Transcribed by Verbit Go®

File name: SSP plc Pre-close trading update 2023 - 21.09.23.mp3
Moderator questions in Bold, Respondents in Regular text.
KEY: **Unable to decipher** = (inaudible + timecode), **Phonetic spelling** (ph) + timecode), **Missed word** = (mw + timecode), **Talking over each other** = (talking over each other + timecode).

M: Morning everyone, I'm Patrick Coveney, the Group CEO of SSP. Thank you for joining us this morning as we run through the highlights from the pre-close trading statements that we released to the stock exchange at seven o'clock. I'm joined today for the Q&A by Jonathan Davies, our Group Deputy CEO and Group CFO and by Sarah John, our Director of Corporate Affairs. There are four areas that I want to highlight to you today. First, the strong underlying trading momentum that we've continued to deliver throughout the business since we last updated you in June, and what that means for full-year 2023 performance. Second, the encouraging progress that we've made in securing further net contract gains. Third, the outlook for the business into the medium term. And fourth, a couple of important sustainability milestones which as you know, is an area that is both integral to our wider strategy and personally important to me. After that, we'll take your questions.

So turning first to the first point, momentum. As you hopefully have seen from the statement, we've had a strong finish to the year, with revenues expected to strengthen to 116% of 2019 levels at constant FX from 112 for the first ten weeks of the second half. That equates to a year-on-year growth run rate of 22% or 25% at actual and constant FX rates, respectively, for the second half. That growth has been driven primarily by a strong like-for-like performance, reflecting a combination of growing passenger numbers, the improving quality of our customer and digital propositions, targeted price increases to mitigate inflation, but also quite a progressive mobilisation of our net contract gains. Regionally, North America, now our largest contributing market, continues to be a key driver of performance, with revenues in the period expected to strengthen to approximately 127% of 2019 levels at constant rates, reflecting robust domestic air passenger numbers and excellent like-for-like performance. Results in North America include a modest sales benefit from the acquisition of Midfield Concessions Units, with the transfer of units at six of the seven Midfield airports completed during June. Given our summer investor event in the US, I don't intend to spend too much time today reminding you of the strategic importance of that region. But suffice it to say it now counts for more than a quarter of group revenue, which we anticipate will only go upwards from here.

Elsewhere, revenues in continental Europe are expected to be at 115% of 2019 levels at constant rates, driven by a strong summer performance across our air business, and despite being held back by well-publicised rail disruption in France. In the rest of the world, revenues are expected to rise to approximately 132% of 2019 levels at constant rates. This has been driven by further improvements in passenger numbers across the Asia-Pacific region, as well as India and Egypt performing especially strongly. And in the UK and Ireland, sales are expected to have strengthened to around 100% of 2019 levels, reflecting both the improving performance, and the higher mix of the air channel, and despite the effects of industrial action in the UK rail sector. Indeed, we are particularly pleased with the strong momentum in our UK business where our progress in the air channel especially, on the back of great new propositions and stronger like-for-like performance is particularly notable.

Our secondary focus is the strong momentum that we're seeing in our new business wins, contract renewals and extensions. Our pipeline of secured net contract gains is now expected to add at least 700 million to annualised sales levels compared to 2019, an increase of more than 75 million on the 625 that was reported at the half-year in May. The rate at which we are adding new business remains a material step-up relative to where we were pre-Covid. Of course, we are retaining our capital discipline as we do this as well. We expect these units to open over the next two years, with the normal level of pre-opening costs and maturity profile. And as a result, are now planning for CapEx in FY24 to be in the region of 250 to 300 million. All of this progress means that for the current year, we expect to deliver at the upper end of our planning assumptions with a revenue at actual FX of approximately three billion and EBITDA of approximately 280 million. We expect the corresponding EPS to be towards the lower end of admittedly the very tight seven-and-a-half p-range (ph 05.05) that we gave you in May. Importantly, we expect to achieve these results despite the negative translation effect of currency that has moved against us during the year. Our strong profit performance reflects excellent operational execution from the team to drive profit conversion on these additional sales, including our ability to manage inflationary cost pressures through productivity and pricing initiatives.

