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Operator: Ladies and gentlemen, welcome to the Fnac Darty 2019 Half Year Results Presentation. I would like now to hand over to Jean-Brieuc Le Tinier, Group CFO. Sir, please go ahead.

Jean-Brieuc Le Tinier: Thank you. Good afternoon, everyone. Thank you for attending Fnac Darty half year results conference call. To follow the details of this conference, please download the presentation or access the video cast on our website. I am here with Stéphanie Constand, who is in charge of Financing and Investor Relations. We are here to present to you the key elements of our performance in the first half, and we will then answer your questions.

If you go to slide 2, the four major highlights of the first half are as follows: First, growth; second, excellent cost control; third, gross margin rate remaining at a high level; fourth, acceleration of the Group's transformation, which is our top priority for '19.

First, during the semester, the Group demonstrated its commercial ability by achieving strong growth in revenue in an environment which remains highly competitive. Our sales amounted to roughly €3.3 billion, up 2.6% on a like-for-like basis. All of our regions contributed to its performance with digital sales posting double-digit growth.

The second key highlight concerns operating cost, which remain almost stable despite inflation, and additional cost of over €10 million related to perimeter effects linked to Wehkamp, WeFix and BilletReduc. The Group demonstrated operational agility and its capacity to constantly adjust its cost base even after eight years of performance plans call out.

The third key element is the gross margin rate. As expected, it dropped slightly but remained solid at 30.4% of our revenue. The fourth highlight is our transformation. Our 2019 priority is to accelerate its transformation. This involves CapEx, acquisitions, expansion of our network and acceleration of our digitalisation.

We've been particularly active in terms of acquisitions with BilletReduc and the acquisition of Nature & Découvertes, which is currently being finalised. We have also entered into new partnerships, like those with CTS Eventim or Xiaomi. I will give you details later on.

I will now go over our operational and financial platform and move to slide 3. As I've already mentioned, our commercial performance has been very solid during the first half, with growth accelerating sharply in second quarter. Indeed, in Q2, we recorded growth of plus 3.7% on a like-for-like basis, despite negative base effect in June due to the Soccer World Cup in '18. Over the half year, our sales was 2.6% on a like-for-like basis.

We recorded growth in all our regions, and digital sales posted double-digit growth just like the diversification category. In that context, the Group managed to maintain a high gross margin rate at 30.4%. However, it decreased due to the technical effect of perimeter changes, roughly 30 basis points, in particular, regarding franchising and Wehkamp, as well as product mixed effects for roughly 40 basis points, mainly due to a drop in the gross margin rate on small domestic appliances and TVs.

In terms of absolute figures, the gross margin amounted to €997 million, up slightly compared to last year. As you can see on the slide, our cost accounts on historically low portion of our revenue, representing only 29.1% of our sales then amounted to €955 million versus €951 million last year. This represents a rise of only plus €4 million despite natural inflation of our costs and the perimeter effect of more than €10 million. Deferred control of costs is notably due to this excellent implementation of our performance plan during the semester.

I will now go over our results in our different geographies, starting with France and Switzerland on slide 4. Revenue from this region rose plus 1.6% over the period on a like-for-like basis. The region's consumption environment improved in the second quarter after first quarter marked by ongoing Yellow Vests protests. The region growth was mainly attributable to solid performance in domestic appliances, which benefited from a strong dynamic of ACs and fan during the June heat wave, despite ongoing competition in small domestic appliances segment.

The solid performance in the IT and telephone segments and the growth in the sales of books in Q2 also contributed to the region's growth. As for TV sales, they suffered from high comparison basis due to the Soccer World Cup in 2018. Services continued to post growth in the first half driven by WeFix and advertising. And to highlight, starting in Q2, the normalisation of conditions for telephony and multimedia insurance commissions and the ramp-up of new offers had a negative but limited impact on revenue growth and gross margin rate. These effects are expected to continue for the rest of the year.

