Solutions30

Solutions for New Technologies

Full-year Results 2023

Wednesday, 03rd March 2024

GIANBEPPI FORTIS

Good evening to all and thank you for being here, for this presentation of our 2023 results.

This conference will be held in English. For our French-speaking attendees, we are pleased to provide simultaneous translation in French.

As usual, an English and French transcript will be available on our website after the event.

Amaury, our Group General Secretary and Jonathan, our CFO, are by my side to comment on the 2023 financials and, as usual, we will answer your questions from the chat at the end of this presentation.

The annual consolidated financial statements of Solutions30 were examined by the Supervisory Board today, April 3rd, 2023. The Group auditors have completed the substantial part of the audit and are now finalizing the last formalities. The audit report, will be issued upon completion of these procedures. The Group's consolidated financial statements are available on Solutions30's website.

2023 was a momentous year for us as we celebrated an important milestone: **our 20th Anniversary**. Over the past 20 years, we have achieved many successes along the way, and we are grateful to our shareholders, customers, partners, and employees for their support during this long journey.

To start, I would like to highlight some significant business milestones achieved in 2023 :

In France, we installed the largest European floating solar farm in partnership with Q Energy. Solar is clearly going to be a growth driver in France in the coming years, we will elaborate on that in the presentation. Also in the sector of renewable energy in France, we finalized the acquisition of Elec ENR, which contributes to improve our geographic coverage of the East part of the country and to broaden our service offer in this sector

In Belgium, we were extremely active last year and we have managed to establish a strong leading position in the region. We passed significant milestones, with over 24,000 households connected to fiber on behalf of Fiberklaar, and 30,000 digital electricity meters installed.

In Germany, we are definitely ready for strong growth. We signed major contracts in fiber, one of them is the fiber roll-out contract with Glasfaserplus.

Lastly, we launched the 'FemmesForce' initiative, aimed at developing an internal mentoring program for women.

All in all a very busy year for our 20th anniversary, let's now turn to our financial highlights.

On that front too, our 20th year witnessed several achievements.

As you already know, we passed the 1 billion euro mark for our revenue, thanks to a strong growth of 16.8%. This growth was almost entirely organic, driven by Benelux where the ramp up of our fiber roll out and fiber connection activities has been extremely fast.

We have also delivered a strong increase in margin, as our adjusted EBITDA is up by close to 60% year on year and the corresponding margin, at 7.1%, is up 190 basis points. This was achieved on the back of a very strong margin improvement in H2, as announced, being the result of a strong focus on profitability, through various actions that we will detail later on, and that should allow us to keep improving our margins in the future.

Our balance sheet remains extremely solid, with a net cash position (excluding IFRS 16) at year-end, and a very limited leverage of 1 time net debt to EBITDA.

We are enthusiastic about the future of the group, which faces attractive prospects, as it is driven by 2 powerful growth drivers currently shaping our world: the digital transformation and the energy transition. In 2024 we expect further profitable growth, as we will continue to place a strong focus on margins.

A quick word on our full year revenue for 2023: the final number is one billion and fifty seven million euros, so we did pass the one billion mark for the 20th anniversary of the group, which is an important symbolic milestone. It is also a strong testimony of the success of our business, which we founded back in 2003.

It represents a strong growth of 16.8% year-on-year. It is almost entirely organic (+16.5%) and driven by Benelux, as already explained. This shows the relevance of our European footprint and our ability to replicate our business model in countries that present interesting opportunities.

2023 was yet another year in our uninterrupted trajectory of growth that is set to continue for many years to come.

Looking now to the split of our revenue by geography and by segment, quickly because we already covered that in January.

In Benelux, with a 72% growth over the full year, we have been successful in capturing a strong market momentum in the telecom sector, and in establishing a strong leadership there. Benelux is now a significant portion of our business, in fact in Q4 it became our number one geography, both in terms of revenue and margin, ahead of France.

In other countries, a 6% growth was driven by Poland and the UK. We anticipate fiber activities to kickstart in Germany this year, as we have signed major contracts with telecom operators and we have adapted our resources and capabilities to meet the very high demand that is coming at us. Germany is set to be a major growth driver as soon as this year.