Turning now to our third area of focus, the medium-term outlook. (mw 05.32) we will know and say more at our full-year results in December. However, for now, it's worth reiterating our expectations, supported by current experience that the travel food and beverage sector will remain structurally resilient to pressures and consumer spending, and is well-set for continued structural growth. For 2024 specifically, the strength and momentum of our expected FY23 performance that I've described, means that we remained confident in our ability to deliver against the planning assumptions that we set out last December, including for EBITDA to be in the region of 325 to 375 million. Today we provided in the statement more detail about the sensitivity of those EBITDA assumptions to movements in currency. Indeed, at today's currency levels, the effect of the significant currency movement since the assumptions were originally set, would be equivalent to 60% or 20 million reduction to EBITDA compared to our original expectations.

Finally, I wanted to touch on two key sustainability milestones that we've achieved in recent months. Firstly, the science-based targets initiative verified our target to reach net-zero greenhouse gas emissions across our value chain, scopes one, two and three, by FY2040 from an FY19 base year. This includes our near- and long-term targets which were found to meet the SBTI's criteria in terms of time frame, emissions coverage and ambition. Secondly, following our significant progress in sustainability reporting and the continued delivery of our sustainability strategy in the context of our overall strategy, in June we achieved an MSCI ESG rating of A, a pleasing step up from our previous rating. Embedding sustainability in everything that we do across our business is a key part of our strategy. I am delighted to see us making tangible progress in this area. All in all, it's been a successful period for SSP, and we're feeling confident about our short-, medium- and indeed long-term prospects. Given the current momentum, the strength of our customer propositions, the quality of our customer, client and brand relationships and the outstanding talent that we have across our business. On which note, as ever, I'd like to thank our teams around the world for their continued hard work, support and skill in driving this performance. Before I hand over for questions and answers now, just a quick reminder to please keep your questions to one or two so that everyone gets a chance to contribute. Thank you, I will now hand over for questions.

F: Ladies and gentlemen, if you would like to ask a question, please press star followed by one on your telephone keypad. If you change your mind and wish to remove your question, please press star then two. When preparing to ask your question, please ensure that your phone is unmuted locally. To confirm, that's star followed by one to ask a question. One moment for the first question, please. First question from the line of (mw 08.47) with City, please go ahead.

M: Good morning. I'll just stick to two on the same theme, please. In terms of the recent contract wins, is there anything you can call out in terms of the airport versus rail, and also the region? And then in terms of the run rate contract wins going forward, can we extrapolate the 75 million incremental, annualise it to 150 million a year? Might that be a run rate wins over the next few years now we're in a more normal environment? And the last element to that question, just in terms of the increase CapEx guidance, anything unusual to call out there, or any one-offs, or is the raise solely due to these new contract wins? Thank you.

M: No problem, thank you. So on the first question, the location of the contract wins is in line with these strategic focus that we've spoken about for a while. It's very largely (TC 00:10:00) in the air channel, so the per cent of wins that we're getting in the air channel is stronger than the per cent of mix that we have in the base business in the air channel, and it's weighted towards North America and Asia-Pacific in particular, it's not to say that we aren't securing some business in Europe, but the centre of gravity of it would be in those two regions, which is what we've indicated. You will have heard me in my comments talk positively about what we're seeing in the UK and certainly on renewals in the air channel, and some of the propositions that we're now bringing to market in places like Gatwick, Heathrow, city airports across London. We get some nice momentum there too. But in terms of the big components of the 700 million and the 75 million, North America and Asia-Pacific would be the largest constituent parts. Going forward, it's difficult to give guidance around how net gains may play out in the year or two years ahead. What I would say, is that we're not seeing any fall off in momentum in the net gains that we are securing as we're finishing out this year. But, you know, as Jonathan Miles, our teams would constantly remind me, it would be dangerous and inappropriate to have a formal target for net gains because we have to remain disciplined in terms of the capital returns that we demand from our teams on every net gain that we take on. So we would be hopeful that we will be able to continue to grow at this sort of level, but we're not going to give specific guidance on how FY24 will play out.

