Vodafone Group Plc FY23 Q3 Trading Update

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Welcome

Good morning everyone and thank you for joining me for our third quarter update. Before I open to questions from our analysts I wanted to set out some context to our performance and my priorities for the year ahead.

Service Revenue

The challenges we face are evident in our performance during the quarter. Service revenue grew 1.8% but we only grew 0.5% excluding Turkey where inflation levels are very high. In Europe our service revenue declined 1.1% with Germany declining 1.8%, Italy declining 3.3% and Spain declining 8.7%.

However, sustainable growth in Europe is possible. This is demonstrated by our ongoing good growth in the UK at 5.3% in the quarter and also in our other European markets. Sustainable growth is possible when we have the right combination of market conditions and strong commercial plans focused on customers' needs. Declining service revenue in three of our four largest European markets is simply not good enough and I know we are capable of doing better.

Customers

In order to create the right conditions to improve performance I have reprioritised our efforts on three key areas: customers, simplicity and growth. Looking first at how we serve our customers, in order to perform well in all of our markets we need to deliver a consistent experience. High quality connectivity provided in a way which is simple and frictionless, as our customers expect.

Over the last few weeks we have already made some changes to our processes to ensure they better reflect our customers' needs. We have fully empowered our markets to make the right commercial decisions locally which brings decision making closer to our customers. We have also changed our resource allocation processes to ensure they are directly guided by what customers actually want market-by-market, as opposed to what we think they may want.

Let me give you an example. In our sector we are always very focused on deploying the newest technology. More often than not our customers care more about having a seamless experience. Therefore, within our cost and capex envelope we will be reallocating more investment to key aspects of our customer service that need intervention.

Simplicity

Secondly we need to become simpler. From a financial perspective our productivity has improved significantly and we have reached a sector-leading position. We have achieved this by leveraging our scale, standardising best practices and deploying digital technologies. However, we have also become more complex. We are not as agile as we once were and it does not need to be this way. As we have moved decision making into the markets we have now reduced the commercial and support teams in the group's centre. We will also ensure that a rigorous industrial model is applied to any operational activity that is shared for the benefit of the markets. The actions we have already undertaken will deliver around 50% of the €1 billion opex target I set in November.

Growth

Finally onto growth, my key target is to continue broadening our price actions across our markets to meet the ongoing cost pressures and support our investments. We also need to re-engineer our commercial model in Germany. We have a new management team in place who have identified clear opportunities to improve our sales and marketing effectiveness. We will redefine the range of propositions available across our channels as well as simplifying both our front book and back book plans. We will also continue to reallocate more investment towards Vodafone Business where we are growing consistently and gaining share in almost all our markets.

I thought it would be useful today to share as clearly as possible what I am working on and what our direction of travel is. I will now hand over to the moderator for your questions.

Q&A

David Wright: Thank you very much for taking the call today. If we just think Nick's departure above you, reports suggested there was a frustration with the execution of the strategy, the pace of execution of the strategy. Now, that may or may not be true but I think the share price clearly tells the story from investors' perspectives. It seems to me today that you are changing some of that strategy and in particular there seems to be more focus on the autonomy, the local market autonomy for example. I guess the question I have is, to what extent are you empowered to change the portfolio strategy, potential M&A actions, etc? Now, for instance if there was an approach to acquire an asset from Vodafone are you empowered to accept that? I say that again with a mind on reports of potential change in the management structure. Are you empowered to facilitate largescale M&A? I guess on that particular point maybe an update on the UK deal or is that something that is now perhaps not on the agenda? I guess that is my question. To what extent beyond the operational strategy do you feel empowered to change the portfolio or accelerate that part of the original strategy? Thank you very much, I hope that is clear.

Margherita Della Valle: Very clear David. First of all let me say that there are no constraints in terms of managing the portfolio. In terms of focus I would say my priorities remain the same and I would say in two directions. The first is completing the towers joint venture. You have seen the minority tender offer results now coming through and we continue to progress within our target of closing the JV by the first half of calendar 2023. No changes there. And then the second priority remains very much consolidation. Again nothing changes, still four markets. We see as key in terms of opportunities for consolidation and these remain Italy, Spain, the UK and Portugal.

