on that at the year-end. We did flag that we'd let go of some market share in the UK in H1, more than half of it thanks to deliberate conscious choices. We're not flagging any numbers on that for peak. But put it this way. The LFL sales we have talked about, and that remains steady over peak with the first half performance, in the absence of a much of much market improvement, but that's not where our performance improvement has been driven from. It hasn't been driven from a strong market or from share gains, it's been driven by us managing to keep stable profits and continue the cost discipline that we've talked to. I touched on market share earlier. We're not flagging an intention to keep market share eroding indefinitely in the UK. We'll be annualising on some of the improvements that we made in not chasing less profitable sales, digital marketing efficiency, pricing discipline and the like. We'll be annualising those decisions during the course of 2024, and at some point we'll come back and talk to you about some profitable growth plans. So, we're not flagging an intention to keep eroding this. We like being number one in the market. We like our market leading position. We derive some concrete benefits from it, but that's not the primary thing we're solving for. The primary thing we're solving for is sustainable free cash flows and profits in this business and that we'll continue to do.

Ben Hunt: Okay. Final question, iD mobile seems to be going great guns at the moment. How much of it is benefiting from those with the legacy Vodafone contracts switching over to iD, i.e. you switching them yourselves, and how much of it is actually you gaining incremental new business?

Alex Baldock: Well, it's not legacy Vodafone contracts. We're certainly benefiting from the excellent deals and relationships we've now got with our M&O partners, Three for iD and Vodafone as well. We've got good arrangements with them that benefit everybody but allow iD to offer excellent value to the customer. The customer is very value conscious at the moment, and so if over peak more than 1 in 10 of UK new subs in the market were with iD, it's because we're offering excellent value and we are executing better in the channels. So that's what's behind this, and more to come. We're not happy with where we are on iD. There's the app to land, there's E-com more broadly to improve, there's billing to improve. So, we're going to keep this going. We see no reason why we shouldn't be able to and, what we're building here, as you know, is a valuable asset.

Operator: Thank you. As there are no further questions in the queue at this time, I'd like to hand the call back over to Alex for any additional or closing remarks.

Alex Baldock: Thanks everybody, and in summary, this has been a pretty successful peak, in a challenging market, doing what we said we'd do. Getting the Nordics back on track, keeping up momentum in the UK, and positioning ourselves well for when consumer sentiment improves and staying resilient in the meantime and putting in a pretty solid performance. So many thanks and we'll speak to you all soon.