

# **Técnicas Reunidas, S.A. (TNISF) Q2 2024 Earnings Call Transcript**

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**Body**

Técnicas Reunidas, S.A. (TNISF)

Q2 2024 Earnings Call

July 31, 2024 07:00 ET

Company Participants

Juan Lladó - Chairman

Eduardo San Miguel - Chief Executive Officer

Conference Call Participants

Mick Pickup - Barclays

Ignacio Doménech - JB Capital

Robert Jackson - Bank of Santander

Kevin Roger - Kepler Cheuvreux

Baptiste Lebacq - Oddo

Presentation

Operator

Good morning, everyone and welcome to TR's 2024 First Half Results Presentation. It will be conducted by our Chairman, Juan Lladó; and our CEO, Eduardo San Miguel. It will last approximately 25 minutes. And you will be able to post your questions after the final remarks.

I now leave the floor to our Chairman, Juan Lladó.

Juan Lladó

Hi, hello, everyone. Today, Eduardo and myself, as usually, will walk you through this presentation. First of all, I'll go through the main highlights of the first semester of 2024. And these highlights will include our main economic figures for the period; and very important, our strategic pillars for the upcoming years, in fact a quick review of our SALTA strategy that we have celebrated a few weeks ago in Abu Dhabi. And then afterwards, Eduardo will follow up with TR business performance during this first half of the year, which will include the commercial achievements as well as always, our financial results for the period. And then as usual as well, I will wrap up with our guidance for the year 2024 and how I see or how we see the upcoming semester.

So let us start with the main highlights for the period. As I said before and you all know, TR held its Capital Markets Day in Abu Dhabi, where we shared our new strategy for the upcoming years that we have called SALTA. SALTA is [indiscernible] by TR to achieve our new medium- and long-term financial goals, financial goals that I'd like to start with a number which imply doubling to 8% or 2028 operating margins. And to achieve this goal, our SALTA strategy is based in seven very important pillars, seven key pillars, that I do believe is important enough that I'll walk you through now in this webcast.

The first one is service contracts, and it's creation. It's a very specific unit to boost our engineering and project management service business. Our engineering business is already very good. Our customers call us and hire us to deliver and to service them the quality of engineering that we do for our own EPC projects, constructible process engineering. So now we're focusing on the business units to deliver that engineering to them, together with all those fit and competitive fits that are multiplying every month, as you have noticed.

The second pillar is extremely important and is very linked to the first one is North America. We are already expanding our presence in the region and capturing the potential of the local market. The market there is booming. And we will leverage our Houston office that we've already there to strengthen our relationship of our customers today and the new customers that as you have seen, they are awarding jobs already.

And the third one and very much linked to the number one and two is decarbonization, with a very special focus and we're very good at it. You have to remember that we're a process engineering company, so we focus on hydrogen and its derivatives. Carbon capture, we are already delivering jobs for main customers. Sustainable fuels, you have already seen that we're working on the jobs on front end design and the tail design. And decarbonization of other industries that we have already announced that we're working, especially in the steel industry, in the main plants in Europe.

Having these three very important key pillars means that we are abandoning EPC? The answer is no. The answer is we are, in our strategy, strengthening our local presence, not only in the U.S., which is very much focused on services and decarbonizations, but in Europe and in the Middle East. We have to be closer and we've organizing ourselves to be much closer to our customers and we are organizing ourselves in execution units. We're not abandoning EPC. We're improving our EPC capacity. And we are improving our EPC capacities with the fifth pillar here that is very important to stress. And the first example is with alliances with the best partners. And that implies our alliance with Sinopec that you have seen already that, since we announced our strategy and our alliances, we have already been awarded two very big jobs, two very important jobs that means derisking and best managing our business and continue with our EPC business in a better way, in a better derisked way, with a strong alliance. If you have seen us with the strong alliances in Abu Dhabi, you have seen us with strong alliances in Poland. You have seen us with strong alliances with Sinopec in Saudi Arabia with Aramco.