The Group expansion accelerated in the first half year with the opening of 30 stores, including 25 franchise stores and five integrated stores. Franchise stores currently accounts for nearly 50% of the total number of stores in France and Switzerland. Despite the controlled commercial policy, the region gross margin rate was penalised by the negative product mix, which I've already mentioned, particularly in the segment of small domestic appliances and TVs by natural dilution due to franchise.

Moreover, the consolidation of WeFix had a negative impact on current operating income in France for roughly minus €2 million in the first half year. In that context, the region posted a profitability of plus €40 million versus €47 million last year.

Now let's move on slide 5 to the Iberian Peninsula. Revenue rose plus 0.2% over the first half on a like-for-like basis in the context of a fierce competition. The good resilience of sales was attributable to the solid commercial platform in Q2, thanks to strong operation execution. The digital platform continued to post double-digit growth rates across the region. The IT and Sound segments recorded good sales momentum and diversification continued to show strong growth driven by the ongoing rollout of commerce dedicated to small domestic appliances.

At the end of June, over 35 corners have been opened in the two countries under the Fnac's own banner. Thanks to the solid commercial execution and highly efficient cost control, the Iberian Peninsula's profitability increased sharply during the half year by more than 66% to €5.5 million. The operating margin rose by 80 basis points.

Let's now have a look at the performance of Benelux. The region's revenue rose sharply during the first half mainly due to the integration of Wehkamp. Excluding Wehkamp, the region sales would have increased plus 0.9% during the half year. Online sales grew sharply, both in double-digit growth over the period in both countries. In Belgium, the growth was mainly driven by large domestic appliances despite the negative [inaudible] effect and ongoing tough competition in the country.

The Fnac transformation plan launched in the first quarter continue to be implemented with the aim of reinforcing in-store agility. In the Netherlands, the Group accelerated its digital and operational transformation, posting solid growth in revenue driven by the success of the Wehkamp partnership and a very good performance in online sales. Thus, against the backdrop of fierce competition, the good commercial execution resulted in 20 bps rise in operating margin with a current operating income of minus €3.6 million.

Let's now move on to the income statement on slide 7. As a result of the lower gross margin rate, and thanks to excelled cost control, our current operating income amounts to €42.2 million. Non-recurring costs came to minus €22 million in H1 '19 compared to minus €11 million in '18. These costs this year include mainly a restructuring of logistic organisation in France, as well as the restructuring of the Darty subsidiaries, plus the payment of the exceptional Macron bonus and the rollout of the transformation plan in Benelux.

Operating income accordingly amounted to €21 million. Financial expenses stand at minus €54 million. They rose sharply during the first half mainly due to the bond refinancing costs and the impact of the application of IFRS 16, for respectively €27 million and €12 million. The Group restructuring of its bank debt and long-term debt over the past 18 months will enable it to reduce its financing costs by around €10 million on a full year basis.

To get a better grasp of the performance of the Group's current operations, we have also presented on this slide our net current income, which is our reported income less exceptional items, excluding non-current operating expenses, €22 million, and the cost of the bond refinancing operation conducted in May, €27 million, as well as a related tax effect, net current income came to €0.1 million for the first half year. In '18, net current income amounted to €10.9 million, excluding non-recurring items, €11 million, bank loan refinancing cost €6 million and non-current tax impact of €9 million.

Now let's analyse in detail the impact of IFRS 16 on our H1 results. For the application with standard, the Group has used the modified retrospective approach, which consists in reclassifying lease obligations as debt, and recognising right of use as a corresponding effect. As a result, for leases entering the scope of IFRS 16, rental costs are no longer recognised in P&L and are replaced by depreciation costs and financial costs. The main impact of the standard comes from EBITDA. The Group's debt position, as well as the non-cash financing expenses associated with the debt.