In France the transition of our business mix is still in motion, with a continued contraction in mature telecom activities while energy-related activities started to pick up in Q4, with a 31% organic growth in solar. This is a market where we see strong opportunities going forward with the new law focused on covering large parking lots with solar panels.

At group level, as you can see on the right of the slide, Energy is up by close to 20%, confirming its potential as a major growth driver for Solutions 30.

Turning now to operating margins. We delivered a strong rebound in Adjusted EBITDA, at 74.6 m€ in 2023. This is an increase of more than 59% compared to 2022.

Our EBITDA margin was 7.1%, up 190 basis point.

This performance is mainly the result of a strong improvement in H2, at 8.8%, thanks to significant progress in all geographies:

- In Benelux, we reached double-digit margin in H2;
- In France, our margin was strongly up thanks to the reorganization and efficiency measures we launched in 2022
- In Other countries, we achieved in H2 the highest margin in 3 years

Jonathan and Amaury will give you more details by geography later on. But you can see on the chart the strong sequential improvement we delivered in H2. Our margins are definitely on the way up; this is the results of the strong focus we are exerting on profitability over volume, across all our business. This focus will continue to bear fruit this year, in 2024, and beyond, as we are set to achieve double-digit EBITDA margin at group level in the medium term.

I will now let Jonathan and then Amaury comment our results in more detail.

JONATHAN CRAUWELS

Thank you Gianbeppi, and good evening everyone.

Solutions 30 posted an **adjusted EBITDA** of €74.6 million in 2023, up 59.6% year on year, which resulted in an adjusted EBITDA margin of 7.1%, up 190 base points.

Including 52 million Euro of so-called operational depreciation, that is 46.5 million in fixed assets depreciation and 5.5 million in net increase in operational provisions, the adjusted EBIT stood at 22.6 million euros.

As Gianbeppi explained, 2023 was a tale of two halves in terms of margins, with a marked improvement of our main profitability indicators in H2 compared to H1:

Adjusted EBITDA margin at 8.8%, compared to 5.3% in H1; adjusted EBIT margin at 3.3%, compared to 1% in H1.

In H1 as you know, margins were impacted by costs associated to the very fast ramp-up of our activities in Benelux, and by the situation with our main telecom client in Italy. In H2, we managed to drive our margin up significantly, thanks to a marked improvement in all our geographies, which we are now going to dive in starting with France with Amaury.

AMAURY BOILOT

Thank you Jonathan, and good evening everyone.

In France, the ongoing recovery of our profitability was confirmed in 2023, as we posted an adjusted EBITDA of 35.5 million euros, strongly up by more than 70% compared to the year before. We achieved this despite a 6% contraction in our topline, therefore our margin has significantly improved, from 4.9% in 2022, to 8.8% in 2023.

In a context where volumes remained penalised by the mature fiber activities and the end of Linky meters roll out, we are working on transitioning towards new market related to energy transition, in particular solar panels, where we see vast opportunities notably thanks to the new ENR law with regards to parking lots. I will remind you that Energy revenue was up 31% organically in Q4 last year.

In that sector, we have acquired a minority stake in a solar specialist, which will broaden our offering in the photovoltaic market.

In the meantime, we are considerably improving our processes and our organization, we are developing the versatility of our technicians and we are optimizing our central costs, while actively discussing with telecom customers on how to improve collaboration to the benefit of all. All of this is bearing fruit as margins continued to improve sequentially in H2, where it was very close to double digits.

There is still work to do to transition to a more balanced business mix in France. Connectivity, which accounted for 71% of our French revenue, is likely to remain under pressure this year. We will continue to prioritize margins over volumes and be very selective as to the business we take on, while fostering the continued development of Energy activities, which accounted for 13% last year.

Thank you very much, and back to you Jonathan.

