



**FOURLIS**  
GROUP OF COMPANIES

# Fourlis Group

9M '23 Conference call presentation

November 22 2023

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# Fourlis Group today

A growing group of companies specializing in the omnichannel retail sector offering quality consumer goods in Southeast Europe

## Retail Home Furnishings



IKEA stores franchise in Greece, Cyprus and Bulgaria.

Presence in GR, BG and CY through 20 stores & shops

Leading position in the HF market

One of the best performing partners of Inter Ikea

63% contribution in Total Group sales.

Growing organically and through network expansion.

## Retail Sporting Goods



INTERSPORT license in Greece, Cyprus, Romania, Bulgaria

Presence in GR, RO, BG and CY through 108 stores

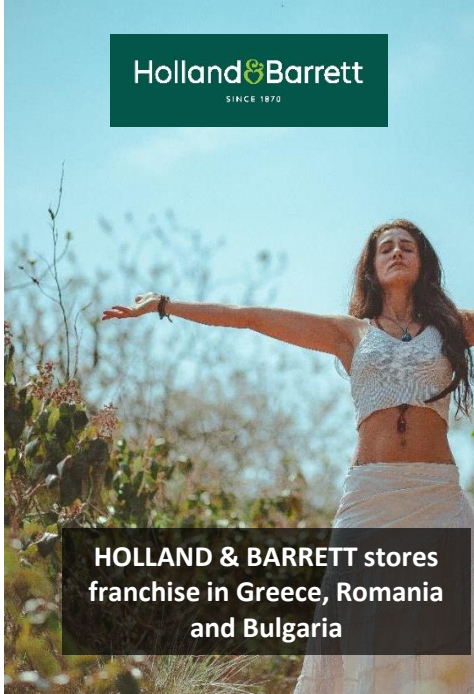
Leaders in the sport performance segment

97% brand awareness

37% contribution in Total Group sales.

Growing organically and through network expansion.

## Retail Health & Wellness



HOLLAND & BARRETT stores franchise in Greece, Romania and Bulgaria

Agreement signed in 2022

Attractive and fast-growing sector

One of the largest wellness retailers in Europe

Entrance with 3 stores in GR and solid network expansion in the coming years

## Logistics Services



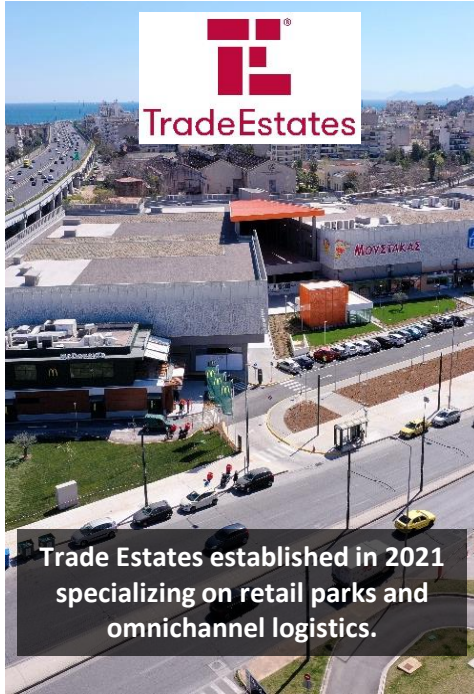
Trade Logistics offers logistic services supporting omnichannel operations

2 DCs covering the Group's logistics needs

Supporting e-commerce and stores

Examining further expansion of logistics services with 3<sup>rd</sup> parties

## Real Estate Investments



Trade Estates established in 2021 specializing on retail parks and omnichannel logistics.

IPO completed - Shares listed Nov 10<sup>th</sup>

Current GAV 461mil (incl. Smart Park) 7% rental yield. 80-90% dividend payout

Diminishing dependence from dominant tenant (less than 50% post Smart Park)

Fourlis Group will deconsolidate TE – value unlocker



## Retail Home Furnishings

Fourlis Group partnership with IKEA for the last **25 years**.

**Exclusive franchise** of IKEA stores in Greece, Cyprus and Bulgaria.

Operating **20 IKEA stores** of different sizes (**13 in Greece, 5 in Bulgaria, 2 Cyprus**).

