



Saras S.p.A.

"First Half and Second Quarter 2022 Results Conference Call"

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MODERATORS: DARIO SCAFFARDI, CEO AND GENERAL MANAGER
FRANCO BALSAMO, CHIEF FINANCIAL OFFICER
ILARIA CANDOTTI, HEAD OF INVESTOR RELATIONS



OPERATOR: Good afternoon. This is the Chorus Call conference operator. Welcome, and thank you for joining the Saras First Half and Second Quarter 2022 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 Ms. Ilaria Candotti, Head of Investor Relations. Please go ahead, madam.

ILARIA CANDOTTI: Good afternoon everybody, thank you for joining us today for this conference call on Saras first half and second quarter 2022 results. You should have received our press release a few hours ago and our analyst presentation is available on our website directly on the home page under the Investor Relation section. We are also going to publish our consolidated financial report very soon after this call.

Our agenda today will be the usual one, Mr. Dario Scaffardi, Chief Executive Officer and General Manager of Saras Group will start with the highlight of the period followed by a review of results of each different segment. Afterwards he will present the outlook for the year. Finally together with Franco Balsamo, Chief Financial Officer, we would be delighted to take your question.

At this time we would like to handover to Dario.

DARIO SCAFFARDI: Good afternoon, Ilaria, good morning ladies and gentlemen. Welcome to our conference call, thank you for being here. This has been a very good quarter for Saras. The group reported EBITDA for the second quarter was €532 million, so up from €81 million in the same period of 2021. The main reason for this, of course, is the oil market, crack prices and a relative very high environment of oil refining margins. We will talk about the various



main drivers in the forthcoming slides, so it's...I believe it's useless to dwell on these numbers that you can see.

I think it's worthwhile to mention that the group's comparable EBITDA is €458 million in second quarter up from 19.5 on the same period of previous year. And this result does not include the positive effect of the scenario and changes of inventories between the start of the period and the end of the period. But it includes the impact of currency derivatives, but Franco will be able to give you a little bit more detail on this.

In the quarter, we need to mention, of course, the windfall tax enacted by the Italian Government on energy companies. We expect this to account for about €80 million, €90 million which we have set aside at least for the moment, although the prepayment of the tax in Q2 was about €30 million. Again also, regarding this, Franco will give more detail going forward.

I would also like to mention at this stage, with much regret that Franco, our CFO, has decided to leave the company for strictly personal reasons. We regret very much this decision. Franco has been an excellent CFO and a good friend and colleague, so we are very sad to see him go. Of course, this transition would be managed in an orderly fashion since he will stay on until the end of the year, so there will be no issues with the handover.

Going forward and looking at the market, of course, Brent Dated touched new highs in the quarter. But again, relatively compared to other commodities such as gas, just to name one, or metals, the levels that we have been seeing in this quarter are still below the peaks touch into 2011 and 2012. So all-in-all, notwithstanding the extreme disruption in the oil market, I would say that the Brent market has reacted in a relatively orderly fashion. There have been many issues with price quotations in these last months. Namely, first of all, the huge differences that we have seen



between the futures prices and printed prices reported by Platts. So, Brent Dated...so let's say that physical...the physical price and the future price, which in the past, had differences, of course, but with these differences were relatively small.

In the last month, they've blown out to huge levels. We have seen an indicator, which is called DFL, Data Front Line, which has gone up to \$10, \$11 a barrel, which is a huge amount of money and has created a lot of stress for all oil companies, because while physical purchases are based on the Brent Dated quotations, all financial instruments to hedge are generally based on the futures instrument.

So, the basis risk has been difficult to manage for all. For Saras, not so high, because we have a more conservative hedging policy, but still this effect has been very material, but it's an effect that we have seen also on the product prices. And the other issue, of course, is the steep backwardation that we have seen in the market, although I would say that the extremes that we have seen in the previous months have come in. And now, the market is, at least compared to the past months, a little bit more normalized.

We have some interesting things that continue to happen on the crude price differentials. We've mentioned many times that this is an essential part of the market and also of our profitability. And it's the main reasons behind the differential that we obtained compared to the reference margin. Now, of course, the first material effect which hasn't changed is the steep discount that Urals has achieved in order to find buyers, but we can say that the crude oil market has been able to rebalance quite well.