JONATHAN CRAUWELS

Thank you Amaury. A word now on Benelux where adjusted EBITDA jumped 53.5%, to 43.6 million in 2023. EBITDA margin, however, decreased very slightly, from 12.8% in 2022 to 11.4% in 2023. This is entirely due, as we already explained, to a stronger than anticipated surge in activity in Belgium during the first semester, driven by fiber roll-out and connections, as well as smart meters roll-out. This phase of hypergrowth triggered additional costs related to studies, process preparation, recruitment and training that temporarily weighted on the margins in H1.

As you can see on the right-hand chart, margins normalized in H2 as these costs were better absorbed by the strong growth in revenue, and settled well above the 10% mark, at 12.9%.

We expect the growth to cool down in 2024, primarily due to the election cycle in Belgium in H2, while market developments in this region show high potential across all our activities.

In Other countries, adjusted EBITDA was 5.5 million euros, down 22.5% year on year, with a margin of 2% compared to 2.8% in 2022.

This decrease is due to Italy, where we faced a deterioration of business conditions with the country's main telecom operator. We are currently negotiating with our main customer, within the framework of legal protection, to address difficulties in the invoice issuance processes and to normalize the situation. Depending on the outcome of such negotiations, we will look at all possible options with the objective of improving our performance or, alternatively, we will seek a way to reduce our exposure in Italy. In that latter scenario, the P&L impact on our books would be estimated at -5 M€.

Excluding Italy, 2023 margin was 5%, compared to 2.9% in 2022.

Now you can see on the right of the slide that this counter-performance materialized in H1 only, and that we delivered a strong rebound in margins in H2, at 4.8%, which is the highest level achieved in this geography over the last 3 years. So, we are definitely seeing some improvements here.

In Germany, we are entering a phase of strong profitable growth. We signed major fiber contracts last year, and we have adapted our operational structure and resources to meet the high demand that we are facing. Germany, starting this year, is our next growth driver and it will be of high importance for the margins of the whole geography.

Moving on to the bottom of our P&L. As I said in my introduction, we significantly improved all our profitability indicators in 2023.

Adjusted EBIT turned positive to 22.6 million euros, compared to zero in 2022. Further down, net income which was still negative in 2023, but the amount of the loss has been divided by more than two compared to 2022.

Financial result improved slightly to -13.1 million versus -17.1 in 2022 despite a higher interest charge coming from both higher rates and a higher amount drawn. The improvement is due to a much smaller change in the fair value of the earnouts we might have to pay on past acquisitions. We will see on the next slide that we paid a significant one last year and that the remaining potential liability related to earnouts is now very limited.

Non-recurring items amounted to -11.4 million euros in 2023, mainly existing of restructuring charges of 8.3 million. These charges were related to:

- The tail end of our operational transformation plan in France, that was initiated in 2022;
- The organizational transformation of Germany to prepare for the ramp-up of new activities. This will allow us to be operationally ready to take on high volumes in Germany in the coming years.
- The exit from an old non-profitable consortium in the fiber activity in Belgium, as we will continue to operate directly, in better conditions.

Lastly, corporate income tax was slightly positive in 2023, at 1.6 million euros, due to the activation of tax losses carried forward.

Let's now take a look at our cash generation.

Cash flow from operations almost doubled, to 60.3 million euros compared to 31.1 million in 2022. This is the reflect of the strong growth in our EBITDA.

Working capital increased by 26.2 million. On top of the underlying increase due to our growth, which we evaluate at 11 million, we were negatively impacted by:

1. The unfavorable timing of advances received from customers, as we cashed in significant advances at the end of 2022, which we consumed in 2023 as the related contracts ramped up, whereas we did not cash in significant advances at the end of 2023, but rather at the beginning of 2024, notably in Germany. This explains a WC need increase of 14 million euros.

2. A slight increase in Work In Progress due to the strong ramp up of fiber roll-out activities in Benelux, as these activities are subject to a less frequent invoicing than connection activities. The impact is 2 million euros.

Net investments were very much in line with the year before, at 20.9 million euros, or 2.0% of revenue, compared with 2.3% in 2022. These investments are in our proprietary IT platform which is the backbone of our organization. It allows us to manage our operations, organize, optimize and plan our call-outs as well as the associated logistics, and to manage the back-office support.