To your question around the UK, again continuing to progress the discussions with Hutch on a UK merger which we think would be very important and beneficial to us but also to the UK market more broadly. On top of that of course you will have seen us completing the sale of Hungary just yesterday and then completing also the transfer of Egypt into Vodacom in December. I was focusing in my introduction very much, as you pointed out, on our organic performance because I think in the portfolio we need to continue to progress in the directions we have outlined. But, it is really important for me that we bring Europe back to growth and we improve our operational performance. We have said today we are expecting to see a gradual improvement from now on in European performance but it is really important for me to create the right conditions operationally. That is where I have focused the changes that we have made as a team in the last few weeks.

I was mentioning earlier the devolution of full authority on commercial decisions and customer decisions to the markets so that we are more agile and closer to our customers, the simplification of our central functions and also the changes we have made to the management team. As I was saying earlier, the actions we have taken also in the last few months collectively allow me to say today that of the €1 billion additional cost target we mentioned in November effectively around 50% is now fully operationalised. So, I would say a key focus is reacceleration of organic growth for me.

David Wright: Just to clarify, when you say consolidation in those markets that could be Vodafone consolidated. They could be asset sales just as easily as it could be assets acquired. Is that correct?

Margherita Della Valle: Nothing has changed on our portfolio management criteria. You will remember and I think we have proven also with the recent transaction that we can be pragmatic. We are testing our assets against the possibility of delivering returns, fits within our regional scale and importantly, are we the best owner of the business? Nothing has changed from that perspective.

David Wright: Thank you very much.

Andrew Lee (Goldman Sachs): Hi, good morning Margherita. Thanks for your questions and your focus on execution that you highlighted. Following on from David's on portfolio management, a specific question on German commercial momentum. You highlighted on the last call better commercial momentum in Germany and you raised prices in October on the back of that but we have seen worse KPIs as a result this quarter. For us at least tangible evidence of improved commercial momentum is thin on the ground. The question is, what are you seeing that gives you confidence and how do you turn around that poor performance? What part does pricing play within that? Thank you.

Margherita Della Valle: Thank you Andrew. I think this is an important question for today. Let me take a little bit of time to go through what we see. First of all you are absolutely right, our performance in Germany is clearly disappointing. On the service revenue side we did say in November that the second half of the year would be the low point for the market as we had historic losses that we have suffered from in the last year flowing through. This is what is happening today. On the net adds you mentioned the net adds. Specifically there the change in trend, if you want, is very much the result of our price move that we did in the middle of November. We have been the first to reflect the inflationary pressure in our pricing in Germany. We are suffering a degree of pain for that, negative net adds in fixed broadband and also roughly stable customer base in mobile. This is a direct consequence of our price actions. Very simply we have seen our gross adds share moderating as a consequence.

Now, the flipside of the volume impact is ARPU and I think it is important we always look at these two in conjunction. On the ARPU front our inflow ARPUs actually increased by the same percentage in both fixed and mobile. Fixed we increased our headline prices, mobile we reduced the promotions but the result was the same, a 15% inflow ARPU increase since mid-November in Germany.

Now, it is worth calling out the fact that the dynamics of the market around us have been very different in fixed and in mobile. I will say somehow surprisingly in mobile we have reduced our promotions but the wider market has remained very promotional with very high data allowances in particular. Fixed was a different story because in fixed promotional intensity in the market has actually moderated since we have taken our price actions. For us having taken a price action on the front book, on the new customers it is also now giving us the optionality to take action on the back book, on our existing customer base. That is for pricing.

In terms of then maybe operations definitely we have the opportunity to unlock a better performance, as I said. On one end the remedial actions of the telco law are now complete. Our systems are working. The Covid impacts on the cable network are behind us. It is great to have seen our net promoter score on the cable network continuously growing month after month after month. You know how we have invested there and we are now actually back to the level of customer satisfaction that we had pre-Covid. That is good. However, the observation I am making is that as we were busy resolving our operational issues I think the market in Germany has also moved on. Moved on in terms of retail. It is not what it was pre-Covid. Moved on in terms of proposition. For example, family plans are very much in focus. We have remained a little bit behind from that perspective but we have a new team now. Not just Philippe, the new CEO, but also a new consumer Commercial Director and they are busy effectively re-engineering our sales and marketing approach in Germany.

