Q1 2024 revenues presentation transcript

Thursday, January 25, 2024

Q1 2024 Revenues

Alexandre Leroy: Good morning, everybody. Thank you for joining us today for Aramis Group Q1 2024 revenues presentation. I'm Alexandre Leroy, the head of IR.

Today with me to comment these results, as usual, Guillaume Paoli, co-founder and co-CEO of the company, as well as Fabien Geerolf, Group CFO.

Before handing over to the management, the usual reminders. This conference is recorded accessible both over the phone and internet. A replay will be made available on the company's website at www.aramis.group. Slideshow, by the way, is available on the website for download.

Let me also remind you that today's presentation contains forward-looking statements and that future results may differ materially from the statements or projections made on today's call. In particular, the risk factor that could affect those statements are described in our 2023 universal registration document recently filled with the French Financial Market Authority, AMF. This presentation will be, of course, followed by the usual Q&A session.

Finally, I remind you that Armis Group has a non-calendar fiscal year with annual results closing at the end of September. As a consequence, the Q1 2024 revenues we are going to report on today, refer to the calendar period from October 1st to December 31st, 2023.

Having said this, I lead the floor to Guillaume, that will drive you through the main market and business highlights for the period. Guillaume, please go ahead.

Slide 2

Guillaume Paoli: Yes. Thank you, Alexandre. Good morning, everyone, and welcome. So, in Q1 2024, Aramis Group has continued to deliver on its profitable growth strategy and to outperform our market. As you know very well, the last two years have been very, very specific, drastically shaken, disrupting the usual dynamics. No player was immune to that, given the event speed and magnitude.

Now we see and we take into account encouraging signs that we are approaching the end of this tunnel. While the outlook isn't totally clear, it is improving and becoming much more supportive. The market's functioning is normalising, easing the sourcing of both pre-registered and more recent used cars. The registration volumes are slightly picking up or have stopped to decrease, and we see a steady, albeit slow decrease in used car prices.

At Aramis Group, we are coming out of this once in a lifetime crisis, stronger than ever, as we have done for all the previous crisis that we have known in 2008, the COVID, etc., etc. So in the first quarter 2024, our activity was very dynamic, reflecting the strong interest that customer have for our products and services, and supported by our teams that have worked very hard, and that I want to thank.

Our revenues increased by 20% in all our geography, except one, to reach €527 million. Our B2C volumes increased by 32% organically leading us to outperform our markets - which is a used car market below eight years - by 31%. And it is quality growth as we have maintained our market-leading customer satisfaction with a NPS of 70.

We kept on strengthening our unique antifragile business model that is vertically integrated technology-enhanced with a learning organisation and committed teams. The fast adaptation and versatility it allows for is one of our strongest strengths. So we approach our 2024 fiscal year with confidence, and we reaffirm our annual objectives, which are to sell at least over 100,000 B2C vehicles, which would be a first amongst online used car retailers in Europe, and to at least double our adjusted EBITDA realized in 2023.

Longer term, we're always very confident because the development potential is unchanged and very attractive, virtually limitless growth opportunities in this €400 billion per year used car market, it is still very fragmented, it is digitising and our customer value proposition is very, very strong.

Slide 4

Now, moving on to slide four. As I was just saying, the automotive market really went through a very, very big crisis. Internally, we call it Armageddon. Every player in the value chain has been impacted, and it's important that to grasp the truly exceptional nature of what has occurred and which is we believe at an end.

Over the last three years, Europe has lost almost an entire year of new car production, completely disrupting the usual market dynamics and leading to a massive spike in prices. The used car market, which usually fluctuated between plus 4% and minus 4%, like forever, has collapsed in 2022. The market remains as of this day, around 20% below 2019 levels for new and used car market. Again, when we speak of used car, we speak of used car below eight years.

So on the positive side, the toughest times are over. The environment is turning increasingly more supportive with the new car production that has increased, the household demand for new cars that is still relatively weak, and the market is reverting to its normal state, which is a slight oversupply relative to the demand, which in turn means for us a return of the pre-registered car sourcing opportunities.

Slide 5

On the used car market, the refurbished used car market, it appears that the decrease has come to an end and the market starts picking up. And as you can see on slide number five, the pricing front is also supportive. Prices are still significantly higher than they were before the disruption, but they are gradually, slowly decreasing.

In the UK, which is a very specific market, this downward trend has significantly accelerated with prices that dropped by 11% in the course of only three months. So this dynamic is favourable for us. As a retailer, we operate more effectively in a lower price environment, I would say, actually in a normal environment, because lower prices make cars more affordable, which makes for increased demand.

