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Deep Dive into Solutions30 Business Model

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Deep Dive into Solutions30 Business Model

Gianbeppi Fortis: Good morning, everybody. Bonjour tout le monde. Thank you for being with us this morning for this webinar. It's going to be in English. Let me do a short introduction first, and then we are going to the core presentation. Let's begin with the first slide, please.

Okay. I just want to say a couple of words about who we are today. And first of all, remember that it's a very special year, 2023, because it is our 20th anniversary. We created our company from scratch 20 years ago. And there is a couple of things that are really peculiar about ourselves.

One is that we grew from zero to €1 billion of revenues. We are going to reach this threshold this year for our 20th anniversary. And over 20 years, we had revenue growth every single year without exception for 20 years.

And the second thing is that we grew the company to this size, raising us only €1.5 million back in 2005 and managing our cash carefully. So basically, we developed the company with our own cash flow, and we believe we can continue to do so without needing a capital increase.

Other few things about ourselves. We operate a network of 15,000 technicians across Europe that install digital equipment and provide assistance to people that use digital equipment. We are visiting 80,000 houses per day, and we have visited over 60 million houses since our creation. It's a large number.

And the company today is well-diversified in terms of geographies. We have three main geographical pillars. France, which is our mother country, represents today about one third of our revenues. And then another third is represented today by Benelux. And then the last third is represented by the other geographies that are growing fast.

I spoke about our growth at the very beginning. And speaking with our investors, I have the feeling that everybody understands that there is very good growth continuing in come years, especially because of the digital transition and the energy transition. So two sectors where we clearly see a very strong demand and where we are very well-positioned across Europe.

But this webinar's not going to be about growth. It's going to be about other questions that our investors ask regularly and that we intend to address.

One last point in this slide. Let me remember that we are part of the United Nation Global Compact because we have done quite a lot of things in the last years about governance and also ESG policies. And we will see that later in the presentation. Next slide, please.

So, as I said, the main focus of the webinar is going to be on margins. We are going to show you what are the variables that are behind our margins, what are the key factors that drive our margins? And what are our main programmes to improve margins? This is really our current focus.

We are then going to go through the geographies and show you which geographies have our priority and our main focus, and what are the challenges that we face in each of them. And then we mix the two first point, and we are going to talk about specific actions that we are going to do specifically for each of the countries.

The third point is going to be about the tools that we use to improve our efficiency and also what we do to be sure that our clients need us, and we can stay with them in the long run.

And the last point is going to be about our financial strategy, and the fact that we will not need any capital increase to continue to grow, as we told you we are going to do. And then we will leave Q&A at the very end. For the sake of efficiency, you will have the possibility to ask all your questions at the end of the presentation. Next slide, please.

Together with me this morning there is Wojciech, our Chief Operation Officer; Amaury, who is Group Secretary; Luc, Chief Revenue Officer; and Jonathan, our new CFO.

Wojciech is going to talk about how we select projects to make sure that our operations can deliver them efficiently in a profitable way, how we are organised from the operational standpoint, how we recruit technicians, how we find technicians, how we train technicians, what are the IT tools that we use to run our operations, what are the KPIs we follow? And then we are going to give you three real life examples of important operational problems that Wojciech is currently working on.

Amaury is going to talk more about margins specifically, and what we do to improve them specifically for a geography. And he's also going to touch upon compliance to show you what we do when we start something new, a new activity, a new geography, make sure that it's under control.

Luc then is going to talk about the innovation part. What are our innovative ideas, the ideas we bring to clients to make sure that we can follow them and make sure that we fulfil what they need and we bring value and therefore we stay there in the long run.

And Jonathan in the end is going to talk about how we finance our activity, what are the main challenges we are facing now from the financial standpoint, how we deal with large projects when we start. And then in particular with three examples, what happened to margins in 2022, in 2023 in France and Benelux, where we had several questions from investors.

Okay, let's begin. Next slide, please. Wojciech, it's you.

Wojciech Pomykala: Okay, thank you, Gianbeppi. So I will take it through key factors driving margins.

So Solutions30 take into consideration the last years of the history, especially the size of the compound, the number of markets and the size of the revenue, current market developments, and as well, the state with the majority of the development, the particular country, identified and developed some key factors which are driving our margins today.

So we identify the number of margins and some of them we reinvented. Some were - some of them we modified and some were completely newly developed. And I will explain you details on the next slide each of this factor. And I will give you the - at the end of the examples, how we implemented these factors to the real projects. Next slide, please.

What is the best way to speed up developments and grow the revenue in the particular country? What is the best way to avoid inventing the wheel again and again? Our answer is market programmes. So this is the joint effort of sales, marketing operations and joint effort of central and local teams. And we developed the model to speed up learning curve.

We took the different models of different processes from the different countries. We selected the best approach and we build, based on these best approaches, the best model to increase the - speed up the development to faster achieve break even, and faster achieve expected profitability.

And our approach today is FTTH, EV charger, solar and power grid. And this is not on the theoretical model. This is the model which is, of course, partially connected with the theoretical approach, something like the presentation, but as well a calculation templates, training processes. So it provides smoothly from the beginning of the project to the successful launch. Next slide, please.

And of course, to develop the business effectively, we need to focus on resources. This is not the easy task today. So having in mind, the outstats starts level on unemployment from May, just take the example, we have 2.7%, 2.9% in Poland and Germany, respectively. In Belgium, 5.7%; France, 7%. So this is not so easy to recruit the new people. So we developed internally the model to recruit our candidates internally. This is the cheapest, the most flexible way and the most successful way today.

So we are looking not only for skilled technicians, where there's the very high competition in the market, but as well we are looking for the unskilled technician. So what is important that the unskilled technicians are easier to find, usually have lower financial expectations, and there is the wider market we can look for. There is a lot of different profession like postman, bachelors, shop assistant, a lot of them.

The next part, the subcontractors. Of course, we have as well the internal recruiters who are looking every time for the new subcontractors. And we are verifying all the time, competencies and capabilities. Hence, of course, we are able to deliver the international subcontractors, and we already did it in Belgium, German, France or Poland.

Additionally, we developed the proprietary solution. It is called mySupplace. This is the unique tool which helps subcontractors to register, to receive proposal, but as well allow Solutions30 to check compliance. So we are sure that the subcontractors working for us are the suitable partners to deliver the projects. Next slide, please.

And of course, if we're looking for unskilled technicians or even the partially skilled technicians, we need to transform them into full-time productive employees. The answer of course is training. We can - we do training, training, and one more time training. We have the number of training centres in Europe, the biggest one in Belgium, France, Poland, Spain, or Germany.

