

Brembo S.p.A

“Nine Months 2016 Financial Results Conference Call”

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MODERATORS: MATTEO TIRABOSCHI, EXECUTIVE DEPUTY CHAIRMAN
ANDREA ABBATI MARESCOTTI, CHIEF EXECUTIVE OFFICER

OPERATOR:

Good afternoon. This is the Chorus Call conference operator. Welcome and thank you for joining the Brembo Nine Months 2016 Financial Results Conference Call. After the presentation, there will be an opportunity to ask questions.

At this time, I would like to turn the conference over to Mr. Matteo Tiraboschi, Executive Deputy Chairman of Brembo. Please go ahead, sir.

MATTEO TIRABOSCHI: Thank you for participating in this conference call; here in Stezzano in our headquarters, there are Andrea Abbati Marescotti and Laura Panseri whom you know very well.

We can go quickly to the presentation, Slide #3 where we have the Q3 results. We can see the sales that are €566.8 million, better than last year by 11.1%. EBITDA is more than €110 million, 19.5% on sale. EBIT €80.7 million, 40.2% on sale, and the net result is more than €59 million.

Next slide we could see the nine months results, starting from sales, sales are €1,713.7 million, increase compared to last year more than 10%...10.6%. EBITDA is €337.1 million, 19.7%, EBIT €254.1 million, 14.8%, and net result is €186.2 million. I think that this is the most important slide that we have in our presentation. We can see how our performance is good, particularly for the margin. The growth in sales compared to last year more than 10% but the margin are performing very well: EBITDA compared to last year increased more than 26%, EBIT more than 37%, and the net result is close to an increase of 41%. Just remember that in the full year last year the net result was, if I remember correctly, €184 million and now we achieved this same result in nine months.

Next slide, we can have some comment about sales, the business is performing well and increased more than €200 million, prices are negative, minus €21.2 million, the exchange rates are negative close to €28 million; here we have the real, that is negative for more than €3 million, Argentine pesos is negative for close to €10 million, Reminbi is

negative for around €7 million, Rupia is negative for €2.5 million and last but not least also pound negative for more than €4 million. The scope has changed; last year we sold Sabelt and the last May we bought Asimco and the plus and minus is positive for €9.6 million.

Go ahead to Slide #5, where we have revenues by application. You can see that all the applications where Brembo is involved are positive: passenger car, I comment just nine months, passenger cars positive for 14%, motor cycle positive for 6%, commercial vehicle positive for 9.3%, racing is negative but another time there was Sabelt last year, like-for-like is positive in the nine months, plus 5%.

Slide #6, you can see the revenue by area and we are performing very well in all the markets where we are with just one problem in South America that is to be honest, our nightmare and I can imagine that it will be also for the next two years. North America is performing very well; it is obviously the first market of Brembo in all the area where we operate are performing well: Europe of course, but also India and China things are going very well.

Next slide, you can see the breakdown of revenues in various markets, where we are but I prefer the next one, where you can see a breakdown by macro area: you can see that America is more than 30% of our total turnover, Europe is 56.4% and Asia is 12.4%. The goal in the next 24 months is to bring Asia to 20% of our revenues, to maintain the same ratio in America 30% and Europe 50%. We have the opportunity to do because in Asia, you know we had bought Asimco and we launched a new plant close to Nanjing for the System division.

We go to EBITDA, you can jump to Slide #10, where we can see the performance of our margin, the volume and the mix are positive for €78 million, prices in this case are positive. This is very important, because we completely recovered a negative €21 million that we had in sales and here we are positive in the margins for more than €7.6 million. Operations are negative for close to €23 million, obviously this is the consequence for the

industrial footprint we are investing a lot in new plants and obviously we have more costs and also the ramp up costs in this number. Exchange rate in this case is positive €6.6 million and the scope is positive for - let's say - a little bit more than €1 million.

We can then go to financial charges, Slide #12; we can see that the cost of our debt is around €7 million, that's a little less compared to last year at €9.7 million. This exchange rate negative for €4.8 million are substantially an accounting effect for the dissolution of some reserves in Poland against the payment of dividend to Brembo SpA; during the month, if I remember correctly, of May or June Poland paid more than €75 million dividend to Brembo SpA, this is accounting consequence. The cost of debt is 2.4%, last year it was 2.8%.

