Helios Towers H1 2023 Results

Thursday, 03rd August 2023

Tom Greenwood

CEO, Helios Towers

Hi everyone, and welcome to the Helios Towers H1 2023 Performance and Outlook call. It is very good to talk to everyone today, as always. I hope your families are well and thank you very much for your time today. First up on page two, we've got the usual line-up for you of me, Tom Greenwood, CEO, Manjit, our CFO, and Chris Baker-Sams, our Head of Strategic Finance and Investor Relations. I'll run through some highlights. Manjit will take us through the financials and we'll be open for Q&A at the end. Now to page five for our highlights.

Highlights

So, today we're reporting a very strong first half of the year and tightening our guidance upwards to the full year. Many of the trends that we reported in Q1 have continued, perhaps even accelerated slightly. We've grown revenues in EBITDA, 32% and 28% respectively, with organic EBITDA being at up 13% for H1 year-on-year. We've also de de-levered by -0.3x in the quarter to 4.8x, and we're on track to reach around 4.5x by the year end. We are very pleased with the performance of the business so far this year.

Our financial performance has been driven principally by our tenancy growth, increasing site count by 30% and total tenancy by 26% year-on-year. A large contributing factor here being the closing and the integration of our Oman acquisition last December. But very importantly, our organic growth is the best it's ever been. We've added over 2,300 organic tenancies in the past 12 months, which includes around 1,400 in the six months year-to-date, and this represents our highest H1 volume ever. We're seeing continued strong rollout from multiple customers across multiple markets showing the strength of the diversity of our portfolio, both from a country and customer perspective, meaning we're not reliant on a single customer or single country for our growth.

In addition to a strong H1, we've also got a robust pipeline for H2, meaning that we're tightening upwards our guidance for the full year as shown on the right-hand side. Adjusted EBITDA and portfolio free cash flow increasing by $5 million each at the bottom end, and tenancy tightens to between 1,900 to 2,100, up from the previous 1,600 at bottom end. And as always, our future revenue base is significant with around $5 billion of committed revenue corresponding to around seven years' worth, with all the usual CPI and power price protections embedded and the majority being in hard currency.

Robust growth on key metrics

Now moving on to page six to take a quick look in more detail at some key metrics which are progressing well, our Q2 annualised Adjusted EBITDA and portfolio free cashflow figures of $356 million and $234 million, respectively, as you can see, are now both around the lower end of our updated guidance. I would view this as a very good place for us to be in Q2, given we've got two more quarters of growth remaining for the full year. Similarly, ROIC at 10.5% is now at the midpoint of our guidance at the midpoint of the year.

Group ROIC reflects mix of established vs. new markets

Moving to page seven, we wanted to highlight here the embedded returns growth of our portfolio assets over time and somewhat dissect some of the noise around ROIC created by a mixture of more established versus new markets. But here we show the ROIC for the OpCos bifurcated between the more established markets and the new markets and the trend over time. On the left, we can see that for our established markets, Tanzania, DRC, Congo, deep Ghana and South Africa. ROIC started off around 3% and is now up significantly over time to over 15%, and we've added roughly one percentage point per year to the ROIC in these markets. And this, by the way, is still very much growing. Then on the right-hand side, you can see we've started off mid-single digits on ROIC and are expecting to see similar ROIC growth per year as we've seen for our older, more established markets.

New markets demonstrating lease-up potential to support Adjusted EBITDA and ROIC growth

We've had very strong start in all four of our new markets as shown on page eight. Through demonstrating our exceptional customer service capability, we've first become the trusted passive infrastructure partner for all key mobile operators in these markets. This has led us to increasing site counts and tenancy ratios almost across the board, which in turn has delivered significant double-digit Adjusted EBITDA growth for all four new markets as we show on the right-hand side. Our teams across the group are focused on continuing our service delivery quality and in turn keep growing our EBITDA and ROIC at a fast pace as we move forward.