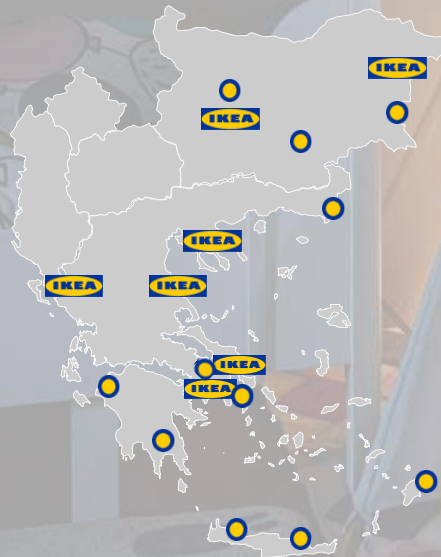
**Ecommerce** presence in all 3 countries.

**3 new IKEA stores in Greece** (Patra, Heraklion, Ellinikon) under construction or design process, operational in the next 1-3 years.

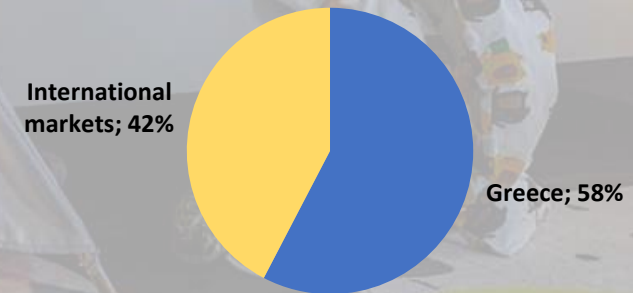
**2,200 employees**.



**Create a better everyday life for the many people**

**IKEA is the world leader in home furnishings and accessories. It was founded in Sweden in 1943 and today IKEA operates over 460 stores in 62 markets.**



Turnover split



 8 Full-size stores  
 12 PuOPs & shops

## Retail Sporting Goods



Enabling people reach their goals, through sports.

Fourlis Group partnership with INTERSPORT since 2000.

FOURLIS Group is the **exclusive licensee** of INTERSPORT trademark in **Greece, Cyprus, Bulgaria and Romania.**

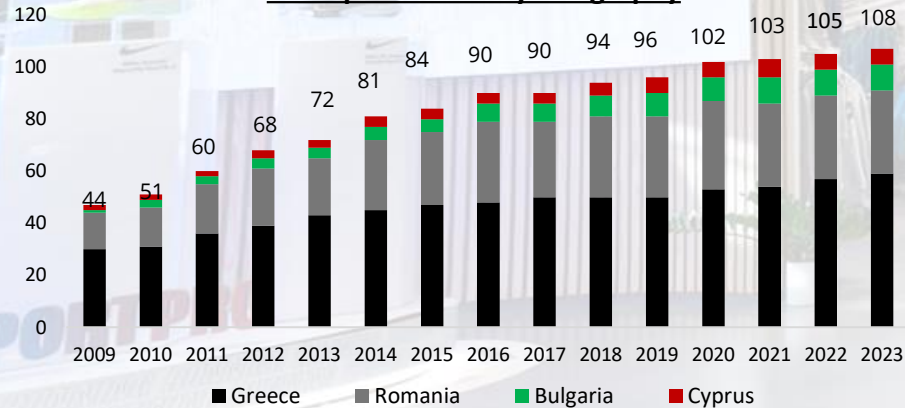
Operating a network of **108 Intersport stores** (59 in Greece, 33 in Romania, 10 in Bulgaria and 6 in Cyprus)

Ecommerce presence in all 4 countries.

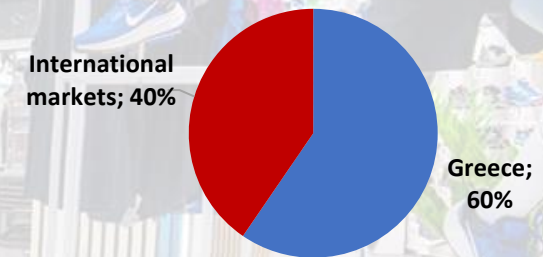
**1,300 employees.**

INTERSPORT, is the number one retail sporting goods chain worldwide, with a turnover of €13.7bn in '22 and more than 5,300 stores in 42 countries.

**Intersport Stores by Geography**



**Intersport turnover split**



## Retail Health & Wellness

Fourlis Group has entered in **January 2022** into the **fast-growing sector of health and wellness** through **strategic partnership**, with the company **Holland & Barrett**.