EBITDA amounted to €207 million, up €113 million compared to H1 '18. IFRS 16 had an impact of plus €116 million on EBITDA. Therefore, excluding IFRS 16, EBITDA comes to €91 million for the first half versus €95 million in the previous year, down €4 million exactly in line with the drop in current operating income that I've already mentioned. At the end of June, net debt stood at roughly €1.4 billion. The impact of IFRS 16 linked to the additional debt recognised in respect of rents was plus €936 million. Then excluding this accounting effect, adjusted net debt is of plus €452 million. Finally, the application of IFRS 16 also had an impact of minus €12 million on the financial charges recognised in the income statement.

Now, let's move on to slide 9 to the free cash flow analysis. As I've just mentioned, excluding IFRS 16, the EBITDA stands at €91 million as compared with the previous year at €95 million. The strong increase in non-recurring items is related to the non-recurring items of last year that has been provisioned and were paid during the half year, which is also due to the impact of the new restructuring plans as well as the payment of the exceptional activity bonus set up by President Macron. Working capital was impacted by the integration of Wehkamp. The negative effect of franchise development and the setup of the tactical stock as part of the conversion of our inventory management systems.

Finally, the change of accounts payable is impacted by a negative base effect related to the adjustment of payment terms in Benelux in 2018. Investments are stretched up from last year to €49 million, in line with the rollout of our Confiance+ strategic plan. In total, operating cash flow excluding IFRS 16 stands at minus €379 million compared to last year's minus €305 million.

Just a few words now about our financial structure in slide 10. The Group financial situation is sound, with shareholders' equity of more than €1.1 billion, and net investment excluding IFRS 16 of €452 million as at the end of June '19. Excluding IFRS 16, our net financial debt has therefore changed back approximately minus €460 million compared to December last year. This primarily reflects the seasonal nature of our business through the operating free cash flow of minus €379 million, which I discussed earlier.

For the balance, the change of debt is due to: acquisitions of €30 million; share buybacks made during the first half of the year, €40 million; financing expenses, €33 million; and other items for €3 million. The Group's liquidity position is sound. At the end of June, FNAC Darty had a revolving credit line of €400 million undrawn today and nearly €0.5 billion in cash and cash equivalents. The first half was marked by a success of our bond refinancing. All of the debt restructuring efforts made over the past 18 months will enable us to reduce our financing expenses by nearly €10 million annually. Beyond the economic gain, the way our redemption schedule is now structured ensures much greater control of our financial risks.

These negotiations were made possible by the improvement in the Group's operating and credit profile. This improvement is particularly reflected in our credit rating. S&P, for instance, for example, has raised Fnac Darty long-term credit rating to BB+ with a stable outlook and Scope Ratings has given the Group a BBB- rating. These two ratings are in addition to the Ba2 with a stable outlook rating issued by Moody's.

Let's now move on to the strategic advances we made during the half year on slide 11. As you know, we are undertaking an in depth transformation of our business model as part of Confiance+. This transformation is based on two pillars, our omni-channel platform and our customer acquisition. I will start by showing you the progresses we have made in our partnerships and acquisitions, which will strengthen our omni-channel platform. I will then review the strategic advances we have made in the customer ecosystem already and our diversification and our commitment to ensuring an educated choice.

Let's move on slide 12. Our multi-specialist profile was reinforced this semester, notably through our acquisitions. We are finalising the purchase of Nature & Découvertes, a process that should be closed within the coming weeks. The French Competition Authority has authorised the transaction on July 16. The integration is expected to get underway quickly and the first shopping shops could open in flag stores in France during the fall. The international expansion of the banner will be a high priority and should be rolled out quickly, especially in the Iberian Peninsula.

The ambitious rollout plan for WeFix continued during the first half. We have opened 22 new corners and the customer experience is very satisfactory. Finally, as you know, we have invested a great deal in the Ticketing business, particularly this year by strengthening the offering with the acquisition of BilletReduc.com. This business is very much part of next Fnac's DNA. We wanted to go even further by partnering with CTS Eventim, the European leader in the ticketing industry. I'm going to give details about this transaction in a moment.

We've also built a new partnership with Xiaomi in the growing segment of urban mobility, particularly with the opening of the first dedicated corner in-store during this half year. All of these initiatives demonstrate the relevance of the multi-specialist model, which makes the Fnac Darty platform so unique.