And all those five pillars here, they have to be a strengthened with quality. And what is the quality? That's the sixth pillar here, which means digitalization. We will keep increasing efficiency and productivity through innovation in digital tools and artificial intelligence. We are already doing so. And we are already doing so and sharing that know-how with our customers, which in some cases, they are helping us to develop our digital tools. So we're working together with them. And those are prime customers, the ones I'm talking about. That's key to the success of the previous panel. And none of this will make sense, and that means the seventh pillar, without the best talent. The quality of engineering of TR. The quality of our engineers, we have a very good reputation, is very high, while we have to improve it. And we have to increase the numbers. And we have to maintain and improve our internal personalized programs to the objectives, to train and retain and have the best career path for our young and sometimes even senior engineers. So those – I'd like to use this slide. We've talked about everything, but it's very important that we follow the seven pillars, which I think will translate, and that's in 2028, as I said before and I'd like to repeat myself, in an EBIT margin which will be very close to the 8% target.

And if we move in this slide, if we focus on the right hand side, 2023 is where we are today; and mid-2024, 2023. Let's compare where we are to where we want to be. We see that our ambition is to have €5 billion of turnover. You might think that that's very low. It is not very low. This €5 billion composed of slightly, the €4.5 billion on EPC, but very much derisked EPC, digitalized EPC, with alliance EPC close to the customers' EPC and improved margins of EPC. And together with our service business, our engineering business – together with our engineering business and with the objective of having a turnover of €500 million, [indiscernible] we ended up having – and that is very solid €5 billion turnover, but a very solid €5 billion turnover, with 30% of it thanks to the track and services will imply just fully derisked service, value-added business. So, by 2028, we will enjoy not only a better margin, we will not only be doubling our margin to 8%, but we'll have a much stronger and healthier business. So this is the important message that I wanted to highlight in my introduction, which is a very fast summary of the 2 days we had spent together in Abu Dhabi.

So I'll now just move into the financial figures for the first two quarters of the year. The order intake, including the awards recently announced, stands at €1.4 billion. At this point of the year and considering the biddings we are working with our customers, we are doing early works, we are selected bidder in some cases. I do think – we all think it wouldn't be a big challenge to replace 2024 sales to renew upcoming awards. So I'll see afterwards, we'll keep our guidance.

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Our revenue in these first 6 months of the year is €2.1 billion, and an EBIT of €84 million; and very important, a solid 4% margin, 4% of those revenues and important as well, a net cash position that we have closed the semester with €318 million level, which shows a solid guarantee of business. And this is my introduction, SALTA strategy and key figures. And now Eduardo will continue with our commercial performance and, as always, the financial figures for the first half of the year.

Thank you. And now Eduardo will follow-up.

Eduardo San Miguel

Okay, thank you, Juan. Good morning, everyone.

Let's move now to the business performance. On the commercial side, I can assure you TR's activity has been very intense this quarter. As we explained at our Capital Markets Day, TR's pipeline is extraordinary. And we are being very, very selective with the opportunities we have in front of us. However, as we have highlighted in other occasions, it will depend on the decision and schedules of our clients. The good news in this scenario is that even before announcing the award, we are often requested by our clients to start mobilizing the project task force and schedule the kickoff meetings or other initial activities. This is the case for the projects listed on this slide.

First, we have been selected by a large chemical client for a €100 million service project in North America. This is an extremely important milestone for SALTA strategy since it is a major service contract. It is in the petchem sector and it is in the United States. And second, as announced last week, Saudi Aramco has sent a Letter of Intent to the JV, Tecnicas Reunidas and Sinopec, for the potential development of 3 gas compression plants at Jafurah. In this case, the share of TR amounts to more than €1.2 billion.

All in all, the order intake of the period resulted in €1.4 billion, and the backlog moved close to €11 billion. Finally, let me remind you the new project awarded by RWE, announced at the beginning of June that has not been included in the backlog, as it is the case with the other 2 projects awarded last year by the same client. I will elaborate about this award later.

Now let me give you some details regarding the new projects. Let's start with the one in the U.S. As I said before, we can consider this project as the first key milestone achieved by our new strategy SALTA, as it scores in two of our main pillars: Services and North America. Unfortunately, we cannot yet disclose the name of the client, but it is a large petrochemical plant in the United States. The client has decided to start with the early engineering and project execution services, while the environmental permit is granted. We expect the contract signature will take place in the upcoming months. The total value of the contract amounts to €100 million for the time being, as additional services, as construction and supervision could be awarded at a later stage. The works will require more than 1 million hours of engineering.