Tax rate in Slide #13, we had a tax rate this year that is 22.6%, we tried to adjust from some extraordinary effects the tax rate (if you remember, we have some tax benefits in investing in Poland and Czech Republic; we invested a lot in these two countries and the consequence is that we have some opportunity about tax rate), without this extraordinary effects, our tax rate is around 26.2%.

Slide #14, net financial position, you can see the performance EBITDA €337 million, we invest a lot in during the nine month more than €175 million, net working capital is negative for more or less €81 million, M&A is the acquisition of Asimco. At the end of the period, the net debt is €256.6 million. The structure of our debt I think is more clear if we go direct to Slide #16, you can see that the debt is 85% long term and 15% short term.

Next slide, financial results, you can see the structure in Slide #17, there is just one point that is important, that is the net invested capital exceeded €1.1 billion this quite an important number for Brembo.

Some comments about the main ratios, Slide #18, ROI is more than 30%, 30.7%, that I think for the automotive sector is quite a good number, ROE

is more than 30%, it's 30.6%, gearing the 31.3%, and also the ratio on net debt on EBITDA is 0.6.

The last two charts, slides are just about the performance of our share that you know better than me, so we can go through the Q&A session.

Q&A

OPERATOR: Excuse me; this is the Chorus Call conference operator. We will now being the question and answer session.

The first question is from Monica Bosio with Banca IMI-Intesa Sanpaolo. Please go ahead, madam.

MONICA BOSIO: Good afternoon everyone. I would have three questions. The first one is on the third quarter results, I was expecting in theory, you would have accounted in the third quarter a higher weight of the ramp up costs, not only related to the Homer Foundry, but also to the Mexican Foundry. It seems that, at the end of the day you did not account such high level of ramp up costs. I was wondering if you are going to account the ramp up costs for the Mexican Foundry later or if you have already digested the investment, and so we can assume that the investment is on-stream, and this is the first question? The second one is on the Escobedo investment that you announced, I think one month ago or even less. It seems that it is a kind of vertical integration, is it right? And in this case, you should gain in term of margins once on-stream, if you can give us some indication, may be at least 50 basis points of gain margins could be feasible? And last question is on this last investment, in the Dabrowa plant. This is additional revenues, is it right? And if yes, when are you going to account it? And very final question, given the new two last investments, are you going to confirm or to increase your CAPEX guidance which was for €200 million also for 2017? Thank you very much.

ANDREA ABBATI MARESCOTTI: Thank you Monica, Andrea speaking. Actually, we of course, recognize the ramp up costs as a normal economic event as they happen. So it is absolutely true that Quarter 3 for ramp up costs, both in North America and in Mexico were really positive and very mild influence. And should I look into the future, we are now enrolling the full staff for the third shift on the North American cast Iron Foundry. So you could envision that on the fourth quarter the ramp up costs could be a little heavier than what you saw in the second and the third quarter of 2016. It is absolutely true that for both plants, so alloy Escobedo and Homer Cast Iron, we are experiencing really unprecedented smoothness of the two ramp ups, really good really, really better than expected, so this is very good history. Before [indiscernible] I really wait to see what happens with the third shift on the Cast Iron Foundry, which could take up also for the first quarter of 2017, but summarizing very well...very well both ramp ups.

MONICA BOSIO: Okay.

ANDREA ABBATI MARESCOTTI: Second question Escobedo Cast Iron investment starting up constructions announced a few weeks ago. Yes, it is for vertical integration, it is on the same strategy of one year ago Michigan Foundry, this is first to defend our share of business which is exceeding 20% in NAFTA combined. Because the competition moved significantly from the business model of only machining discs, to the business model of being fully verticalized, we decided that given the very strong on-coming expansion of cast production in Mexico, our strategy was consistent and complete only [indiscernible] the North American Foundry with the Mexican one. Of course, we trust that this investment will have the usual return on investment, we are not making short term accounts about marginality, or not marginality, the real driver of the decision is defending our position of #1. Of course, given that is the future of many new

platforms will be challenged and awarded, we absolutely think that this investment can play an important role in assuring potential future growth on the NAFTA market, but nothing is written today. So this is a strategic intent of the investment.