I'm now going to comment on our partnership with CTS Eventim on slide 13. Yesterday, Fnac Darty announced a partnership project with the CTS Eventim Group, the European leader in ticketing. After purchasing BilletReduc.com in the first quarter of '19, we plan to enforce development of France Billet through an alliance with a powerful European partner. France Billet is a ticketing industry leader in France with an offering of 60,000 shows annually and a strong territorial presence through a multi-channel, multi-brand distribution network.

France Billet distributes roughly 12 million tickets per year with just around 150 employees. CTS Eventim has 3,000 employees and recorded over €1 billion in revenues in 2018. They distributed more than 250 million tickets per year. France Billet will have 17 CTM Eventim technological innovations at in the digital role[?] so that it can accelerate the development of its digital platform and offer more in terms of value to its customers and partners.

CTS Eventim will expand its offering by including even ticket distribution in France, which is a major market in Europe. The strategic partnership will be reinforced by share capital transactions. First, France Billet will acquire 100% of the capital of CTS Eventim, France. CTS Eventim Group will then acquire a 48% minority stake in France Billet, which will remain under Fnac Darty's control. In the medium-term, CTS Eventim will be able to increase its debt and become a majority shareholder. Fnac Darty intends to retain a long-term interest in France Billet, which is a strategic asset for the Group.

Let's move on to our progress of our omni-channel platform on slide 14. We opened 32 stores during the first half, of which seven are integrated stores. This means the Group has over 800 stores, of which one-third are completely digitalised. We aim to open close to 60 point-of-sale this year. We continued at the same time to strengthen our delivery offering during the first half and generalise the click-and-collect to cover books, CDs and DVDs, offering a one-hour collection option.

At the end of June, all of the Fnac integrated stores in France had all our digital service. In a word, our performance in digital sales is remarkable. We've posted double-digit sales growth and 19% penetration compared to 18% last year, progress in mobile, which now accounts for 62% of traffic, and 49% of our online sales are omni-channel, up 2 points compared to the first half of '18. We are going to improve our customer experience even more thanks to the digital factory project, which will enable us to roll out fast and targeted updates so that they can – we can develop our e-commerce website on an ongoing basis.

Lastly, on slide 15. Our transformation will also achieved through the transformation of our product categories and the unique experience that we offer to our customers. Diversification, notably urban mobility, games and toys and home & design recorded very robust growth this past year, and the kitchen offering continued to be extended with some 10 points of sales opening during the semester.

At the end of June, the Group had more than 140 kitchen dedicated points of sales. Lastly, we have affirmed that we will help our customers to make an educated choice by launching the second after-sales service indicator, which will be renewed each year to provide the general public with more information about the lifespan of white goods and multimedia equipment. The Group has also reinforced its commitment to products' durability by creating the Durable Choice by Darty and by extending the scope of the reparability index to smartphones.

In line with this initiative, we have announced our commitment to a 50% reduction in our consumption of CO2 between now and 2030.

In conclusion, on slide 17. Once again, we have proven our business agility by recording strong growth in our activities during the past half year. For the second half, as usual, the Group will remain focused on its commercial execution and cost control. Fnac Darty will also continue with the transformation of its business model. Integrating its recent acquisitions, accelerating its digital space and reinforcing its omni-channel footprint will contribute to reinforcing the Group's operating profile. We will also continue the initiatives and that offering our customers an educated choice and a best-in-class customer experience.

Lastly, the momentum of expansion will continue during the second half, mainly through the opening of franchise stores. The Group is expected to open close to 60 new stores in 2019. Fnac Darty also confirms medium-term objectives and aims to achieve higher growth in its market and a current operating margin between 4.5% and 5%, which takes into account the application of the IFRS 16 standard into account.

Thanks for your attention. We're now ready with Stéphanie to answer your questions. No questions?

Operator: Ladies and gentlemen, if you wish to ask a question, please press 01 on your telephone keypad. We have a question from Nicolas Langlet from Exane BNP Paribas. Sir, please go ahead. The floor is yours.

