Presentation of Results for the half year ended 30th September 2023

Wednesday, 22nd November 2023
Introduction
Martin Dunwoodie
Director of Investor Relations, Johnson Matthey

Good morning, everyone. I am Martin Dunwoodie, head of Investor Relations at Johnson Matthey, and thank you to you all for coming along today and for those of you who are tuning on the webcast. Before we start, just a point of admin, if you can turn all mobile devices to silent or off. Very pleased today to welcome our CEO Liam Condon and our CFO Stephen Oxley. We are going to have a presentation as usual, and then plenty of opportunity for Q&A from the room. We will also take questions from the webcast. Point you to our cautionary statement on the screen. With that, I will hand over to Liam Condon, CEO.

Introduction
Liam Condon
Chief Executive Officer, Johnson Matthey

Thank you very much, Martin, and warm welcome to everybody here in the room at the London Stock Exchange and of course, a warm welcome to everybody who’s joining us online as well. Now, the programme today is I am going to give a brief introduction, give a short update overall where we stand as JM, what progress we’re making on our transformation journey. Stephen is going to talk us through the financials, the presentation, and then we are going to take a bit of a deep dive into the different businesses and give you an update and some further insights on how we’re progressing overall as a company.

Headwinds from PGM market prices – good underlying progress in the first half

Now, I think you all know I joined the company about a year and a half ago. It was actually in March of last year. At that time, the Russia-Ukraine conflict had just started. We were still suffering somewhat from Covid-related supply chain issues. We went into a period of extended heavy inflation. Overall, it has been a really weak, I’d say, almost recessionary environment. We have had high interest rates, and now we have another awful conflict in the Middle East. To say the least, it has been a pretty volatile time in that period and you can see that reflected also in Platinum Group Metal pricing where there have been significant declines over the year. Palladium is down over 40%. Rhodium is down almost 70% on a 12-month basis, and that has impacted our reported results. There are a lot of things out there that we can’t control as JM, but there is an awful lot as JM that we can actually control and that is what we have been focusing on. I am pleased to see that our underlying operating profitability has actually improved by 10%. I think this is good progress to note here today. Personally, I think this is due to the fact that we are making real progress on the transformation side. I am going to give you a brief update, just share some thoughts on the key topics that we are addressing in a minute on transformation, and we are going to come back to those themes in the presentation later on.
Now, this is not just about short term. The journey we're on for Johnson Matthey is not just about improving operational performance in the short term. It is about setting this company up to be great for the future as well. It is about developing a platform for sustainable growth and sustainable value creation. That is why it's so important for us to also make sure that we're delivering on our strategic milestones because they are what set us up for the future as well. I am pleased that on that front, we are tracking along very well with the progress that we are making.

**Transformation progressing at pace**

Now on the transformational side, I have spoken about different topics that we're addressing. One of the biggest, not on here, but it is actually our portfolio transformation where we are divesting the value businesses. This has a big impact because it allows us to double down and focus on the businesses where we can be a global leader but the areas apart from those divestments that we are really doubling down on is commercial. I spoke a lot about improving the commercial muscle, strengthening the commercial muscle of the company, and now we are not just talking about it. Now, you can actually start to see the results show through in what we are presenting. If you look at the pricing development in our core businesses, margin improvements in clean air and quite an astounding margin improvement actually in catalyst technologies and we are winning new business in all of our businesses. This is what improving the commercial muscle is all about but again, it’s not just talking about what we are doing, I think what is really important is that we start seeing that this is flowing through to the results as well.

On capital projects, we have placed a special emphasis here on also strengthening the foundation. This means also building up capabilities in the company. We have a very disciplined approach to capital investments. I will talk a little bit later about that. We are also working hard improving operational efficiencies, but this disciplined approach also allows us—despite the fact that we still have inflation today at still a pretty strong rate, it is coming down, but we still have inflation, we can actually reduce our planned capital expenditure. We will talk a little bit about that as we go through the presentation today.