Third point Dabrowa, yes Dabrowa 3, you saw the correction, Dabrowa 3, adding 100,000 tonnes to the capacity of the compound going to a number above 300,000 tonnes is for additional revenues, major portion of those additional revenues are already secured, you saw the announcement is very precious to us confirmation of also the next generation of rear platforms for Mercedes worldwide, that is unbelievable to us and really committing to us. It is not going to change the 2016 investments, of course, the guidance you have on the investment 2016 remains unchanged and you know us, it is by far too early to make any kind of evaluation of the numbers of CAPEX as all the numbers, in 2017.

MONICA BOSIO: Okay, so but...okay, but it's fairly reasonable that your CAPEX is going to increase in 2017, is it right?

ANDREA ABBATI MARESCOTTI: I guess, on the CAPEX standpoint 2017 will be a very interesting year.

MONICA BOSIO: Okay. Thank you very much.

ANDREA ABBATI MARESCOTTI: Monica, the target start of production rate of Dabrowa 3 of the expansion is between December 2017 and January 2018. So you are absolutely right in assuming that basically the CAPEX for that initiative will be in 2017.

MONICA BOSIO: Okay. Thank you very much.

OPERATOR: The next question is from Martino De Ambroggi with Equita SIM. Please go ahead, sir.

MARTINO DE AMBROGGI: Good afternoon everybody. Still on the Polish investment, is it right that will, I don't know if it's still valid but €1 million CAPEX means €1 million sales over the next 18 months-24 months for this kind of products?

ANDREA ABBATI MARESCOTTI: Very quick question. Nearly, yes, of course, the intensity of investment on the specific technology of Mercedes superlight disc which is really going forward in unbelievable volumes, with the new platform it's a little more intense. So that ratio is little worsened, but basically your assumption is still valid.

MARTINO DE AMBROGGI: Okay, if I summarize the Mexican plant, the Chinese plant, and the last one announced today, you have roughly €300 million of sales, let's say very roughly of additional sales just for output capacity increase. Is it right?

MATTEO TIRABOSCHI: More or less, yes.

MARTINO DE AMBROGGI: Okay, perfect. And the second question is on Asimco. It is not specified what is the contribution to EBITDA in the EBITDA Bridge, but I have an estimate in the region of 14%-15% as an EBITDA margin for Asimco.

MATTEO TIRABOSCHI: Yes, it's correct. More or less, yes it's correct.

MARTINO DE AMBROGGI: Okay, and for net working capital, I saw a significant absorption in Q3. I suppose it is due to the two new plants which are started up, so this is a normalized situation in Q4...for Q4 or there is an additional absorption or maybe...

MATTEO TIRABOSCHI: No, I don't think there will be an additional. Maybe, we maintain the same dimension.

MARTINO DE AMBROGGI: Okay, perfect. Thank you.

OPERATOR: The next question is from Niccolò Storer with Mediobanca. Please go ahead.

NICCOLÒ STORER: Hi, good afternoon, good afternoon to everybody. My first question is related to a press interview taken during the recent inauguration of the Mexican plant, where you Matteo reported to say that Brembo plants to bring revenues from North America to 1 billion by 2018 from the current 600 million. Now, considering that Mexico should bring additional 100 million from aluminum, while cast iron foundries should be, as we said before just a verticalization. I cannot understand how you can get to this 1 billion revenues unless you have some M&A options in mind. So if you can comment a little bit on this. Second question, again on the new investment in Poland, will you benefit from any tax break from the country due to this new investments? And very last question on Mexico, the new foundry to be built in Mexico. Considering the new foundry in Michigan, the new foundry in Mexico for cast iron, for how much will you still rely on third parties once the two foundries of cast iron are fully operational? Thanks.

MATTEO TIRABOSCHI: I prefer to answer starting from Poland. Yes, we will have some benefit for this new investment. We are just now trying to finalize all the documentation. We don't have for the moment the correct number of this benefit. About Mexico and North America, we are going to buy more or less 30%- 35% of our needs. And about the billion revenues in US, this was just an estimation based upon how the market is going and about the penetration that we have with some important customers, in particular for

the aluminum caliper, and also for discs. If the market don't have any shocks for the election or something like that, we are confident that in two or three years we can increase our turnover in North America, about 400 million plus, it means 1 billion.

NICCOLÒ STORER: But with the current installed capacity, I mean is current installed capacity enough to...

MATTEO TIRABOSCHI: No, but we invest every...in more capacity, step by step to increase opportunity to work with our customers. So...it's not with a new plan, but every year, we invest a lot in our plant to increase the capacity.

