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PRESENTATION

Christoph Barchewitz – Global Fashion Group S.A. – CEO & Member of Management Board

Good morning, everyone, and welcome to Global Fashion Group's Q2 2023 Results. I'm Christoph Barchewitz, CEO of GFG. I am joined today by our incoming CFO, Helen Hickman.

I will first cover our results and business updates by region. Helen will then take us through the group results and guidance for the year before we go into Q&A.

As Matthew completes his handover to Helen, I want to thank him for his contributions to the business and wish him all the best for the future. I'm also very pleased to welcome Helen as our new CFO. She's been with us for over 7 years, acting as Matthew's SVP for the last 4. She is an experienced professional and has been instrumental in building the GFG finance function.

Now let's move into our results.

Starting with our key figures for the group. Our top line faced headwinds in Q2, similar to our global peers. However, Western developed markets are more advanced in their economic recovery and are seeing early signs of improving sentiment going into H2. Our markets are still struggling with compounded macro pressures such as a mismatch between wage growth and increases in inflation and interest rates. Our demand was weaker than expected in Q2, as reflected by our NMV and orders. We revised our full year guidance in July due to the unlikely recovery in market sentiment and demand trends in the second half. Year-on-year, our NMV declined 15%, and we saw a 28% drop in orders.

Customers continue to spend time on our apps and websites but are shopping more cautiously, leading to lower conversion rate and, therefore, fewer orders. However, items per order are stable and average selling prices increased, which partially offset the impact of fewer orders on NMV.

We delivered a gross margin of 42%, a 1.4 percentage point decline year-on-year. This was driven by higher discounting, particularly in LATAM and ANZ. Our adjusted EBITDA margin declined 5.7 percentage points due to this gross margin pressure and fixed cost deleverage from lower volume.

We have 10 million active customers, and in Q2, our customers made 5.4 million orders with an average order frequency of 2.4x.

Now turning to our segment results and business updates. While our customers are facing macro pressures, we are staying agile and focused on our goal of delivering profitable growth. The current environment is challenging, so we are committed to building on our core strength and improving our value proposition for when demand returns. Our key priorities are building a best-in-class customer experience and being the partner of choice for our brands, all while being people and planet positive.

Now I'd like to take you through how we've adjusted our costs so far by discussing our main cost initiatives, starting with careful management of inventory levels. By the end of the first half, we reduced our inventory by 1/3 on a constant currency basis compared to a year ago. To achieve this, we reduced our intake by 30% in the first half. Helen will provide you with a more detailed overview of our priorities later on. Next, we have customer acquisition discipline. Lower conversion rates made marketing spend less efficient in this environment. Our customer acquisition costs have remained elevated across all regions as reductions in spend have been offset by a disproportionate decline in new customers. We will retain a disciplined marketing approach that is focused on both payback and attracting high-value and loyal customers. We will also continue to find new ways to enhance the effectiveness of our product and marketing activation.

Lastly, on overhead and capital investment, we've taken steps to reduce costs and align our structure with our business needs. For example, we reduced our total headcount by 14% year-over-year, excluding fulfilment and other operational functions which naturally adjust to seasonal volume. We removed overhead costs and variable expenses, which are currently being offset by inflation and unplanned levels of fixed cost absorption. And we successfully reduced CapEx by 35% year-over-year in the first half. We'll continue to work on our cost base as we navigate this challenging environment. Current trade means we need to build on our cost action progress in H1 and take further steps in the second half.

Now I'll take you through our performance by region and strategy development events in each of them. Starting with LATAM, where we continue to execute our investment plan. Our marketing efficiency drive, combined with customers' lower purchasing power from high inflation and interest rates, has led to a further reduction in our top line and active customer base. Gross margin remains very healthy at 46%, which is a slight improvement year-on-year. The increased promotional activity in LATAM was offset by higher Marketplace and Platform Services participation. LATAM remained loss-making at an adjusted EBITDA margin of negative 12%. This was due to fixed cost deleverage and reallocation of resources to select tech investments.

One of these investments is in our new front-end journey. We have recently rolled out our new Android app to 100% of our Brazil user base and it’s already showing positive results. On average, revenue per session has increased by 10% since January. Android is a more popular device in Brazil over iOS, with about 65% of our total app users using Android. LATAM has a relatively low app share of NMV, so this new app is a significant opportunity to build a more app-centric business.