Russia has been able to continue selling crude oil into Europe, because it's not already sanctioned. The sales to Europe have not changed significantly from the prior to the war. Actually, some countries like Italy actually



purchased more crude than before. But many other operators have decided, among them, our company, not to purchase Russian crude. So, in order to place their crude, they have had to find buyers, mainly in India and China.

A couple of months ago we were extremely worried that there will be a material effect on the prices of sour crudes, which are a very important part of our profitability. This has not materialized, actually, the opposite has happened, luckily. The presence of Russian crude in Indian and Chinese market has displaced typical Middle Eastern barrels, so barrels coming from the Persian Gulf. So, these barrels have tried to find homes mainly in Europe. So, in reality, the discount of the official selling price for the use of sour barrels, mainly Iraqi Saudi barrels, has increased. And as you can see in the graph on the lower left-hand side of the page. So, this has definitely been an unexpected boost to the profitability of the sour component, which we were quite worried at an initial moment we were not able to supply sour crudes. So, the discount for Bashra Medium crude had basically touched their lowest historical levels, which is extremely positive for us.

Instead, and this was a bit unexpected, quite the opposite has happened on sweet crudes, strong demand for incremental runs at simple refineries have created a big demand for sweet crude, which is undersupplied, particularly in Europe, because of the outages from Libya. And so, this has created some very, very strong premiums of the benchmark grade which is Azeri which has touched high double-digit figures in the sense that it almost has reached certain instances, \$18, \$19 per barrel, which is totally unprecedented, because the historical average has been \$2. So, this has created strain on the profitability of the lighter end of the barrel basically linked to FCC runs. So, this has been a reason of worry.



On the brighter side, here, there has been opportunities coming from the US. For the first time, we have been using American grades, since the high prices, we have taken full advantage of Saras's flexibility, so we have been using various US grades or North American grades. We have been purchasing grades from other areas of the world, mainly Africa, trying to move away from the higher-priced crudes. And there is some hopefully encouraging developments in Libya, but every month we see encouraging developments in Libya. And unfortunately, but we are still waiting, of course, we are always disappointed.

Distillate prices touched unprecedented levels in Q2, and since then have retreated to a more normal situation. This very strong quarter is mainly attributable to the high refining margins, which comes on the back of strong physical reasons, very high demand for diesel and for gasoline.

Diesel touched almost \$60 crack in May and June. Gasoline was at \$30, since then it has been...they have both come back to more normal levels. But I will say that the market is still, in my opinion, looks extremely constructive. First of all, I don't want to be...I am a bit superstitious, so I'm always scared of expecting the better, and actually trying to expect for the worse and then hope for the better. But, in reality the situation is extremely constructive at the moment.

We see a pause in margins and in cracks, but there are very strong reasons, why in the autumn we should see a strong comeback of the diesel crack. One of the reasons is that, of course, the obvious one, that unless something happens or changes at the beginning of December, the ban on Russian products will come into effect. And this will have a huge impact. I wish to stress that up to now, this impact has not materialized because imports from Russia have been the same as before. It is just the buyers that have changed. Many big companies have turned away from Russian oil or other companies



have stepped in. So, the overall balance has not changed significantly, and this will change.

Second reason is that Russian diesel, which is decreasing in production because one of the effects of the sanctions are certainly a decrease in runs from Russian refineries. Russian diesel, which is a very good quality, is essential during the winter to correct the pool of the distillate pool. So, without Russian diesel, which has very good qualities without wanting to get technical, it will be difficult to correct other diesels which are not suitable for European winter. So that will be a pressure area on prices, definitely. So, the picture looks constructive.

On the threats that we can see, I would say that there is an increased export from China. Although China has officially banned moral exports...still they seem to be exporting some diesel. I think that the margins are attractive for them as well, so we see a little bit more supply of Chinese diesel creeping into the Eastern market but also into the European markets, which would put a bit of pressure here. There is the unpredictable fact of what Chinese authorities will authorize or not.

So, all in all, the outlook for the second part of the year is constructive also on gasoline. Gasoline has been following in the wake of diesel. So, with the diesel cracks going up, gasoline has to go up as well. And when they come down, they have to come down, but the demand is strong, particularly with the shift in demand in Europe from diesel to gasoline. Destruction in demand due to recession is a possibility, of course, although we are not really seeing any signs of that.