ANDREA ABBATI MARESCOTTI: And Niccolò, you could assume that from the standpoint of installed foundry cast iron capacity that fit, from the stand point of alloy foundry capacity, you know that we can modularly grow. So it is some...you see it has a incremental CAPEX, not as a new initiative.

MATTEO TIRABOSCHI: We have space...in other words, we have space for new machining with the CAPEX in our area...in our plant.

NICCOLÒ STORER: Okay, perfect and maybe which are your assumptions going forward for the North American market? I mean, do you still expect it to be at a peak level and so...

MATTEO TIRABOSCHI: We think it will be more or less flattish, not increase and not a strong decrease, but our penetration is quite important. We are increasing in our market share.

NICCOLÒ STORER: Both on the disc side and on the caliper side?

MATTEO TIRABOSCHI: Both.

NICCOLÒ STORER: Okay, thank you.

OPERATOR: The next question is from Gabriele Gambarova of Banca Akros. Please go ahead, sir.

GABRIELE GAMBAROVA: Yes, good afternoon to everybody. Again, on the possible tax benefits in connection with Poland, I understand it is too early. But at least in terms of timing, do you envisage to benefit from this benefit already in 2018, I guess after the start of production. And then just a quick comment on light commercial vehicles; I was looking at the numbers, and I see that they didn't grow in Q3, so if you can elaborate a little bit on the perspectives on this particular business. And then last but not least, on Germany, even here, I saw that the growth in Q3 was, let's say, limited in comparison to the past double-digit margin. So I was wondering if you can elaborate a little bit more also in this case so what will this revenue stream...I mean where do you see this revenue stream go basically?

MATTEO TIRABOSCHI: For the tax benefit, I think that we need to wait one year, because the rule is that we have to...we need to pay the CAPEX to use the CAPEX. So more or less it's one year, we need to wait one year to see the benefit in our accountability.

ANDREA ABBATI MARESCOTTI: To reply on light commercial vehicle in German market. Light commercial vehicle, you know, that in Europe we have a leading share of the market. So we are benefiting already good request by all our customers, basically all our customers in third quarter. This portfolio looks like, it's resilient enough also in the fourth quarter. So I do hope that the average 10% growth we saw can be maintained through the end of the year. Portfolio looks like it is robust.

Germany growth, I don't look so much the specific dynamic month-after-month, I can only reply on the status of the portfolio. The portfolio of all the big three Germans is today very robust...somewhat in some plants we are even, I don't want to say we're running late, but we are making any kind of extraordinary shifts to follow them. So I don't see any, any issue on the combined German portfolio, Ostrawa is working like crazy,

Dabrowa is working like crazy, Cestochowa working like crazy, Curno and Mapello are not closing any Saturday. And of course, let me say same normal level of today Europe at plus, 6%, 7%, 8%, 9%, I see a normal portfolios in the next three months.

GABRIELE GAMBAROVA: Okay, just a quick follow-up on LATAM, because I saw that Q3 was pretty strong and instead your comments were not so good for the next couple of years?

ANDREA ABBATI MARESCOTTI: Sincerely, I cannot reply on the specific point of my customer. I can tell you that in this quarter...in the third quarter and the second, our total volume of releases of Porsche was at record level. Of course, some specific comments on specific platform you need to ask Porsche, but we had absolutely consistent deliveries to Porsche, second and third quarter, very near to record levels.

GABRIELE GAMBAROVA: Excuse me; maybe the line was not...now I thought was making a question on Latin-America.

ANDREA ABBATI MARESCOTTI: Oh I am sorry, we heard “Macan” not Latam. Latin America, we are, I should say waiting for the future with the most possible patience. So we decided a couple of years ago that whatever happens in the future in Latin America, we would stay there, we are sitting on our 60% of wrong number, 60% share of market in Brazil and being basically the only localized producer in Argentina, we are going through this decision trying to minimize the impact - economical and financial impact - on our account. We reduced very significantly our footprint in the last two years. I don't want to say, we are satisfied of the losses of today because they are losses, but let me say that they are contained at a level, which is absolutely manageable mid and long-term.

