

Transcript

Q1 2024 Results Presentation

Einar Bonnevie:

Good morning ladies and gentlemen and welcome to the presentation of results for Omda for the first quarter of 2024. The report, and a copy of this presentation, will be found on NewsWeb and on omda.com. This webcast will last approximately a 30-minutes presentation, and it'll be followed by a live Q&A session. You can type in your questions at any time and we will attend to them immediately after the presentation. A recording of this webcast will be published on our website shortly after presentation ends and, as soon as possible, also a transcript will be published. As always, I am here together with my long-time partner, Sverre. The stage is yours.

Sverre Flatby:

Thank you very much, Einar. And welcome, everyone. Before we dive into the highlights of the quarters, the numbers, we will just talk a bit about the fundamentals of the company. And first of all, our vision and mission are important to understand the fundamentals. The reason behind our success is because we have focused on highly specialised software for specialised healthcare and emergency. And doing that the smart way has been our recipe, and has brought us to become the leading player here in the Nordics when it comes to highly specialised components. And also with a nice growth outside Nordics as well. And I think when you read our numbers and follow us, it's important to understand how the business is created. And as you remember, some of you that have followed us for years, we decentralised in 2023, and now we have six business areas. And these business areas have an important role internally in the organisation as separate business entities, but to society and to users of software. And also in the end, to citizens. Millions of citizens actually, that are dependent on the quality of these systems.

Without going into all of these business areas, I think the common thing, which is important to understand when you look at our numbers, is how these businesses are operating. First of all, all of them have some kind of specialised set of components that are in use, tied to specialised processes in hospitals

or in emergency units. And that brings us to the business model and how that works. And if you look at our income side, which is primarily three areas that are our core income, which is the recurring revenues, the licence sales, and other income. And to explain those, recurring revenue is the most important one. That is sometimes over decades repeated because these systems are there over time. And then you have licence sales, which is more a one-time sales, but still a software income. So the combination of those two, one and two, is the software income, which comprises 83% of our sales in the first quarter 2024.

And the third one is professional services, which is also not a generic consulting service but is related to our own software. That means this is also partly a recurring revenue because we have many customers in many countries and there's always something, some need for new integrations, for training, et cetera. So that means, one, two, and three here, gives us the possibility to look at our future with extremely high predictability. Actually, around 90% of our business will repeat, which gives us the flexibility and predictability looking at further growth also on the inorganic side. So this is important when you read our numbers to understand this composition. We have a fourth here, other income, which is not most relevant. It might be hardware and some other things, but we are measuring one, two, and three here.

So why are these recurring revenue streams there for decades? The fact is that our customer types, these highly renown structures in Europe, they have important roles in their societies, and these solid counterparties are really the fundamental thing with our recurring revenue. And then again, the number of those, to the upper right here, more than 600 contracts, meaning the diversification is extremely high. So that combo has given us the next thing, the high stickiness and the low churn, in the bottom part of the slide.

And why is that? Well, stickiness might sound a negative word, but it's more or less the fact that these complex processes need that type of complex software and the combo of those is what makes it viable over time. And it's valuable for the customer to keep the software over time and for us to add new quality components on top, and that collaboration between our customers and Omda is highly valuable. And that creates the box number four down to the right. The fact that the churn is very low, like the last 5 to 10 years below 2%, and we expect it's

going to be the same the next decade as well. That is important when you read our numbers.

So let's go into the highlights this quarter. First of all, we had 106 million NOK in sales in the first quarter versus 102 in the same quarter in '23. And then, organic growth, 5% organic growth measured in local currency compared to the first quarter last year. As I mentioned, 83% is the quality of income or the software part of the income. 5%, we have always said, guided on 5 to 10%, it's in the lower end. Is that a problem? Well, it fluctuates always, and has done so for 10 years, and is going to do so the next 10 years. And if you see in our report published today, you will see on a table there that these business areas have completely different numbers each quarter. For instance, one even over 80% organic growth while others even have negative growth. So the average, it's between 5 and 10%. And at this point in time, in the first quarter, is 5%, and that's how it is.

And then the EBITDA margin, 14%. Meaning nine percentage points better than the first quarter in '23. Still below our target margin, but that is activities going on in the business areas to focus on margin expansion. And then the COGS, which is going down, has come down all the quarters before, and also going to go down further. So this is according to plan, a reduction of COGS in our business is related to, partly to hardware, but also partly third-party software, which we will replace with our own software to increase the margin as well. So that is a planned and good development.