As a matter of fact, our marketing divisions are doing extremely, extremely well both in Italy and in Spain. And a strong demand comes from jet. We all read the papers and see what's happening in the airports. So, the only



thing that is constraining further jet demand is the impossibility of the airline companies to put enough airplanes or crews or whatever the reason is on the field.

So all-in-all, I would say that the outlook for refining is constructive, and particularly for somebody like Saras who is able to cover a whole market in this way.

If we look at the prices of gas which, in turn, in the price of gasoline this is extremely worrisome, of course. We are not linked directly to the price of gas, which is one of the reasons why some of our fellow refiners are facing issues and are trying to move away from gas. Gas is essential in order to be able to produce hydrogen for the hydrodesulphurization process. Saras does not have it, I mean, there is no gas in Sardinia. So, it's the reason why we don't use gas, because none is available. So, at the same time, we are not subject to the gas prices.

But the overall price of electricity is based on the fundamental price of gas, and this is a threat. We have moved from an area which the price of electricity was in the range of €50, €60 per megawatt to.. we touched more than €500. Since then, the price we traced, the price has gone back up to more than €500, today, it's back to €440. We do hope to see a correction in the electricity price because this is very troubling for the industry...for our industry, of course, but for all industries. CO2 instead has been relatively stable, and on this front, there is not much to say.

So, if we look at the overall Saras margin, we've had an exceptional quarter. The EMC reference margin has touched levels never seen before. Our add-on to this has been relatively small, but there are strong fundamentals reasons for this. What I was saying, you know, the crazy things happening on the market in terms of backwardation, in terms of basis risk.



So, the difference between the future markets and the physical markets and the premiums paid for crude have all been the reason why the margin that we have been able to add has been lower than expected. We have been able to achieve higher premiums on our physical sales, which have been extremely robust, but not enough in certain instances to compensate for the higher premiums on crudes.

In Q2, the operation of the refinery has been...well, as you can see from the numbers, the majority of the EBITDA comes from this segment as was understandable, of course. Refinery runs are up compared to the same quarter of last year and more or less in line for the first half of the year, but we will catch up in the second part of the year. So overall, 2022 should end with the higher runs than 2021. The runs sometimes are limited by the availability of appropriate crude. So, we would have the technical feasibility to be able to run more certain plants. But given the current market scenario, this has been impossible. One of the impacts of Russia is on feedstocks. So, straight runs and VGOs which could have been used in our secondary units to increase throughput have not been available. So, we have actually had spare capacity on these plans.

In the second quarter, we completed without flaws or incidents or second cluster of programmed maintenance. The effect of this, of course, in a high margin environment has been higher than what have been in other periods in the past with lower margins. The supply and trading activities have done well, adding over €30 million more €30 million more than the same period of last year, notwithstanding the extreme turns in the futures market with a strong backwardation and strong PFL.

Production planning, of course, was extremely difficult to maintain due to all the constraints that have come in, in the supply of crudes and feedstock.



So, they've been able to do a very good job now withstanding all the limitation that had been imposed.

Variable costs, of course, were impacted strongly by the rise in energy costs, which also affect the price of chemicals, of oxygen, of catalysts and so forth. And fixed costs instead are approximately €30 million higher in Q2 of '22 compared to the same period of last year, mainly due to higher maintenance and to the higher personnel costs that, in the same period of last year, was covered by the furlough schemes.

If you look at crude oil slate in production, starts to be a little bit more meaningful as a comparison, and we can see that, as it was mentioned before, the opportunity on heavy crudes was immediately captured by our system. Our average API moved from 34% in the first half of last year to 33.4%, so 0.6% reduction in API is significant. This means, that basically we try to run full out on our heavy sour, which is the part that also produces power, which recent events have put on the center stage. The request from our power plant is always an absolute full capacity.

Our agreement with the authorities was lower, but we are running consistently at 540 million, which is the...basically the maximum possible sustainable rate...particularly during the summer season when things are a little bit more crucial in terms of...if possible, to produce a little bit more power during the winter than during the summer.

If we look at the output of products, this reflects 100% what has been happening in the market. We have increased, as much as, possible, middle distillates, which are back to about 52% compared to 48% of last year, and the other products are broadly in line. Very low sulfur fuel oil has been a very profitable area. Strong demand has come back in for this product, and all the things that we were anticipating in 2019 relative to the IMO effect



have come into play now with 2 years delay due to COVID. So indirectly, this is also one of the reasons responsible for the high diesel cracks.