Nicolas Langlet: Hello, and good everyone. I've got three questions, please. The first one is on gross margin. So what's the outlook for H2? I guess you will continue to suffer from the French utilisation. You said that the insurance obviously should also continue to weigh but what about these headwind you faced in H1? The second question on Nature & Découvertes. When do you expect to start consolidating this transaction, and what contribution in terms of sales and adjusted EBIT should we model for H2 '19? And the last question is on the net store opening contribution. It was negative in Q2, minus 0.8%, despite the integrated store opening. So first, can you explain why, and what the outlook for H2 in terms of net store opening contribution enterprise[?]? Thank you.

Jean-Brieuc Le Tinier: Okay. Thanks Nicolas. So just to start with the gross margin. As you can imagine, we won't give you any guidance regarding gross margin. The first half was impacted by a mix effect which was not favourable, mainly coming from small domestic appliances and this we'll see how it goes on during the year.

We also had a negative impact from the TV, which is what – which is mainly attributable to the comparison basis with June last year and that should probably be – not be as impacting in the second half as it was for the first half.

And insurance, as I mentioned, we will also have an impact during the second half. The first half – the Q2 was impacted either by a normalisation in the commissions and the ramp-up. The ramp-up, at some point in the year, it will stop and then get normalised and we will only have the impact on the commission. And from what we see now, we can say that we, in a particular way to achieve the normalisation of the volumes as of now.

Nature & Découvertes, depending on the moment we close the deal, that should happen in the coming weeks, we can – it's going to be probably going to be consolidating staffing 1st August. Then we will have an impact quite limited on the sales and EBIT for the full year. We will not be able to consolidate the company as of 1st January, so we'll get probably a bit less than half of the sales and part of the EBIT, which I will not mention there. But the impact on the total EBIT of the year will not be significant.

Nicolas Langlet: Okay.

Stéphanie Constand-Atellian: Yeah. And regarding the perimeter effect related to opening and closing, let me remind you that we had the ADLC[?] decision last year, so its impact negatively the sales on that and that's the main explanation for the net, I would say, perimeter effect.

Nicolas Langlet: Okay. And looking at H2, are you going to annualise those closure?

Stéphanie Constand-Atellian: In H2, it should be a bit lower.

Jean-Brieuc Le Tinier: Yeah, it should be lower. Yeah.

Nicolas Langlet: Okay, thank you.

Operator: We have another question from Levy Steve from MainFirst. Sir, please go ahead.

Steve Levy: Good evening. Thank you for taking my question. Three questions on my side as well. The first one is on, can you give us some colours about the trading environment and the price competition for H1? And what do you expect for H2? Talking about Benelux, how many semester or quarter do you need to go back on the positive territories? Could we be almost at breakeven in H2? And come back on the cost control. If you can give us an idea about a normative level of percentage of sales? I know that from 8 point to H1 2018 and 2019 you improved by 60 bps your cost control. What would be a normative level? Thank you very much.

Jean-Brieuc Le Tinier: Okay, thanks Steve. So just to correctly understand the question, the last one. What do you mean by normative?

Steve Levy: I mean, is there any – well, you were at 29.1 in H1 this year. What kind of level you can reach? I guess, there is a flaw to this number, so just to give an idea about a normative level there.

Jean-Brieuc Le Tinier: I think we can always work on cost, so what we've proven during the first half is that we could do strong commercial – strong savings in cost and there is no – I wouldn't say there is any normative level. There is always performance plan. Just keep in mind one thing is that globally on a yearly basis, what we aim at with the performance plan is, first, to compensate the impact of the inflation. If we can do more, like we did in the first half, good news. But we aim in the long-term, mid-term/long-term to every year, at minimum, compensate the impact of the inflation. And that's all I can comment on, on the cost control.