On the cost side, I am pleased to say that we are making very good progress as well. I spoke about the need for Johnson Matthey to become more efficient because that allows us also to have a stronger platform for growth. Multitude of things underway: our global business process outsourcing is underway, this is something that we are not just planning anymore, this is going into the implementation phase, will have a fundamental impact on Johnson Matthey going forward, also has a big impact on our cost position. Procurement, we're getting much, much better at, we will talk about this during the presentation. And we are streamlining our footprint whether this is Clean Air and manufacturing facilities that we will talk about and our real estate; we are taking a streamlining approach here. All of this is flowing through, and all of this is increasing our confidence that we will be able to actually exceed our original target of 150 million savings in ’24-’25.

These are the themes that we said will be key for us to drive the transformation. What you are starting to see in the results that Stephen will present is this is starting to shine through.
On track to deliver strategic milestones by end of 2023/24

Then finally on this piece, the strategic milestones, I am not going to go through all of them. We will pick up different elements throughout the presentation. The key point is, everything here that we have committed to delivering, we are on track for delivery. There is nothing here that we will not deliver. The only one that is yellow is employee engagement, which, as you can imagine with a huge transformation ongoing, creates a degree of uncertainty. What I am actually really pleased about is in the latest employee engagement survey we did in September, the engagement scores have improved. This for me is a strong sign that we are going in the right direction, and we are very confident that we'll be able to achieve all of these, the ones that we haven't yet achieved; they are all on track for achievement within the stated timeframe. I hope, gives confidence that we are not just improving operational underlying performance but also strategically setting the company up for success in the future.

That, just by way of introduction now, I think it will be a good point in time to take a deep dive into our financials and with that, I welcome Stephen to the, to this stage. Over to you, Stephen.

Financials
Stephen Oxley
Chief Financial Officer, Johnson Matthey

Results impacted by lower precious metal prices
Thank you, Liam. Good morning, everyone. As you can see, our headline numbers have been impacted by a significant reduction in average metal prices. As a result, sales were down 1%, and operating profit decreased 15%. In spite of this, we delivered a good underlying performance driven by improved pricing and cost savings from our transformation programme. Excluding the impact of metal prices and foreign exchange, operating profits was up 10%. There is positive momentum in our growth businesses, both Catalyst Technologies and Hydrogen Technologies. We have also improved profitability in Clean Air and Catalyst Technologies as a result of our actions on pricing and efficiencies. Earnings per share were down as a result of operating profit, higher taxes and increased finance charges. We continue to maintain a strong balance sheet. Net debt came in at around GBP 1 billion, and our net debt to EBITDA ratio was within our target of 1.5 to 2.0 times at 1.7. Lastly, we have maintained our dividend. We are announcing an interim payment of 22 pence in line with last year.

Good momentum in growth businesses
Let us turn now to our performance in more detail. On a continuing basis, group sales declined 1% at constant currency to just under GBP 2 billion pounds. Clean air sales grew 4%, supported by increased pricing and slightly higher volumes. In our growth businesses, Catalyst Technologies, sales grew 5%, and in Hydrogen Technologies, they were up 61% as we scale this business. This was offset by a decline in PGM services due to lower metal prices as well as a reduction in refining volumes, both of which we flagged in May. Sales in our Value Businesses were down because of lower consumer demand in battery systems.
Operating profit benefiting from pricing and transformation benefits
Turning now to profit. Underlying operating profit was up 10% to 244 million, excluding the impact of foreign exchange and metal prices. The increase was driven by higher pricing, which delivered a benefit of 35 million and cost savings of 25 million from our transformation programme. This was partially offset by a decline in PGMS and CT volumes. Including an impact of 55 million for metal prices and 9 million for foreign exchange, underlying operating profit decreased by 19% to 180 million.

Benefits from our transformation programme
Total savings from the transformation programme are now around 70 million, and we continue to make good progress. So as you can see, we have made significant reductions, taking out management layers and improving procurement with more to come from these initiatives. We have yet to see the full benefits of our drive for greater back-office efficiency as well as the consolidation of our manufacturing footprint and office space. We are driving our transformation programme harder and we now expect to exceed our ’24-’25 cost savings target of 150 million.

Operating performance
Looking at the rest of the income statement on an underlying basis, our finance charged increased to 41 million as a result of higher interest costs. A loan note matured in June, and as a result, 60% of our debt is now fixed with an average maturity of four and a half years. The underlying effective tax rate of 22% was higher than the prior year as a result of one-off items, but we still expect the full year rate to be 20%.