M: With regard to CapEx, your second question, I mean, essentially our increase guidance for next year reflects everything that Patrick's just talked about which is the growing pipeline and the fact that we anticipate some of that will be opened during next year. But again, mindful of the fact that timing is always somewhat uncertain in our industry, which is why we've given you a fairly broad range at this point in time. It's also, I think, a test to growing confidence in the mobilisation of some of the other opportunities and new contracts in that secured pipeline.

M: Okay. Thank you, Patrick and Jonathan.

F: Next question is from the line Ali Naqvi with HSBC, please go ahead.

M: Hi, good morning. Thank you for taking the questions. Are you able to quantify how much of an impact there has been from all the disruptions you've been facing, and obviously what would the performance have been on the underlying trading (ph 13.07) adjusting for these? And then secondly, could you expand on the net win momentum? Is there anything changing in terms of contracts? Presumably not in terms of returns but are the competitive dynamics changing at all? Are they staying the same or getting more aggressive out there? Any of the latest momentum would be helpful, thank you.

M: Ali, I'm going to give you a judgement on the impact of disruption in a second, but if I just give a piece of context around it first. So, we operate in so many markets and so many locations that there's always going to be some level of disruption somewhere. And so, I think it would be dangerous in the response I'm about to give you to then suddenly assume that we wouldn't have that next year. So for example, our planning assumption as we look into FY24 is that the sort of level of rail disruption we've seen in the UK in 23 will probably roll in the UK the whole way through to the general election in the UK. So we're quite cautious about assuming that we're going to have some panacea period where there won't be any forward-looking disruption. That being said, if you look at rail disruption in Europe including the UK, it's probably more than 15 million quid of profit impact for the year. The largest proportion of that by far is in the UK. And we are getting better and better at managing that as we're getting unfortunately more used to it. But you still have quite a high flow through because you don't just have the disruption on the day of people not visiting units, but you've also got to manage the stocking in and the stocking out around the shoulder periods of the industrial disruption. So we'd much prefer if that wasn't happening, but we're getting more used to dealing with it and we're anticipating that some level of that will continue going forward, and in the context of the scale of the scale of the overall business, that kind of disruptive impact on the UK, while painful in the UK, is manageable in the context of our overall business.

On competitive dynamics, I mean, I don't think we're seeing anything that is at the individual contract-on-contract level that is materially different. But I think our sentiment is that some of the traditional competitors are a little more active than might have been the case a year ago. Balancing that, I hope that the quality of the propositions and brand array that we're putting together for clients is making us better, too. So I know I didn't want to be drawing on specific guidance for what that will mean for FY24, but you know, we would certainly be hopeful that we will continue to have a strong level of net gains at good returns. And implicitly, that will be us building market share in many of these markets.

M: Great, thank you.

M: Thanks, Ali.

F: This question is from the line of (mw 16.22), RBC. Please go ahead.

F: Good morning, thank you for taking my questions. I also have two. The first one, I was just wondering if you could perhaps decompose the H2 run rate into how much is from like-for-like growth versus nineteen and how much you've gained from new contracts open? And then secondly, just on the rail side of things, I wondered where we stand in terms of the office of rail and road inquiry, and when we should expect any updates on that. Thank you.