**Exclusive franchisee** of Holland & Barrett trademark in **Greece, Bulgaria & Romania**.

**Wide product range** covering vitamins, health foods, natural beauty and sports nutrition.

**Innovative and sustainable and value for money product offerings.**

Fourlis Group's investment in the health and wellness products sector began with the operation of the **first 3 "HOLLAND & BARRETT" retail stores, while the e-commerce and its marketing campaign is up and running.**

Fourlis Group aims to play a **leading role in the health & wellness industry** in the next years through a network of **physical stores and digital presence** in Greece, Romania and Bulgaria.

Our Development Plan for the countries Greece, Bulgaria and Romania include the opening of **c. 100 stores in the next five years.**

# Holland & Barrett

**Holland & Barrett is one of the largest wellness retailers in UK and Europe. With a history of more than 150 years it has a retail presence of more than 1,600 stores across 19 countries worldwide.**

**Holland & Barrett's mission is to make health and wellness a way of life for everyone, adding quality years to life through market leading range of innovative vitamins, supplements, specialist food, sports nutrition and beauty brands**

# Real Estate Investments



Trade Estates REIC was established in July 2021, began operating in the field of real estate investment with a portfolio of real estate assets worth €185 mil. It is one of the largest real estate investment companies in Greece (in NAV terms).

Its portfolio comprises 12 Income Producing Assets (10 of which are located in Greece, 1 in Cyprus and 1 in Bulgaria) and 1 Asset under Development (Greece).

The Company is focused on quality Retail Parks and Omni-Channel Logistics serving physical and online sales and plans to further grow its high-quality and high-yielding portfolio by acquiring or developing new retail assets.

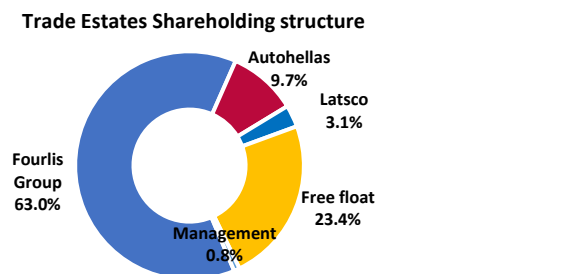
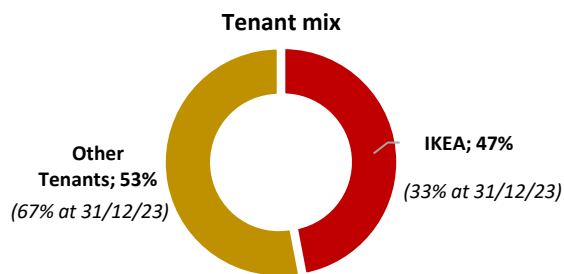
As of 30/09/2023, GAV stands at €334 mil. (NAV of E226.7 mil.), LTV at 40.5% and its annualized\* rental Income reaches €22.5 mil.

Existing long term & inflation protected contracts with 3A tenants, offer sizeable and predictable cash flows.

Significant upside due to €180mil. signed pipeline to be realized in the near term, SPA signing for the 100% acquisition of “Smart Park” from R.E.D.S., additional identified opportunities (c. €90 mil.), rental growth and yield compression.

Backed by strategic investors validating the quality of the properties and the strategic orientation of the business.

IPO, completed on November 3rd 2023, offered 29,107,983 shares at €1.92 per share, totaling €56 mil.



The Company's strategy is to further enrich its portfolio through specialization and focus on investments related to the development of Retail Parks and Omni-Channel Logistics Centers

# Fourlis Group 9M '23 Financial Results



# Consolidated P&L for 9M '23

**Solid double digit revenue growth**  
**Significant EBITDA (OPR) growth of 29% and EBIT growth of 14% on the back of operating efficiencies and operating leverage**  
**The Group is well invested and positioned for further future growth and value creation**  
**Trade Estates IPO completed paving the way for additional value creation**