Adding these three items, free cash flow was 13.4 million euros, lower than the 37.2 million euros achieved in 2022 due to an exceptional increase in working capital, that should not repeat this year.

The cash outflow flow linked to M&A was also exceptionally high in 2023, at 20.7 million and mainly include the payment of earnouts, which should not repeat this year as the remaining potential liability linked to earnouts is now very limited.

Net cash flow from financing amounted to 32.5 million euros and included:

- an increase in gross debt of 43.1 million euros
- Interest and others include interests paid on financial debt for 5.1 million,
- interest on lease debt for 1.7 m€ and
- distribution to minority shareholders for 3.8 million.

The payment of lease for our fleet of vehicles was 30.4 million, also in line with 2022.

This leads us to a cash position of 118.2 m€ at year end. Although we have consumed cash in 2023, for fourthy eight million euros, this was driven by non-repeat impacts on working capital and one-time earnout payments. Meanwhile, the sharp increase in cash flow from operations, that should continue going forward as we keep improving margins, paves the way to positive net cash generation in the near future.

Now a word on our balance sheet, which remains very solid, with

- a net cash position, excluding IFRS 16 lease debt, of 5.7 million euros, which decreased 48.3 million as I just mentioned;
- A very limited leverage, at 1.05x IFRS net debt to adjusted EBITDA
- And a net debt to equity ratio of 62.8%

At the end of 2023 the group had a gross bank debt of 112.6 million, and 118.2 million in cash. Total net debt, including 76.4 million euros in IFRS 16 lease debt and 7.7 million euros in potential financial debt on future put options and earnouts, amounted to 78.4 million euros, compared to 38.9 million euros a year earlier.

Outstanding receivables under the group’s factoring program amounted to €109 million at the end of 2023, compared to €77 million at the end of 2022. I remind you that this is a **non-recourse** factoring program. It therefore has a deconsolidating effect. We use it to finance, at a very limited cost, the working capital of recurring activities which have reached cruising speed.

In summary, we have delivered a strong positive evolution in adjusted EBITDA in H2, across all our geographies, and we are making progress towards our mid-term objective of double-digit margin.

This resulted in a visible improvement in all profitability indicators of the group.

On the balance sheet side, our cash generation in 2023 was affected by adverse WC variations and a one-time earnout payment. However, our cash flow from operations has almost doubled compared to 2022; this, plus a continued conservative cash management, paves the way to positive NET cash flow in the near future. Meanwhile, our balance sheet remains very solid, with an adequate financing structure to support our growth.

This concludes my part, I will now hand over to Amaury for the next part on CSR.

Amaury Boilot

Since 2019, Solutions30 has been steadfast in its commitment to corporate social responsibility.

In 2023, we intensified our dedication by implementing various measures aimed at enhancing our ability to monitor and manage our progress towards our objectives.

The cornerstone of our efforts is commitment to SBTi, which demonstrates our dedication to addressing the issue of climate change. This commitment highlights our proactive approach in adhering to scientific guidelines, ensuring our role in mitigation global warming and fostering sustainability.

Through the Bilan Carbone project, we have measured our carbon footprint across all facets of our operations. This comprehensive assessment not only provides us with a clear understanding of our environmental impact but also offers valuable insights and recommendations for reducing emissions across various scopes and sources.

We’re conducting a thorough evaluation of our ESG data and KPI performance to ensure alignment with our sustainability goals. This evaluation allows us to verify the reliability of our data and assess the efficiency of our performance indicators, strengthening our sustainability efforts.

We have also integrated an ESG risk management tool that streamlines our ability to identify, assess, and mitigate environmental, social, and governance risks.

Building upon last year’s ESG awareness sessions, we’ve now developed ESG training modules for our E-learning platform, available for all our employees.

We’ve enhanced our policies, procedures, and codes of conduct stemming from the GRC project initiated in 2021, with a specific focus on bolstering group ethics and compliance.

And finally, we have set up a whistleblowing platform.

The group’s focus in terms of ESG has always been on recruiting and supporting talent for the jobs of tomorrow.