In my opinion real volumes will not come back in Latin America before three years. And our budget for next year (first release) is for a very mild potential growth. One digit...one small single-digit, so we are not basing for forecast on Latin America on a real increase of volumes, we think it will be a longer path. The specific rebounds month after month, quarter after month that you see only depend upon how many weeks the different OEMs decide to shutdown their plants because all our customers has unbelievable issues about over installed capacity.

GABRIELE GAMBAROVA: Okay. That's very clear. Thanks.

OPERATOR: The next question is a follow-up from Martino De Ambroggi with Equita. Please go ahead.

MARTINO DE AMBROGGI: Thank you. Maybe I missed it and I'm sorry if it is so, but any update on the full year guidance?

MATTEO TIRABOSCHI: Sorry? [technical difficulty]

MARTINO DE AMBROGGI: Yes.

MATTEO TIRABOSCHI: No, I think that the full year will be in single-digit...high single-digit I don't think really in double-digit and EBITDA is in nine months was 19.7%, I think it will be something around 18 something like that, probably something more, but not too much.

MARTINO DE AMBROGGI: 18.

MATTEO TIRABOSCHI: Yes, 18.

MARTINO DE AMBROGGI: Okay, and follow-up on the new businesses. All what you announced so far does not include any additional business from the new still the cast iron discs, am I right?

ANDREA ABBATI MARESCOTTI: No, I'm not sure.

MARTINO DE AMBROGGI: No for...yes for the Mercedes ones for which...

ANDREA ABBATI MARESCOTTI: To be clear, we were the single producer of cast iron rotors for Mercedes Class C and E.

MARTINO DE AMBROGGI: Yes.

ANDREA ABBATI MARESCOTTI: While class S was still produced within their original plant, it was the portion not outsourced. Well, let me say on the first generation so called of these vehicles, which were going to phase out in production because of the new models, in time range between 2019 and 2023. Now, we were awarded the full production of Class E, which was not ours. From how soon, how possible let me say 18 months, so we'll manage with their plants the in-sourcing of the E class production to our plant in 18 months, and the renewed platforms till 2027 to 2030, so we were awarded the following 10 years of business on all their worldwide global volumes, rare platforms.

MARTINO DE AMBROGGI: Okay. Thank you. I was just referring to third-parties adopting the same disc?

ANDREA ABBATI MARESCOTTI: Third-parties, there are a couple I guess we announced formally that it will be openly utilized on Land Rover platforms widely, and there is a customer very much interested, which I guess we didn't yet officially disclosed.

MARTINO DE AMBROGGI: Okay. So in case you sign the agreement, you need additional CAPEX or are they included in the...

ANDREA ABBATI MARESCOTTI: No, it can be hosted in the current capacity. By the way, there is a third one sorry Martino was...I was forgetting about. There is also an American one having decided to utilize it, but we can host to the current capacity and as per the current relationship I cannot mention who is it.

MARTINO DE AMBROGGI: Okay. Thank you.

OPERATOR: The next question is from Jacopo Tagliaferri with Intermonte. Please go ahead, sir.

JACOPO TAGLIAFERRI: Good afternoon everybody. I have just one question on profitability. I know it's too early to talk about 2017, but I would like to understand a little bit more, what might be the driver of your profitability going forward. If we look at the results you achieved in 2016, the beginning you were guiding for an EBITDA margin in the range 16%. Now you are saying 18%, I understood that this is due to volumes, so the saturation of your industrial footprint and lower than forecast ramp up cost. But if I look at in details at your figures in the income statement, I'm also seeing that on top of some tailwind from FOREX there is also very low raw materials cost, that had lower weight compared to the past on revenue, so I would like just to understand how it is working on this line and going forward what might change if something could change?

MATTEO TIRABOSCHI: I'm sorry, but we are working just now on the budget. We have one more month to finalize our budget. We have a meeting with the Board of Directors in the middle of December. So in this moment, we are not

confident to give you some indication about the performance of margins and so on for the next year. We prefer to wait when we have the next conference call in March for the full year, to have some discussion about this point, but not in this moment.

JACOPO TAGLIAFERRI: I see, I see, I understand. But, just maybe on your performance in 2016, if you may add some color on the performance you have been able to achieve. I mean is true that raw materials are very low, and is this something that might last in the future, or is it something that you have to give back, for example to your customers. Just to try to understand your performance in 2016?

MATTEO TIRABOSCHI: The rules are exactly the same. There is a pass-through to our customer. There is historical timing about it, three, six, or eight months. I think that next year will be a good year in line with the last two or three years, we don't expect anything strange in particular for next year.