(amounts in € mil.)	9M '22	%	9M '23
<b>Revenue</b>	<b>352.5</b>	<b>10.5%</b>	<b>389.6</b>
<b>Gross Profit</b>	<b>160.0</b>	<b>10.6%</b>	<b>176.9</b>
Gross Profit margin	45.4%		45.4%
<b>EBITDA (OPR)*</b>	<b>24.4</b>	<b>29.1%</b>	<b>31.5</b>
EBITDA (OPR) margin	6.9%		8.1%
<b>Inv.Assets (TE) revaluation</b>	<b>5.0</b>		<b>1.3</b>
<b>EBIT</b>	<b>18.9</b>	<b>13.8%</b>	<b>21.5</b>
EBIT margin	5.4%		5.5%
<b>Net Financial Income/(expenses)</b>	<b>-10.7</b>		<b>-16.1</b>
<b>PBT</b>	<b>9.3</b>	<b>-20.6%</b>	<b>7.4</b>
PBT margin	2.6%		1.9%
<b>Profit After Tax</b>	<b>9.2</b>	<b>-36.5%</b>	<b>5.9</b>
Net Profit margin	2.6%		1.5%
Minority interest	-0.2		-0.6
<b>Net Profit</b>	<b>9.1</b>	<b>-42.4%</b>	<b>5.2</b>
Net Profit margin	2.6%		1.3%
<b>Excl. reval. Gains</b>			
<b>EBIT</b>	<b>13.9</b>	<b>45.6%</b>	<b>20.2</b>
EBIT margin	3.9%		5.2%
<b>PBT</b>	<b>4.3</b>	<b>42.1%</b>	<b>6.1</b>
<i>PBT margin</i>	1.2%		1.6%
<b>Profit After Tax</b>	<b>4.2</b>	<b>8.1%</b>	<b>4.6</b>
<i>Net Profit margin</i>	1.2%		1.2%
<b>Net Profit</b>	<b>4.1</b>	<b>-3.2%</b>	<b>3.9</b>
<i>Net Profit margin</i>	1.2%		1.0%

- On a like-for-like basis, i.e. excluding sales from the disposed businesses “The Athlete’s Foot” and “Intersport Turkey” Group’s revenue presented a **strong double-digit sales growth of +15%**.
- The sales growth is supported by both the Retail Home Furnishings activity (RHF) and the Retail Sporting Goods activity (RSG) and attributed to strategic initiatives and market trends. The **Retail Home Furnishings (RHF)** segment posted a significant **17.5% yoy increase**, driven by IKEA’s market leadership and improved stock availability. The **Retail Sporting Goods (RSG)** segment, presented a sales growth of **+9% yoy** on a LfL basis, reflecting our commitment to staying at the forefront of the evolving retail landscape.
- The Group’s new retail activity in Health & Wellness that was activated within 2023, through 3 **Holland & Barrett** stores in Athens and an e-commerce channel is gaining momentum.
- On a like-for-like basis, the Group’s revenue from Greece during 9M ’23, that represented 58.5%, increased by 15% yoy, while revenue from the Group’s international activities presented a growth of 14.3% yoy.
- The **Group’s Gross Profit margin** reached 176.9 mil in 9M ’23 from 160 mil. in 9M ’22, with the Group’s Gross Profit margin at 45.4% in 9M ’23, stable compared to last year’s respective period. The stable Gross Margin was supported by strong RHF gross margin and a positive trend in RSG gross margin toward stabilization.
- The Group’s continued placing emphasis on prudent control over operating expenses and optimization of operations in both RHF and RSG. The de-escalation of inflationary pressures has further positively influenced operating expenses, magnifying the positive impact of operating leverage on our overall profitability.
- Group **EBITDA (OPR)** was increased by 29.1% reaching € 31.5 mil. during 9M ’23 from €24.4 mil. in 9M ’22., while EBITDA (OPR) margin increased to 8.1% in 9M ’23 from 6.9% in 9M ’22.
- **Excluding the impact of asset revaluation gains, the Group’s EBIT** reached € 20.2 mil. in 9M ’23 up by 45.6% from € 13.9 mil. in 9M of ’22.
- **Similarly, excluding the impact of asset revaluation gains, the Group’s Profit before Tax** reached € 6.1 mil. in 9M ’23 up by 42% from € 4.3 mil. in 9M of ’22.
- **Group Profit After Tax, excl. the impact of asset revaluation gains reached € 4.6 mil. in 9M ’23 compared to € 4.2 mil. in 9M ’22 up by 8.1%**. The majority of the Group’s tax is attributed to Trade Estates, which is higher this year compared to last year due to the higher ECB base rate.