Onto our assortment. We remain committed to delivering a differentiated platform with better curation. Since 2021, we have reduced the number of brands on our Brazil platform by more than 55% and reduced the number of SKUs by more than 40%. These initiatives have allowed us to focus on promoting products that generate higher sales and profits as well as curate our offering. As a result, in Brazil, we've seen a 65% uplift in NMV per SKU and reduced our inventory balance by 44%, improving our working capital.

Now moving on to SEA. Our performance in SEA demonstrates how we have prioritised profit over growth in a weaker demand market. First half NMV declined 12% year-on-year and adjusted EBITDA margin improved by 1 percentage point. Growing Marketplace and Platform Services contributed to a nearly 5 percentage point gross margin uplift. Profit was broadly offset by fixed cost deleverage despite strong execution of cost actions. As part of our profit prioritisation efforts, we are targeting higher-quality customers in SEA. We have seen a decline in our active customer base as we pulled back spend on lower-value customers and refocused on core fashion customers.

We have seen improved engagement with these core customers since rebranding our loyalty program. ZALORA VIP, formerly ZNow, was launched in April with additional exclusive features. By the end of June, ZVIP customer acquisition had already increased by nearly 70%. In a period where we must make more rational customer investment decisions. This expansion of our loyalty program ensures that we will grow and retain our customers, who consistently engage and spend 3x more.

Let's now turn to our ANZ business. ANZ has started to experience similar trading conditions to those seen in Europe a year ago. Steadily increasing interest rates, inflation remaining elevated and GDP growth declines have put our customers under increasing pressure. Australian market research shows that apparel retail sales notably declined in May and June compared to the start of '23. Our NMV declined by 5% in H1, mainly due to lower conversion rates. ANZ's adjusted EBITDA margin stepped back more significantly due to higher discounting to match a very competitive markdown market and our targeted promotions to clear through aged inventory.

ANZ's gross margin is lower than we'd like, so we have initiatives in place to improve it. These initiatives focus on balancing our retail and marketplace business models. For retail, we are bringing new summer stock forward and promoting it with targeted marketing campaigns. Despite the ANZ region being in winter, our summer stock has performed strongly due to warmer-than-expected weather and increased post-COVID trips to regions in summer like Europe. We're also growing our own brand offering, which is higher margin.

Our marketplace model gives us flexibility to increase the breadth of our offering without taking inventory risk. We are expanding ANZ marketplace share, which was at 27% in 2022, with the launch of Fulfilled by GFG. Fulfilled by is an important enabler of marketplace. It offers alternative fulfilment solutions to our brand partners and more inventory to our customers at faster delivery speed. At the end of June, we had 8 brands live in ANZ. We remain focused on maintaining a strategic balance between retail and marketplace as we quickly adapt to changing demand and ANZ moves further along in its platform transition.

As an update on our group transition to a platform business, we are pleased to see that our marketplace participation grew by 4 percentage points year-on-year in the first half to account for 39% of NMV. This demonstrates the benefit of having both offerings at GFG. Marketplace allows us to quickly adapt to demand shifts when retail trade reduces. Our share of items Fulfilled by GFG and cross-docking has also increased. These fulfilment methods allow us to control the customer order experience and improve delivery times, all without taking on inventory risk. This is critical for our cost and inventory control initiatives.

Platform Services scaled to 4% of revenue in the first half, mainly driven by step-ups in marketing by GFG in LATAM and operations by GFG in SEA. This is a testament to the quality of our proposition and the added value it generates for our partners, especially in the current demand environment where brands are prioritising profitability over growth.

Let's now look at the latest on our People and Planet Positive agenda. In April, we published our 2022 People and Planet Positive Report, which showcased our progress in implementing our 2030 strategy. To update on a few of our targets: 82% of directly purchased and owned brand packaging was made from more sustainable materials in 2022. Our target is 100% by 2030. 91% of our waste was diverted from landfill. We already exceeded our target of 90%, so we now intend to divert at least 95% by 2030. We reduced our absolute carbon emissions by 29% since 2019. This was achieved through our growth in sustainable assortment, lowered electricity-related emissions, improved last mile deliveries and optimised inbound logistics.

I will now hand it over to Helen to take you through our group results and guidance.

Helen Hickman – Global Fashion Group S.A. – CFO

Thank you, Christoph. Hello, everyone. As a brief introduction, I've been with GFG since before the IPO. I'm looking forward to leveraging my experience working across the group to help GFG achieve its long-term goals.