In a nutshell, because I know I am taking too long although everyone is very interested in Germany, we are changing three things. First of all simplifying the front book and the back book offers in the market. This is something you have seen us doing in the other markets in the last 18 months but Germany had not done it yet. Number two, we are reviewing the range of propositions that we distribute in the various channels to make sure particularly we regain competitiveness in direct. And then number three, we are investing in the quality and simplicity of our customer services. Net-net we continue to see the same evolution on the revenues that we were seeing before in terms of reacceleration starting from half two into FY24. These are a little bit the things we are currently working on.

Andrew Lee: Thank you.

Margherita Della Valle: Thank you Andrew.

Carl Murdock-Smith (Berenberg): Morning Margherita. I just wanted to ask if you could provide us with an update on the energy cost headwinds that you gave us at H1 and give us updated values? Thank you very much.

Margherita Della Valle: Sure. In a nutshell we said we had a €500-million headwind into FY24. This is now just under €400 million. Clearly you have seen the dynamics of the energy markets moderating and we have effectively gone back to our normal hedging policies. When I say just under €400 million it is on the back of having hedged 80% roughly of FY24. Effectively it is 100% all the way to December already locked in and then for the final quarter the hedging will progress during the year together with the PPAs plan. The other element we have now more visibility on is the dynamics beyond FY24. The full FY24 headwind, so the €400 million I have just mentioned, is going to unwind in FY25 and FY26. We see it from the prices we have locked in with PPAs as well as obviously the forward curves.

Carl Murdock-Smith: That is fantastic. Thank you very much.

Margherita Della Valle: Thank you.

Emmet Kelly (Morgan Stanley): Good morning everybody and good morning Margherita. My question is actually the same as I asked in November which is, if you could give a quick update on Italy, the competitive and pricing trends you are seeing there? Any preliminary thoughts Margherita on a potential VAT change in Italy and what that could mean for Vodafone? Thank you.

Margherita Della Valle: Sure. First maybe starting from the end, I do not see major movements in our performance in Italy in the coming quarters. There are a number of puts and takes I would not get into. We see our business revenues accelerating. We clearly will see the MVNO impacts going away but roughly similar is how you should expect it to be. In terms of competition again very, very intense in general. There have been little changes at the back end of the low-end for the consumer market. We have seen the lowest price point moving from what used to be €5 to €7 today. Admittedly it is still incredibly low especially for the allowances that are being given so we are still selling effectively traffic well below cost; that is not changing.

You mentioned the discussion on VAT. I think this is an important point. I think there is a clear acknowledgement in the new government that the situation of the telco industry, as it is today, is not delivering sufficient sustainable returns for all the players involved to actually invest. Italy is falling behind on 5G deployment even relative to the rest of Europe so it is a clear issue. The VAT discussions are ongoing. The point on the table is moving from 22% down to the number which is most widely referred to which is 10%. This is allowed by the European rules now so it is a local decision. The reason why the discussions are ongoing is clearly this requires funding from the government and therefore the funding has to be found. Then the final decision has to be taken, but it could be an important step to supporting the market there.

Emmet Kelly: Thank you very much.

Margherita Della Valle: Thank you Emmet.

John Karidis (Numis): Morning, thank you very much for taking my question. Good morning everyone. I wanted to ask please about the quantum of the proceeds that you are likely to get from Vantage Towers now that the voluntary takeover offer has completed. Are you in a position to narrow the range a little bit for us please?

Margherita Della Valle: Sure John. The number is €6.6 billion in the 50/50 JV closure that is being targeted. It is a bit higher than it was in November when we talked about €5.8 billion because as a result of the closing of the minority tender offer in Germany, which is giving the JV partners an 89% ownership level, in the near-term we will have higher proceeds.

John Karidis: You feel comfortable that it will be 50/50 by the time the deal closes.

Margherita Della Valle: That is what everyone is targeting and as you know if for any reason anything happened between now and then that was not the case, we still have the possibility to sell down ourselves. However, the consortium is firmly targeting 50/50 and as I was saying earlier we are on track to complete by mid-2023.

John Karidis: Thank you.

Margherita Della Valle: Thank you John.

Akhil Dattani (JP Morgan): Morning Margherita.

Margherita Della Valle: Hello.