JACOPO TAGLIAFERRI: Okay. Thank you.

OPERATOR: The next question is a follow-up from Monica Bosio with Banca IMI, Intesa Sanpaolo. Please go ahead.

MONICA BOSIO: Okay. Thanks, excuse me, I don't mean to be the pushing on the issue of the margins. But I know that you are doing the budget plan and I don't want to ask about 2017. But, just on a more general assumption, what is in your opinion a sustainable EBITDA margin for this Company on a standalone basis because I remember that the last time when we asked you about an EBITDA margin in the region of 18%, 19%, you told us that it was not achievable. But, now it seem it is, and so I was wondering, could it be 19% in the...just in your business without considering any kind of let's say external growth in different or complimentary segments?

MATTEO TIRABOSCHI: I think Monica to be honest that the EBITDA that we have now 19.5% close to 20% is quite...not normal in automotive sector.

MONICA BOSIO: Yes.

MATTEO TIRABOSCHI: We push and we do all our best to maintain this kind of performance, but this is something that I imagine that we can't have next year. If the question is, which is our EBITDA normalized that we are confident to maintain in the future, I think it is a number in between 16%, 17% of the turnover. But of course, it depends also about the growth, the growth for us is quite important. We need to grow to pay the investment and to maintain the speed that we want to have on the market. And it's quite an important challenge, the automotive sector is a very challenging business, you know, very well. But it's very difficult because every year is different, the market changes very fast, to do some prevision is not so easy, so it's perfect...

MONICA BOSIO: So, we have to look step-by-step?

MATTEO TIRABOSCHI: Yes, exactly.

MONICA BOSIO: Okay. Thank you very much.

OPERATOR: The next question is from Michele Baldelli with Exane BNP Paribas. Please go ahead.

MICHELE BALDELLI: Hi, good afternoon to everybody. Thanks for taking my question, I have just a question about the Daimler strategy and your positioning. There is any further potential from Daimler in terms of outsourcing or other platforms that you see or not, and beside it, do you now see new OEMs looking to outsource this business of the discs? Thanks.

ANDREA ABBATI MARESCOTTI: Actually, we are awarded all the rear platforms worldwide for a couple of generations. So there is no margin there. The solution decided by Daimler in outsourcing for the full platform is different. It was

the first time with a competitor, by the way, I do believe that the rear platforms on one side, and the most portion of the volumes on the other side, are really the most consistent with our genuine products, like quality and so on. We remind as of today the only of course partner for the still cast iron rotor with Daimler and as of date the only producer in the world. We are working very seriously with them to expand our portion of the industrial rotors with Daimler. Still I cannot give official news but it could be very important to us and of course, it will further sustain the growth of the Poland plant production.

MICHELE BALDELLI: Okay. Thank you very much.

OPERATOR: The next question is from Andrea Balloni with Fidentis. Please go ahead.

ANDREA BALLONI: Hi, good afternoon, everybody and thanks for taking my question. I have just one which is related to your guidance for this year, if my math is correct and if I take your guidance for the full year that is high single-digit growth for sales and an EBITDA margin to the tune of let's say 18.45% which would imply for the Q4 a top line growth of just 4% which compared with the double-digit in nine months, and an EBITDA of around €81 million compared to last year €93 million. Is there any particular reason for better or it's just a matter of ramp up cost on the margin. So, which is the reason for that drop?

MATTEO TIRABOSCHI: Last quarter, sorry, the fourth quarter of last year was very, very strong. So, the comparison is with the strong quarter and this is the most important point. And in particularly the last quarter is without some important contributors in the business side. I mean that racing is completely stopped more or less; motor bike is going down, after market is not exactly the best year for the after-market. So, normally the last quarter is quite a tough quarter. And this is the sense of our preview for the full year.

ANDREA BALLONI: And so, also for the top line growth of 4% which is something reasonable?

COMPANY REPRESENTATIVE: Top line is quite complicated because December can be a very complicated month or very good month, depend from our customer, it's very difficult to make a prevision about it.

ANDREA BALLONI: Okay. Thank you.

OPERATOR: Mr. Tiraboschi, gentlemen, there are no more questions registered at this time.

MATTEO TIRABOSCHI: Thank you very much, everybody. Thank you. Bye.