The salary cost is also much better compared to the first quarter in '23. However, slightly high compared to the sales isolated in the first quarter, '24. And then other cost develops as planned, is 14.8%. We have expected around 15. So all-in-all, that is how we expected it to be. So before Einar goes into the more detailed part of the financials, I would like to reflect on the report, the P&L. And this is just cut and paste from the report published today. And to focus on the simple things that is good and bad, to put it that way, in this quarter. On the income side, the three major income items I mentioned, we would say licence sales and recurring software revenue, which are the critical ones, are okay. And professional services, however, is weaker than expected.

And if you look at the three primary cost items, the cost of goods sold, COGS, are developing the right way, okay, and also other costs. But then again, the salary

cost compared to the sales and the of these two things is actually the major thing that drags the EBITDA margin for this isolated the first quarter down. And there are many ways to look at that. Of course, we would hope to have a higher professional service income, but that also fluctuates with different projects in different business areas. And on the resource side, these are experts and people that has a high income potential. So it was not going to be a good idea to reduce the number of heads in the company but rather focused on the income side. So the primary approach to the margin expansion activities would be to focus on the income side on professional services, but also deliveries on other items to increase licence sales and recurring revenue at the same time.

So all-in-all, this is our overall, when we look at the performance, the EBITDA, that these two areas, the professional services on the income side and the salary and personnel on the cost side, is the major elements. That means, the business in the first quarter, is running well and have activities planned to continue the margin expansion. And then we will focus here on our business model and our value creation. And as I mentioned before, the one, two and three in the bottom here, is derived of our strategy focusing only on the healthcare and the emergency. These highly specialised solutions stay the next decades with the recurring revenue, and the growth of five to 10% going forward as well. These profitable organic growth is the fundamental part of the business. And the first quarter shows that the recurring revenue is growing and we are profitable.

So that leaves us with how can we accelerate on the M&A side. And we are a serial acquirer, but we don't want to acquire just to acquire and just to grow. It is important for us to acquire companies that actually have the same characteristics as one, two, and three in the bottom here, and that we also acquire those companies to the right price at the right time. So we are working hard with the M&A, and we have a lot of interesting activities, but we will take action when it's relevant and when we see the right return on investments.

And also, just to reflect on, for those who think that we have been drying out, to put it that way, for a couple of years, we have a history of merger and acquisitions and we know how to do it and we have a database with a lot of interesting companies all over the world and we have several dialogues going on and we will continue to do that. So in our history here from when we were a startup, started exporting, and then became the number one here in the

Nordics, we had this period, as you remember, '22, '23 designing a decentralised organisation. And now it's performing as expected, slightly low, professional services this quarter.

But anyhow, we will continue now to focus on the organic growth, the profitability, the cash discipline and the acquisitions. And those four, down to the right here, is the management priorities and is now, I think, based on the first quarter and the performance there is what we are going to do going forward and we see a very nice future with growth and profitability. And now since we've gone through the highlights, my colleague, Einar, you will go through more details in the financials.

Einar Bonnevie:

I will indeed. All right, let's have a look at the financials and take a deep dive. And the first one, the recurring revenues. That is really our main focus, and they are growing, and continue to grow, steadily, 11% increase year-over-year, quite nice. And annual run rate of more than 330 million NOK. So this is really one of the big, big pleasures and the good news in this report. Also, the diversified business, we are still a very diversified business. Still emergency being the number one, and comprising almost half of the sales. Then the Connected Imaging which is the combined businesses of Connected Healthcare and Medical Imaging, the second-largest business area. And then LIMA and you see also Woman and Child and also Medication Management increasing its presence a little from the last time.

On the right you see the geographical distribution. We are still very much a Swedish company, almost half of the sales in Sweden, and then Norway and then the rest of the world. The rest of the world slightly down in percentage-wise from the Q4 report, but that is because the other areas have grown more than the rest of the world. We are present in 27 countries around the world. So Nordic champion, but increasingly also present in the rest of the world.

The revenue mix, although the top line could have been higher, the income composition is good, and we have almost 80% of the revenue is recurring and 83% represented by licence sales and recurring revenue. And that is good. The professional services is definitely lower than expected, and as Sverre mentioned, and that will be a focus area going forward also. Some of it is due to really

natural variations, some projects ending and not starting up, and some is mainly on focus on how to spend time. So that is an where we can and will improve in the quarters to come.