M: Thanks. So with regards to the decomposition of the second half sales compared to 2019, I mean, in broad terms we think that the underlying volume, so really passenger numbers are at about 90% or just ahead of that. Importantly, that aligns with the top end of the range of planning assumptions that we gave a year ago, and again, clearly very consistent with the strong performance that we've seen during this year and the sales Patrick's pointed to in his earlier comments. To look at the other drivers of the sales growth, we think inflation is in the reach of about 15% in the second half, reflecting the ongoing cost inflationary environment in a number of markets and our pricing to mitigate that. On top of that, and to your point about like-for-like, We think the net gains are something in the 8% plus region. And that really gets us back to the 114 index on the constant currency basis. So in terms of the ORR Inquiry, not much to say, really. We continue to cooperate with the inquiry, but certainly, to date, there is nothing that we've seen from our very open and constructive dialogue with the ORR that there's anything untoward that is likely to emerge from that. But it's too early to call.

M: Mandy, if I could just add one thing to Jonathan's comments which is as we transition into FY24 in a week and a half's time, we think it's going to be much more relevant in terms of understanding the performance of the business to be comparing us to prior year rather than to 2019. And (mw 19.11) just to kind of augment what Jonathan said, the truth is if you take the second half of FY22, substantially, you had a recovery across many parts of the world, particularly in the developed world, in Europe and North America, in the UK, across Ireland, the way we cut it. And so I might just answer the same question in terms of the drivers of sales relative to last year, that Jonathan did relative to 2019. And so what you've seen in the statement is that at constant FX in the second half, our revenue was 125% of the prior year, at actual FX 122%. I'll come to that in a second. And the constituent parts of that, our volume was up 11% and so when you hear us talk about (TC 00:20:00) like-for-like momentum and passenger recovery, quality of propositions, it's evidence we think by that level of volume growth in the period on what was widely regarded at the time as a pretty strong summer, particularly in air. We've had 8% inflation, so most of the inflation that Jonathan described since 2019 was actually delivered in 23 relevant to 22. You see our net gain is at six, again, a very strong level of net gain in the year. The big constituent part of the net gains number that Jonathan described since 2019. Acquisitions are 1%, and that's the impact of having Midfield Concessions in the business for just over three months, or six of the seven airports. And as we said, as you see in the statement, the FX has gone against us by 3 percentage points, which is the difference between 125 and 122. So I'm doing that partly because as we're looking at the business now and making day-to-day decisions, we're really comparing it against prior year because we think we had a decent comparator in summer '22, in not every market, but in most of them. And certainly, as we transition into '24, as I say in a week and a half's time, we think the relevant reference point is going to be '23, right, and, you know, how we move forward from the £3 billion of sales that we're going to have for this year.

F: Great, that's very helpful colour, thank you.

Moderator: Next question is from line of Harry (inaudible 21.36) of JP Morgan. Please go ahead.

M: Yes, morning everyone. Thanks for taking the time. Two questions, if I can. The first one would just be on if you could maybe give us any kind of colour on the exit rate on underlying sales versus '19, maybe over the last three or four weeks or so as we come into September. Are you seeing any, like, continuing positive upwards momentum or has it started to flatline at all and then the second would just be on your pricing and pricing power. I mean, when you've put through material price increases to cover the cost inflation, have you ever seen any changes in consumer behaviour or any destruction in demand and, you know, are consumers more generally just soaking up those price increases that you're putting through? Thanks.

M: Thanks, Harry, morning. Let me pick up the first one, in terms of the exit rate. I think broadly speaking, I mean, as you've seen from the data, we've seen a strengthening over the second half. I think as we look at the exit rate and we come out of the peak summer season, it is probably flattening off a little bit with relation to 2019 but to Patrick's point, we've still got very good, strong momentum year-on-year, which I think is the key point but I'm not going to go into giving you the last couple of weeks at this stage, given that, you know, there is still a week or two to go in the year. Suffice to say, the strong momentum is being maintained and continuing.