Coming back to the Benelux, of course, I can't give you any figure, any target about the H2 for Benelux. Not that likely the country will be positive this year. They will probably remain a bit negative, but we intend to reducing the losses as compared to last year. That's the target for the year. And –

Steve Levy: That means H2 should be very close to positive?

Jean-Brieuc Le Tinier: H2 is going to be negative. It's going to be.

Steve Levy: Okay.

Jean-Brieuc Le Tinier: We can try but, let's talk [inaudible] I'll give you a precise answer.

Steve Levy: Okay.

Jean-Brieuc Le Tinier: The trading and competition. Trading environment, it was better. Globally it was better for the first half. That reflects in the figures, but also keep in mind that the first half was also marked by high volatility, when you compare one month to each other. Of course, we had some base effect. But even if we see a better trend, we see a lot of volatility, then it's not that easy to predict what – how can H2 looks like. So we prefer to not to give any trend. Competition was a bit fierce, mainly outside of France and mostly, let's say, that were coming from the company we know quite well because they are one of our main shareholders, and I'll just stop here.

Steve Levy: Thank you very much.

Operator: Ladies and gentlemen, as a reminder, if you wish to ask a question, please press 01 on your telephone keypad. We have another question from Geoffroy Michalet from ODDO BHF. Sir, please go ahead.

Geoffroy Michalet: Hello. Two questions for me. The first one regards have to do with the working capital. Since it is slightly deteriorating, how confident are you to reverse it, or to what extent are you confident to reverse it on the full year basis? And the second question has to do with your current EBIT. Could you be more precise on what it would have been without the IFRS 16 impact? That's all for me at the moment. Thank you.

Jean-Brieuc Le Tinier: Okay. Thanks Geoff. Okay, I'll start with second one. IFRS 16 has a very limited impact on the EBIT. Currently muted. If you look at the figures, you will see that the drop in EBITDA, excluding IFRS 16, is exactly the same amount as the drop in EBIT, meaning that we had – on the accounts we had a small positive impact, not very much, around maybe 16, which was fully compensated by the increase of depreciation coming from the rise of investment in the back years. So it's – that's why we didn't disclose anything because the impact was no material on the EBIT for the first half.

Working capital. Yeah, we've seen a drop in the working capital. Mostly two explanation for that. The first one, the true explanation. First one is that, we – compared to last year, we integrated the inventory from Wehkamp, which is something that we didn't had in the first half, but we had in the – for the full year '19. Secondly, last year we increased – we had a very good positive impact in the working capital due to the Dutch company, BCC, because it increased the credit rating, let's say, the credit rating of BCC last year in June increased a lot and then we benefited from better suppliers' payment conditions. That was a one-off last year, which was part of the full year working capital, but – which we don't have for this year.

And further, it was also impacted because you may know that we are at the end of finalising convergence of the inventory management between Fnac Darty in France, what we call [inaudible]. We have big operations happening during the summer and we preferred to overstock a bit. That was tactical decision we made just in case anything happened with the convergence.

Now we are pretty sure that nothing will happen because we've done a lot, and we expect the stock to be normalised within the end of the year. So we'll see how it goes, but most of the impact now are mostly related to one-off impact. And we work hard to keep a good working capital for the yearend. But keep also in mind that the franchise business will be dilutive on the working capital on the full year, not much, but it will be negative impact.

Geoffroy Michalet: Okay, thank you very much.

Operator: The next question comes from Marie Fort from Société Générale. Please go ahead.

Marie Fort: Good evening. My first question is about IFRS 16. Shall we retain for the full year impact the tableau[?] of the first half for EBITDA and also for financial cost? My second question is about your CapEx. Just to know if you are confirming your target of a strong increase in CapEx for the full year? I remember €150 million have [inaudible] at that point. Also what do you think about some direct-to-consumer initiatives from some of your suppliers? I'm thinking about Dyson for instance, which is paying a lot of branch supports to drive their client directly onto their website. What do you think about that? And lastly, what is your product pipeline for the back to school season? Do you see new fresh products? Thanks.