Significant cost improvement from Q1 last year, you see down from the total of 97 million in Q1 '23 down to 91 in Q1 this year. COGS almost where we want it to be, and also other costs where we want it to be. We see that the salary and personnel is still too high. But keep in mind also that we live in a high inflationary environment, and just adding say 4% to the numbers last year, we take it from 97 to 101. So the cost improvement is actually underlying a little better than it appears at first glance. The salary and personnel, also like to highlight, it seems like we have increased the number of employees. We haven't. Although it says 283 compared to the last quarter last year, and 291 now, is merely a definition of employment and FTEs, part-time consultants, that have a looser connection to us, they're now counted as FTEs, but have been there all the time. There is absolutely no cost increase at all related to this. It's just merely your definition of an FTE. So rest easy, we haven't been crazy, we haven't been shopping around.

The EBITDA development is a good development from 5% to almost 15%, stark and good development. But that said, we had higher ambitions for this quarter and it's very much down to the missing sales on professional services. But thank God it's not on licenced sales and not on recurring revenue. But also, keep in mind, if you look at the capex in the first quarter compared to the last quarter, fourth quarter last year. Fourth quarter last year we had capex at 12%, and the first quarter this year it's 8%. So that's a 4% difference. So if you look at the EBITDA or cash EBITDA, if you like, you see that they are on par. So this is a quarter very much in line with fourth quarter last year. Lacklustre, I agree, but not what Cormac Mc Carthy describes as, "Bleak, beyond bleak."

All right, speaking of capex, see that it's really coming down, and the total capex, most of it, for all practical purposes is investment in R&D, capitalised R&D, and then very small part of PP&E, but that's very, very minor. And you see it's actually a little lower this year in kroner compared to last year. So no surprises here. And we maintain the rule of thumb, assume around 10% per annum, but there will be variations from quarter-to-quarter. Speaking of variations, this is the development in net working capital. And the good news, it's going and moving in the right direction. Our target is that it should be minus 10 or better, it's minus

14 this quarter. So with those glasses on your head, it is okay. But compared first quarter this year to first quarter say last year or the year before, we are not satisfied completely with the development. I think that's safe to say.

Main reason is that some of the accounts receivable that should have been, they were due in the first quarter, they weren't paid in the first quarter, they were paid a few days into April. Not the end of the world as we know it, but still it disturbs this net working capital picture a little. But most of it is explained by payment a few days later. So no catastrophe but a little irritating, I must admit. But that said, cash is a priority. Cash flow, cash earnings, cash conversion, net working capital, everything that has to do with cash is a priority and a high-focus area for us.

All right, going back to this one, we are still very, very much focused on this model. We will continue to be in the market of e-health and emergency, specialised software for healthcare. We will try to grow as fast as we can organically. This quarter, 5%. But again, don't look too much on the scoreboard, keep your eyes on the playing field. We maintain our target 5 to 10% in the long run. And then we have always said that acquisitions is a part of our business model and our strategy, and we will definitely step up the game and focus even more on that going forward. All right, so our priorities for the next quarter and this year, yes, we will maintain focus on organic growth, 5 to 10%, as I just said. That is the target. And we will definitely search and find every possible way to increase the organic growth.

We will continue to improve margin and look for ways to do that. We have increased now to 15, 20% depending on the capex normalised more or less, but we are still not there where we want to be. And so we will continue. But from here on, continuous improvement. Kaizen, if you like. That will be a key word. And as I said, cash discipline, everything to do with cash, net working capital, cash conversion, we will definitely focus on the cash side or the business. We'll be playing Johnny Cash in the background until we're there. And yes, M&A, mergers and acquisitions, we have increased activity, and we'll continue to focus on M&A, to see where we can find the good opportunities. But again, until we do, we will remain disciplined, but when we have an opportunity to strike, we will.

All right, before we dive into the Q&A, remember, if you don't already subscribe to our newsletter, you will be the first to get all the juicy news directly into your mailbox. And now, it's time for Q&A. Let me see where we are. We have a few questions here. And the first one is from Henrik, and I think this could go to you, Sverre, it's related to professional services. The question is, "How much higher would you have wanted professional services to be?"