M: Yes, I mean, I think, I have to say, Harry, and bear in mind, there are people certainly in the room with me here who have been looking at price elasticity and the consumer effective pricing for decades, right? You know, I've had less than two years looking at it, although it has been a period where we've had to put through a lot of price increases, so, we have quite a lot of evidence for what's happening. The simplest way to put it is relative to most retail food service channels that you may look at it, the level of price elasticity, effect of price move, is actually very small, of consumer behaviour. You know, we do have where we put through, and as a reference, you know, in aggregate, 8% points of sales and price increases across the business, it's probably true to say that there is modest, I think very modest, volume impact associated with doing that but much less than you might see in other channels. I think as we think about the essential task of recovering the inflation through pricing in our business, which goes to the core of our business model, we are conscious of what it means for the traveller or for the end consumer but we're also conscious of what it means for the client. You know, the way in which they're putting together their overall proposition for the traveller, their pricing strategy vis a vis the high street which varies quite a lot country on country and airport on airport. In some instances, the way in which pricing is regulated in the airport by, you know, local or national or regional regulators of some form or other. What does all that mean? I think it means that we have been successful in recovering the inflationary pressure through pricing. We're conscious that it's a big step up for most travellers relative to the kind of inflationary price increases the business would have put through before and that means we've got to be on top of service and other elements of the proposition in order to, kind of, you know, keep customers with us. If you look at it just narrowly from an economic impact relative to the other channels that I would know from, you know, previous work environments, the-, you don't have the type of elasticity hits to volume associated with price increases that you see in almost every other channel.

M: That's very clear, thank you.

Moderator: Next question is from the line of Tim (inaudible 25.57), please go ahead.

M: Hello, morning all of you. I just wanted to come back to the £700 million figure. If I'm right, that's cumulative versus 2019 and you've obviously already opened a lot this year. Can I just check that's a couple of hundred million and where that leaves the forward looking pipeline? Then, apologies for the second boring one but just wanted to understand the lower end of the UPS guidance, the UPS confirm that that's not related to minority interests but other issues, thanks a lot.

M: Okay. Morning, Sid. Let me take those. I mean, you're correct in how you describe the £700 million or so pipeline that we're talking about, it is the cumulative impact of wins compared to 2019 and as you say, you know, some of those have opened during this year. I think your estimate, we haven't disclosed that precisely but your estimate of around 200 is probably a good estimate of the net new business opened this year. Again, clearly, that still leaves us with considerable secured pipeline over the next couple of years and as Patrick's described, it's growing and our confidence in that momentum, you know, remains very strong. In terms of the UPS, I mean, first thing I'd say is, we are talking about extremely small numbers. I mean, we gave you a range of 7-7.5p and we're saying it's probably at the lower end of that rate. We're talking about 0.1 or 0.2 of a penny and I stress we haven't actually reached the end of our financial year yet. However, based on the FX rates that we've talked about and clearly that is today's rates, goodness know where they may be by the end of today, depending on, you know, today's announcements, we think that that is going to be towards the lower end of that range. Clearly, there are a number of moving parts but I stress it's largely about FX, remembering, of course, that there are certain costs below the EBITDA line which we've talked about which are, you know, principally denominated in sterling. You know, that is the big driver in terms of the, sort of, slight disconnect between UPS and EBITDA. Again, you know, I stress that EBITDA delivery this year is despite the fact that FX has worked against us. In reality, we're telling you that's a performance ahead of the (inaudible 28.45). It's largely FX driven, I stress, very small numbers but given the precision of the guidance we've given you, we thought it was appropriate to give you an update.

M: Understood, thank you.

M: Thanks, Tim.

Moderator: Next question that's on the line is James Rowland Clark with Barclays.

M: Hello, good morning, two questions, please. Jonathon, you just mentioned there about the exit rate broadly, sort of, flattening off versus '19 levels at sales but still very strong year on year. I wondered if you would be able to give us a little bit of colour on the shape of year on year, like-for-like gross as you see it in your planning assumptions going through FY24, perhaps by half or by quarter, just broadly. Then secondly on tax, I think, you know, most of us had, sort of, roughly 22% tax rate assumption in our models in (inaudible 29.46). As the mix of earning changes and obviously, you're growing more in North America, rest of the world and the UK falls in the overall mix of the, sort of, profitability, can you help us to understand whether 22% is the right number going forward? (TC 00:30:00) Thank you.