And this is the connection combination of theoretical training and technical training. So always it starts from the theoretical part, when we try to inform new employees how - what is the technology about? And then this is the training in the training centre. You can see some pictures how does such training centre looks like. This is the real work, real training from the - on the systems.

And then this employee, after passing some tests, is going to the field, working with a supervisor, with some coach. And eventually when we decided the employees ready, this employee can work alone. There is the different time of such training. The biggest, the most complicated one is the smart metering connection of energy and gas meter exchange. Then that is training is something like 17 days in the field in the training centre. Then some similar number of days in the field, just to be sure that we are able to prepare the employee well enough.

And you have some numbers of the training hours. So in 2023, we plan to have more than 180,000 training hours for in the entire company. Entire group, this is something 25.5 hours per person. And this is a combination of online and onsite training. Next slide, please.

Having in mind the similar approach in different countries, we implemented as well the similar tools. So we identified the two different tools for the different projects. So one is for serving the customers directly, so about tickets, planning, dispatch, the tool for call centre. This is SmartFix. This is our own tool, our proprietary tool. We do development ourself. And that this tool is used in the number of countries. The last - this year, we implemented this tool for Lenovo, for the IT business, and for Belgium, for the new customer as well.

We as well define the new tool for project management. This tool to lead teams to allow to manage the B2B projects. As for FTTH deployment, for B2B, EV charging installation, or the solar farms. So every project which needs very heavy involvement of the project managers. This is the tool which can be managed by IS Tools. We implement such tool in the two countries this year, Belgium and UK, for the different customers.

Of course, we have the centralised tools for the managing the rest of the - not operations, but the back office activities like NetSuite and Yooz. This project is ongoing. It should be finished at the beginning of ’24. Of course, we have the centralisation, other tools together with the IT security.

And all of that is built based on the standardized IT processes. We have the roadmap, we have the definition of which project we should focus on first. And this is done as a combination of onsite and offshore development team. Next slide, please.

And of course, to manage the business well enough effectively, we need to have the good back office. And of course, this back office should work effectively. We should be as cheap as possible, should be scalable, KPI oriented. And we implemented such back office functionalities, functions in the different locations. And this is mainly due to the language skill availability. So this is combination of internal and external, so we are quite flexible about it.

We are - it is implementing the lowest - lower cost countries in Europe, like Portugal, Poland, Greece. Hence this is the - in some of the locations we have only call centre, this particular function. And in some of the places we have as well, the shared service centre, simply the business centre providing services about HR, about IT, about marketing. So different functions too.

And so what is important, we do have as well our own design shared service centre is located in Portugal, partially in Spain for mobile contracts. And we use the shared service centre to provide design for FTTH deployment services.

The biggest one - the biggest shared service in Portugal is our main one, providing services like you can notice in for France, for Luxembourg, for Spain, and for UK. Next slide, please.

And of course, what is important to drive the margin? The most important is to have the right knowledge. So we developed at the beginning of the - of this year, very sophisticated model of collecting the data built on centralised business intelligence platform. So we are able to understand what happened in the past, what is going on today, and as well, what is going to happen in the future.

And of course, this is not only on the culture or business unit level. We can deep dive and see the data per segment for connectivity segment for per technology and per energy, but we can see the data even deeper. So we can see for energy. As an example, we can see data for EVC, for smart meter, for solars. So per different activity.

Hence we see the data in the different level, different variations. So first of all, KPI tracking. So you have the starting from the left side of the slide. We can see per activity what are the KPIs. And the KPIs can be different per different activity and different country. But very often this is customer satisfaction, first time right. The efficiency, the timing, and the different KPIs, which are expected by customer. We track them every month. We see the trends. We compare it. And because sooner or later, the negative trend will influence our productivity, profitability, or volume.

The middle part represent what we are looking for on the area of technicians and subcontractors. So we look what is the productivity per technicians, monthly revenue per technicians or daily revenue per technician. What is the revenue, average revenue per day for 20 best technicians. This is as a reference. But we look as well, what is the revenue per technician for the lower part of 20% technician. This is the group we are focusing on because this group is decreasing our margin. So we know what to do when we identify this group.

From the subcontractor parts, we are looking for the number of subcontractors. And we are not checking on the number of subcontractors and the margin subcontractors, but we will look as well to the type of subcontractors, especially we're interested in the number of small subcontractors because bigger subcontractors can eventually sign our customers directly. So small subcontractors, this is some way to protect our business model, and additionally, very easy to manage, easy to replace, more flexible, and of course, cheaper.

And this data led us to benchmark countries, to compare countries between each other and to give us the full knowledge about what we can do more, having the experience from the other countries. The right part of the picture presents the model. We continuously improve - monitor and improve our EBITDA. We look for the field margin, direct margin, and SG&A and EBITDA. Hence, let us know what is the real profitability of the business.

So having in mind the model of the sector benchmark and expectation to have EBITDA – double-digit EBITDA and the standard for our business, something like the 5% to 6% SG&A, 8%, 9% direct overheads, field margin need to be 24%, 25%, and then the business is profitable. So we address it, monitor and improve all the time. Next slide, please.

Moreover what is the way to effective develop the business? This is the standardised approach to the organisation. So we define the five fillers which we're going for. First of all, we limit the risk. This organisation let us to limit the risk of the volume fluctuation, limit the cost of internal organisation, allow to scale easily and fast enough, keep all business intelligence or keep competencies internally and generate the highest possible margin.

So you can see the model of our organisation, which is for FTTH deployment. This is the most complicated because we have the additional roles like designer, local authority, cooperation, but these are the roles which are keep internal. And we have asked, of course, our own teams, but these teams are limited. We keep them as many as needed, as many to be secured, as many to deliver work on time and as less to limit the internal cost.

And we scale much more subcontractor part, but we subcontract only the simple work like civil works, pulling fibre, surface reconstruction, or doing façade. And of course, every time we control the quality, we control the compliance to the safety regulations. And payment, of course, is done always on the base, on the work done. Next slide, please.

And just for examples just to present you how these rules were implemented in practice. And this is the very good examples. The first example, FTTH deployment in Belgium. You can notice - let's start from the top left diagram. This is the number of household passed. Project started at the end of 2020 - at the end of 2021. And at the beginning of 2022, we haven't passed any homes yet.

You can see that after six months, there is the first home pass, and somewhere after nine months, you have significant number of home passed, which could deliver already the expected EBITDA level. So the growth from the 2022 is significant, and we are delivering something like the 100,000 homes passed now.

And the diagram below, bottom left present how this organisation, so what do I said on the previous slide. You can notice that we scale on the field teams and field technician - number of field technicians, but the rest is more or less the same. So this is something which prove that our organisational model works. On the right part, you can see the turnover and you can see the EBITDA. So EBITDA was negative during the first six months. And starting from the nine months, we already achieved double-digit EBITDA, so expected level by the Group. Next slide, please.