Slide 6

Moving on to slide six now. Well, as I was saying, we outperformed the markets by 31% on our six geographies. This impressive performance results, partly from the more supportive market, but more importantly from the customer value proposition that we have that is very strong, and from the business model.

Over the 23 years, we have developed this unique anti-fragile business model with vertical integration of the value chain, precise market knowledge, customer centricity, technology, and people engagement. All these elements provide us with strong competitive advantages explaining our leadership in Europe, both in terms of market share and profitability, even though we're not yet where we should be on this front.

Slide 7

Now to illustrate this strength of the business model, this versatility. If we move on to slide seven, our understanding of customer needs, our sourcing networks, our abilities, our systems allow us to consistently identify and capitalise on the best market sourcing opportunities. We're able to maintain a diverse range of cars that are competitively priced and are aligned with the evolving customer demand.

In Q1 2024, for example, we took advantage of sourcing opportunities from professional partners across Europe, balancing more the sourcing mix. Also, the number of cars sourced from Stellantis has increased significantly, returning to levels more in line with the levels we had in the past.

The graph on the right-hand side demonstrates our agility in seizing pre-registered cash sourcing opportunities. And as you can see in Q1 2024, we sold 1,200 pre-registered cars more than in the last quarter of our fiscal year 2023.

Slide 8

And finally, moving to slide eight. At the core of our growth is our exceptionally high customer value proposition. We work every day and the teams work every day to guarantee the best customer prices and experience. Our offering to our customers can be summarised in four keywords:

Affordability, which is probably the most important one. We offer consistently, competitively price high-quality cars. We add a lot of value on this car with our refurbishing and all the warranties that we propose.

Easy. It's very simple to buy from Aramis Group. It's a one-stop shop. We take care of you before you buy, during the purchase and after the purchase, with second to none warranty levels.

Transparent, we walk the talk. Transparency is a powerful tool for building trust from no haggle prices to a list and pictures of all the flaws on every car. The body workflows, of course, because from a mechanical standpoint, our cars are in a very, very good state.

And finally, Responsible, which is something that is picking up as well. We believe that circular economy is a business of the future. Our offer is at the heart of this business. And the refurbished cars - industrially refurbished cars - will present a great alternative to limit the impact on the planet, and also to ensure the mobility of Europeans, which is at the core of their lifestyle.

With this, I hand the floor now to Fabien for the financial performance.

Slide 10

Fabien Geerolf: Thank you, Guillaume. Good morning everybody. We are now on slide 10. As already mentioned, we are starting our new fiscal year with a dynamic Q1 activity with our sales growing by 20% in value. The total B2C segment revenues increased by 27% compared with last year, and by 32% in volume. This growth is driven by both segments: refurbished cars, that are increasing by 15% in value, and 18% in volume; and pre-registered cars that have more than doubled in revenues and in volume.

As described by Guillaume earlier, our teams have been able to seize the opportunities on the market by leveraging our network of suppliers, our technologies, and our industrial capacities. You can also see that average selling price decreased, reflecting both mixed effects and the impact of eroding sales prices on the used car market.

The B2B segment revenues decreased by 25% compared with the first quarter of fiscal year ’23. This is reflecting a change in mix in our sourcing from private owners to professional players. As a reminder, most of the cars that we sell B2B are cars that we purchase from private owners and exceed eight years old or 150,000 kilometres. Over Q1, we sourced less cars from private owners and more from professional channels, hence the mechanical B2B business evolution.

Finally, revenues generated by services increased by 11% compared to Q1 2023. Within these services, the contribution from financing solutions tends to erode due to the context of higher interest rates. Our teams are constantly working to mitigate these impacts, improve our services offer, and make sure they meet customer demand, not only for financing, but also on warranties and other services.

Slide 11

Slide 11 now. Let's take a step back and look at the longer term trend of volumes over the past four years. The chart speaks for itself, and we can point out two interesting patterns:

One, that we have been constantly growing year-over-year, despite the adverse impacts from the disruption incurred on the pre-registered market, which resulted in a significant 14% average year-on-year growth since 2020.

And two, that this quarter marks the return to high growth on both segments, pre-registered and refurbished, hence the high-growth achieved in Q1.

Slide 12

Slide 12 now for a few comments on Q1 2024 performance by country. As you can see, revenues and volumes significantly increased in virtually all countries, except in Spain.