# Consolidated Balance Sheet for 9M '23

Balance sheet (€ mil.)	9M '22	FY '22	9M '23
Property, plant & equipment	71.7	73.3	69.1
Right of Use Assets	138.8	133.9	135.4
Other Non Current Assets	52.1	53.3	59.1
<b>Non-current assets</b>	<b>262.6</b>	<b>260.5</b>	<b>263.7</b>
Inventories	104.8	91.8	104.7
Trade Receivables	4.2	4.3	4.6
Other receivables	30.0	19.2	35.8
Cash & Cash Equivalent	81.3	58.4	42.1
Assets Held for Sale	287.6	317.8	328.1
<b>Current assets</b>	<b>507.9</b>	<b>491.6</b>	<b>515.2</b>
<b>Total Assets</b>	<b>770.6</b>	<b>752.1</b>	<b>778.9</b>
Loans and Borrowings	95.9	104	30.1
Long Term Lease Liability	116.6	111	110.2
Other non-current liabilities	9.9	9.2	9.9
<b>Non-current liabilities</b>	<b>222.4</b>	<b>224.6</b>	<b>150.3</b>
Loans and Borrowings	43.4	44.7	94.2
Short Term Lease Liability	31.7	31.6	38.0
Account Payables & other current liabilities	123.5	104.2	128.1
Loans and Borrowings of Assets Held for sale	142.7	113.3	138.2
Liability of Assets Held for Sale	19.9	32.6	19.6
<b>Current liabilities</b>	<b>361.1</b>	<b>326.4</b>	<b>418.1</b>
<b>Shareholders Equity</b>	<b>187.1</b>	<b>201.1</b>	<b>210.5</b>
<b>Shareholders Equity &amp; Liabilities</b>	<b>770.6</b>	<b>752.1</b>	<b>778.9</b>

Cash flow (€ mil.)	9M '22	FY '22	9M '23
Net operating cashflow	16.6	34.0	20.7
Cash flow from investing activities	-40.4	-55.4	-18.1
Cash flow from financing activities	1.7	-23.6	-18.9
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>-22.2</b>	<b>-45.1</b>	<b>-16.3</b>
<b>Cash and cash equivalents at beginning</b>	<b>103.5</b>	<b>103.5</b>	<b>58.4</b>
<b>Cash and cash equivalents at end</b>	<b>81.3</b>	<b>58.4</b>	<b>42.1</b>

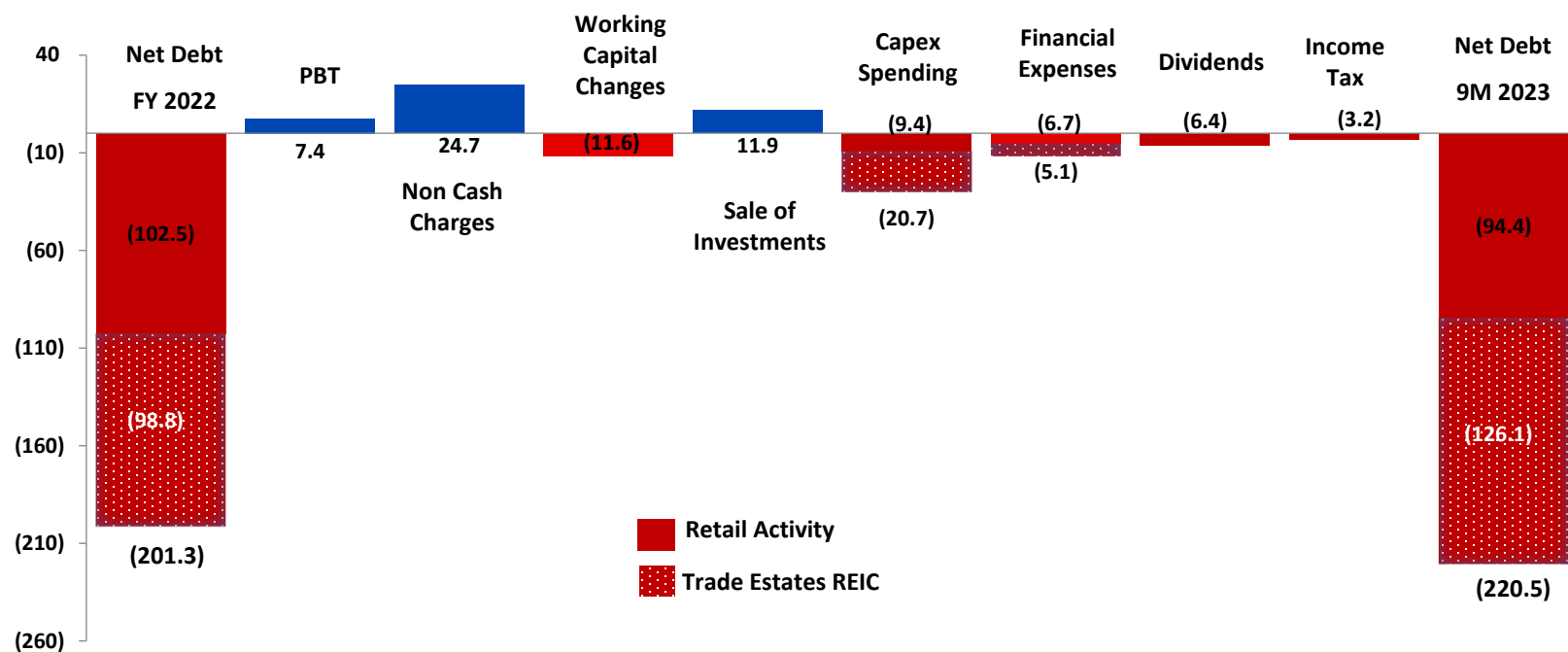
- **The Group is committed towards creating sustainable cashflow generation and returning value to its shareholders.**