The next example is coming from Poland, the other business customer connections. This is a special one. You can notice how our rules implemented in practice delivered the growth. So we took over the business from Orange, from the Orange subsidiary. And at the beginning of the day of takeover, it was beginning of November last year, number of installation was quite low, 1,200 only. And last month we received already 3,000.

And at the same time, we addressed the changes in the organisation. There was a lot of the employees, almost 70 employees, to deliver this amount. And together, of course, with some back offices, some managers, and we decreased it from 70 to 51 last month. Just we implemented bonus system, reduced the back office, reduced number of supervisors, and at the same time, we increase number of subcontractors from five to 13.

What was the result of that? If you go to the right part of the slide, the right diagram, you can see that we - our revenue growth more than two times during that time. And our EBITDA is improving all the time. We started from negative EBITDA, the day of takeover, and today, the last month, the EBITDA was above expected by Group level.

Can you switch the slide please? The last example, this is the M&A. So it was the case that Orange Poland decided to externalise part of its business, and we took the biggest part of that. The business is quite risk limited. First of all, the contract is for long term. We took over of more than 350 employees and more than 340 were from temporary agency.

What we did in the - as soon as possible, we take over in source this 340 employees, and you can notice that the EBITDA already in June significantly increased with the very similar level of revenue. And we were able to purchase the equipment under very good conditions, and we implemented all the changes in this business, which I was talking about previously.

So you can notice that the revenue were growing all the time. You can compare this, the business which influenced the monthly, the fluctuation of revenue. But you can compare the November last year to October this year, and you see that the growth was significant and you have the trend as well.

It was the same with EBITDA. EBITDA is growing. We could achieve the Group expected level in the coming months.

So thank you very much for this part.

Amaury Boilot: Thank you, Wojciech, and good morning, everyone. In order to explain how we improve our margins, let me first elaborate on our business development strategy.

On the next slide, as you can see, we are already positioned on well-established business lines with a significant growth potential in the future. On top of that, on most of the new business lines that we want to develop in the coming years in the different countries, we do have solid experience in the Group already. So we have very good knowledge of the businesses that we want to develop, and that will drive our growth in revenue.

We will focus on currently well-established business lines. And in addition, we will address highly growing markets on which we will apply our well-known operating models. In conclusion, we know precisely where we are going and how we need to do it. Next slide.

Having said that, in terms of margins, our objective is to reach double-digit EBITDA margin in all the countries. To achieve this goal, which is represented by the circle on the graph, both our direct costs and our SG&A must be optimised. The starting point is actually different from one country to another.

First, we have countries which are already close to the sweet spot. This is the case of France and Benelux, and we have growing countries heading for the sweet spot. In order to reach this target, we do know the leverage that we need to activate. We need to improve our operational efficiency in order to achieve a high margin on direct costs, and we need to keep our structure costs, our SG&A under control. Next.

If we now go into more details for each category of countries, we do have a clear operating strategy. In the tier one countries, where we find France and Benelux, which have reached the critical size, we already have implemented an efficient business model. One, we do have a large network of technicians in all the country, which allows to optimise the travel time between two interventions. Two, we have implemented our IT systems in order to automatise most of the admin tasks such as planning, optimisation or reporting. And three, we have centralised all the admin and support functions. And when possible, as said by Wojciech, we locate these functions in countries where the labour cost is cheap.

In these countries, our objective is to accelerate our business diversification, and especially in the energy market, while continuously improving our cost structure through greater process industrialisation and cost optimisation.

On the next slide, in our second bucket of countries, we find Germany, Poland, and UK. In these countries, the organisation is still not fully optimised because these countries have not reached the appropriate scale at this stage. However, in these countries, the market conditions are extremely booming. The fibre rollout in particular has just started, and this will support our strong growth in the coming years.

With this growth, we will be able to increase our national coverage and the density of our network of technicians. This is a very powerful lever in order to increase our margins. The more dense we are, the better we can optimise the planning of our technicians and increase the daily revenue.

We will also ensure that we deploy our IT systems and we'll work on the automatization of the processes in order to free technicians from non-productive tasks, and to limit our number of back office people.

In the context of growth, we will also ensure that we generate economies of scale at central level in the countries, actually, as we do already have support functions in place in these countries. When we develop our teams on the field, we do not need to develop the HR department, the finance department or the legal department at the same pace. That's how we will generate economies of scale.

As a result of these optimisations, we will be able to generate operational efficiency and optimise our central cost structure. And therefore, the EBITDA margins will reach a double-digit level. Next slide.

In the last category of countries, the market conditions are less favourable. So we will focus on the most profitable businesses and ensure that our cost structure is flexible enough in order to respond quickly to new business opportunities without taking risks. In some cases, we will try to negotiate better contractual conditions, and if we do not reach an agreement, we will adapt our organisation to the more profitable businesses. This is notably the case in Spain, where we are developing our energy activities, which offer good margins. Next slide.

So, as you have understood, in the coming years, Solutions30 will face a significant growth in several countries at the same time with specific operating strategies in order to improve the margins. And to make sure that each country delivers according to the plan, improves its margins and complies with the Group risk management procedures, the Group has a consistent methodology deployed in all the countries.

This framework embraces commercial control, operational control, financial control, and ESG strategy. This implies making sure that we use a consistent set of governance rules across the countries, and that we deploy the tools developed by the Group and the most efficient operating models. By doing this, we will be able to accelerate our learning curve in different countries and reach our double-digit targets faster in all the countries.

I will now hand over to Luc for an update on our activities in Germany.

Luc Brusselaers: Good catch, Amaury. Good morning, everybody.

What I would like to do is give you a view of Germany before I go into innovation. And Germany's been a focused country for us all over 2023. You've recently seen some announcements on contracts with big telecom companies. We will produce a couple of more announcements in the next few weeks.

This presentation focuses on the connectivity market. We do have an energy plan as well for Germany, but the presentation today focuses on the connectivity market. The view that I'm presenting in this slide comes from the Dialog Consult and VATM. They are a group of alternative telecom suppliers that produce this report. And it's produced very recently, 29th November.

The top graph in this slide shows you the penetration of IP-enabled customers in Germany. Every bar represents a year, and the dark blue represents DSL customers. The light blue represents coax customers or HFC, hybrid fibre coax customers. This is where we traditionally operate in the German market. And the green element of the bar shows the fibre connections, and this is fibre-to-the-home as well as fibre-to-the-business.