In France, revenues increased by 24%. B2C volumes in the countries are up 42% year-on-year, outperforming significantly the market, which is up by 9%. Both pre-registered and refurbished segments are well oriented in France, where our teams have been able to make the most of the increased sourcing opportunities on the market for the benefits of our customers.

In Belgium, revenues increased by 19%. Volumes in the country rose by 17%, mainly driven by the acceleration of the pre-registered car segments.

In the UK, revenues are up by 37%. This is resulting from a sustained growth that the teams have been able to achieve consistently quarter-over-quarter since last year. Our UK subsidiary has worked extensively on its software and its organisation over the last quarters. This effort has led to a massive outperformance compared to its local market, which is down by 11% over the period.

It is also worth stressing that prices in the UK has been decreasing significantly in the last three months by as much as 11%, as Guillaume was mentioning earlier.

In Austria, revenues have increased by 56% to €50 million, including a massive, 76% increase in volumes in a market that is up by 11%. Since we acquired the company last year the online car teams has executed significant improvements in car sourcing and inventory management that has made this performance possible.

In Italy, where we restarted the company approximately one year ago, we haven't yet reached our targeted level of performance despite strong facial growth. We are clear on the levers for improvement, and our local teams are of course currently working on them.

Finally, in Spain, revenues decreased by 20% in value and by 8% in volumes. After six years of hyper-growth, Clicars, the Spanish subsidiary of the Group is now consolidating its bases. Among other things, in the past few months, our local teams have been focusing on extending our geographical footprint in Spain, as well as improving the refurbishing processes at the reconditioning centre. We expect to return to growth in the second half of the 2024 calendar year.

With this, I now hand it over to Guillaume for the outlook.

Slide 14

Guillaume Paoli: Thank you, Fabien. We are now on slide number 14. So the market is better than what it used to be, and we're definitely seeing some encouraging sign in its dynamic.

On the offering side, first. The normalisation of the car market functioning is supportive for us. As I was saying, the new car production exceeds demand, and we do not expect the sourcing of pre-registered cars to deteriorate. And the increased availability of recent used cars also eases the sourcing for used cars through professional channels.

There is somewhat more uncertainty on the demand side, on the household demand side, but we are seeing as well some supportive factors, in particular, the fact that the car prices have been continuously decreasing over the past few months. While we do not anticipate a quick correction in continental Europe as rapid and significant as in the UK, this overall downward trend is a positive catalyst for future demand.

So with these elements in mind, we reiterate our objectives for 2024. We aim for at least 100,000 cars B2C - we intend to sell more than 100,000 cars B2C - on a like-for-like scope / organically, and we'll be the first online player to reach this milestone, and to increase our profitability generating an adjusted EBITDA at least twice that the one we realised in 2023.

With this, it concludes this presentation, and now we can open the Q&A session. Operator, if you can please start with the questions over the phone.

Questions and Answers

Operator: Thank you, sir. As a reminder, to ask a question over the phone, please signal by pressing star one on your telephone keypad. If you find that your question has already answered, you may remove yourself from the queue by pressing star two. Again, it is star one to ask a question. And our first question comes from Christophe Cherblanc from Société Générale. Please go ahead.

Christophe Cherblanc (Société Générale): Yeah, good morning. Thanks for taking my question. I had, let's say, three for the beginning. First one was a general question on the ecosystem. Guillaume, you've been speaking in the past of holding an event in 2024 about the new paradigm. And when I'm looking at what's happening, it seems there is no new paradigm, meaning that prices seem to normalise, pre-reg seems to go back to not less the pre-COVID level, but still they're improving. You've demonstrated that your GPU per car was very stable and immune to car prices. So the first question is, do you really believe there is a new paradigm? And if that is the case, in what respect?

The second question was about the used car market, the refurbish segment. In Q1, you outperformed, let's say, flattish market by something like 15%. Is that a gap we should expect to see for the rest of the year? That's the second question.

And the third one is about working capital. Do you need to restock? You did a very good job last year, especially in Austria, in Italy with the relaunch of Italy, the rebound in Austria, and more demand in the other markets. Should we expect working capital to go back up again in H1 and over the 12 months? Thank you.

Guillaume Paoli: Yes. Thank you for your questions, Christophe. So regarding the ecosystem, why do I say it's a new paradigm? There is elements of the automotive market, but not only. On the automotive market, there has been a very strong increase in prices. Prices today are around 15% higher than they were just two years ago, and that's a huge - I mean, this is a huge change on the market because, of course, unfortunately the household purchasing power has not increased. So this is the first thing.