Reported results
Our reported results were impacted by 44 million of non-underlying charges. Most of these arise from impairment and restructuring costs as a result of our transformation programme as well as the consolidation of our Clean Air footprint into new and more efficient plants. We are making good progress divesting our non-core Value Businesses. The Diagnostic Services transaction has now completed realising a small profit that was offset by a loss on the disposal of our Russian business. This brings total cash proceeds from divestments to just over 60 million, and we remain on track to secure proceeds of at least 300 million by the end of ’23-’24 fulfilling this strategic milestone.

Net debt
We ended the half year with net debt of just over a billion, consistent with year end. Precious metal working capital decreased as a result of lower metal prices. Refining backlogs remain well-managed, but inventory in PGMS increased by about 100 million due to a routine shutdown and stocktake at our US refinery. Precious metal working capital increased as a result of lower VAT payables and higher inventory to support sales in our growth businesses. CapEx of 157 million includes the ongoing renewal of our refining assets and the construction of a UK hydrogen technologies plant in Royston. This will complete next March and start operating later in the year, delivering another important milestone.

Turning now to the individual businesses.
Clean Air

Clean air sales were up 4% as we increased prices and benefited from higher volumes in light and heavy-duty diesel.

In light duty diesel, sales grew 7%, outperforming a declining market with a new platform win in the Americas and a recovery in China after Covid lockdowns. Heavy duty diesel was up 5%, underperforming the market. We outperformed a strong market in Asia, but in Europe we underperformed a growing market with a weaker mix.

Light duty gasoline sales decreased 1%, underperforming the market. In Europe, sales grew in line with a strong market, but we performed below the market in Asia and the Americas as a result of platform losses.

Underlying operating profits in clean air increased 22%. Our focus is on improving the margin, and we have already started to see the results. Margin expanded 110 basis points to 9.6% supported by increased pricing and cost savings. This was partially offset by a weaker product mix. We expect strong cashflow generation this year, albeit more moderate than last, and we remain on track to generate at least GBP 4 billion of cash through 2031.

PGM Services

In PGMS, sales decreased 16% to 230 million, against a strong prior year. This was driven by lower average metal prices and reduced recycling volumes due to continued low levels of auto scrap. To give some context, the average price of rhodium over the last three years was over $14,000 an ounce, and it peaked in early 2021 at $29,000. Since then, the prices declined and stabilised at around $4,000 in recent months.

Our metal trading service performed well, benefiting from volatile pricing.

Operating profits of 78 million was also impacted by lower metal prices, although we offset lower refining volumes through cost savings. Given current metal prices, we are further reviewing the cost base in PGMS in order to improve profitability.

Catalyst Technologies

In Catalyst Technologies, sales grew 5% to 282 million. We improved pricing across our portfolio with a stronger commercial focus, and we also delivered good growth in formaldehyde following recent project wins. Licensing sales were up 6% driven by growth in both our core portfolio and sustainable solutions. We had good license wins in both areas, which Liam will talk to later.

Underlying operating profit increased 84% to 35 million. Improved pricing and greater efficiency led to significantly improved margins. These were up 480 basis points to 12.4%, well on our way to our mid-teens target by the end of ‘24-’25.

Hydrogen Technologies

In Hydrogen Technologies, sales grew 61% to 37 million with higher volumes in fuel cells, which represent the majority of our business today. We also increased sales of components and samples in electrolysers. As we scale the business, we are putting an emphasis on strategic customers and multi-year partnerships. These relationships underpin our run rate sales target of more than 200 million by the end of ’24-’25. The business reported an operating loss of 26 million reflecting planned investment, though we also benefited from
We still expect the business to break even in '25-'26, and we are making good progress in the construction of our UK plant in Royston. Together with improved productivity, this means we can phase our CapEx more effectively. As a result, we are reducing our CapEx guidance for the three years to '24-'25.