Sustainable Business Strategy

Now onto page nine, looking at our wider sustainability strategy and KPIs. I'm very pleased to say we continue to be recognised as top ranked by agencies including MSCI, FTSE4Good, and Sustainalytics. MSCI and FTSE4Good recently reaffirmed us in these positions. And in fact, this quarter, Sustainalytics has reduced our risk rating from medium to low, reflecting the progress we've been making in this area. On the right, you can see we're making good progress against all of our non-financial KPIs on which management are financially incentivised and cover areas such as digital inclusion, people development, diversity, and carbon reduction.

Finally, as an FYI, we're busy incorporating our four new markets into our carbon targets and we'll be looking to release updated targets encompassing all nine markets early next year. At this point, we'll have a year's worth of data for all the new markets, hence this timing.

And with that, I'll hand over to Manjit for the financials and look forward to talking to everyone for Q&A at the end. Over to you, Manjit. Thank you.

Manjit Dhillon

CFO, Helios Towers

H1 2023: Financial overview

Thanks, Tom, and hello everyone. It's great to be speaking with you today. I'll be going through the financial results and starting on slide number 11. Continuing on from what Tom mentioned earlier, we have again delivered record organic tenancy additions and strong performance across all key operational and financial metrics. This really puts in a fantastic position for the second half of 2023. And accordingly, we have tightened our guidance upwards, and I'll be speaking about that later in the deck.

On this slide you'll see that we've summarised the main KPIs, which I'll now go through in more detail over the next few slides.

Q2 2023: Consistent and strong tenancy growth

Moving on to slide number 12, our site and tenancy growth. From a site perspective, we saw a 30% increase year-on-year reflecting organic growth of 657 sites and the 2,519 acquired sites in Oman. Year-on-year, we've added 5,334 tenancies, which is a 26% increase from a year ago. This growth was through a combination of our acquisition in Oman and also strong organic growth across all our markets with 2,317 year-on-year organic tenancy adds, which is actually our highest ever year-on-year movement on record.

And for the Oman operation, this has really integrated well into the business, and so far year-to-date, we've added a total of 175 organic tenancies, which is a great start. Our tenancy ratio has dropped slightly on a group basis, and this is largely driven by the lower tenancy ratio of the acquired sites in Oman, which on day-one had a tenancy ratio of 1.20x, but we've actually already increased that to 1.27x, which again is a fantastic start so far. On an organic basis, our tenancy ratio increased by 0.08x. Despite the ongoing site rollouts, this reflects our strong colocation delivery in our existing markets.

Q2 2023: Accelerating organic growth

Moving on to slide number 13. We've seen that 30% revenue growth and 28% Adjusted EBITDA growth, as Tom mentioned, year-on-year we are up 20% and 15% organically, respectively. The organic growth is principally driven by tenancy additions across all of our markets, increasing our Q2 revenue by 10 percentage points, in addition to CPI and power price escalators, also increasing our Q2 revenue by another 10 percentage points.

Adjusted EBITDA grew by 28% year-on-year. And in line with our expectations laid out at the beginning of the year, we're seeing good acceleration of our EBITDA growth across all three segments. Organic growth, as I mentioned, expanded 15% year-on-year, while inorganic growth contributed the remaining 13%, and again, that's predominantly coming from the Oman market. Our Q2 margin stayed flat at 15%, at 50% I should say. On a constant fuel price basis however, our Q2 adjusted EBITDA would've been 53%, supported by our growth and tenancy ratio expansion. However, due to higher fuel prices, which increased both our revenues through power price escalators and OPEX comparably, margin has been diluted by three points and remains at 50%.

Q2 2023: Proven resilience to Fx, CPI and power prices

And moving on to slide 14, I'll dig into this impact in a bit more detail. And on this slide, we set up walkthroughs of our revenue and Adjusted EBITDA progression year-on-year for Q2 at 2023. This should now be quite a familiar slide and demonstrates our now proven resilience to FX, CPI and power prices. The first four bars of each bridge, organic tenancy growth, power escalations, CPI escalations, and effects all combined to make up organic growth and acquisitions being the contributions from new markets. The record organic growth of 2,317 tenancies year-on-year has driven the 10% growth in revenue and 13% growth in EBITDA.