- In 2023 the Group paid a dividend of 0.11 euros per share for the fiscal year of 2022, amounting to € 6 mil.

- **Cashflow from investing activities of 18.1 mil. in 9M '23** includes €20.7 mil. capex attributed to the investments of Trade Estates REIC, €9.4 mil. capex from Retail business and 8 €mil proceeds from the sale of the of Furlis Group participation (4.2% of share capital) in Trade Estates to Latsco.

- **Cashflow from financing activities of € 18.9 mil. in 9M '23** includes €13.8 mil. payment of lease liabilities and the dividend payment of €6mil. to Furlis shareholders.

# Cash Flow Performance for 9M '23



- The Group is aiming for further deleveraging of the retail activities in the future driven predominantly by cashflow generation of the retail business.
- The **Net Debt of the Group's retail activities** reduced by €13mil vs last yr from €107.6 mil. in 9M '22 to € 94.4 mil. in 9M '23.
- The **Net Debt related to Trade Estates REIC** amounted to € 126.1 mil. in 9M '23 from € 93.1 mil. in 9M '22 and € 98.8 mil. in FY '22, **driven by new investments in line with TE strategy.**
- The Group's **Capex** during 9M' 23 stood at € 30.1 mil., with €20.7 mil. **attributed to the investments of Trade Estates REIC**, while the capex of Group's retail activities amounted to € 9.4 mil.

## Net Debt Structure (€ mil.)

	30.09.2022	31.12.2022	30.09.2023	Δ vs FY '22	Δ vs 9M '22
Retail Activity	107.6	102.5	94.4	-8.1	-13.2
Trade Estates	93.1	98.8	126.1	27.3	33
<b>Total Group</b>	<b>200.7</b>	<b>201.3</b>	<b>220.5</b>	<b>19.3</b>	<b>19.8</b>

# Retail Home Furnishings – Financial Performance for 9M '23

(amounts in € mil.)	9M '22	%	9M ' 23
<b>Revenue</b>	<b>221.3</b>	17.5%	<b>260.1</b>
<b>Gross Profit</b>	<b>98.6</b>	20.6%	<b>118.8</b>
Gross Profit margin	44.5%		45.7%
<b>EBITDA (OPR) *</b>	<b>19.0</b>	52.3%	<b>29.0</b>
EBITDA (OPR) margin	8.6%		11.1%
<b>Inv.Assets (TE) revaluation</b>	<b>5.0</b>		<b>1.3</b>
<b>EBIT</b>	<b>18.5</b>	31.3%	<b>24.4</b>
EBIT margin	8.4%		9.4%
<b>EBIT (excl. reval. Gains)</b>	<b>13.5</b>	70.3%	<b>23.1</b>
<i>EBIT margin (excl. reval. Gains)</i>	6.1%		8.9%