So in total, of the 46 million active lines in Germany, only 37 million are full IP. And you notice from the slide that fibre is still the minority of those connections. On the bottom part of the slide, you see a different view. This is just the fibre customers, and you see that fibre is growing fast from a homes passed perspective in Germany. By the way, the blue bars represent non-Deutche Telecom, and the magenta bar is Deutsche Telecom penetration.

So you see that the market went in '23 from 13 to an expected 60 million homes passed. But the dark blue part and the dark magenta part shows the number of homes connected. And you see that in Germany, the penetration rate of where we passed with fibre is around 26% for non-telecom, but only 13% for the telecom customers. So there is still a very, very large opportunity, even where fibre is deployed on connecting customers through the fibre. And that is where we specialise on in Germany. Next slide.

This gives you a view of Solutions30's current position in the German market. The table on the left side of the screen shows our current customer base, so Vodafone traditional customer together with Deutsche Telecom. And then this morning we announced Deutsche Glasfaser. GlasfaserPlus was announced a while ago. And Netze BW is a part of EnBW, which is the one of the three large energy companies in in Germany. BW stands for Baden-Württemberg, so basically the south part of Germany.

And then also the Unsere Grüne Glasfaser is a project that we are starting as well. In the different columns, you see what precisely we do. So for Vodafone, GlasfaserPlus, Unsere Grüne Glasfaser and Netze BW, we are deploying a full turnkey solution, whereas for telecom, for example, we really focus on increasing their home connect on their current network. And for Vodafone, we of course do in-home activities as well.

What the slide says is that, we are really into the fibre deployment now, but there is still a room of improvement inside our customers, and there are, of course, other customers in Germany, but the three big ones, Telecom, Vodafone, Unsere Grüne Glasfaser, which is a joint venture between Telefonica and Allianz are the main deployers in Germany.

Our advantages to these customers are we deliver a full turnkey solution we have access to the specialists from France, from Spain, from Belgium and the Netherlands, where we are very active in deploying fibre already. And in the German market, we are one of the few companies that have a lot of experience in connecting houses to a gigabit network. And that experience comes from our Vodafone experience, of course.

The growth expectations for us in Germany is a high double-digit growth for the next three to five years, and that will probably be at a level that we will sustain until after 2030. And certainly in the whole connect part, you'll see us operate after 2035 in this private business for sure, in Germany. Needs to be said that the prices in the German market are higher than what we see in other markets. That of course has got to do with area density in Belgium. Belgium is a much dense country, so prices are a bit lower, same with the Netherlands.

But it also has to do with the topology of what we deploy in Germany. Everything is French, whereas in other countries we use poles and façade. The surface in Germany does a lot of asphalt, whereas in other country we see a lot more soil. And of course, labour costs in Germany play a role in the definition of that home passed, home connect price as well. So very, very good market for us.

If I can then move to the next slide and take you through some of the innovation activities that Solutions30 has been doing. And I'd like to point out on the next slide that for us, innovation is not necessarily invention. We don't invent new things. When we talk about innovation, we talk about optimising costs for our customers or providing new ways of doing things that will decrease the cost. We talk about accelerating new things. We - that is revenues or customer satisfaction for our customers, and innovating business models or the way we go to market with our service.

So basically our innovation we can put in three buckets: process innovation, service innovation, and business model innovation. Next slide, please.

In the next few slides, I'll give you examples of how we innovate. And this first example I'm particularly proud of. In Belgium this solution SmartFix Visual A.I. won a very prestigious innovation award from the Supply Chain Masters. Supply Chain Masters is the organisation that regroups all customer procurement - chief procurement officers from large companies in Belgium. And you can look it up what define to win. But it was clearly seen as the most innovative project in Belgium.

The project that I'll talk about here is for Fluvius. We use the project - we use the programme for other customers as well. But Fluvius is the network operator in Belgium. They pass by 5.1 million homes. 100% of those homes have an electricity meter. 68% have a gas meter. And Solutions30 rolls out about 42% of all meters in Belgium for this customer.

What Visual A.I. does, it takes a picture of the installation, and in those pictures, it analyses up to 25 different control points as a sticker being applied. Is there security information available? Do you have the right meter number when you demount the meter and when you mount a new meter? But also we can see whether a gas meter, for example, is sealed correctly from the picture.

So a very innovative solution and that totally changed the process in which we deliver. The advantages, and I can talk a long time about this, but the advantages of the project is on the next slide, are basically - can you move to the next slide please? Are basically around cost efficiency and quality control.

As you can imagine, doing these meters is a very secure process. Security is of big importance. And with this project, we now verify a 100% of all installations, whereas previously we can only verify 15% of the installations. We've also been able now to roll out since we've implemented this project, a lot faster than previously, and we've done that without having to expand the back office team, which is a basic cost of service as well. So we are 100% of conformity with no increase of the back office.

Photo conformity is important because the meter numbers are important for customers to receive their bills, of course.

And then last but not least, our technicians productivity has increased. We have no longer repeat visit because something was installed badly. And the reporting time, the time that the technicians need to use to do reporting at least to 25%. And on top of that, the gas leak detection improved significantly so that security improved and we no longer need a four-eye principle. Four-eye principle, meaning every meter that was installed by a technician was checked by a quality person. So that has been reduced as well.

So this was a significant cost saving, increased the speed of deployment significantly for our customer, and it was a game changer in the whole rollout of smart meters in Belgium. Next slide, please.

We've since been using the same technology SmartFix Visual A.I. on fibre projects. So we now take pictures of all of the fibre deployments, that's both of the trenches as well as the distribution points. And we analyse those pictures, or the AI actually analyses those pictures, stores the pictures. A geotag is applied, so we know precisely what happened on what location when we put fibre. And we put distribution points or connect customers. Every picture is validated, whether the picture is clear, whether the picture hasn't been used before. So every picture needs to be unique and we keep the picture stored for future quality control.

The advantages, on the next slide of this project, are a much easier stakeholder dispute resolution process. And stakeholders here are, of course, the municipalities and the people that own the roads, but also the residents for whom we sometimes open the driveway.

And the proof point is we take a picture before, we take a picture after, and we can show on the geotag specifically location, what happened before, during and after we've done our fibre deployment.

This whole process also improves the first time right. And the picture you see there, it's a small picture on your screen, but in France we've had this large issue and all of the telcos had the issue with the spaghetti of the fibre. In this process now with using diplomatic and our SmartFix Visual A.I., we can show the evolution of a distribution point that we can ensure and technicians know that we ensure that the distribution point is left correctly behind.

So first time right has improved, and of course proving that our work has been done with the right quality is made much easier as well. Next slide, please.

That was a Visual AI. This slide contains two examples of SmartFix Remote. The first is a tool that we use with customers as well as with engineers within the HP community and the service we provide in the technology space. We have the ability to send a link to our customers and the customer smartphone is then visible for our remote resolution desk. And our remote resolution should - resolution desk can draw on the screen of our customer saying, now do this, now do that.