But I'll take a minute now just to drill into the escalation movements. As a quick reminder, we have escalated almost every customer contracts in all of our markets. For power, roughly 50% of our contracts have costly power escalators, 50% annual escalators and these escalators in relation to the local prices for fuel electricity. If local prices go up, then the escalator goes up, and if the prices go down, then the escalator goes down. The CPI, we have annual CPI escalators and they typically kick in between December and February, although we do have one or two that escalates slightly later in the year.

We continue to see local fuel price increases and that's principally being driven by DRC, which has accordingly increased revenues by 8%. As mentioned previously, we've created a robust business model by design and we've structured the increasing revenues to effectively offset the increased OPEX due to higher power prices to protect our EBITDA on a dollar basis. On the left-hand side, you can see that the power revenues increased by 11 million in Q2 and that falls through to flat EBITDA on the right-hand side.

From a margin perspective, there is some dilution because the EBITDA margin on the power price movements is lower than the overall group margin, and in this case diluted margin by three percentage points. However, in a period where we've seen significant power price increases, we've been able to keep our EBITDA roughly flat, meaning that our contracts are escalating effectively and offset the OPEX impact of higher power prices.

Quickly to touch on CPI and FX, local CPI is currently just north of 10%, which has resulted in revenues increasing by roughly around 5%. The CPI escalators have effectively more than offset the FX movements on revenue. And on the EBITDA side, again, the escalators have covered the FX movements very well.

I think this bridge shows a useful demonstration of our business mechanics, and again, standing back and looking at this from an EBITDA level, there is little to no impact to FX and power prices and we are well protected from macro volatility with a key driver here being growth from tenancy additions, both organically and inorganically, and operational improvements, and both of which are under our control and how we want the business to operate.

Diversified business underpinned by long-term contracts with blue-chip MNOs

Moving on to slide 15. You'll see the usual breakdowns again provided, which is actually very consistent from previous updates. 98% of our revenues come from blue chip mobile network operators, comprising mainly Airtel Africa, both Vodacom and Orange, alongside other MNOs such as Axian and Omantel. It's worth highlighting that our largest customers are spread across a few markets, showing how diversified our business is.

We have strong long-term contracts with our customers and at the end of the year we had long-term contracted revenues of $4.9 billion with an average remaining life of 7.1 years, and that's up 17% from $4.2 billion a year ago. Again, this means excluding new wins and rollouts, we already have that revenue contracted in the bag and that provides a strong underlying earning stream to the business. We also have 64% of our revenues in hard currency being either US dollar- or euro-pegged, and 71% if looking at it from an Adjusted EBITDA perspective. Again, providing a fantastic natural FX hedge for the business. And this is further complimented by the escalators, which I've just spoken about.

Finally on this slide, with the new market expansion in the last couple of years, we're seeing a more diversified split of revenues with the Middle East and North Africa segment now representing 8% of our H1 revenues.

Strong portfolio free cash flow, reinvested into platform expansion

Moving on to slide 16 and taking a look at our cash flow, as mentioned earlier, we've seen portfolio free cash flow of $125 million, up 24% year-on-year. And as you can see, the cash generated is almost covering both our interest expense and all of our discretionary CapEx, meaning that the group is bridging closer towards being adjusted free cash flow neutral/positive.

With regards to working capital, as expected and communicated at the Q1 results, we've seen an improvement in working capital, with receivable days decreasing from 57 to 49 days. Receivables can be lumpy and timing of payments can straddle period ends. Whilst we managed to reduce receivables days, the days can move period-on-period due to this. However, generally they've remained within a relatively tight range and movements are due mainly to timing rather than any bad debt issues. And as always, we have disciplined cashflow management and capital allocation is top of mind, which brings us to slide 17, which shows a summary of our CapEx.