For several years, we have been implementing a recruitment, training, and professional development policy. When we recruit—as we are currently doing in Belgium to support the ramp-up of deployments—we give young people, some of whom have dropped out of school, a chance at their first job. We also give chances to people who are making a career change so we can prepare them for the digital and energy professions of the future. In 2022, young people under the age of 30 represented almost 40% of our new hires and we provided an average of 25 hours of training per employee.

We also rely on a Supervisory Board whose members are all independent and whose expertise was reinforced in 2022, particularly in terms of ethics and compliance.

In 2024, we've established fresh objectives aimed at improving our environmental impact by reducing carbon footprint intensity and increasing green energy procurement. Additionally, we're focusing on enhancing workplace safety by lowering injury severity rate and promoting continuous learning through increased training hours. Furthermore, we're committed to advancing gender diversity by elevating the representation of women in management positions and also to have at least 95% of our subcontractors on mySupplace platform.

Thank you very much, and I will now hand over to Gianbeppi for the outlook.

GIANBEPPI FORTIS

Thank you Amaury.

In 2024, we expect to keep growing although at a lower pace than in 2023, primarily due to the elections in Belgium, which will most likely cause a slowdown in fiber deployments across the country.

We will maintain a strong focus on margins and expect to improve them further towards our mid-term target of double-digit EBITDA margin.

Our priority is to focus on profitable growth and operational execution. To sustain our growth, our financial policy is based on the utilisation of our own cash and non-dilutive financing, in order to maximize value creation for our shareholders.

This slide, which you have already seen, gives you a comprehensive view of our business opportunities across our 3 activities, Connectivity, Energy and Technology and across our 7 countries of operation.

The most attractive boxes are the green ones, where we expect significant growth in mid-term with a well-known business model, for example fiber in Germany.

Then the yellow boxes are where we expect to develop new business lines in the mid-term such as copper exit and mobile networks in France for example.

Finally the blue boxes are our mature markets.

Quite importantly, we have green boxes in all segments:

- Fiber and mobile businesses in Connectivity
- Electrical Vehicles Chargers, solar panels and Power Grid in energy
- IoT and various other activities in Technology

Equally important is the fact that we also have green boxes in all countries, and this is why we are confident to reach critical size in each of them in the mid-term. As already mentioned, fiber has been a key driver of very strong growth in the Benelux. And it is now starting in Germany.

In France we expect to achieve our transition towards more energy-related activities thanks to solar panels, where the opportunity is huge, as well as EV chargers and power grid. In Poland and UK, Fiber and Mobile are expected to be growth drivers in the mid-term.

It is in the very nature of our business that new markets appear, generate growth, and then become mature. But because our skills are at the heart of two powerful long-term drivers, the digital transformation and the energy transition, new markets keep coming. This has been the case for the past 2 decades, where we have been growing 25% per year on average. And this will still be the case going forward, illustrated by the fact that we have more green and yellow boxes than blue ones. This is why we expect profitable growth for many years to come.

In 2024 again, our prime focus will be on profitability. We will continue to use all the levers that we have to keep improving our margins towards our double-digit target and deliver profitable growth to our shareholders.

You have seen through this presentation that it works, as we have delivered a very significant margin improvement in H2 last year. We will continue in 2024, with the same margin drivers, which are:

- Strict project selectivity: again, we are not looking for growth at any price, and will definitely prioritize margins over volumes
- Continue to recruit and train technicians with our proven methodology
- Focus on reaching critical size in all key geographies
- Keep standardizing our operational processes and leveraging on off-shore locations as much as possible
- Expand the functionalities of our IT platform
- Focus on monitoring operational KPIs and keeping costs under control

To conclude this presentation:

In 2023, in addition to delivering double-digit growth, we have managed to improve strongly our margins in H2, in all geographies, and to progress towards our mid-term double digit margins target.

We expect continued profitable growth in 2024 and beyond, driven by powerful structural growth drivers and a constant focus on profitability.

Our growth is supported by a solid balance sheet and a sound non dilutive financing policy, in order to maximize shareholder value creation.

Thank you very much for your attention; Jonathan, Amaury and myself are now ready to take your questions from the chat.