(amounts in € mil.)	Q1 '22	%	Q1 '23	Q2 '22	%	Q2 '23	Q3 '22	%	Q3 '23
<b>Revenue</b>	<b>61.8</b>	25.1%	<b>77.3</b>	<b>69.8</b>	23.8%	<b>86.5</b>	<b>89.6</b>	7.4%	<b>96.3</b>
<b>Gross Profit</b>	<b>27.0</b>	30.9%	<b>35.4</b>	<b>31.3</b>	27.0%	<b>39.7</b>	<b>40.2</b>	8.7%	<b>43.7</b>
Gross Profit margin	43.8%		45.8%	44.8%		45.9%	44.9%		45.4%
<b>EBITDA (OPR)</b>	<b>1.4</b>	267.1%	<b>5.2</b>	<b>5.8</b>	77.1%	<b>10.2</b>	<b>11.8</b>	14.5%	<b>13.5</b>
EBITDA (OPR) margin	2.3%		6.7%	8.3%		11.8%	13.2%		14.1%
<b>Inv.Assets (TE) revaluation</b>	<b>0.0</b>		<b>0.0</b>	<b>5.0</b>		<b>1.3</b>	<b>0.0</b>		<b>0.0</b>
<b>EBIT</b>	<b>-0.4</b>	960.4%	<b>3.2</b>	<b>8.9</b>	6.9%	<b>9.6</b>	<b>10.0</b>	16.1%	<b>11.6</b>
EBIT margin	-0.6%		4.2%	12.8%		11.0%	11.1%		12.0%
<b>EBIT (excl. reval. Gains)</b>	<b>-0.4</b>	960.4%	<b>3.2</b>	<b>3.9</b>	110.1%	<b>8.3</b>	<b>10.0</b>	16.1%	<b>11.6</b>
<i>EBIT margin (excl. reval. Gains)</i>	-0.6%		4.2%	5.6%		9.6%	11.1%		12.0%

\*Alternative Performance Measure, as defined in the Interim Report of the Board of Directors for the period 1/1-30/06/2023.

- **RHF revenue growth of 17.5%** is attributed not only to IKEA's market leadership but also to improved stock availability, increased visitorship, and a strategic positioning that capitalizes on favorable market trends. This growth is further bolstered by a positive economic outlook, a rebounding tourist industry, and an active residential real estate market.
- In Q3 2023 RHF segment presented a sales growth moderation that is influenced by the stronger base effect of last year's respective quarter when the supply chain distortion started to normalize.
- The revenue growth saw a robust 15.3% increase in IKEA's revenue in Greece, representing 58% of RHF revenues. Additionally, IKEA's revenue from international markets surged by 20.7% year-on-year during the nine months of 2023.
- The increase in revenue, along with an improved Gross Profit margin and effective operating leverage, resulted in a significant improvement in RHF profitability during the nine months of 2023.
- **Prudent control over operating expenses and optimization of operations** has played a crucial role in this improvement, showcasing the effectiveness of our operational strategies. Additionally, the **de-escalation of inflationary pressures** has further positively influenced operating expenses. These factors collectively **magnify the positive impact of operating leverage on our overall profitability**.
- It is noted that the EBIT of the Retail Home Furnishings activity includes € 1.3 mil. from revaluation of assets, compared to € 5 mil. eur included in 9M '22.
- Excluding the impact of revaluation gains, RHF EBIT increased **by 70.3% to €23.1 mil** from €13.5 mil., with the EBIT margin reaching 8.9% in 9M '23 from 6.1% in 9M '22.
- Remaining focused on our strategic approach, emphasizing an **omnichannel presence, a well-structured and optimized stores network, robust e-commerce initiatives, digitalization, and a commitment to preserving top home furnishing expertise**.

# Retail Sporting Goods – Financial Performance for 9M '23

(amounts in € mil.)	9M '22	%	9M '23
<b>Revenue</b>	<b>131.5</b>	-1.7%	<b>129.3</b>
<b>Gross Profit</b>	<b>61.7</b>	-5.9%	<b>58.1</b>
Gross Profit margin	46.9%		44.9%
<b>EBITDA (OPR)*</b>	<b>7.4</b>	-12.1%	<b>6.5</b>
EBITDA (OPR) margin	5.7%		5.1%
<b>EBIT</b>	<b>2.5</b>	-45.8%	<b>1.4</b>
EBIT margin	1.9%		1.1%
<b>Excl. TAF &amp; ITR</b>			
<b>Revenue</b>	<b>116.8</b>	8.8%	<b>127.1</b>
<b>Gross Profit</b>	<b>55.3</b>	3.7%	<b>57.4</b>
Gross Profit margin	47.4%		45.2%
<b>EBITDA (OPR)*</b>	<b>7.1</b>	2.0%	<b>7.2</b>
EBITDA (OPR) margin	6.1%		5.7%
<b>EBIT</b>	<b>2.5</b>	-13.5%	<b>2.2</b>
EBIT margin	2.1%		1.7%