The second milestone on the commercial front is Saudi Arabia. In this case, Aramco signed a Letter of Intent in favor of the joint venture formed by Tecnicas Reunidas and the Chinese group Sinopec for the development of 3 gas compression plants at Jafurah, the largest unconventional gas field in Kingdom of Saudi Arabia. The Letter of Intent also relates to potential works to install a 230 kilowatt power connection at the gas plant substation area and to upgrade the water pump system. The total value of the project is estimated at more than $2.2 billion, with a split 60% TR and 40% for Sinopec. Its execution will require more than 400 engineers, many of them specialized in chemical processes.

We don't want to miss the focus on our strategy of consolidating a solid service-only unit. Our customers continue to entrust TR with key engineering services required to shape their future investments. Besides the major petrochemical services awarded in North America, in the first 6 months of 2024, we have added 17 new awards. Half of them related to low-carbon technologies. The total order intake of track and services business unit in the first half of the year stand at €142 million compared to €103 million in the same period last year.

We continue to see a growing demand for engineering services related to energy transition. In this regard, we are gradually adapting the size of our human resources to capture this opportunity since it entails a company profile with more secure margins. Before closing this chapter of our business performance, I wish to share with you a couple of relevant news which reconfirms that TR is recognized by its clients as a key technological contractor. First, track has entered into a key agreement with IGNIS, a leading global energy company. Through this agreement, TR will provide engineering services for green ammonia projects in Spain, from the feasibility study to the fit stage, including the evaluation and selection of technologies. The potential final investment of all these projects could exceed €5 billion.

And second, at the beginning of June, RWE, the largest German power producer, awarded to the consortium of Técnicas Reunidas and Ansaldo the construction of a large 800 megawatts hydrogen-ready combined-cycle plant. This project is not included in our backlog since the final investment decision by the client is still pending. This will happen once the hydrogen grid connection, the regulatory framework and the economic viability are closed.

Let's move now to the financial figures for the first half of the year. In terms of sales, TR surpassed again the €1 billion level on a quarterly basis, reaching €1.1 billion in the second quarter of 2024. This implies a 9% growth compared to the previous quarter. EBIT reached €44 million in the second quarter, with a 4% margin over sales in the first half of the year, in-line with our guidance for the year. And at the bottom line, the net profit stood at €22 million in the second quarter of the year and €42 million for the first 6 months.

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Moving now to the net cash position of the period. As you can see in the slide, to June 30, figure stands at a solid €318 million. It is also important to remark that, in those first 6 months of the year, TR has reduced its gross debt in €63 million, which includes the repayment to SEPI of €33 million of the ordinary loan. Everything, very much aligned with TR's goal of reducing our total gross debt.

Saying so, I give the floor back to Juan for the final part of today's presentation.

Juan Lladó

Hi, hello, everyone, again. The 2024 guidance considers the level of around €4.5 billion of sales and our focus is to reach a solid 4% EBIT margin for the year. However, this message with this guidance, it's important to underline the term quality, the quality of the guidance, the quality of our numbers today. Quality because first, we've been very selective, as we have said before, in choosing our project and customers, which translates in a solid backlog profit-wise. Quality because our service contract starts to gain more and more relevance in our business.

This is a transformation of a company which will deliver in the future more value to shareholders. And quality, and that's the third point, because our operations are very much focused on the cash execution strategy, which is allowing us and will allow us, as planned, to reduce our debt to the desired levels and, therefore, having a much healthier balance sheet. I feel very comfortable that our SALTA strategy is starting to pay off. And we are already scoring in several of the seven very important pillars. I am convinced to be in the right path.

And with this guidance and this message, we're done. And we're all very happy to answer any questions that you may want to address. Thank you very much.

Question-and-Answer Session

Operator

Thank you. [Operator Instructions] Our first question comes from the line of Mick Pickup from Barclays. Go ahead, please.

Mick Pickup

Hi, everybody. it's great to say how easy a quarter is when things are going well. A couple of questions, if I may. Can I just talk about the engineering services contract? Obviously €100 million is a big number. Can you just talk about how long that extends for? And how it will impact your working capital for the year as you may get paid after reimbursable on that contract? So just how does that impact your working capital outlook for the year? And can you talk about any other projects that you're seeing coming down the pipeline on that? Obviously you've got an ambitious target in engineering services, so just this being the start, but what's next? Sorry for being greedy.