So if reduced the requirement to dispatch a technician dramatically. And when we dispatch technician and the technician is too junior to solve the issue, we always have a senior technician in our consultant team remote that can help the junior technician side.

On the bottom of the screen, you see a different example of that SmartFix Remote. Here, there is a Solutions30 technician doing a repair. And because the technician needs his two hands to do the repair, the technician's wearing - you don't see it really well - a virtual reality glass. So the instructions can be given to the technician on that virtual reality glass, but also the technician who sits remote, and you see the picture of the technician sitting remote can see what the technician is doing, and he can guide the technician to do the right thing. So that's SmartFix Remote for you. Next slide, please.

So we now go into service innovation. And service innovation started with our customer loyalty programme this year. The programme was started this year. And the customer loyalty programme is basically with the customer, for the customer. We listen to the customer and we improve where the customer believes we need to improve. The process is a classical continuous improvement process. We listen to the customer, so we send questionnaires. We try to understand on different levels of sales and innovation, service development, service operations, support administration, legal. On different aspects, we’re try to listen to the customer.

We then define activities to improve. We propose a plan to the customer, an improvement plan to the customer. We implement and we listen again. So it's a continuous improvement, a continuous listening process that we've implemented this year, and we will roll it out. At the moment, we're doing this in the large therapies, but we will roll this out to all of our large customers with the customer, for the customer, customer loyalty programme. Next slide, please.

Another SmartFix improvement that changes the way we deliver service for our customers is Follow the Tech. Follow - we can follow the tech. The customer can access a technician page and see where the technician precisely is, who the technician is, will call to his site, and what the estimated time of arrival of the technician is.

In that same tool, a customer can also provide NPS scoring. And for low NPS score. So one star service activities, we will provide our customers with a closed loop feedback mechanism in which we will immediately correct customer interaction if a customer was unsatisfied with the technician activity. So Follow the Tech is a very important tool for many of our customers now. And for some of the customers, we've integrated the tool in their DSS and OSS systems. Next slide, please.

The next three slides talk a little bit about business model innovation. In the past, we have been doing a lot of transactions, as Gianbeppi already said, for customers, but we will contract for transactions. What we are seeing is a big shift toward turnkey solutions. So customers come to us and say, yeah, find the transaction, but I would like you to take much more responsibility. And rather than just doing the installation work, we're now being asked to do the service in the management afterwards. We're asked to do the design work. So our portfolio on a per transaction basis increases significantly.

A couple of examples on the right side of the screen. In a fibre rollout, customers give us a municipality, the addresses within the municipality that they would like to connect, and from there, we start doing the engineering, the preparation of the project, the permitting with the municipality. We do the deployment. We provide service and maintenance afterwards. And if it is relevant, we will also do the copper decommissioning or the coex decommissioning. So a full turnkey solution for our customers.

Same happens in the EV charger world, where customers say, Hey, I just want to give you leads, and then you convert those leads into installations for me, and you do the maintenance with the customer. And actually, you provide me an end-to-end process where I only take the request from the customer, give the request to you, and you do the sales on my behalf. So again, a full turnkey solution. Same we're seeing in the IT market, where we used to do break fix for customers. We are now deploying a full Device-as-a-Service solution. So a clear shift away from transactional services into more managed services approach.

On the next slide, that managed services approach also drives the way we interact with our customers. So where we used to be a supplier delivering transactions and transactions very well for a very good price, we now move up to the value chain with the customer and try to become a trusted advisor with our customer by looking at cost effectiveness in what we do. And you see some examples below the slide.

So our service efficiency is becoming a lot more important. Service efficiency, which will increase our margin, but we will also be able to give something back to our customer of course. We identify next step. We identify waste in the process. This will increase our productivity for our technicians. If we don't deliver value, or if a task doesn't deliver value to a customer, we stop the task, we improve something else, or we take a margin for both us and the customer.

And then last but not least, we will ensure that service model innovation will deliver that competitive advantage that a customer of Solutions30 will be looking for.

That competitive advantage, a way to deliver a different service model to our customers, we've practiced. And on the next slide, please. Through our vested outsourcing programmes. And we've announced to you in 2019, I believe, a large vested outsource with Telenet, a Liberty Global Group company in Belgium. And last year or end of 2021, we announced the vested outsource with Community Fibre.

Vested outsource takes that trusted advisor role to the next step. It is more than just a new way of contracting. It's a really a way to both work together in a joint approach on improving the services that are delivered to the end customer of our customers. But there are five basic rules. Rather than saying, this is the service you need to deliver, we define the outcome that our customer wants and we move away from this individual service items to the outcomes that the customer wants.

We focus by doing that. We don't focus on the how we do things, but we focus on what we want to achieve. But those desired outcomes of our customers are clearly measured. So we do have strict KPIs. We measure those KPIs. Because in the pricing model, which is a cost - is the cost model, and some customers call it a cost plus solution, it's more than just a cost plus as I stated before. But that cost base is an important measure in all vested contracts. And we can deliver our margin by delivering the desired outcomes on top of that cost, right? So the desired outcomes define the price, not the cost of delivery.

And very important in these vested out contracts is that we provide insight in what we do, but the governance process provides oversight in how we achieve those desired outcomes. So very important programme for us this vested outsource, and one that we will be practicing with all of our customers.

Thank you for that. With that, I'll hand over to my countryman, Jonathan Crauwels.

Jonathan Crauwels: Yeah, thank you, Luc, and good morning to all. I wanted to kick off my presentation by giving you a view on the lifespan of the fibre-to-the-home cycle.

Like mentioned before, during this presentation, the fibre-to-the-home network deployment is highly growing in several countries and Solutions30 is actively participating in that market trend in several countries.

The revenue from fibre-to-the-home network deployment will grow in the next years and will even stay high up to 2027, 2028. The fibre-to-the-home network deployment is usually limited to the homes passe part, as you can see in the diagram to the left. However, this is just the first step of this business cycle.

Fibre-to-the-home network deployment is very often the gate-opener for the homes connected and the homes activated part. And these investments will follow the network construction shortly and will take on beyond 2027 beyond to 2028. At the same time, the fibre-to-the-home network and customer maintenance service will be launched. And S30 as a vendor of the fibre-to-the-home network deployment, homes connected and homes activated is likely to be a preferred partner to deliver this service.

In many countries, we are already performing this. The fibre-to-the-home network and customer maintenance is a recurring service, which we are highly interested in. You'll see in the next coming slides why this is of importance for us.