Akhil Dattani: Can I ask a question on pricing? You mentioned in your introduction that you have got eight markets now where you have effectively got CPI linked to pricing mechanisms implemented. I guess I wanted to understand how you think about the sustainability and benefits of that. Obviously the whole industry is starting to move down that direction but as yet share prices have not benefitted. Clearly the market is quite sceptical. What I would love to understand is a couple of things. Firstly, when you think about conviction around these price changes, how do you marry that versus your comments earlier about more mixed commercial performance in recent quarters? How much confidence do you have that price increases can work when maybe the commercial momentum is not quite yet where you want it to be? Then I think the second piece of it was on regulation. In both Portugal and the UK the regulators have commented around their disapproval about the scale of price increases the telco industry are putting through. Can you maybe help us understand the conversations you are having with these parties and what gives you the confidence they will not intervene or do something that could derail this pricing ambition? Thanks.

Margherita Della Valle: Thank you. Three parts. I would say first of all the CPI model itself and how we are applying - it is really important to introduce this model wherever possible because it is what gives the biggest transparency to the customers. It is very predictable. We introduce it into the contracts, as we have done in for example Spain where we have started activating the close now in January. We have introduced it into the contracts in October/November. From then on I would say you keep going. There are two very important aspects for me on the sustainability point that you raise on the mechanism.

The first is to be very clear and I think this is relevant to your question on regulators as well, that these price increases are not going to impact our vulnerable customers. This is something that we are doing all across Europe. If I take the UK as an example you may be more familiar with, we have been the first operator in the market to introduce social tariffs on both fixed and mobile. We have the same approach across all our markets. These social tariffs are not subject to price increases so that the people who are really challenged by this are effectively protected. This is really critical in the conversation with the regulators. I would say the regulators are looking for this and are looking for transparency, which I would argue the CPI models are best suited to deliver this as opposed to ad hoc price increases.

The second point beyond vulnerable customers that is important for sustainability is making sure wherever possible to maintain alignment on the front book and the back book pricing. Again we could discuss separately where it is possible and where it is more difficult, but I think you are seeing that all across Europe the industry is taking action on pricing. It is not surprising given the returns we start from and the cost pressures we are under, which is why you even hear discussions like the one we had Emmet before around VAT. Actions need to be taken.

Then to your last point which I think is actually a good opportunity for me to really say this very clearly. On volume I really think that we need to change the focus in the narratives from volume to value. All we care about, all you care about is the net acquired or lost value that we bring in, in a quarter. It is not the net adds volume. It has to be the full value equation and you have probably heard me say this before, it is really critical at this point in time for the industry that that is what we all focus on.

Akhil Dattani: Great, thanks very much.

Margherita Della Valle: Thank you.

Stan Noel (Bernstein): Good morning Margherita. Regarding the autonomy and accountability given to the local markets, I guess this is really applying to commercial decisions such as sales and marketing. What about technology functions? Would you consider bringing them back closer to the markets to give even more autonomy to the local CEOs?

Margherita Della Valle: For me it is all about clarity of accountability and let me try and explain how I see the balance, that always every group has to find, between the regional standardisation and the local agility. On commercial decisions, on customer decisions we always had the decisions sitting with the markets but with a degree of oversight which over the years probably built a little bit further than I would want. For me it has been really important to delegate full autonomy to the markets. They have authority and they have accountability so that there is no ambiguity, that decisions are taken end-to-end close to the customers. The situation is different in scaled operations like technology where we have a single technology team in Europe. Standardising and driving benefit through scale in our operations has been one of the key levers of cost performance. You know that we are one of the most efficient operators and it is on the back of that. However, again in those areas for me the mission is to make sure there is no ambiguity and if you want your activity to be considered a scaled shared operation, to maintain technology operations share, they need to be managed in a certain way. That certain way needs to be what I call today ,an industrial model, which means standardised factories producing for market demand with benchmarked unitary pricing that we can benchmark externally. We have done this successfully for many years in areas like procurement, in areas like data centres and in areas like call centres in shared services. What I am really keen on is to make sure that any activity that we continue to share is managed according to this industrial model so that we can get the benefits of our scale whilst at the same time continuing to drive productivity effectively.

Stan Noel: Thank you.

Polo Tang (UBS): Morning, thanks for taking the question. It is just a question about Etisalat because they are continuing to build their stake in the company. They now have a 12% shareholding so what have they said to you about their intentions? Press reports have suggested that Etisalat is interested in acquiring Vodacom specifically. Would you be open to divesting Vodacom if the price was right?