Updated FY 2023 capex is tightly controlled and focused on accretive organic opportunities

On the left-hand side of the table, in H1 2023, we incurred total CapEx of $93 million, which is mainly made up of growth CapEx, reflecting again our strong organic tenancy growth in the first half of the year. $93 million roughly trends in line with where we expect to be at for the full year, and was driven mainly by tenancy rollouts. In terms of 2023 guidance, the CapEx range, given the great organic tenancy rollout we've had so far this year, and the organic tenancy rollout we expect for the rest of the year, we've increased the low end of our previously announced guidance by $10 million, increasing from $130 million to $140 million with the top end of the range remaining unchanged.

Additionally, it is worth pointing out that non-discretionary CapEx has remained unchanged at $40 million. As you can see now in our CapEx guidance, now that we've gone through our key phase of expansion and acquisition integration for the rest of 2023, we'll be focusing on organic growth, leasing up our expanded portfolio and keeping CapEx tightly controlled as always.

Q2 2023: Reduction in net leverage quarter-on-quarter

Moving on to slide 18 and our net leverage at the end of H1 2023 has decreased by 0.3x to 4.8x. Whilst this is still above our medium-term target range of 3.5x to 4.5x, this is driven by the closing of the Oman transaction, as I've mentioned previously. We do expect net leverage to be in or around the high end of our target range by the end of the year, so nearing 4.5x by the end of the year.

We have a clear pathway to de-lever the business at about 0.5x per annum on an organic EBITDA growth perspective, and we're on track to deliver that. As it started today, we have ample liquidity and have $420 million of available funds, comprising cash on balance sheet and undrawn debt facilities. Importantly, our debt is largely fixed with 80% of drawn debt at fixed rates, which is long tenured with average remaining life of around four years.

We're pleased to say that we're in a comfortable position with ample time remaining on our facilities, but again, as previously mentioned, we do actively monitor our options and opportunities and should we look to press ahead with anything, it'll be for strategic reasons, which is a great place to be in.

FY 2023: Guidance tightened upwards

Onto slide 19, a look at guidance. As Tom mentioned earlier on the call, we've made great progress on our 2023 goals and accordingly, we've tightened our full year guidance upwards. Given our robust tenancy growth and strong commercial pipeline for the remainder of the year, we've adjusted upwards the low end of the organic tenancy guided range. We're now targeting between 1,900 to 2,100, compared to 1,600 to 2,100. Updated guidance implies year-on-year growth of about 8% to 9%.

For Adjusted EBITDA, the low end of the previous range has been tightened by $5 million with the updated range being $355 million to $365 million, and accordingly, portfolio free cash flow has also been tightened upwards by $5 million, again, moving to $235 million to 245 million. And this is really due to the expectations on tenancy growth. And as a consequence, our discretionary CapEx is also edging up slightly on the low end, but again, with non-discretionary CapEx remaining the same. In general, it's been a fantastic first half of the year with various key metrics hitting records and we are very, very excited about the opportunities ahead. And this looks to be another record year for Helios Towers.

And with that, I'll pass back to Tom to wrap up.

Tom Greenwood

CEO, Helios Towers

Key takeaways

Thanks very much, Manjit. Just on page 20 now for the key takeaways, I think we have pretty clear messages today. We're executing on our 2023 goals: acquisitions integrated, organic growth accelerating, Adjusted EBITDA growth significant, and net leverage stepping down. Our business model obviously is robust with our hard currency mix, contractual protections and attractive customer and market dynamics with our strong positions in our market. And FY 2023 guidance has been tightened upwards. With that, I'll hand back to Nadia and we'll do some Q&A. Thank you everyone.

Q&A

Operator: Thank you. And our first question today goes to Emmet Kelly of Morgan Stanley. Emmett, please go ahead, your line is open.