Starting with the group KPIs. Similar to last quarter, we continued to reduce our marketing investment, which led to fewer new customers and a higher churn rate. As a result, our active customer base decreased by 19%. However, our order frequency remained broadly flat at last year's level with an average of 2.4x. In Q2, we saw similar trends to last quarter across all KPIs with the year-on-year change being more pronounced. Average order value increased year-on-year with inflation driving more than half of it. The remainder was split between country and category mix, including a shift to more premium products along with an increase in items per order.

Now let's take a look at our group financial metrics. In Q2, group revenue declined 19% and gross margin stepped back 1.4 percentage points year-on-year. We've been working hard to structurally improve our gross margin by refining our assortment, optimising marketplace take rate and increasing Platform Services and marketplace participation. We're still operating in an extremely promotional environment. This has led us to invest more heavily in our retail margin through additional discounting and increased focus on clearing aged inventory. Q2 adjusted EBITDA margin declined 5.7 percentage points. This decline was greater for adjusted EBITDA than gross profit due to fixed cost deleverage from significantly lower volumes.

Let's now take a closer look at inventory. We started 2023 with less inventory than the year before and prepared our intake for broadly flat NMV for the year. H1 demand came in weaker than expected, so we reduced intake further and closed the half with 33% less inventory than this time last year. We've taken targeted actions to reduce aged inventory in absolute terms to make room for new stock. At the end of June, 26% of our inventory was over 180 days old, and we believe this percentage can be reduced further. Managing inventory levels will remain a top priority for us as we carefully balance reduced intake with the need to have a fresh assortment online.

Turning to our operating costs. This page shows our cost trend as a percentage of NMV compared to the growth of the business. GFG is about 40% larger today than in 2019 on an NMV constant currency basis. Starting with fulfilment. We had a higher cost ratio in 2019 as we built capacity. We then benefited from scale efficiencies. In 2022, we saw a step back as volumes fell. We've now stabilised this cost ratio by mitigating the volume impact with increased efficiency. Part of our fulfilment costs are fixed, so the cost ratio will improve as demand returns and we scale our Fulfilled By offering in Marketplace and Platform Services.

On to marketing. In response to the subdued demand environment, we've implemented more targeted marketing strategies across the group. As a result, our marketing investment as a percentage of NMV is at the lower end of our normal run rate of about 7%. Lastly, tech and admin. As the growth of our business has slowed, we haven't been able to gain enough cost leverage on our investments. We are acting on this with cost action in the near term while protecting certain technology investments that will support our business as growth returns in the medium term.

Moving now on to our cash flow and resulting cash position. The breakdown of our normalised free cash flow is on the left. This is our measure of operational cash invested in the business excluding funding interest and other non operating items like exceptional items and one-off tax payments. In quarter 2, our adjusted EBITDA loss was EUR 16 million. We had an inflow of EUR 23 million from working capital, mainly driven by inventory. We spent EUR 7 million on CapEx, which was nearly 40% less than last year. The majority of this was for technology projects, mainly capitalised payroll. Other cash flows include operating tax payments and interest on working capital facilities and factoring balances.

Our normalised free cash flow was an outflow of EUR 8 million for the quarter, a small improvement on Q2 last year with the benefit of disciplined working capital management and cost control. Overall, our cash position remains strong. We closed the quarter with EUR 467 million of pro forma cash and EUR 173 million net pro forma cash. The net position removes the convertible bond liability of EUR 280 million as well as some other smaller loans. The other cash outflow of EUR 14 million on the right-hand side mainly includes a reduction in factoring in LATAM as we manage our interest expense against higher rates. As we have done in the past, we continue to look at opportunities to reduce our outstanding convertible bond whilst balancing our needs through tougher trading environments.

I'll now conclude our presentation today by looking at guidance. When we issued guidance in March, we expected a continuation of the low demand trends that we saw in Q4 throughout H1. We indicated that we anticipated challenges but also saw potential for a recovery in half 2. Q2 sales and volumes then came in lower than anticipated, particularly in ANZ, which meant the opportunity to perform more strongly in H2 appeared less likely. This led to our announcement of revised guidance for the full year at the end of July. We now expect constant currency NMV growth between negative 15% to negative 10% year-on-year, which equates to around EUR 1.3 billion to EUR 1.4 billion. Revenue is expected to be around EUR 0.9 billion with an adjusted EBITDA margin of negative 8% to negative 6% for the year. CapEx is expected to be around EUR 30 million.