Juan Lladó

Hello. Hi, Mick, this is Juan. Never on the bench, we are always working. Okay, okay. Let me answer you the question. If it's not fully completed, Eduardo will improve my answer. How long is it, this contract? It is very similar. We're doing the same contract with INEOS. You have to remember that we started 2 years ago INEOS with a big engineering job, which was [indiscernible] services, which – pure engineering. And the pure engineering of a job is usually [indiscernible] you should be around 90% of engineering, but they have to be continue doing a small piece of engineering through the life of the job, which is 4 years. Obviously, now we've been hired. And we have to focus because, as the customer said, we want the quality of the engineering. We want you to focus on [indiscernible] Hamafis services. And then we'll see how we expand because it's going to be our engineering to support us with construction and supervision, with supervision of models, with other scope. But the focus now and where the customer has asked us to focus is, we want your Madrid engineering, and we'll deploy our team to support you here in Madrid. So this is what we have to focus. I mean let's focus on the next 2 years, obviously with the perspective that, as we do the engineering, we'll have to support the customer to supervise in the United States, Gulf of Mexico, where construction is never easy to support them, with the quality of our engineering on the construction. And obviously, as we do engineering, we have to support them on procurement and activate and expedite procurement and travel with them in procurement. But now the budget that we have announced is the pure [indiscernible] engineering. So we're going to be the customer's engineering overall. And this is pure cost-plus. So working capital, we'll start getting paid with small advance payment and as we start to incur man-hours, get paid. So we have – our working capital has no cost of working capital. I mean, you will not see big cash increases, but you would not be – need for cash in the market. It's pure cost-plus.

Mick Pickup

Okay.

Juan Lladó

I don't know if there was a third question.

Mick Pickup

Just about other projects of the scope, obviously, you just started the engineering services business. This is a major milestone. What else is in the pipeline?

Juan Lladó

Very important. I mean, we're already working in early works and proceeds in fits with customers. And those are – I'm talking the U.S. already. And with the expectations and the mutual agreements that if the project moves forward and we perform with them, we will continue from [indiscernible] to fit and to [indiscernible] to detailed engineering and then construction and supervision. So I mean, that's why our expectations are very positive. At the same time, with other customers, we're signing framework agreements. And framework agreements mean that we're starting with them at the very early stage of jobs and we move forward with the front end. And once front end is finished and if they've got the final investment decision, the likelihood of continuing with them is very high. So the level of agreements with the customers, old customers and new customers, in terms of service that we're seeing today, we have never seen it before. And that's why our strategy is good. It looks beautiful to grow and it is necessary to deliver. I mean we have very much to focus on services if we want to be successful when we start with a customer. And with that customer, that translates into a full job. So it requires focus, quality and resources. And that's our objective.

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Mick Pickup

Okay. Thank you.

Juan Lladó

I might add something. And in the Middle East – in the biggest country in the Middle East – I don't want to name customers, the number of investments that are coming up are huge. They're huge in petrochemical. And we both, contractors and customers, are exploring and we're engaging with them very early because the traditional way of going to the market, getting a front-end design, making a bid, asking contractors to validate this front-end design in order to sign an EPC is becoming; due to the volume, quality of the investments – step-up investments, which is new petrochemical, very different – very difficult to isolate as an EPC, is translating in very early engagements with those customers in order to develop with them from the very beginning the large investments. And we'll see how a lot of the investments, whether it continues as service, as EP-Cm or EPC. That's something that we will have to explore together with our customers. But the early engagement, developing the jobs with our customers, a year ago, we were talking as something that we were starting to see. Now, it's a full reality.

Mick Pickup

Okay. Thank you very much.

Eduardo San Miguel

Thanks Mick.

Operator

Thank you. Our next question comes from the line of Ignacio Doménech from JB Capital. Go ahead please.

Ignacio Doménech

Hi. Thank you for the presentation. Thank you for taking my questions. I have three. The first one is on the backlog. I will appreciate if you can give us the breakdown on the current status of the value, okay? I would assume a large portion is in engineering or early stages, but just to have a rough reference. Then the second question is on industry capacity, okay? Some of your peers have mentioned that they are suffering of shortages with manpower, so I just wanted to get your view on this, and perhaps, how do you protect it, maybe some of the agreement with Sinopec? And my last question is on Algeria, if you can provide an update regarding the existing dispute with Sonatrach from Touat Gas. And what is the latest status from the Hassi [ph] project? Thank you.