Second thing, the switch, the transition to electricity is of course picking up. And this was planned, of course. The arrival of the Chinese automaker is going to change a few elements in this market. So although this was more foreseeable, it is still a change on the market.

And finally, I would say that on the overall market, the interest rates are not at the level they were before the crisis, probably they are at more normal level if we step back. Competitive picture, of course, also is a bit clearer. So all these elements make for a market that is quite different from the one we were in 2021 when we did the IPO. And we believe, it is worth it to address longer term prospect for the company in the light of these changes of the market. We do believe there was an Armageddon on our market for the last two years. Some things have definitely changed. Some things are transitioning, and we believe that it's worth it to do an update on the market. But where I agree with you is that the market is slowly normalising and we should see some elements that have been always there, including the resilience of this used car market.

Then your second question on the refurbished car gap growth. So yes, we increased by 18% our volumes on the market that was flattish. Yes, we intend to significantly outperform the used car market - below eight-year used car market - year-after-year, quarter-after-quarter. Here and there, there can be a flattish slope because of - I mean the mix by countries or this or that event - but it's true that we intend to significantly outperform the market. At this time, I will not give you a guidance on what level we want to achieve, but we have always been a high-growth company and we intend to be a high-growth company in the future. So I won't be more precise than that at this stage, but only to say that deep in our DNA there is the intent to build a very big company to bring our effort to most of Europeans. And this means organic growth.

And maybe for the third question on the working capital, I will let Fabien answer you.

Fabien Geerolf: Yes, thank you for the question on the working capital. So this is a Q1 revenue update. So I will not delve into the details. However, what I can say is that our goal is to grow profitably, but also in a balanced way. And by saying balance, it means with inventory control.

We are already probably best-in-class in terms of inventory control, but we are always doing some continuous improvements, and we believe there are opportunities to do some continuous improvement on this topic. So we will come back to you with the numbers for H1, and this is what I could say for Q1 revenue updates. Thank you.

Guillaume Paoli: In particular, in the countries that were recently acquired such as Austria, we have done a part of the path, but we're not there yet.

Christophe Cherblanc: Okay, thank You.

Operator: Our next question comes from Alexandre Raverdy from Kepler Cheuvreux. Please go ahead.

Alexandre Raverdy (Kepler Cheuvreux): Yes, good morning. Thanks for taking the questions. Three quick questions, please. The first one, so I'm sorry to come back to the guidance. I mean, I understand you don't want to be more precise. But given your fairly positive comments, would you at least agree to say that the B2C volumes guidance is potentially too conservative? I mean, the implied following nine months suggest a very limited growth. So given your outperformance, let's say comments – I mean, it's hard to reconcile. So I just wanted to check that.

Second question on the pre-registered business. I think we're around 10% below the 2021 levels. Just wanted to understand what kind of run rate we should expect over the next quarters, whether 5,000 or 6,000 units makes sense?

And finally I know this is a revenue call, but could you please give us any comment on the gross margin as you return to faster growth compared to the previous quarters? Thank you.

Guillaume Paoli: Sorry, I did not really understand your - the second question. Maybe could you repeat the second question?

Alexandre Raverdy: Yes, the second question was on the pre-registered business, what kind of, let's say, volume per quarter we could expect for this year? So I think we are close to the 2021 levels, whether it makes sense to have that kind of same run rate going forward.

Guillaume Paoli: Yeah, thank you. So I'll take the two first ones, and I'll let Fabien answer the third one. So I'll start by the second one, because it's also linked to the first one.

So the pre-reg volume, as you can see on chart number seven, we have sold something like 5,600 pre-reg cars this quarter. And a few years ago, two years ago, we were more like 9-ish. So we still have, I would say, at least one third of the way, or 40% to come back to the previous state.

It is very, very difficult to anticipate the level of pre-registered car that we are going to be able to sell. We believe we will not significantly exceed the levels that we used to have in the past. Because this is a limited size market. There are some things that are positive for us. Typically, the enhanced competition with the arrival of Chinese OEMs, the fact that the demand is quite soft, but there is some negative as well as the production level of new cars is still lower than what it used to be.

So with the plus and minus, at this stage, we don't think it's going to deteriorate, but we don't plan on a significant increase. We will be looking and be very agile on the opportunities, but it's difficult to be very precise.