Sverre Flatby

Well, I would say many millions more would be a natural average. But then again, you never control professional services, the booking of that income. Because as Einar mentioned, for instance with cash, that something happens in April instead of March. The same thing happens with booked income, because if you haven't reached a milestone having a lot of activities going on in different business areas, then it will be not booked in that quarter. But we had expected that some of the project would give us at least many millions more than what is shown in this quarter.

Einar Bonnevie

Okay. And then a question which I think is for me from Oliver, and the question is, "Do you think there is any element of negative Easter effect in the Q1 growth or in the cash flow numbers?" And I can answer the last part of your question, Oliver. The cash flow, I think, as I said, yes, absolutely, in the cash flow numbers, if it's the Easter effect or if it's something else. But it is a matter of fact that, as I said, a couple of large invoices that were sent out, they were due late March, and they weren't paid in March. And that was because we were heading into Easter, and they were paid third or 4th of April. Had we had a cut-off say 15th of April, the net working capital would've been significantly higher. So yes, there is an Easter effect there.

And when it comes to MDR, the cost relating to MDR, is also a question from Emily here that pertains to the same thing. We haven't disclosed the cost related to MDR, but Sverre maybe we can spend two minutes just to describe what is MDR, why have you done it, for how long has it been going on, and are we speaking of thousands or millions?

Sverre Flatby

Yeah, so I think what is important here is that the whole business, especially here in Europe, has changed over the last years. And we have used more than two years to prepare. Some of our products already have the CE marking from earlier on. And earlier on we had the medical device directive, which was a directive which was quite loose. But the last two years we have the medical device regulation coming up, which is completely different. It gives you much more discipline, it has to be a complete thing all over the company, all processes, all documentation, and everything needs to be different. That means it has been a huge turnaround for the company for the last two years, and including also the fourth quarter and the first quarter this year. But now we are closing into a point where we will get the certificate soon. And I think it's impossible, as Einar mentioned, to find a specific number. But it's definitely many millions because the fact is, one thing is, auditors and all the consulting needed internally to make sure we have the competence to do it. That's one thing over these two years.

But also, the fact that our internal people had to train and had to document all these procedures and also take part of the auditing procedures. And some of those auditing activities comes as a surprise because it's not up to us, it's the notified body coming from the outside and directly into us and we had to disrupt current work, and to make sure to participate in investigations which they have to have to make sure that we can have this certificate. So when we get this certificate, it's also, one thing is the investment and cost back in time, in the last two years. But then again, it gives us a very strong position with current customers that wants to stick to important vendors that are MDR-certified. But also, as I have mentioned in the report, that we see from the dialogue with the new acquisition targets that they struggle obviously with such a high cost to handle and become MDR-certified. So that also gives us a bit more power in the dialogue with merger and acquisition object as well.

So in summary, it has been a huge investment in many ways, but also many of our operational costs related to this, and also partly why the external or the consulting service, the professional services, is lower. So I think the potential is high when it comes to increased professional services, and also the potential is high to increase the business with current customers with the certificates that we will receive in the first half of this year.

Einar Bonnevie

And a follow-up, Sverre, on the MDR from Oliver is, “Okay, what can we expect in Q2 and maybe beyond Q2, going forward?”

Sverre Flatby

Well, I think what we can expect that to be MDR-certified will not be as much work as it has been to develop the processes. So now when the processes are running, they are standardised. So we see the potential here to be much more efficient when it comes to our development and delivery processes, because there’s one negative side of having all these structures that might seem like bureaucracy. On the good side, it will also make us more efficient and standardised, but also give the software and the deliveries a higher quality. Which is a good thing for both the company and the customers. So in many ways, to me, it is a highly welcome milestone this half year, and will be easier for us I think to focus more on the income side rather than on the inside of the company.

Einar Bonnevie

Okay, thank you. And then a question from Emilia, and that is on the organic growth in the first quarter. The question is, “How much is related to consumer price indices or other price escalators and how much is new contracts or real growth?”

We haven’t done exact calculation but maybe roughly half of it. You see, for instance, the new licences that is all the very high sales and new licences, in this first quarter. It’s higher than has been for many quarters, as a matter of fact. That is typically everything related to that is real growth if you like. But again we have price escalators, but it is also safe to say that not all the potential there has been taken out, but it will, during the second and the coming quarters. So rest easy, Emilia, there’s more to come. And we will maintain our growth ambitions of 5 to 10%.