M: Okay, let me take those then, James. Well, with regard to the phasing of the like-for-like sales over next year, I think it's a little bit early to be drawn on that but, you know, I think the important factors are that as you've seen from the information given to you today and what we've talked about previously, because of the mix of business-, let me first of all start by-, with reference to 2019. The mix of business and the weighting in the second half of our financial year in particular to the air sector and leisure travel, we've always said that when we look at the recovery rate against '19 and pre-COVID, it was always going to be lower in the first half and higher in the second half. That's, sort of, the natural shape of things. Clearly, as Patrick said earlier, I think increasingly we are now going to move on as we look forward and concentrate on the normal year on year growth but just to reference that, so, you've seen this year that on a constant currency basis, the first half growth was 104 as an index to 2019 and the second half we're saying this morning is about 140, which gives you an indication of the fact that the first half is more weighted to rail and business travel and, you know, the second half, more weighted to leisure travel, which of course, as we've discussed many times, has been recovering faster. All I can do really is point you to that sort of shape of performance. In terms of like for like sales, as we indicated, you know, we think that the run rate in the second half when you compare to last year is something like 25% in overall sales terms on a constant currency basis within which about 6% of net gain. We're up at the high, you know, sort of, high teens, nearly 20%. Inevitably, as we annualise against the recovery this year ongoing, you know, that will be stronger in the first half and then weaker in the second half but I think it'd be early to be called on exactly the shape of that.

M: Yes, I mean, the mix effect which probably would give you confidence that we'll continue to build in some of our regions like, you know, Asia Pacific, for example, has been slower, more modest in the context of our overall business, right? If we put it most bluntly, our plan for FY24 will be a sales and volume driven plan on the back of like-for-like momentum that we're carrying into the new year and still lots of different parts of the world, we're running against (inaudible 33.06) for various reasons, give us opportunities for FY24, would be how I'd describe it. Then the task then is on the back of that volume and revenue momentum, by which we're talking like for like here, the net gains effect is slightly different, is, you know, then relying on what SSP has traditionally been very good at for long periods of time, which is to be able to convert incremental revenue very well into profitability and cash. You know, that's what we're working with our teams on.

M: Clearly, we will be giving you a bit more colour on that when we report in December.

M: You want to talk about the tax?

M: In terms of tax, well, you know, our guidance remains in that, sort of, 22-33% range in terms of the ETR. Clearly, as ever, there are many moving parts beneath that. A couple of points you raise. I mean, you know, UK tax rates are rising but as you say, it's a slightly smaller proportion of the business. US, we benefit there from, you know, material-, well, tax losses. Again, you know, it's probably more time than we've got this morning to go through the detail and thread the needle on all the moving parts of the business. We still feel that is, you know, an appropriate range for guidance in terms of the ETR.

M: That's very helpful, thank you.

M: Thanks, James.

Moderator: Next question is on the line of (inaudible 34.48), please go ahead.

M: Hello, good morning. Couple of quick questions, if you don't mind. Firstly, what are you seeing at the moment in your inflation basket. You've called out where it was running the last part of the year, so, I'm just wondering how you're thinking about that for next year. Then in terms of your guidance, can you maybe share your thoughts and colour on passenger recovery and how that's shaping and your assumptions for next year, thanks.