And so on the guidance, I understand perfectly what you say. We have said a few weeks ago, a few months ago, during the FY results that we will sell more than 100,000 B2C cars, right, which more or less means 9% of growth, 8.9% or 8.7%. We believe we are going to sell more than 100,000 cars.

At this stage, this is the beginning of the year. Yes, we have done a good quarter. There's still some uncertainty. We don't anticipate to decrease in the coming months, but we will stick to this guidance for now, which is to sell more than 100,000 cars, taking into accounts that the customer demand is not - is still not - totally foreseeable. And the elements I gave you on the pre-reg.

Maybe I will hand it over to Fabien to comment, or not comment, on the gross margin.

Fabien Geerolf: Yes, on the gross margin, unfortunately I will have to say - to make the same comment - as previously, meaning that it's a Q1 revenue update, and therefore I cannot go into too much details right now. There are two things that we are monitoring on the gross margin, which is the rapidly declining prices in the UK. And secondly, the financing contribution that tends to erode.

We - our intention is to grow profitably. And so we are not in a strategy where we sacrifice or are buying some market shares. This is not the - this is not our strategy. We have confirmed our EBITDA guidance, and this is what we can say at this stage. We will come back in more details during the H1 publication, of course, on these topics.

Alexandre Raverdy: Understood. Thank you very much.

Operator: As a reminder, to ask a question, please signal by pressing star one. We will pause for just a moment to allow you to signal. We have a follow up question from Christophe Cherblanc from Société Générale. Please go ahead.

Christophe Cherblanc: Yes. Just one final question, maybe on Spain, which is the market still lagging. So we know about the issues in Spain. Can you be more specific on your expectation for H2? You mentioned you expect to return to growth. And just as a precision, I understand - I know that your model was very Madrid focused. So if we were to look at the Spanish car market, your market share, what would it be in the Madrid region versus the non-Madrid region? And what are the hopes for the non-Madrid region, if I may say so, given your plan to open new stores, new showrooms outside of Madrid? Thank you.

Guillaume Paoli: Yeah. So, yes, we're not happy with the performance in Spain, but we understand why. They're actually in a transition phase, as Fabien has explained. If we take a step back, they went from a zero to €350 million in the course of a few years. And of course with this kind of scale, everything was not perfectly optimised to continue scaling, unfortunately.

So there are - I think there are three points:

One, and you noted it, is a geographical footprint. We started so far with a full digital model with a one-stop shop with - in outskirts - south outskirts of Madrid with the factory, the headquarter, and kind of a mega customer centre. And we did a really good job as we are now reaching 10% of market share in the Madrid region on cars below eight years.

Unfortunately, we're very much underpenetrated in the other regions of Spain. And this is why, going forward, our teams are working at expanding in a reasonable way the geographical footprint in Spain, like we have in the other countries of the Group. And we're actually testing a few different models.

So now we have opened a customer centre in Zaragoza. We're opening one next month or beginning of the next in Valencia, which is Spain's third city, a little larger, and we're opening another one with another format in Murcia. So yeah, we'll be testing these different models to be able to increase our penetration in other regions.

The second point is the refurbishing process and the purchasing process. We have built a company in Spain by buying recent used cars. As you know perfectly well, Spain is the number two country for tourism in Europe after France, but it has the most rental cars running.

So there was abundance of offer for recent used cars, which disappeared during the crisis. So we had to turn ourselves to consumer, from business cars, which are older, which had impact on the refurbishing process and which kind of slowed the level of offering that we could provide.

And finally, we had to make a number of changes in the factory, particularly in the management, to be able to scale. So these are the three points.

Transition is ongoing affecting the country’s performance. As I said, we expect to grow by the second half of 2024 of our calendar year. And in terms of growth, there is no reason why Spain should not grow at the same level as the other countries of the Group and maybe even little more as we have some regions that are underpenetrated. This is not a guidance. This is more what we are expecting.

And I know that the Spanish team are working hard to come back to profitable growth this calendar year.

Christophe Cherblanc: Okay, Merci.

Operator: Thank you. As there are no further questions in the phone queue, we'll now move on to the webcast questions.

Alexandre Leroy: Yes, thank you, operator. We have a couple of questions from Dominique from CIC through internet. Dominique asks, what's the proportion of Stellantis originated cars in Q1, and what - how it compares to the historical proportion? First question.

And a second question, Dominique asks about the evolution price we see on electrical vehicle versus traditional vehicles, if there is a discrepancy and why we believe that? And as for your question on Spain, Dominique, I assume that the answer Guillaume just did is okay, if not, please follow up. Thank you.