Emmet Kelly (Morgan Stanley): Yes, thank you very much. Good morning, everyone, and thank you for taking my questions. My first question is on pops growth just for Helios as a group. Historically, H2 has been stronger than H1, so how should we think about H2 pops growth for the remainder of this year, given the very strong H1 you've already recorded and given the new guidance is in place?

And my second question is kind of related to the first one. It's on a DRC. Pops growth has been particularly strong in the first half. Can you say a few words on what's driving the tenancy growth here and how sustainable these trends are going forward, please? Thank you.

Tom Greenwood: Hey, Emmet, Tom here. Thanks very much for the questions. Yeah, look, so I mean we've been very pleased with the progress in H1. Clearly I think H2 is also looking strong. We have a strong pipeline and to be honest, that pipeline's actually now extending beyond H2, and we're starting to look at planning tenancies for 2024 as well. For now we've upped our bottom end of our guidance, as you've seen to 1,900 to 2,100. When we report our Q3 results, we'll give you any further update on that. But yeah, now focusing on the guidance range for now. And decent pipeline growth for next year actually as well, which is good. And DRC clearly having a strong period at the moment. I think with DRC, and to be honest, a number of our other markets are the same.

There's a very good mix of mobile operators in the market with Vodacom, Orange, Airtel, and Africell. There's a fairly level playing field when it comes to market share in that market. And the population's about 100 million, and about 40 million people still live in areas with zero cell coverage today. Therefore, there's a lot of coverage demand going into new areas and doing new builds, build-to-suits. But equally in the big cities in DRC, and I was actually in Kinshasa a few weeks ago, there's a huge demand for data and technology. 5G's trials have now started in Kinshasa. I was actually roaming on 5G when I was there a few weeks ago.

And of course, that brings the need for more densification in the cities as well as extra equipment and amendments on existing sites. All of that really is a very good environment. And of course, us being the largest tower company in the country with 65% or so of the towers today, it puts us in a good position to capture a lot of that growth coming.

Emmet Kelly: Super. Thanks very much, Tom.

Tom Greenwood: Thanks, Emmet.

Operator: Thank you. And the next question go to John Karidis of Numis. John, please go ahead. Your line is open.

John Karidis (Numis): Thank you. Good morning, everyone, and warm congratulations to the entire team for another set of good results. Very good results. So, I'm being really picky, so I apologise for this. What's happening with Tanzania in terms of sites and tenancies on a quarter-by-quarter basis? They seem to have gone backwards. Can you give us some visibility there please?

Tom Greenwood: Thanks John. In Tanzania this relates to a small operator who we removed from the sites. So, to be honest, there has barely any financial impact, if anything. And as you've seen from the financial numbers in Tanzania from a year-over-year perspective, revenue and Adjusted EBITDA are both up about 20%, and quarter-on-quarter revenue's up 2% and Adjusted EBITDA's up 3%. Year-over-year tenancy growth is over 300. So, that was effectively just a one-off where we removed a bunch of small operator equipment from sites. And so that's reflected in the tenancy numbers with virtually zero impact on the financial.

John Karidis: Thanks, Tom. And then lastly, could you update us a little bit on the progress you're making on the uptime metric across the footprint where you are and where you're headed, please?

Tom Greenwood: Yeah, absolutely. You mean on the power uptime metric?

John Karidis: Yes, sir. Yeah.

Tom Greenwood: So look, at the moment, I think we actually state this on page nine. We're at 99.98% uptime across the entire portfolio, so that's up 0.01% from last year. It's also great to see actually in all four of the new markets, for example, we've already delivered significant improvements in the power uptime across all those new four portfolios since taking them on, which obviously is part of the reason mobile operators will outsource to us. We're making good progress and I expect that to continue to improve. We've set ourselves a fairly tough task of hitting 100% by 2026, or just shy of 100% I should say. But yeah, we're on track for our longer term goal on that one as well.

John Karidis: That's great. Thank you again, congrats to all of you. Thank you.

Tom Greenwood: Thanks, John. Cheers.