Renewables have had a positive performance in terms of production. Thanks to the new wind farms acquired and to the reblading activity, of course, the actual wind has been lower, so we've been able to add production notwithstanding wind conditions in this first half of the year have been worse than the previous period. There have been all the Italian government has capped the price of renewable energy, I think, at €61 per megawatt. But this applies unevenly to the production. So, it applies to the plants that were installed prior to 2010. After 2010, it doesn't apply. So, there is a differentiated system, which is a bit complex, and I think it's worthwhile to go into too much detail. But it does have a material effect and because selling electricity at €61 when the market is at €500 is a bit awkward.

We are on schedule with our new solar farm. The solar farm we have acquired land...the rights for the land. So, we are in the process of purchasing the solar panels and installing them. And hopefully, this process will be finished. Well, the...we are aiming at the end of the year, but realistically, the beginning of next year is more realistic.

So, the outlook all-in-all for our company, for refining in general, but in particular for Saras, because of our ideal positioning, are good for the reasons that I have explained before. So, I don't think it's worthwhile to repeat them. We maintain our guidance on OPEX and CAPEX, the production and maintenance spend that has already been presented.

Renewables are absolutely on track. The authorization process is advancing. We...every time we have a meeting, we are always hoping that there will be sort of breakthrough with the authorities on the authorization process. This was always promised, but then does not materialize.



Although there are some signs that something should come into place to sort of speed up the system. Already on our solar fund, we have broken every record, because the whole process has taken under 18 months. So this is really unprecedented. So it's a good omen for the future. We are on target to have 500 megawatts capacity installed by 2025.

FRANCO BALSAMO: I would look at the net financial position. The evolution has been extremely positive. At the last meeting we had, the net financial position was negative for €445 million. And now, at the end of June, is positive for €65 million. In the meantime, we have executed the loan facility set at 6 years of maturity as we have also described last time. So, in a global view, we have liquidity in the account, and we have gross debt. And based on the evolution of the next quarter, we will take a decision on this positive situation. Nevertheless, today could be less efficient in terms of the carry-forward on the interest rate.

The return in terms of liquidity, is mainly due to the cash flows generated by the business. We have a small positive change in working capital, but it's related to normal course of business. The CAPEX was €27 million, that is lower than the budget level. And we have the outflows for taxes, as Dario said before, related to the windfall tax.

The total amount that we have accounted as a cost, at the end of June for the windfall tax is about €96 million, of which more than €50 million are related to the accises. That is very peculiar, because we have to pay a tax on a cost rather than to a positive margin. So, on these issues, we will see the potential evolution of the tax interpretations. And at the end of November, when we have to pay the full amount, we have time to take a decision.



ILARIA CANDOTTI: We have concluded. We are pleased to receive your questions.

Q&A

OPERATOR: Thank you. This is the Chorus Call conference operator. We will now begin the question-and-answer session. The first question is from Alessandro Pozzi with Mediobanca. Please go ahead.

ALESSANDRO POZZI: Hi, good afternoon, everyone. I have 3 questions. The first one is on the outlook for the refining margins. I think in the opening remarks, you've mentioned a strong outlook. But that's somewhat clashes with the last print of the EMC that we've seen, I think, below \$3 per barrel, the lowest that we've seen since mid-March. Can you explain maybe the reason why last week was so low. Probably, of course, the gasoline cracks have been coming down a little bit, but I suspect there is the spike in electricity that may have pushed down EMC?

And remaining on this theme with regards to the premium to the EMC, can you explain how the backwardation is impacting the premium and whether there is a headwind that maybe is going to be still there in the second half of the year or maybe less so compared to what we've seen so far?

And finally, on guidance for Q3, and guidance you can give us perhaps in terms of how the net cash is going to evolve this quarter? I'm assuming is going to stay net cash in Q3?

DARIO SCAFFARDI: Thank you, Alessandro. On the EMC, I would say that, forgetting about the details on, the 2 main factors have been, first of all, the price of electricity, which has been unprecedented, which is clearly a threat. And in order to pay for the electricity, we need a very strong crack. The crack has been very strong apart for the last couple of weeks, which this has come down.