Margherita Della Valle: On what Etisalat is saying I can refer you to their public statements. The recent one in January was reiterating their earlier messages in May. As they have added to their stake they have reconfirmed their intention to be a long-term supporting shareholder with no intent of control. That is the May statement that they have reiterated recently.

You then ask about Vodacom. Specifically Vodacom is one of the best assets that we have in the group, as you know. It is core to our growth performance. It is core also to our returns performance. Now, clearly the board will always consider any option that can create value for our shareholders. I am just back actually from Johannesburg and I need to say it was great to see the first review there since the integration of Egypt which well-compliments the other markets in which we operate. Just as a reminder for everyone, in Vodacom we are leaders in every single market in which we operate. Clearly we have growth opportunities through fintech there and now with Egypt we have engineered the integration in order to maximise the synergies. Financial services but also digital for the rest of Vodacom. There are clearly very good growth opportunities there in again one of our strongest assets.

Polo Tang: Thanks.

Maurice Patrick (Barclays): A question from me please on the EU. I think the European Union is due to come out shortly with its consultation on big tech and paying fair share towards network capacity. I know you have been quite vocal yourselves about this in the past but given that there seems to be momentum building somewhat in terms of the lobby effort to get the big tech giants to pay for some of the capacity cost that you guys have been having, I wondered your thoughts in terms of your conversations as to the likelihood of this going through. Do you think the lobby effort has momentum behind it?

Margherita Della Valle: Sure. We clearly welcome the consultation and also I need to note the recent statements that you have probably read just in the last couple of weeks, first from Ursula von der Leyen and then yesterday from Margrethe Vestager, which all point to a good understanding of the problem now. You will have heard both of them really talking to the impossible position we are in in Europe in terms of returns. It is clear that the big tech companies, which today the top six are driving over 50% of the European traffic, are introducing new innovations, new technologies such as the metaverse which mean that in the coming years the traffic will continue to grow even faster. It is also clear that everyone wants the European consumer to be able to access these innovations on good quality networks. I think it is well-understood now in Europe that this customer experience is at risk because of the level of returns in the sector. What I would say is it is very good that the problem is now well-acknowledged and I think well-understood. We have seen the digital markets act by the way which has been already issued as a first step in the right direction in terms of if you want parity of treatment between the players. I do not think we can expect the telco operators in Europe to bear all the hits that will come from these new technologies and this traffic growth. There is a problem and it is good that Europe is now taking steps to consider solutions to that problem.

Maurice Patrick: Great. Have you tried quantifying it at all, Margherita? Any numbers to share?

Margherita Della Valle: No, sorry. No numbers. Actually I was thinking that may be a question for my CFO but no CFO today and no numbers.

Maurice Patrick: Thanks Margherita.

James Ratzer (New Street): Good morning Margherita, thank you for the call. I was wondering if I could ask a bit about the EBITDA guidance please, which I see you have reiterated. At the November results you talked about three drivers for the H2 recovery. There was Vodacom, there was lower A&R expenses and some of your cost out initiatives. It would be great to get an update on whether those three levers are all intact for the second half. Given we are now in February, do you see your numbers trending towards the higher end of that EBITDA range or the lower end? What are the risks, puts and takes around the bottom and top of the range at the moment? Thank you.

Margherita Della Valle: Sure. In terms of the levers of November they remain the same. We are progressing on the cost initiatives. You have heard me say how much has been operationalised already. On the A&R front the big handset promotions in Germany closed in November and we are now comparing ourselves to a more normal half two in the prior year post-Covid. Vodacom itself was a bit weak in terms of service revenue growth in the quarter because of the internationals; there has been some access difficulties in the DRC in the quarter for example, but this will reverse going forward. The three levers remain the same.

In terms of evolution since November on all the fronts I would call out the fact that the German performance remains disappointing overall. That is very clear. Then from a technical perspective we had a second devaluation in Egypt that is impacting our EBITDA performance. At the other end of the spectrum we have had still on a technical basis some tax benefits in Spain in the first half. These have continued into the second half so a bit more support from that than we originally expected. Stepping back from all this we are continuing to target the same ranges as before, €15 – €15.2bn and around €5.1bn for the cash flow generation.