Looking further ahead, our longer-term ambitions remain in place, as outlined at our Capital Markets Day in March. We are focused on achieving adjusted EBITDA breakeven in 2024, provided we can deliver NMV around 2022 levels. We then plan to achieve cash flow breakeven when we have grown NMV by 40% to 50%. We are implementing initiatives to support trade recovery and intend to take further strategic and cost actions as required. We plan to communicate our progress towards our long-term ambitions with full year '24 guidance as usual at our Q4 results.

To conclude, we expect macro pressures to continue to impact our customers and demand in the near term. We are delivering against our cost action plans and adding further efficiency measures. We will continue to execute these plans to adapt our business to the current market conditions and improve our performance going forward. We have clear direction on how to invest through the cycle to drive long-term value for our customers, partners and shareholders.

We will now open our call to your questions.

(Operator) Thank you.

QUESTIONS AND ANSWERS

(Operator) The first question comes from the line of Nicolas Katsapas from BNP Paribas.

Nicolas Katsapas – BNP Paribas Exane, Research Division - Research Analyst

Welcome, Helen. I had 3 questions, please. The first one is just on the last comment you made about the longer-term ambitions, particularly 2024 breakeven is predicated on reaching last year's NMV level. So I'm assuming that, that's a sort of implicit guide of 10% to 15% growth year-on-year versus 2023. If you could confirm that, that would be great.

And then the second question I had is just on LATAM. We've seen some of the sporting goods brands like Adidas and Puma reporting really strong growth in LATAM. And of course, they are wholesale so they're selling into the channel in a large way. But I just wondered if you had any comments as to why some of those brands are experiencing quite a lot of growth in the region, which is a bit divergent from your experiences. If you've had any conversations or any thoughts about that, that would be really helpful.

And then maybe you could just help me on some housekeeping. You've guided pretty much everything in the cash flow other than working capital. But if you could give me some kind of indication as to where you think working capital would end up for 2023. That would be great.

Christoph Barchewitz – Global Fashion Group S.A. – CEO & Member of Management Board

Thanks, Nicolas, for your questions. I'll take the first two and then Helen will cover the one on the working capital. So in terms of the longer-term ambitions, yes, I think you are correct. I think it's maybe helpful to rewind one step, which is when we set our guidance at the beginning of this year, we effectively made the assumption that we will see a more or less flattish year from an NMV trend perspective. And we are very comfortable that through the cost actions that we had already taken and we're planning to take, we can go on the journey to achieving adjusted EBITDA breakeven in 2024. Now clearly, in the first half, we have not seen the progress on the EBITDA that we would like to see to get the full confidence behind that. And I think that's why it's important to see how the second half trading plays out and what the baseline really is.

We're very comfortable with the statement we made at the beginning of the year that at roughly that kind of '22 levels of NMV, we can be EBITDA breakeven business. If you're a much smaller business, that clearly becomes more challenging.

We're still committed to working in that direction, but there is a bit of an expectation that we will also see a bottoming out of the NMV trends and then a return to positive growth in our region, and that's then supporting the journey towards a breakeven EBITDA. So yes, you're correct. There is an implicit assumption around a recovery of sales volume in '24, supporting this, clearly, we will know a little bit more about those trends when we get through our peak trading and also when we have completed some of the additional cost actions and other improvements in the business that we're working on for the second half.

Then on the second point around LATAM, it's correct that a couple of these sports brands have seen very, very strong growth in the region. I think some of it is brand-specific in terms of also coming off a base that was maybe not performing so well. What we have seen is that these brands perform very well on our platform as well, but they are not such a large share of our overall business, right? So the top sports brand, even if you aggregate them, are a very small part of our overall business, where we have a lot of other brands, fashion, apparel, all the other categories, et cetera. So it doesn't have such a meaningful impact on our business, but we're seeing the same trend.

Helen, do you want to cover the working capital?

Helen Hickman – Global Fashion Group S.A. – CFO

Yes. Thank you for the question. So our cash flow follows the seasonal cycle of our business. We see higher cash inflows typically in quarter 2 and quarter 4. So what we're anticipating on working capital in the second half will be a small inflow in working capital as a result of our peak trading season at the back end of the year.

(Operator) The next question comes from the line of Miriam Josiah from Morgan Stanley.