One of the next investment cycles in the European Union will concern the upgrade of the power grid as a preparation to renewable energy sources. Solutions30, as an experienced partner of the fibre-to-the-home network deployment will be ready to reuse its build capacity to deliver this service in the future. Next slide.

In this graph, we wanted to show you the standard project lifecycle of, in this case, the deployment of fibre. In the first phase, the launch phase, which lasts between six to 12 months, we see low sales volumes and high costs related to the startup of a project. We have to start hiring, training, equipping our workforce. We have to invest in our support functions, hiring new vehicles, etc. This dip - this is a dip you can see in the graph during the launch phase, the first phase.

The next two years, we have rising volumes and margins. Margins are still not at a normal level because we need to reach the critical size in the company or in the density of that project. Once this critical size is reached, we are able to optimise the planning and bring down the travel time.

We will have trained technicians who can implement best practices to new technicians, increasing our productiveness. This we call the mature phase. Typically in a deployment lifecycle, after we have reached a certain maturity level, we will see the volumes go down. Together with this, the productiveness will decrease and our margins will also go down. We go to the next slide.

How we - how do we want to tackle this? So like mentioned, Solutions30 is not only offering the deployment but also offering maintenance and repair. What we can see is that by adding these volumes, we are able to keep the volumes high in the latter phase of the project. And secondly, we're also able to stabilise our margins throughout the project.

We give you a short update on Solutions30 financing strategy. We can see that the organic growth, we are financing by reinvesting our profits. So instead of paying dividends, Solutions30 chooses to use this to grow the business. Next to that, we use debt financing to finance our external growth. Due to our solid financial position, we are able to finance both our external and internal growth without having to raise or without having to increase our capital.

Like mentioned, Solutions30 is able to finance its organic and inorganic growth without having to raise extra capital. So how can this be achieved? This can be achieved by putting a lot of effort in keeping the working capital under control. For instance, the use of a global implemented deconsolidating factoring programme and continuous negotiations with clients and suppliers, we manage to limit those requirements. In addition, our CapEx requirements are low with 1% and 2% on our yearly revenue.

Together, this makes that we have a low cash requirement for your growth. As an illustration, on the balance sheet projection of H1 2023, to grow with €0.5 billion in revenues. We would require €34 million of cash. Next to that, we also show our leverage ratio, net debt over equity - over EBITDA, sorry, in the right graph, which is consistently under 2 times and it's far away from the 2.5 figurative mark and estimated to decrease also in the next coming years.

As mentioned in the previous slide, we have high expenses in the launch phase of a new project. Solutions30 is using several tools to fund this period. We are negotiating advanced payments for - advanced payments with our clients to cover some of the prepaid expenses.

We are utilising our past earnings to invest in new projects, which securise our growth. We are funding our CapEx expenditures to debt financing, and we have a global deconsolidated factoring programme in place to close the gap between invoice issued and cash received.

In the box below, we give some examples of costs we have at that startup. An important bucket in this cost - in this bucket - in this box below is the WIP. The WIP is all works that we have already performed before we are able to invoice it. As mentioned, we are able to factor the invoices we have sent to the client, but there is also a significant time between the work performed and the invoice itself. That's the, so-called WIP. You go to the next slide. Sorry, yeah, this is the next slide.

To deep dive more on the WIP topic, we want to show the impact it has on our need of working capital. For instance, the average time between the first invoice sent at the start of a project is 130 days. During this period, we already have paid several expenses. Next to the first invoice, we have higher lead times between work performed and invoice sent in the first months of 70% compared to a year later. This is because, in new projects, we need to learn about the processes. For instance, we need to set up training on the invoice approval flows. We have to take pictures. This needs to be checked. We need to send a weekly checklist to our clients of all work performed. We need to get back and forth with the clients, etc.

To speed up these processes, we are looking to set auto - set up automated flows for all exchanges with clients. We are investing highly in our IT software so that it is able to adapt to the needs of the client and that we can create interfaces with their platforms to reduce this lead time.

During this - doing this and continuously focusing on these processes, we are able to reduce the WIP after the first year of a new project up to 70%.

Now, in the next two slides, I wanted to give you - we were asked a lot of times on the evolution of the margins between - in Benelux between 2021 and 2023, and also in France. So, to elaborate on this, if we look at the evolution of the Benelux from H1 2021 to H1 20 23, we see a decrease of 4.1 points. This can mainly be explained by the enormous growth this parameter has experienced.

As can be seen on the graph that shows a 84% growth in H1 2022 up until H1 2023. As explained in the previous slides, the first phase of the start of a new project brings increased cost and investments. As the Benelux has now reached a critical size and can start working on increasing productivity levels, we expect margins to increase even already in H2 2023.

We look at the evolution. If we look at what happened with France during this period, from 2021 to 2023 H1, we see we were actually in a perfect storm in 2022. Our margins dropped significantly due to the combination of two exceptional events. A reorganisation had to take place due to geographical redistribution in the telecom business and a bankruptcy of a competitor. And at the same time, we had a discontinuation of the smart meter rollout.

In the first half of 2023, we started to recover in terms of profitability. This was mainly driven by the integration of Scopelec that had been finished, and the reorganisation that had taken place to prepare France to move into new activities.

Lessons learned during this extraordinary event is that the teams needed to react very fast to turnaround margins when special events occur, which has been done with success in H1 2023.

Thank you for your time. And I want to pass to Gianbeppi again.

Questions and Answers

Gianbeppi Fortis: Thank you, Jonathan, and thank you all. Let's open the Q&A. I see that we have some questions coming up. So the first one is, how does Solutions30 integrate corporate social responsibility, that is CSR principles into its overall strategy, especially in time of crisis? So that's first question. Amaury, do you want to take it?

Amaury Boilot: Yes. So first of all, it's a long journey. We have started to improve our governance and our risk management procedures when we prepared our move on the regulated market. So back in 2019.

So since then, we have implemented procedures, controls which are standard and applicable in all the countries. One process, which is extremely important is the due diligence that we perform on all the partners of the Group. So to illustrate this standardisation, we use a tool that has been developed within the Group that is standard and with a standard procedure in all the countries.

So we have a full KYC process applicable to all our partners. And on top of that, all the initiatives related to compliance and corporate social responsibility are driven by a team at central level, which sets targets. So targets in terms of governance, targets in terms of environments and targets in terms of social responsibility.

And this team make sure that the targets are delivered by each country, and that the guidelines are operationally effective in all the countries. For that, we have - we now have a new head of corporate social responsibility who joined more than one year ago, Nathalie Duchesne. And she progressively enlarged our team - her team in the different countries.

Gianbeppi Fortis: Thank you, Amaury. Second question. I think this is for Wojciech, but maybe I can also give a comment, a short comment before handing it to Wojciech. What kind of return of information do you have when you compare your new processes with the ones of your most direct competitors and by geography? And can you quantify?