All right, and we are currently two questions pending. If you have any more questions, just type them in and we have time to address them. So just type them in as we address the previous ones. Next question is to you, Sverre, it’s from Math, and it pertains to M&A and the multiples, and you can say something and I can say something. But the question is, “M&A activity and multiples seem

quite high in your sector. Can you comment on the market dynamic and provide some insights, and how can Omda benefit from it?" And partly the reason why I am asking you to start off, or kickoff on this one, Sverre, is because you are now engaging more and more in M&A yourself. So what are your views?

Sverre Flatby

Well, I think the good thing is that the activity is higher, and as mentioned, one trigger would be the MDR for those type of companies that we are looking for, because one thing is the statistics you see in the market, which are normally slightly bigger targets than we look for, although we have both big and small in our discussions now. So in my head the development has been, it was difficult a year ago, and with a higher expectations on the multiple side. But as I see it, we have more a growing number of dialogues coming up. And I see for those we discussed with are more in a rational area of what would be a good investment case for us.

So I think the trend, in my head, with the dialogues going on is very positive, and we will take action as soon as a good one appears with the right business case. So I think the growth, the acquired growth we see, we will continue to get back to where we were a couple of years ago and focus on doing that based on the fact that the new targets we have dialogue with now is more in our area of ability to acquire with multiples. And I guess you also agree, Einar, with the trend, that the expectations has slightly come down.

Einar Bonnevie

Expectations have been coming down. And we see that, I mean, we see that ourselves in dialogue with potential candidates, and we also see it from the statistics published by a pitch book and whoever that the multiples are becoming more attractive. But that said, the multiples is one thing, I mean EV sales, EV EBITDA, but they're still just a proxy for an NPV calculation. It has to make sense. I mean, speaking of cash and cash discipline, it all comes down to try to understand and analyse the cash flows from the business you are buying. What is the cash flow on the current business? How can we improve it on the cost side or on the income side, or both? And what is the new cash flow that we can look at and discount it with our weighted average cost of capital? It's really as simple as that. And then of course, add some terminal value.

But again, financial calculations aren't that difficult, they're quite easy. What is difficult is to remain disciplined, and that is what we try to do. And a lot of times we see things that aren't, maybe they're not a good strategic fit, maybe they're not a good financial fit, maybe the quality of earnings isn't good enough. So we say the thing is, when we haven't announced anything, what we don't publish is all the times that we've said, "No, no, thanks. No way." So no news on the acquisition side doesn't mean no activity. Maybe refrain from doing something wrong is also an activity. But I think we can benefit from it to be direct, Math. I think we can benefit from this by increasing our focus, increasing and building a large list of candidates and contacting more and having more dialogues and then just be active.

Okay, that was that. And then it's from Carl and Kanger, and that is to me, I think, it relates to interest cost and intangibles. And the question is, "How do you think about interest cost and intangibles amortisation? Do you aim for net profitability at some point?" Yes, I guess we do. But the net interest, currently, we have, as you know, a bond loan of 500 million NOK outstanding. It runs at three month NIBR plus 600 BPS. So currently that is around 10%, good 10%, and so that is 12 million per quarter or something like that. And so that is what it is. When it comes to amortisation, we tend to focus more on the net profit, yes, but again, we are more cash-focused than accounting-focused on that part. So cash EBITDA minus interest costs or net financials is really more of a focus than net profitability.

The other side of that is that you see we have limited tax exposure in Omda, and we think that will continue for a good while. We've changed the amortisation schedule last year after a thorough research and report made by BDO, and we increased the amortisation schedule and linked it more tightly to the real lifespan of the assets. We have no plans to change or modify that, we think that will serve us well. So, that will remain. Okay.

There's one last question from Emilia, and while we attend to that one, you can type in more questions if you have them. And the last question from you is, "You mentioned in report that the EBITDA margin is impacted by part-time consultants, and are they related to LIMS?" So that was the first part of the question. And no, they are not primarily related to LIMS, Sverre, they are related to emergency.

Sverre Flatby

Emergency, yes. We mentioned the AI project last quarter, which is a very important strategic action to deliver software that actually helps operators do their work quicker, which might be a difference between life and death for a patient. So that is still going on, and that's partly with external people from the University of Barcelona. So that is partly the increased personnel that we have hired and will, after this first half year, will not be there anymore. So it's not LIMS anymore. And as you see, LIMS, since you mentioned LIMS, you will see that you'll partly see from the organic growth there that LIMS are gradually getting paid for all their efforts over the last couple of years. So the trend there is good as well.