James Ratzer: Is that Spanish benefit you are talking on taxes enough to take you to the higher end of the range or is some of the commentary on Germany more pulling you down to the lower end of the range?

Margherita Della Valle: I think we need to see. We have still three months to go. We need to see how the puts and takes add up, James. I think today we are not changing our guidance range.

James Ratzer: Got it, clear. Thank you.

Jerry Dellis (Jefferies): Good morning.

Margherita Della Valle: Hi Jerry.

Jerry Dellis: Hi Margherita. Thank you for taking my question. I suppose just coming back to your ambition to restore the European business to growth what we have seen from much of the last 15 years is essentially in European mobile it is the challenges that take revenue market share and the incumbents and Vodafone that for the most part are on the other side of that. Perhaps there are one or two different situations such as perhaps Deutsche Telekom in Germany where arguably the benefit on their side is a strong customer perception of network quality and a very good NPS and branding scores. As you seek to restore Vodafone Europe to growth do you think you can really do it within the current investment perimeter? Do you believe that as you really reframe the strategy for the medium and the longer term might it not be necessary to invest more in areas such as fibre or in German network quality or really just in restoring customer service levels to the sort of levels necessary for customers to believe in the brand a bit more? Then how would that fit into the dividend discussion? Thank you.

Margherita Della Valle: Thank you Jerry. I see this very much as an opportunity for reallocating resources within our envelopes. I am really keen, and you have heard me talking about this in my introduction today, to make sure that we direct our resources to what really matters to the customers, which is not always I would argue what sometimes we think within the telco industry management teams. For that I have actually spent quite a bit of time with my team here really looking to the customer insights and what in every market are customer prioritising in the usual trade-offs? Is it a matter of pricing? Is it network quality? Is it customer service quality? More often than not my perspective is that we are under-calling the importance of delivering a frictionless, seamless, simple service to the customers. We tend to get very passionate about things that we also generally do well - like driving new technologies. I think there is room to respond better to our customer needs by focusing on the basics of service, which can be digital, which can be automated but need to be simple and effective. This is why I have already made a change in the way we run our capital allocation reviews. We have just closed those in the last couple of weeks. I am in planning season and I want to make sure that the voice of the customer is always sitting at the table effectively when we take those decisions.

More broadly we have a substantial investment envelope, as you know, or cost envelope more broadly. Therefore I think there is room for reallocations in that. In terms of the points you are raising very specifically which are about the German network and the fibre, let me say that we are very pleased to be where we are today with our cable network in Germany. You know that there were pressures under Covid because of the different traffic patterns. These pressures have now been fully resolved which is why we see the benefits in NPS that I was mentioning earlier. On the fibre front the way to go about addressing this type of business case for us is definitely the JV we have set up with Altice previously. Do not expect any significant change. Clearly we are planning now but do not expect any material change in terms of overall resource envelope.

Jerry Dellis: Thank you. That is very clear. Thank you.

Margherita Della Valle: Thank you.

Jakob Bluestone (Credit Suisse): Great, thanks for fitting me in. Maybe just following on from Jerry's question about reallocation of resources, you have talked a bit about some of the things you will do more about to drive organic growth. Can you maybe expand a bit on what you are going to do less of? It sounds like you are maybe going to spend less on new technologies or what is it you are scaling back to keep the overall investment envelope unchanged?

Margherita Della Valle: It is a really good questions Jakob also because I see all the changes we are driving as shifts. It is important to talk about what we shift towards and what this rebalancing effectively means. In terms of "reallocation from" aspect what I am really keen to do is simplify the way we manage our consumer businesses across Europe. You know that effectively our offers to the customers are today much simpler. I was mentioning earlier, not yet in Germany, we are getting there, simpler offers and much better alignment between back book and front book. As well as simple service that needs to be frictionless, but we need to ensure that the way we run our consumer businesses end-to-end all the way from the HQ into the market is fit for purpose for what the consumer dynamics are today in telcos. This allows us also internally to simplify; which is while in the roles reduction we have just executed in the HQ, the most significant impact was commercial areas. I think there are opportunities to automate, simplify and right-size our activities towards the customer needs. In terms of sources of the extra investment I think that is a key shift that we are busy making.

Jakob Bluestone: Got it. Thank you.

Margherita Della Valle: Thank you, Jakob. Thank you everyone. I just wanted to say good to see you today and looking forward to updating you on our progress in May.

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