My view is that this fall is just a pause in a strong market. And the other strong reason is the effect on the premiums of certain crudes, particularly the Azeri crude, which is certainly part of the benchmark which has seen unprecedented levels, which, again, I think will be correct that, first of all, because we have tried to move away from this grade of crude, which has become also prone to the speculation, and there are signs for the market that is normalizing a little bit.

So the EMC has been under pressure, but the fundamental reasons for a strong outlook on refining is still there, based on physical factors or the demand for diesel. The single most important reason for a strong refinery margin is the demand like for any commodity for the end product. And we can imagine to have a strong refining environment also only if there is a strong demand for diesel, which, in my opinion will be there on both in terms of the physical demand but also on the technical demand that will emerge due to the difficulties that I mentioned before in the reorganization of the supply system going into the winter.

Let's not forget that we are in the peak of summer. In Europe, it's almost impossible to produce electricity from diesel. But in other parts of the world, this is happening. The gas oil is important in Northern Europe as a fuel for heating. I would imagine that with the price of gas, and the not availability of gas, Germany which still has a significant amount of its household based on gas oil, will start by you know, historically, the purchase campaign has started always in summer, because of the summer it is approximately the lowest. Now with the outcome of what is happening, I would imagine that the households have restrained from [indiscernible] hoping to see lower prices in the months going forward. But whatever the absolute price, still, I would imagine, a very, very strong scenario for diesel.



In terms of...what you were saying, the backwardation, the effect of the backwardation is that all hedging programs are based on selling one month and then buying the next month. If the next month is lower than the current month, you are automatically locking in a loss when you roll forward the position. This is structural with the backward dated market, so there is basically nothing that you can do about it in a backwardated market. Only is that the backwardation is as it was historically, \$2, \$3, \$4 a ton talking about diesel and \$0.10 or \$0.20 about you know, crude, it was a fact, and for instance of course, that was factored into the system.

What happened in March, if the backwardation was \$350. It was unprecedented similar to what happened in 2020 when the price of WTI went negative, something that was unheard. And so, it has created, for many companies big losses. For us, this was probably not the case, but it still increased the overall program of our hedging which is used to normalize over the period of the month our cost and even our purchases and sales that are distributed unevenly during the month and trying to obtain the monthly average. So in whatever hedging program on crude and products, backwardation is a cost [indiscernible] is a profit, and this has happened. The backwardation now is less strong...much less strong than what it was, but it's still significant...still significant. I mean, we're talking double-digit numbers on gasoil, but not triple the fees.

FRANCO BALSAMO: As per your third question, Alessandro, related to the projection of cash flow for year-end. Taking in consideration the EMC reference margin plus the guidance on premium, the generation of cash from the operation will be a good amount. So we don't have any other outflows. We have to complete the investment, and it's for about €70 million. We have to pay interests on our indebtedness and the payment for tax is due next year in spite of the huge net income of this year. So net of potential risks on the working capital, the generation of cash flow will be material.



Then, looking at the working capital, we have to take into consideration the payment on the CO2 related to the essentiality contract that on one side is collected through the sale of electricity in the market, but the payment is on pro-rata. But having said that, the liquidity in place at June will be adjusted, and the expected net financial position at year-end will be higher than the ones at the end of June.

ALESSANDRO POZZI: Thank you.

OPERATOR: The next question is from Niccolo Storer with Kepler. Please go ahead.

NICCOLO STORER: Yes. Good afternoon everybody. I have 2 questions. The first one, a clarification on Alessandro's question on EMC benchmark drivers. If I understood well, you mentioned the discount premium structure of crudes, which I was expecting impacting more your premium rather than the benchmark. So if you can comment a bit on that, and how this has been impacting your premium if this is the case?

The second question is on runs, I saw that you have cut expectations for Q3 and Q4. So what's behind that?

And the third question, I was trying to make and meet on working capital. In Slide 16, I saw €86 million release, while if I go to the balance sheet, Slide 21, I saw that between Q1 and Q2, working capital has increased. So how this can be explained? Thank you.