Einar Bonnevie

The trend on LIMS is good. You'll see that on page 15 in the report that is published, you'll see the breakdown on the business areas, and you'll see that LIMS is actually enjoying quite high growth this quarter. But we also added a new column, as you may have noticed the last four quarters, to even out the quarterly variations.

The next part of your question, Emilie, was the certification project. I think we addressed that one, but maybe, so we are coming to an end of that project, aren't we, Sverre?

Sverre Flatby

Yes, we are coming to an end. And also, I think it's more of a competitive situation, a good milestone past, than a problem going forward. But it has been complicated, as you would know, all of our business areas, they have a lot of type of products and all the processes around these products has been affected by this meaning that a lot of our internal processes has been focused internally that we now could start focusing more on the customer side and be more customer-centric focused and also deliver products that actually are MDR-certified. Which also, if you think about it, might have a better price, which is also accepted by many of our customers. That's the real fact, the historic cost we have had, and the quality of the products, meaning the value, is higher for the customer and the price is also easier when we actually have the certificate at hand.

Einar Bonnevie

The last part of your question, Emilie, was related to the OPEX level. “Can you please share some details around the elevated OPEX level and expectations for the 2024 margins?”

First, the OPEX level isn't elevated. If you look at the other costs, you see that it's actually down from both the first quarter last year and from the fourth quarter. So it's actually not elevated, on the contrary. And also if you take inflation into your equation, it's actually more reduced than it seems. So it isn't elevated. And on the salary and personnel, that isn't elevated either. It is actually on the same level as it was in Q4. If you adjust for capex, and as I said, relate it to Q1 last year, and also add the inflation or salary adjustments. On average, 4%, you see that is actually not elevated either. It's actually decreased and total cost is decreased by, in current constant NOK or dollars, actually down 10 million kroner. So it isn't elevated, but we still think there are things to be done. On the '24 margins, we haven't made any, and will not make any more specific guidance than we have. We have our target of 30%, that target remains.

All right, and it's from Jonas, a similar question, “So what are your expectations for 2024 since you were confident to reach 30% EBITDA margin on the Q4 call?” Thanks, Jonas. The same thing there. Our target remains, but we think that the cost structure is more or less. There's always things to do there, is first and foremost related to the income side. I think we will see more increase in recurring revenue and new contracts kicking in, new revenue streams will come. And also, as Sverre mentioned, we have higher ambitions for professional services. That is where the big disappointment was this quarter, was the professional services. We have higher ambitions, I'll be fair with you, we have higher ambitions of that. That said, maybe we have guided on a proxy on COGS, salary and personnel, and other cost 5, 50, 15, maybe there will be some changes between these groups. So maybe COGS and other cost will be 2, 3% less, and maybe salary and personnel a little more. So maybe there'll be some internal distribution there. But the 30% target margin absolutely remains.

Okay. And there's one more question that's from Carl and Kanger. Again, if you have any more questions, type them in, we'll attend to them. This question from Carl and Kanger is really easy one, “Are the buyback plans still in place?” Yes, they are. We had a general meeting a couple of weeks ago, and it was decided by the

general meeting, to buy back more shares. And what we can do also related to updated the bondholder agreement, we can have a total of 50 million NOK of our own shares at any one point in time, it's a revolving facility. And so if we spend some of it on acquisitions as partly settlement for an acquisition, we can do a refill. We currently have 20 million of our own shares bought back, which means that we can buy up to 30 million worth of shares. And so yes, the plans are still there, and we can execute on that.

All right, that was the last question. Let me just give it 10 seconds to see if anything more pops up. But again, while we wait, just remind us all that there will always, in the business like Omda, be some quarterly variations. But the good things like the licence sales, and not to forget the recurring revenue and the annual run rate, we like to focus more on the run rate than the action number for one quarter. More than 300 million in the annual run rate is very good. But again, there will be some quarterly variations. Don't lose too much sleep about it. Okay, there seems to be no more questions. We hope you have enjoyed this presentation. Tune in again on August the 23rd when we will present the results for the second quarter of this year. And until we meet again, take care, enjoy summer, days are getting longer. And as always, stay safe.