(amounts in € mil.)	Q1 '22	%	Q1 '23	Q2 '22	%	Q2 '23	Q3 '22	%	Q3 '23
<b>Revenue</b>	<b>34.6</b>	13.6%	<b>39.3</b>	<b>46.6</b>	-6.6%	<b>43.5</b>	<b>50.4</b>	-7.7%	<b>46.5</b>
<b>Gross Profit</b>	<b>15.5</b>	6.4%	<b>16.5</b>	<b>23.3</b>	-10.5%	<b>20.8</b>	<b>22.9</b>	-9.4%	<b>20.8</b>
Gross Profit margin	44.7%		41.9%	50.0%		47.9%	45.6%		44.7%
<b>EBITDA (OPR)*</b>	<b>-1.5</b>	-0.8%	<b>-1.5</b>	<b>5.3</b>	0.3%	<b>5.3</b>	<b>3.6</b>	-25.6%	<b>2.7</b>
EBITDA (OPR) margin	-4.3%		-3.7%	11.4%		12.2%	7.2%		5.8%
<b>EBIT</b>	<b>-3.1</b>	6.5%	<b>-3.3</b>	<b>3.7</b>	-0.5%	<b>3.7</b>	<b>1.9</b>	-49.1%	<b>1.0</b>
EBIT margin	-8.9%		-8.3%	7.9%		8.4%	3.8%		2.1%
<b>Excl. TAF &amp; ITR</b>									
<b>Revenue</b>	<b>30.7</b>	20.9%	<b>37.1</b>	<b>41.3</b>	5.3%	<b>43.5</b>	<b>44.8</b>	3.8%	<b>46.5</b>
<b>Gross Profit</b>	<b>13.9</b>	13.6%	<b>15.7</b>	<b>20.9</b>	-0.4%	<b>20.8</b>	<b>20.6</b>	1.1%	<b>20.8</b>
Gross Profit margin	45.2%		42.5%	50.6%		47.9%	45.9%		44.7%
<b>EBITDA (OPR)*</b>	<b>-1.3</b>	-7.0%	<b>-1.2</b>	<b>5.0</b>	12.4%	<b>5.6</b>	<b>3.4</b>	-16.5%	<b>2.8</b>
EBITDA (OPR) margin	-4.1%		-3.2%	12.0%		12.8%	7.6%		6.1%
<b>EBIT</b>	<b>-2.7</b>	4.5%	<b>-2.8</b>	<b>3.4</b>	13.6%	<b>3.9</b>	<b>1.8</b>	-38.5%	<b>1.1</b>
EBIT margin	-8.9%		-7.7%	8.3%		9.0%	4.0%		2.4%

\*Alternative Performance Measure, as defined in the Interim Report of the Board of Directors for the period 1/1-30/06/2023.

- Excluding revenue from “The Athlete’s Foot” and “Intersport Turkey”, activities that were disposed, **RSG revenue was up by 9%** during 9M '23 compared to the same period of last year.
- Q1 '23 LfL sales growth + **21%** yoy | Q2 '23 LfL sales growth + **5%** yoy | Q2 '23 LfL sales growth + **4%** yoy.
- **On a like-for-like basis**, RSG revenue in Greece, that represents 60% of RSG revenues, increased by 13% during 9M '23 vs the same period of last year, while RSG revenue from its international markets, increased by 2.5% yoy in 9M '23, reflecting mainly a moderate sales growth from the Romanian market that is however showing signs of improvement year to date, as the Group is currently undertaking an organizational restructuring in Romania. This strategic realignment is an essential investment positioning us for sustained future growth in this market.
- Overall, RSG sales were supported by **store network renovations, improvement in product range and efficient category management**.
- Irregular weather conditions leading to higher promotional initiatives, have influenced the Group’s gross profit margin, particularly weighing on Q1 and Q3 of 2023, however, there is a **positive trend towards stabilization**. Our emphasis on **cost optimization and the moderation of inflation** helped to partially alleviate the pressure on gross profit.
- **Our comprehensive strategies, including cost efficiencies, category management, network expansion, an enhanced ecommerce strategy, a reassessment of our organizational structure, and effective working capital management, coupled with the gradual de-escalation of inflationary pressures, are anticipated to contribute to an overall enhancement in profitability moving forward.**

Thank you

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