Operator: And our next question goes to Giles Thorne of Jefferies. Giles, please go ahead, your line is open.

Giles Thorne (Jefferies): Thank you. It was a question for Manjit and picking up on the commentary around reaching the top end of your leverage channel this year and then de-leveraging if everything goes to plan by further 0.5x every year thereafter. I'll be interesting to get an update on under what conditions you exactly manage it you would consider initiating some kind of shareholder remuneration. And indeed, which would be your preference out of buybacks and dividends. Thanks.

Manjit Dhillon: Hi, Giles. Thanks for the question. Yeah, so look, I think we still want to be getting towards the middle end of the range, at least in terms of the leverage, but yeah, buybacks at the current share price does actually make a lot of sense. We are certainly kind of reviewing that option. We think it's highly undervalued, so we will be monitoring that over the short-term period. And yes, absolutely it's our desire to pay a dividend in the short-to-medium term as well. As long as we continue to de-lever getting within our desired range, preferably towards the middle of that, at least, we would absolutely start to look at some kind of shareholder disbursement, if not a little bit sooner.

Giles Thorne: That's great. Thanks.

Operator: Thank you. The next question goes to Rohit Modi of Citi. Rohit, please go ahead. Your line is open.

Rohit Modi (Citi): Thanks for the opportunity. Some of them are already answered. A couple of follow-ups actually. Firstly, in Tanzania when you talk about, you know, you have to let go one of the operators from your network, is this already part of baked into your guidance earlier when you announced the guidance early in the year or this is kind of a one-off, so you know your tenancy growth in the first half is actually much higher than what you were expecting at the start of the year.

Secondly, on capital employed, you mentioned 10.5% ROIC, if possible, can you give any colour on what is the ROIC on your mature markets, like Tanzania, DRC. And what is your ROIC in the new markets like Oman and Madagascar, that would be really helpful. And thirdly, on the leverage side and also the shareholder remediation, just trying to understand now the priority will be M&A or shareholder remuneration going forward. Is there a change in the view there? Thank you.

Tom Greenwood: Thanks very much for the question, Rohit. First one the answer is yes. Yes, that's sort of within the guidance. And obviously the net tenancy adds so far this year of around 1,400 obviously reflect that already. That's all there and accounted for. Regarding the ROIC, so if you look at page seven in our presentation, the chart on the left reflects the established markets including Tanzania, DRC, Congo B, Ghana and South Africa. And Tanzania and DRC are by far the largest out of those five markets. The 15.5% ROIC that you see there for H1 is largely reflected of Tanzania and DRC.

And then on the right-hand side you see the blended ROIC for the new markets. And now we don't split that up by market, but I think that gives a good sense of where we're starting from and obviously as we move forward and add colocations and tenancies, they should be ticking up as well. On page eight, we show the EBITDA CAGR so far of the four new markets, all of which are very strong. Senegal, 14% CAGR. Madagascar, 16% CAGR. Malawi probably a little bit of an outlier with 38% CAGR and then Oman at 15% CAGR. And that's I would say, very strong start in all four and that will obviously start to be reflected in the ROIC as we move forward. And then, sorry, your third question, sorry, can you just repeat that, please?

Rohit Modi: Sorry. Third question was on now the priority will be leverage or shareholder return, as you mentioned, you also considering shareholder return in some time. Just trying to understand what you'll consider, like how much of that is shareholder return.

Tom Greenwood: Well look, as Manjit mentioned previously, as we move forward on this trend, clearly reasonably soon there starts to be surplus cash in the business. Now it will always come down to decision at the time, but for sure getting to be a dividend payer and/or doing a share buyback is clearly where the business is heading and we'll continue to monitor that as we move forward, both looking at external opportunities as well and weighing that up. But certainly becoming a dividend payer is where we want to get to. And on this trend we get there reasonably soon and more short-to-medium term.

Rohit Modi: Thank you, and sorry about missing that slide. Thank you so much.