So my comment is, as we said at the beginning, we started up from scratch 20 years ago, and now we are making €1 billion, and we have done growth every single year since then. It's not so common. So when you look at competitors, there is not many companies that manage to do this. So that means that we know - we have learned some tricks well, and we play them well.

The other thing is the high market share that we have with some important clients across Europe. Telenet is a very good example because we are the only supplier for them, but there's also other examples for very important clients. So we manage to be - to become important, to become - yeah, important for some very large clients. And I think that's a good proof of the fact that we have good processes in place. But Wojciech, maybe you can elaborate a little bit more on that.

Wojciech Pomykala: Okay. Thank you, Gianbeppi. So just to give you the couple of examples, which I discuss about during my part. So first of all, let's take the FTTH installations, which we did in Poland. So we are in the quite good situation because our market share is the biggest, even biggest than our competitors.

Of course, the market share is directly connected with the KPIs, with the time delivery, with the first time right, with the NPS. And so it looks that the process with which we implemented and we set having the couple of factors included, allows us to bring the right combination of the exchange, the productivity and the profitability.

So hence, in the different location today we have the market share on the average, like 30%, 40%. In some of the location, we are able to achieve the market share on the level of 70% or 80% even. So we do not have the direct comparison with our competitors of our processes. We can compare just on the level of market share of the willingness of our customer to give us much more business that's before.

Gianbeppi Fortis: Thank you, Wojciech. We have another question for Germany, and that's going to be for Luc. The contract signed in GlasfaserPlus in November, plans to set up FTTH connection to four million homes. It is three times bigger than the contracts with the three connectivity clients signed in Benelux in '21 and '22. Then shall be expected turnover in Germany to be at least three times bigger than the whole Benelux turnover within one year, as big expectations look - make it clear.

Luc Brusselaers: Yeah. So there's two regions mentioned that are close to my heart, Benelux and Germany. We have three contracts in Benelux. There's actually a fourth one that we started this year in Belgium, and there's a sixth one, I must say, that we started in the Netherlands. So we have the growth in the Benelux is still continuing.

Germany, of course, will be bigger than Benelux from a fibre deployment perspective. There's 47 million homes in Germany. There - well, homes and businesses. There's four-point or 5.1, 5.2 in Belgium. So yes, of course, the German market is much bigger. And the German market is less progressed as the Belgium market, I believe.

In Belgium, you have a very strong coax network that covers every house. In Germany, coax is still the bigger gigabit network, but it doesn't cover every house, right? So there's still a DSL move. So I think that move will go quicker as well than what we're seeing in Belgium.

GlasfaserPlus, which is a Deutsche Telecom joint venture, by the way, together with Glasfaser Nordwest, really important customers of ours, and we will grow fast with them. There's other customers that we will grow fast with. Again, I think high double-digit growth for the next years to come in Germany.

We have just started in Germany with fibre deployments, meaning we've done home connects for telecom and Deutsche Glasfaser since somewhere beginning of this year April-May. We are now moving into full deployment turnkey solutions. We've got - the design teams are ready. The - and are designing. Our product managers - project managers are in place, city managers are in place, construction managers all in place. We've started to deploy.

We are in a ramp up phase, meaning first year, we need to make sure that all of the customer connections happen correctly, as will the documentation is signed up, as it needs to be and on time because cash in this project is important. So we want to make sure that we fully, correctly deploy it in the first year, half year, and now we can go full speed in Germany. You'll see that absolutely happening in the next years.

Gianbeppi Fortis: Thank you, Luc. Another question concerns France. So that's maybe for you, Amaury, even though I can maybe comment a bit. Dismantling copper networks in France. When do you expect the first contracts to be signed?

Small comment from me, Amaury, first, is we are already doing some work on copper dismantling. But in France it's really not the focus at the moment. In France there is only 50% of the houses that have fibre. And at the moment, Orange, that is the operator that runs the copper network, has launched a programme called Fibre 360, which means that the focus of Orange is still deploy fibre everywhere, and it's only one - once the fibre is deployed that then you can extract copper massively from the ground.

So while we are still working on it, we do not see that coming the priority for 2024 and 2025. Amaury, I let you comment a bit.

Amaury Boilot: Exactly, we are already doing some dismantling of the copper network. But what is sure is that the maintenance cost of the copper network is increasing. So there is a strong incentive for Orange to dismantle the copper network as soon as it is possible. And so that implies to have the - a full fibre network effective in a city.

So at this stage, I would say that the first cities in France were like - acting like pilots to be fully connected to fibre. The ambition for the first ones is in 2025, which should be the start of this corporate dismantling.

Gianbeppi Fortis: Thank you, Amaury. Okay. Then we have a question for Jonathan. The question is, why do you expect that the net debt to EBITDA ratio to further deteriorate in H2 compared to 1.7 times in H1? EBITDA should increase in H2 compared to H1. And you mentioned in September that you were taking measure to optimise working capital before year end. So Jonathan, if you can elaborate a little bit on how you see the evolution of this ratio.

Jonathan Crauwels: No, indeed, on the slide in the - you will see the first arrow go up but we did not show the H1 arrow. It was meant to be the 2022 arrow. So our net debt versus EBITDA ratio indeed increase a little from 2022 until 2023. If you mentions the 1.7 times in H1, we expect to still be below 2 in the end of 2023 with everything - with indeed increasing margins in H2. So that's on the net debt ratio.

And then on the working capital, we are indeed implementing things, like also mentioned in the presentation, to optimise our working capital. I elaborated on what we have done there. And so we tend to see that this will improve our need on working capital at the end of 2023. This is the goal.

Gianbeppi Fortis: Thanks, Jonathan. There is another question just back on this one, which is, please confirm that financial information provided debt ratio are integrating the recent announcement in Germany.

Jonathan Crauwels: Yeah, this indeed is taking into account the recent news that we have received on Germany. So we anticipated, of course, this growth. And this is - that's why you will also see that the trend going down of this ratio in the future by not only Germany but other geographies growing. We expect our EBITDA also to be growing, and like mentioned, our organic growth will be mainly financed by own - our own resources.

So that's why we tend to believe - we tend to see that our ratio net debt over EBITDA will go down in the future.

Gianbeppi Fortis: Thank you, Jonathan. Another question still on margins, but I can take it. On the back of this presentation, are you able to give us an EBITDA margin range objective for this year in 2024?

We are sorry, but we do not give these short-term targets. The only thing we can say and we said it before, is that our margins are improving. So even though we are seeing this ramp up in Germany as an element that is important and can have an impact on the margins, overall, we believe that ’24 will be better margins than ’23 and second level of ‘23 better margins than first start ’23. So we are going globally towards an improvement of our margins.