Eduardo San Miguel

Ignacio, it's Eduardo San Miguel. Thank you for your questions. I was trying to make a quick number regarding the first question, but it is not easy to give you a quick answer. But my feeling, every project awarded in the last eight months should be in the engineering phase, so give or take, this should be around €3 billion or €4 billion. So, it's 35% of the backlog in the pure engineering phase. I would say another third will be in the procurement, but maybe a bit more, 40% is procurement phase. And projects under construction would be no more than 25% because we are finishing projects that were launched before COVID, but very few launches after COVID. So, that's my guess, 35%, 40%, 25%. That's my split. Regarding shortages in the manpower, well, we have been talking about this topic quite a lot because I think we have done a great job during the COVID because we were able to retain the core engineering capacity of the company. So, we are not missing this kind of professionals, but it is a fact that, if we want to grow, we need – I don't want to call it less-value added engineering, but let's say, more simple engineering. And that's where we really need to grow. For this purpose, we basically opened a number of branches around the world. The main one is in India. And today, we have in India 1,500 professionals already working there. So, we have found a way to grow fast if needed. So, it's a fact that there is scarcity, but we have solutions. And also I would like to mention the alliance with Sinopec. One of the reasons we are together with Sinopec working around the world, basically has to do with this difficulty. I don't want to say the resources coming from Sinopec have no limit. They obviously have a limit, but they have the capacity to add the people we need to those projects where we have some difficulties. So, I think we have done the home-works correctly. And I do not really believe that manpower is bottleneck for the growth of Técnicas Reunidas. I don't see a problem in this part of the business. Regarding Hassi, I will allow Juan to answer you this question.

Juan Lladó

Okay. I think everybody knows that we had had and we continue having and we worked on having a very good relationship despite issues and problems, company-to-company, with Sonatrach, and we have done so. And we have been announcing quarter-after-quarter that we have been working and exploring with them different ways to re-launch the Hassi refinery. And even Sonatrach has made it public as well that they were exploring ways, as it is important for them to re-launch the refinery. And I have to say that we are doing so, and we are positive about it. That's one thing, good relationship and positive in re-launching Hassi. In Touat, let me tell you that, despite why I might feel positive, relationship, all those things, when we have a litigation, it's not prudent and it's not correct to answer anything and to make any comment in public. And so I think with those two – I think that, I have answered your questions.

Ignacio Doménech

Thank you.

Operator

Thank you. Our next question comes from the line of Robert Jackson from Bank of Santander. Go ahead please.

Robert Jackson

Hi. Good afternoon gentlemen. Just a couple of questions. First of all, related to the alternative sectors such as the, you mentioned, steel sector. Can you give us some light on progress in that sector? And there has been talk of some, I would say, delays in terms of the investments in this sector in terms of decarbonization. Can you give us – I mean what your thoughts on what you are seeing in terms of the – what you are doing and the potential there in that sector? And secondly, in North America, your exposure to the carbon capture and hydrogen sectors, can you give us any visibility you are seeing there regarding the pipeline and the outlook, whether you are working with large infrastructure funds which have the financing to support those projects. Basically just give us some visibility, more visibility on those segments? Those are my two main questions. Thank you.

Eduardo San Miguel

Hi Robert. Thank you for questions. Regarding the steel and decarbonization, I had a call a couple of days ago with the CEO of one of the company, one of our clients that is working with us. And the good news is that we are clearly moving to the next stage. I mean those projects have several windows. You need to jump from one window to the next one to achieve certain milestones, and we are in this situation. So, I don't have the feeling that there are delays. We are moving ahead as expected, but it is a fact that there are periods where everyone was talking about immediate actions, immediate opportunities to come. We have seen some slowing down little by little. It's a fact. Things are not moving as fast as probably we expected, but I don't have the feeling that that's a problem for us because the opportunities are still there. We see new clients. You have been talking about steel. Well, let's talk about steel. We see new clients of the steel sector coming to Técnicas Reunidas and asking us to render service in the short future, because they want to invest. The only problem is that they still have to decide technologies. They are waiting the subsidies to be granted. There are a number of issues that are delaying a bit the decisions, but the opportunity clearly is there. And what can I say you is that the existing projects are on its way. Everything moves as expected, so I feel comfortable. Regarding the U.S., well, the feeling in the U.S., everything that has to do with blue ammonia is massive and it is happening. It takes time to reach the final decision, investments of the clients because they need to compose their full business plans. They need to assure that they will have a bi-level of takers. They need to understand deeply the costs. And many of those new investments, the cost is not that easy to define because of new technologies. It is taking time, but the appetite is still there. Again my message is, we feel comfortable, but we see how everything is a bit more – moving in a bit more slower than expected, but I would never say we are negative, just the opposite. We see lots of opportunities. We are signing many early engagements, many framework agreements with many players in the United States that are willing to construct blue ammonia projects, so everything is moving, probably not as fast as expected, but everything is moving. That's my conclusion.