Guillaume Paoli: Yeah. So regarding Stellantis cars. So as you know, Stellantis is the majority shareholder with around 60% of the shares. And we have a very good operational relationship with Stellantis as they leave the company totally autonomous, but we have built a limited number, but powerful synergies.

The first one we built with Stellantis was the fact that we purchase Stellantis cars, initially Peugeot-Citroën cars at the best condition available out there. And we built something like - the sourcing was between 10% and 15% of our sales before the crisis, and then they decreased to almost nothing, a few percents during the crisis as the Stellantis people were having the same difficulties to produce cars than the other OEMs.

Now we are coming back to ante situation. We had sourced a few thousands cars from them during the Q1, and we are returning to levels more in line with historical levels, which is between 10% and 15%. And as you know, this is a major strength as well for us as Stellantis now comprises Peugeot, Citroën, but also the former Fiat-Chrysler brands, Jeep, Alfa Romeo, etc., etc., as well as Opel-Vauxhall. So this is something that we - that will be picking up. And it is another strength of the company.

Regarding the electric vehicle prices, the used car electric vehicle prices. Well, look, in 2023, around 4% of the cars published on the classified platforms were electric vehicles, but the sales were only 2%, meaning that there is a problem of offer and demand as the used car market is not subsidised as the new car market for electric vehicles, the time to sell a used - electric vehicle on the used car market is longer. And so the prices have been going down, particularly in the UK.

We see that more as an opportunity. Our friends in the UK have developed a practice of selling electric used cars. Almost 10% of their mix now is electric used car because they have understood how to buy them, how to market them, and how to sell them. In the rest of the Group, it’s still a bit lower.

But to answer directly your question, we believe the cars will still be coming down because it's a balance of offer and demand. And at this stage, there are a number of customers that don't consider to buy electric used cars, because it just doesn't cover all the needs they have for their car. So I think this answers the question. And it's not really a problem for us. We are totally agnostic in terms of engine technology. We strive to sell the cars our customers needs. And it's not really a factor, all our factories are equipped and trained to refurbish electric used cars. Electric used cars are actually simpler to refurbish at this stage. So for us going forward, we see the inevitable increase of electric used cars as more an opportunity.

Alexandre Leroy: Thank you, Guillaume. Dominique, I hope this answers your question. Otherwise, just again, please follow up. We have another question from Doyinsola from Morgan Stanley. She's asking, how does Stellantis launching online used car sales platform in the UK impacts the competitive landscape? I assume you talk about the threatening of SPOTICAR. Maybe a couple of words on SPOTICAR, Guillaume?

Guillaume Paoli: Yes. So first, we don't have any issue with competition. Of course, as this is a very competitive market, it has been competitive forever. We have - we are competing against dealers. We're competing against private customers. We're competing against online retailers such as Cazoo, Cinch, Autohero, etc., etc.

So the SPOTICAR, Heycar, Autosphere, all these platforms are just another competitive player. It's not actually really a retailer. It's more like aggregator of the used cars of the dealer network. It's a niche initiative that Stellantis launched to be able to propose to their dealers another platform, another classified site to compete with the likes of Leboncoin, mobile.de, Autotrader, etc. These players have increased their prices very much.

So, first, not at all a problem. Just another player out there. Our value proposition is totally different. And you can try calling SPOTICAR in the UK or Heycar or any of these players. Typically, if you don't know if you want to buy a Peugeot or Citroën or Opel, you'll have to speak to three different salespeople in three different dealers. Whereas if you call us, wherever you want in Europe, the same salesperson will be able to advise you on maybe you need SUV or maybe you need a urban car or maybe a recent car.

And our people as well have a very different approach to customers as they are not at all paid on the margin that they are - that the company is making on the customer, but they have a fixed commission by sale, which really aligns much better the interest of the person that is advising you to buy a car versus how a traditional player does it.

So another competitor, not a problem, more traditional player. And we have our own customer value proposition that is very attractive.

Alexandre Leroy: We don't have any more questions from internet. Operator, any more questions over the phone?

Operator: No, sir. There are currently no further questions on the phone line.

Guillaume Paoli: Okay. Well, thank you very much everyone. We have done - I think we have done a very solid quarter and looking forward to speaking to you during the H1 at the end of May 2024. Have a good day. Bye-Bye.

Fabien Geerolf: Bye.

Operator: Thank you. This concludes today's conference call. Thank you for your participation. Ladies and gentlemen, you may now disconnect.