Other question, Germany, Luc again for you. Can you quantify the revenues you expect for ’24 and how much would be the telco revenues?

Again, I don't think we can give a specific target. But maybe you can indicate the kind of growth we are expecting in Germany next year.

Luc Brusselaers: Okay. So we're focusing on two segments in Germany, connectivity, and that is mainly fixed networks, and energy. In energy, that's mainly solar. The majority of the growth in Germany will come from fixed networks next year. And then, by ’25, ’26, we'll see first significant growth trajectory in solar. And that solar, by the way, is mainly B2B that we'll be focusing on.

For the next year I still call it high double-digit growth. Today, we have - the majority of our business with the hybrid fibre coax customer Vodafone, but that will shift next year. It will really start to shift next year towards the fibre deployment business of Telefónica Telecom. So if that answered the question correctly, Gianbeppi. I think it does.

Gianbeppi Fortis: Yes.

Luc Brusselaers: High double-digit growth is absolutely there for next year. Yes.

Gianbeppi Fortis: Well, thank you, Luc. Okay. Other question on a different topic. The Muddy Waters story is now beyond you. Do you still have legal procedures ongoing and what have you improved in the company?

So yeah, I would say that the story is behind us. The first attack came in May 2019, so that is four years ago, almost five years ago. I would say, yeah, that - that's really behind us. The proceedings that we opened with the regulator and the [inaudible] in Paris are still open. But there is no particular news.

I would say if half of the accusations that we received were true, we will not be here in front of you five years after. So I would say that is behind us.

The good question is, what did you do to improve things after this attack? And that's maybe something you, Amaury, can take and explain.

Amaury Boilot: Well, I had the opportunity to elaborate a little bit on this on the previous question. But we set up a full global risk and compliance scheme within the Group. And we - now, we apply best-in-class processes in terms of compliance and risk management processes. And we are definitely better than most of our peers in our industry.

So all these procedures, tools, controls that we have implemented in the Group, are now protesting us from such attacks, where you can just put pressure on a stock price by pushing false allegations because we do have these controls in place and we are able to demonstrate in a very quick way that these allegations are false or not possible.

Gianbeppi Fortis: Yeah. Thank you, Amaury. Maybe I can also remember that we reinforced our supervisory board with two members who come with solid experience there. One, Pascale is a specialist of IFRS norms, and she's part of the Audit Committee. And Thomas is a German lawyer who's been on the Board of the Deutsche Telecom in charge of compliance. And we recruited more than one year ago now a person who is in the CommEx and she's in charge of compliance. So we have done investment in this respect.

Other question is, what is the direct and indirect impact of current geopolitical risks on your supply chains and markets?

I would say that the issues - we had issues on supply chain in ’22. It's part of the reasons why ’22 was a bad year for us. But I will say that the situation has changed. We have learned, and our clients have learned to live now in a world where inflation is there, where there could be shortages in Asia. So they've been diversifying their sources of suppliers.

And I would say the situation today is much, much better than what it was one, two years ago. So I would say the risks are reduced. On our side, we have continued to diversify our activity in geographical terms. So three years ago, we were really dependent on France. Now we have three different geographical pillars. Germany is growing. That will be also important in our diversification.

So I would say today we are much safer than what we were only three years ago with a reinforced compliance, as Amaury explained. So I would say the company today is much stronger than what it was a few years ago.

Another question concerns share buybacks. Will you ever proceed with share buybacks and capital reductions? I would say that today, that's not on the agenda. We said before that we expect to double and more than double the size of the company in the coming years. So we want to keep our cash to do that.

We also said that we do not intend to proceed with the capital increase, so there will not be dilution. But doubling the size of the company is a significant effort. But we need our cash to be able to do that.

Do you expect the turnover to keep growing in Benelux in ’24 or its stable now? I can turn to Luc. We are talking.

Luc Brusselaers: Yeah, so Benelux will continue to grow. We've started deploying 2021. 2022 was a ramp up year. And we are seeing a monthly revenue in the Benelux increasing month-over-month. So EBITDA same. So we are seeing that growth in the Benelux. There is still a lot of opportunity in Dutch market as well for us. And there are new players on the horizon.

In Belgium, you may have heard about the Telenet and Fluvius joint venture, which is called Wyre. We are starting deployment now, so there's more customers. We are still in a ramp up phase. And the Netherlands is still opportunity for growth on the fibre side. On the energy side, there is lots of opportunity in our territories as well.

There is large investments going into the electricity grid, and we have a strong focus with our energy teams who are doing smart metering rollout, smart metering sanitation, sanitisation project, meaning from street to house we are renovating the connections. So we are ideally placed to take an opportunity in that energy transition market in the Benelux as well. So Benelux will continue to be a growth market for the next three, four years, for sure.

Gianbeppi Fortis: Thank you, Luc. I'm not seeing more questions. So I would like to wrap it up. Can you please put the last slide? I will use it to wrap this up.

Well, thank you all for participating to this webinar. Even though we have been focusing on margins, we have spoken about Germany, as a fast growing geography. We have been talking about Germany for a while, but now as you can see, and as Luc has explained, the ramp up is happening now and the market is absolutely big. So it's going to be an important thing for us next year and for the years to come.

And all in all, you will - you have seen that we have great opportunities on fibre deployment and also energy almost everywhere across Europe. But apart from that, from the growth we have seen with Wojciech that we have a good playbook of recipes that we know how to use to improve our margins and keep our margins under control. Germany as important geography, but we also have focus on other geographies with three different types of geography, I would say France and Benelux that are mature.

The focus there, as Amaury said, is to work on costs and diversify our activities moving towards more business in the energy transition sector. Germany, Poland, and UK are ramping up, so nothing special to do. The counters are signed, just need to ramp up. And in Germany in particular, we expect a big focus next year.

And then we didn't talk much about Italy and Spain that we consider tier three. So we are going to be opportunistic in these geographies. We're staying there, but we will concentrate on the most profitable activities and we will be careful keeping a flexible cost structure to be capable to adapt as best suited for the market.

We have also seen with Luc that our company is not just people in the Street. It's also quite a lot of technology behind to make sure that we are capable to innovate every day, bring value to our clients, and therefore stay with our clients in the long run.

And as a final word, I would say that all of this doesn't come expensive. As said at the beginning, we reached €1 billion with a very limited need of cash. And as Jonathan has shown, we expect we need - we have €35 million of cash to deploy almost €0.5 billion of revenues in the coming years. So we do not need a capital increase to double the size of our company.

Thank you very much again for your participation. Let me wish you a good afternoon and a good week. Thank you.

[END OF TRANSCRIPT]