Robert Jackson

Okay. And what about in the Middle East, where there is probably more access to financing and less issues on regulation? Can you give us any visibility there in terms of the energy transition and projects you could be – you have in your pipeline in that market from existing clients?

Eduardo San Miguel

Robert, you understand the joke. I don't want to be a hero [ph]...

Robert Jackson

We understand, yes.

Eduardo San Miguel

There are many big players we are working with in the States. And for them, the priority is not the financing, it's to complete their business plan. That's priority for them. So, I don't really believe financing is, again, the bottleneck, but also what we have seen and that's why we have some alliances with banks like European Bank of Investment. I mean the idea is, we want to support our clients because, from time-to-time, they need some support in structuring their financials of their projects, but we also have players in this market that are willing to invest in this sector. So, we need to work as dealers from time-to-time, trying to connect financial people with industrialists. And that's the reason why – one of the reasons why track exists, because we realized that there was a big niche, there was a good opportunity of doing business because of having this ability to link those two parts of the business.

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Robert Jackson

Okay. Thank you very much.

Eduardo San Miguel

You're welcome.

Operator

Thank you. Our next question comes from the line of Kevin Roger from Kepler Cheuvreux. Please go ahead.

Kevin Roger

Yes. Good afternoon. Thanks for taking the question. I have just one on my side, after this question, please. I was wondering if you can comment a bit the EBIT margin by division that you have seen in H1 and notably, if you can comment why the petrochemical EBIT margin is so high at 25% for the H1. And on the refining side, why we have moved back into negative territory with minus 1% EBIT margin? If we can have some color on those division and notably, just to be sure to understand the potential impact of these petrochemical services engineering contract, if we should then expect basically this division, petrochemical to be again sound in the next 18 months, driven by those type of contracts, please.

Eduardo San Miguel

Kevin, regarding the refining margin, the answer is very – we are about to deliver some projects. We are in the last stages, and when you are in the last stages, you always invest in the projects because you want to be on time. So, we are spending money just for the sake of doing everything on time as expected by the clients, so it has a cost and it is impacting the results. Regarding the petchem, I don't have so many projects in the petchem. So, for me, it's a bit difficult to give you explanations, because it's very easy to identify what is happening in very specific projects. But last year, if I am not wrong, the petchem was – margin was around 15%, I think. So, it's bigger, but there is not a huge difference. But we expect this year to – this margin should be solidly above this 20%. That's what we expect from the year.

Kevin Roger

Okay. Understood. Thanks.

Operator

[Operator Instructions] We have our next question coming from the line of Baptiste Lebacq from Oddo. Go ahead please.

Baptiste Lebacq

Yes. Good afternoon. Thanks for taking my question. Just one question from my side, it's regarding the net financial charges, which were impacted by hyperinflation by €6.6 million in the first half, mainly due to Argentina and Turkey. Can you give us an idea of your backlog in these two countries? And can we have, let's say, an idea of the calendar of the projects which are in the backlog in these two countries? Thanks a lot.

Eduardo San Miguel

Hi Baptiste. Sorry, I was having the numbers, yes, there is minus €6 million because of the hyperinflation. It has to do with two countries, with Turkey and with Argentina. In both cases, we are in the very last stages, very, very last stages of construction. So, we have this impact now, but we should not expect very significant extra costs because of this reason in the forthcoming months. So, this is impacted, but we should not expect something additional relevant.

Baptiste Lebacq

Thank you very much.

Eduardo San Miguel

You're welcome.

Operator

Thank you. There seems to be no further questions at this time. I would now like to turn the call back over to management for final closing comments.

Juan Lladó

Okay. Thank you. We are done. Thank you very much for listening to us. Thank you very much for the questions. And then we will see each other or talk to each other again in the presentation of the third quarter. Thanks again and have a good summer.

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