Miriam Anuoluwapo Adisa - Morgan Stanley, Research Division - Equity Analyst

First one, just on current trading, if you could just give us a bit of colour of what you've seen in July and August to date and at present where you would expect to land within the NMV guidance range. And then secondly, on your cost base. I think you've sort of outlined a few steps that you've taken in the first half that you mentioned and some further steps that you were taking in the second half. So if you could just give us a bit more detail on that. And then just finally on the current environment, particularly around promotions in ANZ, just wondering if that's mainly coming from online or off-line channels and how you think you're performing versus the broader online market.

Christoph Barchewitz – Global Fashion Group S.A. – CEO & Member of Management Board

Thanks, Miriam. So maybe I'll take the last one actually and then hand it over for Helen to cover the current trading and the cost base question. So on the promotions, we've seen it very broadly in the market in both online and off-line being effectively overstocked and therefore very heavy on discount and trying to bring customers into both physical and digital stores. So it's a very broad-based activity, I would say. Our read is that in the last few months, the overall market has seen a double-digit percentage decline. And within that, probably online is doing overall slightly worse than physical stores. The data then becomes a little bit more patchy. I think what we can probably also say is that we think at the lower price points, including some of the cross-border players, that's probably where there is still more growth both on the customer being relatively new to that proposition and liking that ultra fast fashion, low price point, but also the overall pressure maybe getting some customers to look for those lower-priced products. So it's very broad-based in the market and it's very visible in terms of all the digital channels.

Helen, do you want to take the other two?

Helen Hickman – Global Fashion Group S.A. – CFO

Yes. So with regards to current trade. So as you know, we reissued our guidance a couple of weeks ago, where we downgraded our NMV and profit targets for the year. Since then, our performance has been in line with those guidance ranges as we expected.

With regards to further cost-cutting measures, we're managing marketing spend keenly to make sure that we're flat in a sort of a cost-income ratio perspective in a lower demand environment, focusing on organic traffic app, for example, and really having careful investment in our new customer acquisition, as Christoph mentioned. We'll be looking at how we implement further fulfilment efficiency measures, especially as we utilise capacity through Marketplace. We continue to develop our Fulfilled By operations, and we're starting to look at how we reduce some of our excess capacity using sort of subletting and adjusting our operations accordingly. We're continuing then looking at our cost base, around how we then further reduce the tech costs across the group as a whole, but while really prioritising specific tech investments that we need to then develop the group in the medium term.

(Operator) The next question comes from the line of Michael Benedict from Berenberg.

Michael Benedict - Joh. Berenberg, Gossler & Co. KG, Research Division - Analyst

I had some technical issues, so apologies if these have already been asked. But I have 2 questions. Firstly, given the sort of greater-than-expected losses and negative free cash flow, have you got -- had any sort of changes in thinking around the pace of which you shift to the marketplace model? Should we expect that to move quicker than previously expected?

And then the second question, in Latin America, can you remind us the direction of the customer satisfaction metrics that you track given the work you've done there? And how close are you to being sort of broadly happy with the customer proposition in that market, and then we just rely on the changes in the external environment?

Christoph Barchewitz – Global Fashion Group S.A. – CEO & Member of Management Board

Thanks, Michael. We haven't covered either so I'll cover both. In terms of the shift to marketplace, I think we're very happy with the progress there. Clearly, there is a balance where, on the one hand, we want to make sure that we maintain an inventory balance that is healthy, i.e., we're driving sales in the retail business model aggressively and making sure that we're very competitive with that offer on the platform, if you want. At the same time, we can also see that our brand partners continue to put more focus and attention on to the marketplace channel. We continue to onboard additional brands, especially into the Fulfilled By proposition, like we highlighted for ANZ, where it is a new proposition. And it's something that we also are working on, making sure that we really have that available in all markets. We currently don't have it available in all of the Latin American markets. So it's a priority in that region as well. And I think especially those fulfilment services are the area where we put a lot of focus because it has the benefit that everyone knows in terms of consolidated orders and all that. But in the environment that we're now facing, it also has the benefit of utilising what is now excess capacity in our fulfilment infrastructure more quickly. And so shifting marketplace sales that are currently in drop shipping mode into Fulfilled By is certainly a big priority in our thinking.