M: Good morning. We are seeing across the inflation basket, as you described, but we're seeing an easing of that as we're looking into '24 rev (ph 35.32) '23. We would have less percentage inflation, we think, in '24 than we have in '23 but there is still some inflation and that's informing the, you know, work we're needing to do on productivity and the work we're needing to do on pricing. You know, if I was to give you a, kind of, best planning assumption for us, less than 5% in aggregate would be how we would describe it. On passenger recovery, I mean, I think, you know, one of the reasons that it's going to be important to start tracking the business against '23 as we transition into FY24 rather than just '19 is that we do think actually in most markets, the big building blocks in air travel and the establishment of patterns are substantially established. What does that mean? In mature markets, we're pretty much back to 100% in air now, but with a slightly different mix between leisure and business. We still have, given the particular geographic weighting of our rail business, we're still probably lagging that level of passenger number relative to air by about 10% points weighted across the markets. We think that will continue to pick up over the next number of years, you know, as we go forward. Now, different countries are different in both of those dimensions because as I said earlier, there's still some undoubtedly, you know, if you take some of our markets in Asia where we still have a further way to go on the re-establishing to travel patterns there. You know, as we look at Europe, North America, Europe in particular, we think it's substantially back and we are now in the new normal and it's how we go forward from here.

M: I might just add one point in terms of, sort of, planning assumptions and passenger recovery for next year. As I said earlier on in response to one of the questions, essentially, the volume level for which we really-, passenger numbers for this year will be right at the top end of the planning range that we'd given at the start of the year. If you recollect, we said overall passenger numbers in aggregate were going to be something like 85-90%, we said we were at about 90% for the year and, you know, coming out of the year, slightly ahead of that. It's important to say that we're not, as it were, upping guidance at this stage with regards to 2024. Again, if you recollect, we said that we thought the range was, sort of, 90-95% in terms of passenger recovery compared to pre-COVID levels. I mean, there's a risk that everybody extrapolates on a straight line here. You know, I think at this stage, whilst we've got a lot of confidence around the passenger recovery, as Patrick said, I think, you know, we are restating the guidance of last year. I think we've seen a very good recovery this year but there's still a degree of uncertainty next year. However, you know, we still believe that those planning guidelines are appropriate, albeit you might infer from the run rate that would be, sort of, probably slightly higher than the midpoint.

M: That's very helpful.

M: Make sense of that as you will.

M: Thank you, guys.

Moderator: Next question is on the line of (inaudible 39.22) with Deutsche Bank, please go ahead.

M: Good morning. Thank you for taking my questions. Most of them were already answered. I just had a follow-up one on the CapEx, which are higher than initially expected for '24. I just wanted to know if you could give us clear guidance on the midterm percentage of revenues, for example, or something like that. Thank you very much.

M: Midterm CapEx guidance? Well, let me just reiterate (TC 00:40:00) what we said about next year and the guidance. It is a function of the strengthening pipeline of new business, essentially, and the fact that some of that will be hopefully mobilised next year and as I mentioned, you know, there's always a degree of uncertainty around timing of openings, closures and indeed, deals. Hence the, sort of, broad range and the fact that we've indicated that the range is 250-300 rather than 250 which we previously said. Our last investor day in New York, we talked about the forward looking guidance indicating it was, you know, in underlying terms, somewhere around the £250 million mark, albeit with some, sort of, catch-up, as it were, from spend deferred from the COVID period. I think that guidance still holds pretty firm, albeit clearly some of the additional net contract gains we've talked about will clearly land in '25, possibly '26 but, you know, I think it's relatively small numbers. You might add £10 or £20 million to the CapEx for the medium term years we've given you an indication of but, you know, I think it's something we'll come back to and continue to revise as we look forward.

M: Okay, thank you.

M: Okay, great, thanks.

M: Thanks, Andrew. I think that's it for loud questions, so, thank you for spending the time with us. You know, hopefully we've been able to explain what's going on in the business in terms of underlying trading and then as we look forward the impact of the movements in currencies that we've described in the statement and in the comments that Jonathon and I have made, so, we look forward to seeing hopefully many of you in person in early December when we do our full year results and to be able to provide more commentary on '23 and '24 when we report then, so, stay well and talk soon.