FRANCO BALSAMO: Working capital calculation is always extremely complicated, because the turnover is very high and any single change may generate positive or negative cash flow. But having said that, the working capital at the end of June, we had more or less variations of positive and negative working



capital related to the evolution of inventory that was increased by €330 million, because the value of commodity embedded into the inventory has grown. On the other side, we have more or less the same variations in term of oil supplies. And the differential in terms of invoices is not material. So there is a balance between data stock inventories and delta supplies. The positive effect is mainly due to the CO2 that is accounted as cash when the CO2 is paid. On the other side, we are taking the carry due to the...part of it into the sales within the essentiality contact. It's merely a differential between accounting and cash out. So a part of this amount that is purely mechanics of the accounting of the essentiality the working capital is balanced.

DARIO SCAFFARDI: Yes, Niccolo. On the EMC, I'm sorry if I create a confusion. The EMC margin is based on the Platts quotations of Azeri. It's not taken into account the premium. While the premium paid is reflected in, let's say, what we call services premiums or cost, whatever. So the reasons behind the fall in EMC are basically due to the lower values of the crack, on diesel and gasoline that has come down significantly in July compared to June, for instance. So what you seeing in, the very high cost of electricity, I would say that these are the main factors behind them. The other things are more or less haven't changed significantly.

OPERATOR: The next question is from Massimo Bonisoli with Equita. Please go ahead.

MASSIMO BONISOLI: Good afternoon, Dario, Franco and Ilaria, 2 broad question. I'm curious to hear your thoughts on the scenario on refining in Italy, once the sanction on Russian crude are in place and Russian products? What would happen to the supply of products from Priolo and may it increase demand for your products across Italy, as well as, marketing margins across Italy?



And the second question is on capital deployment. Following the sharp improvement in net financial position. Would you consider the payment of a dividend in 2023? And can you remember us the payout policy, please?

DARIO SCAFFARDI: Well, in 2023, I would say that if these results are confirmed, I would...which I hope that nothing happens in the second half of the year. But also, yes, the policy has always been to pay between 40% and 60% of the adjusted net income. So this policy has never changed. So I would absolutely expect shareholders to...the board, first of all, to propose the shareholders to recognize the dividend in that range. I would also imagine probably on the higher part of the range, unless there are other reasons, of course, that I cannot imagine in this moment.

Regarding your question on refining in Italy, as usual, things in Italy are not certain, right? So Priolo will be the refinery, which is run by an Italian company [indiscernible] company registered in Italy [indiscernible] of course, in the end by a Russian entity. I mean, I think it's owned by a Swiss entity [indiscernible] in turn is owned by a Russian entity.

Apparently, I mean, to the best of my knowledge, but I think this question should be made to them. Italian and foreign banks have made life difficult for them, so very reluctant to open LCs [ph], and so forth and even pay for industrial goods and so forth. Just on the basis, not of any regulation or what, but just on the basis that the banking system was unwilling to work with Russian-related entities, let me say it this way.

So I know that our colleagues over there are facing some tough moments. They've been able to overcome them. I think that they are, at the moment, making some very good results, because to the best of my knowledge, they are buying Russian crude at \$30 discount and selling the diesel at the same



price that we are selling. So...and others, of course. So I think that we're doing very well.

What is going to happen? I simply do not know. There has been some pressure from various parts to adopt a German like solution, [indiscernible] that Germany has adopted for the [indiscernible] refineries. So for high in oil, it's not right oil [technical difficulty] which is a sort of nationalization. I mean, it's been taken over by the government. I don't know how to call it.

The Italian government before it fell said that it would never nationalize it. And I think that at the moment, they were searching for a solution, which I have no idea what could be. Certainly, this points out that the refining sector is important. As far as, the company is committed to providing the oil products that the Italian people, but also the other Europeans, because we export our diesel to Spain, France and then to other countries. So we are committed to continuing to provide the market with what it means. And I think it underlines how important it is to have a system that is able to be reasonably self-sufficient in times of crisis, such as we are facing now. Otherwise, I mean, these are just general comments what will happen Isab [ph]. I honestly don't know it. I don't think I'm qualified to answer.

MASSIMO BONISOLI: Thank you. And just a clarification, the 40%, 60% regarding the payout policy is on net income reported or net income adjusted?

DARIO SCAFFARDI: No, the adjusted net income.

MASSIMO BONISOLI: The adjusted. Thank you.

ILARIA CANDOTTI: If there are no more questions, we thank you for being with us and remain at your disposal for any other inquiries. Bye-bye.

DARIO SCAFFARDI: Thank you very much.