Questions and Answers

Gianbeppi Fortis: Thank you very much for your attention. Jonathan, Amaury and myself are now ready to take your questions from the chat. Okay, so we have first question. What was the staff turnover in France and Belgium in 2023? Amary and Jonathan, can you help me out on this?

Amaury Boilot: Yeah, well, actually the staff turnover has remained stable in France as in the past years around 20%. It has slightly, very slightly increased because of the restructuring work that we have performed last year. In the context of Belgium, it's the opposite. As we were managing a strong ramp up, we hired a lot of people, so we had some natural departures all along the year, but the balance is rather positive as we have recruited several hundreds of technicians in this in this country.

Gianbeppi Fortis: Okay second question. Are you confident to get a positive net result in 2024 after the 23 million loss in 2023? Let me take maybe a first part of the question, and then Amaury, if you want to continue would be great.

Yes, indeed. The loss in – so we lost 50 million in '22; was the worst year of our history. We improved our margins a lot, so we have still lost money 23 million in '23, but 14.4 were in first half and only about 7 in second half. So basically the message is we are improving margins. We will continue to improve margins, so you should expect again an improvement in margins in 2024. Amaury, you want to comment on this?

Amaury Boilot: Yeah, you're right on top of – on what you're saying. You know, we are on only usually guiding on the on the EBITDA, but as you saw in 2023, both the EBIT and the net results have improved in 2023 and have even significantly improved on the second half of 2023. So we are going in the right direction.

Gianbeppi Fortis: Another question, should we expect further restructuring 2024? This is for you, Amauri.

Amaury Boilot: Yeah. Most restructuring costs in 2023 were related to France and Germany; in France because we wanted to accelerate our transition towards the new energy segments and in Germany because we wanted to prepare the strong ramp up in the fibre business. So this restructuring costs should reduce significantly in 2024.

Gianbeppi Fortis: Could you comment on the increase in long term debt, what the debt was used for and the outlook in the coming years on the long term debt, Amauri?

Amaury Boilot: Well, actually, yes, we borrowed some more money in 2023. This was mainly related to the payment of the earnouts. As you can see, also, if you look at the balance sheets, the amount of the debt related to the future payment of earnout and put options significantly decreased in 2023. This is because we paid as Jonathan said a little bit said before; we paid a significant amount of earnout in Germany which is actually the reflect of the very strong perspective in this country. So that's how we use this debt in 2023.

Regarding the future, if you remember the slide on the balance sheet, you can see that our leverage is still extremely low. If you compare the total debt to the adjusted EBITDA, we are around a gearing of one. So this leaves room to raise additional debts in order to finance our growth strategy.

Gianbeppi Fortis: Thank you, Amaury. What would be your plan to cut costs in 24 so you can increase your profit and increase your cash flow? Well, maybe, let me take again a little first part of the answer. In '23, as you have seen, our operations generated 60 million, so we are generating cash from our operations. We had then a big impact on the working capital that contributed to decrease our net cashflow, but that is because we had 70% growth in Benelux. Then of course, our working capital was tight mainly because of that. Amaury, you want to continue with this uh, question?

Amaury Boilot: Yeah. Well, actually, you know, if we – we are definitely focused on improving our margins in 2024. So, the [focus] will remain the same. In the countries where we are mature, we will definitely prioritise profit over revenue, and we continue to optimise our processes and our cost basis. And in the countries where we are smaller, we will make our best in order to reach the critical size as soon as possible in order to maximize the margin potential.

Gianbeppi Fortis: And maybe another thing concerning this point is that in 2023, as we said before, we had a problem in Italy with the worst part being behind us in terms of cash outflows.

Other question; why the minority interest had increased so much from EUR 900,000 to 5.2 million? Amaury.

Amaury Boilot: Yes. Well, actually two reasons explain this increase in the minority interest. First, the company where we have some minority interests have been profitable in 2023, and two, we paid a dividend to some of our minority interests in the – and they are included in this line in our financial presentation.