Tom Greenwood: Thank you. Thanks, Rohit.

Operator: Our next question goes to Stella Cridge of Barclays. Stella, please go ahead. Your line is open.

Stella Cridge (Barclays): Hi there. Morning, everyone. Many thanks for the update as well. I just wanted to follow up on those questions regarding your intentions to look at shareholder returns. Yeah, I'm just wondering, when you're looking at the bond market or borrowing rates at the moment, how will you balance, say, accumulating some cash ahead of the maturity in 2025 and versus the other potential options that you mentioned just there? That would be great. Thanks.

Tom Greenwood: Thanks, Stella. Manjit, do you want to take that?

Manjit Dhillon: Yeah, absolutely. Hi, Stella. I hope you're well. Look, we'll have to look at the balance at the time. I mean, clearly, it's all dependent on what rate we can get for a potential refinancing of the bonds. As we get closer to that decision point, we'll have to review it at that time. But all things being equal, we are now getting into a point where we'll have an inflexion point where we really started to generate good capital and we'll be able to, in our opinion, be able to do both potential pay downs, but also look at actually distributing capital to shareholders. We should be able to do a bit of both in short.

But again, it all comes down to the decision point at the time. It also comes down to what opportunities are available for the company in terms of organic and M&A growth as well. We have to look at it on a case-by-case basis. But from what we can see today, we think there'll be the potential to do both deleveraging and also some form of shareholder disbursement in the short-to-medium term.

Stella Cridge: That's great. Many thanks for those comments. I mean, in terms of the work that you've perhaps done since the last quarter, do you get a sense at the moment that there might be potentially more attractive options in the loan market? I'd say either HoldCo, potential HoldCo level or versus the bond market? Just wondered where that's kind of heading in terms of cost of funding as well.

Manjit Dhillon: Yeah, it's a good question. We continue to engage with both bond investors, convertible investors, and also the loan market. And I think that there are certainly opportunities in all three of those actually. The loan market certainly does offer out a few opportunities that we are exploring at the moment. Yes, in short, there does seem to be some potential opportunities in that space. But again, we do also really like the high yield bonds. We have a good relationship with our high yield investors, so we are keeping a close track of that too.

I guess the good point here is that we're under no rush to do something. If something comes about and if our work continues, then provides us with a good option, then we may look to pursue that. But I think the positive thing that what we've done over the last few years has opened up a few of these different streams to ourselves. We do have good relationship with banks, which also is expanding. We have a well-known bonds universe and now convertible universe, so it means that we've got a few different strings that we can pull out.

Stella Cridge: That's great. Many thanks for those extra comments as well.

Manjit Dhillon: Thank you.

Operator: Thank you. Our next question goes to Lino Schaus of PSquared Asset Management. Lino, please go ahead. Your line is open.

Lino Schaus (PSquared Asset Management): Hey, thank you very much for the question. Actually, mine is just a quick follow up from the last one on funding. Do you have a sense on the timeline when you would kind of look at taking care of the bond in terms of refinancing? Thank you.

Manjit Dhillon: Yeah, I'll pick this one up. The bond is due on December 2025. I'd like to deal with that before it becomes current, so end of next year. But realistically, we're actively monitoring it at the moment now. Anytime between, I guess, effectively now, end of year, early next year, all the way up until the end of next year. I think we've still got a good period of time before we feel as though we have to do something. This is more around us being strategic peer monitoring at the moment.

Lino Schaus: Perfect. Thank you.

Manjit Dhillon: Thank you.

Operator: Thank you. We have no further questions and I'll hand back to Tom for any closing comments.

Tom Greenwood: That's great. Well look, thank you very much everyone for your time today. Thanks very much for the questions, and as always, please feel free to contact us for any follow-ups. We're always available. Thanks, everyone, and we'll be talking to you at our Q3 and potentially seeing you on our roadshows in the next couple of weeks as well. Looking forward to that. Take care everyone, and stay well. Thank you.

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