On the second point, we're actually really happy with the improvement in the customer satisfaction. We've seen, what I believe, is an all-time high on the NPS, certainly high over the last 4, 5 years, in Brazil, for example. So I would say we're very happy with the post-purchase experience when it comes to delivery, customer service, returns. Those things, I think some of the challenges we've had after the peak of COVID, we have fully addressed and we're pretty happy. There's always room for innovation and improvement, but I think we're at a level that we perceive as healthy. There's a bit more we want to do in the prepurchase, so this is the app side, especially discovery, curation, how we basically guide customers to the most relevant product, how we personalise through CRM.

Those things, I think there's still significant room for improvement in Latin America. And that's a big focus centred around the app strategy where Android, as we mentioned, we are there with 100% rollout in Brazil. We need to complete the rollout in the other countries, and we also need to get to the iOS of that. And once we have that full set of apps updated, we'll be also faster in driving further innovation.

(Operator) There are no further questions on the call. I'll hand over for the webcast questions.

Saori McKinnon – Global Fashion Group S.A. – Investor Relations & Strategy Manager

First question from the webcast is, what are the actions you are planning to take to sustain the share price?

Christoph Barchewitz – Global Fashion Group S.A. – CEO & Member of Management Board

So I mean, clearly, the share price is very disappointing. I think we've set out at the CMD in great detail how we see the strategy going forward in each of our regions, the priorities as we develop each of these somewhat different regional markets. Very clearly, we're driving towards that.

As you heard from Helen and myself throughout this call, we are very focused on improving profitability, keeping the goals around breakeven in '24 intact and taking significant further actions to drive these improvements. And we would hope that as we deliver that, we're also going to get more confidence into the investor base and therefore see a re-rating of the share price.

Saori McKinnon – Global Fashion Group S.A. – Investor Relations & Strategy Manager

The next question on the webcast is from Paul at HSBC. Can you talk about any change in the competitive environment in any key markets? To what extent is SHEIN a disruptive force in any of your markets?

Christoph Barchewitz – Global Fashion Group S.A. – CEO & Member of Management Board

So thanks, Paul. The competitive environment, I think is evolving. Clearly, everyone is feeling similar pressures to us in terms of the consumer. It is different by market, to some degree, but certainly we're seeing that our competitors are finding it harder generally as well.

The cross-border players, you mentioned SHEIN, but clearly there's a couple of others in our markets as well, so I'd look at them more as a group, continue to do well, given that they offer a very low-cost proposition with a different customer experience in terms of delivery times, return. And clearly, there's also a difference in product quality in terms of what people are buying. I think one interesting development that not everyone in Europe may be necessarily following is there's been a very long debate around the taxation of cross-border e-commerce in Brazil. There is now a new program that began in August, which effectively brings the cross-border into the customs and tax systems of the Brazilian authorities. And it means that the B2C sales will require payment of state value-add tax. And there's an ongoing discussion about import taxes as well. So it remains a very fluid situation, but we have the expectation or the hope that in all of the markets, we're ultimately going to hopefully play in a more level playing field between the more domestic players like us and the cross-border player where we believe that, that's only fair when everyone is subject to the same level of taxation, import duties, et cetera. So I would say that's the main thing to call out. Otherwise, no significant changes in the competitive environment. Maybe one to mention in Southeast Asia, we certainly continue to see a lot of competition on the more general merchandise side. And I think in particular, TikTok has been making quite a bit of waves in that market, competing with the more established players like Alibaba and Shopee.

Saori McKinnon – Global Fashion Group S.A. – Investor Relations & Strategy Manager

The next question is from Richard Sarissky from Inflection Point Investments. Given rapidly deteriorating cash performance, wouldn't it be appropriate to consider more radical actions to stem cash outflows, for example, explore strategic options with respect to the LATAM business?

Christoph Barchewitz – Global Fashion Group S.A. – CEO & Member of Management Board

Thanks for the question. I mean, we're definitely very focused on executing our strategy and turning the financial performance more positive through the actions on cost and also recovering the top line that we've talked about in this call and also previously. When it comes to strategic options, for any part of our business, in the end, we're rational actors and open to think about things. But we don't think this is necessarily an environment where that really lends itself to those types of activities. So we're very focused on delivering the financial objectives that we set ourselves within the financial conditions that we have and the capital we have access to.

Saori McKinnon – Global Fashion Group S.A. – Investor Relations & Strategy Manager

There are no further questions on the webcast. Thank you all for joining today. If you have any further questions, please reach out to the investor relations team directly.