Gianbeppi Fortis: Another question. When will we have news on the Muddy Waters lawsuit? Okay, no news on that side. We filed some complaints, as you know, but we have no news in that respect.

I'm not seeing other questions. Any other questions? Yeah. Okay. Yeah, there is a question coming from your last comment. We are talking critical size per country or global. We are talking critical size per country because that is what's important. You know, our services are local service provided by local teams, so you need to have a certain size in each of the geographies. And as you have seen in second half of 23, we have improved the margins of the other countries significantly, thanks to the scale effect, and that will be even more important in '24, thanks to Germany, you know, becoming broader in terms of geographical coverage.

So then other question, what do you mean by midterm? Usually when we talk about midterm, we talk about five years, I would say between four and six to give a bracket. So that's what we mean by midterm.

Another question concerning Italy. When will you have a vision of the evolution of our activity in Italy? We are going to know it before the summer. Basically we are seeing a difficult market condition in the telecom sector because of the situation of Telecom Italia and Open Fiber, the two companies that are deploying fibre today. The country has received very important subsidies from the European community, but these two companies are so poorly organised that they're not capable to spend them. And we are in a situation, as I said, already in the past where basically we told them stop and please now think about what you want from us, and then we will keep doing it. So basically, you know, the activity has been slowed down. We are very selective and we are exchanging with Telecom Italia as I speak, and we will have a conclusion before the summer. We'll take a decision before the summer.

Another question this time in Germany. Does development in Germany, notably in smart meters, require acquisitions? Well, the focus in Germany at this moment is really fibre because the, the fibre plant for Germany is huge. It's really several tens of billions, and there is a clear shortage of resources. So we are focusing on fibre. We are considering acquisitions, but I will say is not our main focus because what the country needs is new technical resources. And therefore, you know, if you, if you just buy a local company that has limited resources, you don't really fix the problem. The solution to that is be capable to import technicians in the country, which is what we are focused on. So that's our main, main focus.

And we are also pulling resources from Holland where the fibre plans are more advanced, and where we have some managers that speak German. So basically, we are using, we are leveraging what we have in other countries, managers in Holland and technicians in Poland to import skilled resources in the country and succeed with the ramp ups that the country needs.

Your stock price does not reflect the operational evolution of our business. What do you intend to do? Well, I think we just need to continue talking to the market, explain what we do. We had a bad year in 2022, but clearly the worst part is behind us. We had lots of questions last year on the margins. So we took a stance where we said, okay, let's show that we can deliver an improvement, and I think we, we did succeed. It’s not finished. We know very well that we have to continue in that respect and be generate cash and have a profitable situation, reaching double digit margins. So we have that clearly in mind. And I think that is the focus for us in in 2024.

What are your ambitions in the UK? Well, UK is a large geography. So we intend to do in the UK what we have already done in France, Benelux, and we are doing in Germany. I would say main focus in 24 is really Germany. UK is important, but I would say second priority after Germany. When could we expect a dividend payment? I would say priority is now again in the development of the company. As you have seen, we have significant growth in ‘23. We expect significant growth. This year we have Germany to finance. We have an important run pipe to finance. So I will say priority is development of the company. We need the cash to do it, and we will see for the dividends a bit later when we will have reached a certain size and we can generate cash and distribute it, because we don't need to invest it in the business anymore.

Will you announce new contracts in this year? I think so. We have a good commercial activity. So yes, there will be certainly other contracts that we will announce. The market is very dynamic. As we said before during the presentation, digital transition, so fibre plans across Europe are very significant, and energy transition is really huge everywhere in Europe. So yes, we have a very large sales funnel and we sign contracts on a regular basis. This is why we are very positive on the future outlooks for us.

Do not see other questions. I think that's also – let me, let me wrap it up. So we expect to continue with profitable growth in 24 and beyond. We are leveraging on these two powerful structural growth drivers that are the digital transition and the energy transition. Our growth is supported by a solid balance sheet and a sound non-dilutive financing policy in order to maximize shareholder value creation. And we will keep in 2024 a strong focus on margins and cash generation. Thank you very much for your attention and looking forward to talk again to you soon.

[END OF TRANSCRIPT]