Jean-Brieuc Le Tinier: Okay. Thanks Marie. First question was about IFRS 16. Well, I can guide, but yes, roughly I think if you should double the EBITDA and double the financial cost you'll probably get, not the actual figures but something quite realistic.

The CapEx, we never guided on CapEx. And what we said is that Confiance+ plan was that the CapEx could move from €110 million, €120 million up to €150 million max. And what we said is that compared to last year that will increase this year. You've seen that we've increased by €10 million for the first half. I don't think that we reach €150 million for the year, a bit less than that. I don't have the exact – I won't give you the actual figure, but it's going to be not €130 million, not €150 million, probably in the middle of that.

Direct-to-consumer initiative, that's nothing new. There is nothing new there. Dyson has always has been selling vacuum cleaners directly to consumer through operators. There is nothing new in there. What we see is that normally we try to have them in stores as we do with Xiaomi, as we do with Google, as we do with Microsoft, because the – these brands are the brands with partner – we have partnership with. They naturally benefit from a very high qualified – a high-quality traffic when they come in stores. And most of the brands, they love having shopping in-shop or corners within our stores. That's normally something we do quite well. But for the other brand, there is nothing new in there.

And for the pipeline, Stéphanie has a good idea.

Stéphanie Constand-Atellian: Yeah. So regarding the task – the pipeline, Marie, let's say that in technical product, we should have a pretty dynamic pipeline in TV with, notably the loss of HDTV and new premium product. We should also benefit from a pretty dynamic line in PC, notably in gaming PC. The S10 Samsung as well and in the song segment, the line-up will also be pretty dynamic.

In the editorial product, in the comic business notably, the line-up should be really, really good in H2 and in music as well. And in white goods nothing special to be mentioned with always the same trends related to our connected device, and for the SDB[?] related to a strong innovation cycle.

Marie Fort: Thank you very much.

Operator: We have a question from Adam Crocker from Logbook Investments. Sir, please go ahead.

Adam Crocker: Hi. I had a question about the ticketing transaction. I was just wondering if you could share any more detail about that? Is that a cash payment you would be receiving from Eventim, and would expenses be shared going forward? Just any more light that you could shed on that interesting transaction would be appreciated.

Jean-Brieuc Le Tinier: Okay. Thanks for the question. Unfortunately, I won't be able to give you much details because we have contracts with them which are confidential. I can say that, yes, we receive cash when we will – we'll pay them some cash to purchase CTS Eventim France and they will pay cash to get a 40% stake in the company. And if everything goes well, this cash should be – within the end of the year. But that's all I can say – all detail I can say about the transaction and relationship going forward with them.

Adam Crocker: Okay.

Operator: Ladies and gentlemen, if you wish to ask a question, please press 01 on your telephone keypad. We have a question from Geoffroy Michalet again from ODDO BHF. Sir, please go ahead.

Geoffroy Michalet: Thank you. Another question regarding Eventim and the transaction. So, so far you will sell 48% of capital, but you wrote that they could become a majority shareholder, in which case you will have to deconsolidate it from your balance sheet. And my question is, to what extent is it a working capital resource? And so hence, to what extent, it would impact your normative working capital if they were to become a majority shareholder and if you would have to deconsolidate it from your balance sheet? Thank you.

Jean-Brieuc Le Tinier: Thank you. That's a good question. Yeah, they have the option to become a shareholder in the mid-term, majority shareholder and then will keep minority stake. In that case, yes, we will have to deconsolidate the company. The impact on working capital on the balance sheet is not material in total. Not that material[?].

Operator: Ladies and gentlemen, as a reminder, if you wish to ask a question, please press 01 on your telephone keypad. Ladies and gentlemen, if you wish to ask a question, please press 01 on your telephone keypad. It seems that we have no more questions for the moment.

Jean-Brieuc Le Tinier: Okay. Well, if there is no more question, thanks for your attention. Thanks for the quality of the questions, and have a nice evening. Goodbye.

Operator: Ladies and gentlemen, this presentation is now concluded. Thank you all for your participation. You may now disconnect.