**Outlook for year ending 31st March 2024**

Moving on to our full year outlook. Given the performance in the first half, we now expect at least high single digit growth in operating performance, assuming constant currency and metal prices. This is underpinned by transformation benefits of 55 million. In Clean Air, we continue to expect strong growth in operating performance and a stronger second half with double digit operating margin for the full year. External data suggests limited growth in vehicle production this year; margin expansion will result from further pricing and efficiency benefits. PGM services performance will be driven largely by metal prices with recycling volumes expected to remain subdued. As I mentioned earlier, we are reviewing the cost base in order to improve profitability. In Catalyst Technologies, we anticipate very strong growth in operating performance and a significant uplift in margin as we continue to deliver improved pricing and efficiencies. In Hydrogen Technologies, we expect sales to grow strongly. We will continue to invest for growth in a disciplined manner, resulting in an operating loss at a similar level to last year. It is difficult to predict how metal prices will develop, but if they remain at their current level for the rest of the year, the adverse impact on full-year operating performance would be around 80 million, which we are working hard to mitigate. At current foreign exchange rates, underlying operating profits would be around 15 million lower. Finally, as I mentioned earlier, we are reviewing the phasing and level of CapEx in Hydrogen Technologies and now expect group CapEx of GBP 1 billion over the three years to '24-'25, a reduction of 10%.

So in summary, the economic environment is clearly challenging. We are driving those things that we can control harder: commercial rigor, pricing, and our transformation programme. We now expect to exceed our transformation savings target of 150 million by '24-'25. Clean Air and Catalyst Technologies drove an encouraging underlying performance in the first half, and we expect this to continue into the second. Finally, we are pleased with the project wins and the progress made in our growth businesses. With that, I will hand back to Liam.

**Businesses**

Liam Condon

*Chief Executive Officer, Johnson Matthey*

Okay, thank you, Stephen. I am going to go through now a few of our businesses, look at them strategically, share some insights into the progress that we are making, and we will have plenty of time for Q&A then after this piece.

**Portfolio transitioning and growing over time**

First, a brief reminder of our strategy, our portfolio strategy. These are the four businesses that we defined as the global businesses where Johnson Matthey can be a global business leader, and indeed is in most cases already today. These businesses all have significant synergies amongst them. They are built on the foundation of PGMs, which allows us also to
develop a truly circular business model, because when we cannot only manage the metals for our customers and produce product, we can also recycle as well so really important portfolio for us here.

In June of this year, we basically gave an insight into how we see this portfolio developing over time. What you can see on the slide here is the underlying operating profitability and how it changes over time. This is really what the of Johnson Matthey is about, because you can see a fundamentally different company in 2030 and beyond versus where we are today. You can see a highly profitable company as well. Actually, if you look at the growth businesses, Catalyst Technologies and Hydrogen Technologies, the underlying operating profitability of those two businesses alone will be significantly larger than all of JM today. That is how we positioned the portfolio in June of this year. I think what is really important to understand here is in the near to medium term, it is actually Clean Air efficiencies and Catalyst Technologies, both growth and margin improvement, that are driving this profitability. The Hydrogen Technologies growth is happening from a sales point of view right now. Profitability is, of course, coming somewhat later; but it’s really Clean Air and Catalyst Technologies driving profitability growth, is what we said in June. Again, that is exactly what you can see in our half year results and that is exactly what we are forecasting as we go forward. These are two near term growth drivers where you do not have to wait until 2030 to see if the strategy is working. You can see it right now in our results.

Now, if we go through the individual businesses, and I will take them one by one, just share a few insights and then we can enter the Q&A.

**Clean Air:**

*driving efficiency and delivering cash*

On Clean Air, we spoke a lot about the need to improve efficiency, and what I am really pleased on progress this year, on the one side pricing, progress has been really good. We spoke a lot about the need to improve the commercial muscle. You can see that coming through in Clean Air pricing. However, we also spoke a lot about the need to be more efficient, to streamline our manufacturing footprint and to focus on the most efficient plants that we have worldwide. We have 16 plants. We had announced that we want to shut down four of those plants. We have actually already closed down three within this year. The Clean Air team has done a huge job to actually make progress and shutting down three plants globally is no easy task. The cost benefits of that, the efficiency benefits, you get in the subsequent years, you don't get that big impact in the year that you shut down a plant. You get it in in the following years, but then you know it is going to come. So I think great progress here from the Clean Air team.

On the winning business side, we are winning the businesses we had targeted, particularly related to Euro 7. As you know, the Euro 7 legislation has passed, our Parliament has now got a proposal on the table that is somewhat different than what the Commission had already proposed but it is good to see that this is progressing; and bear in mind that there will be equivalent legislation also coming in the US, also in China and also in India. So there is still plenty of opportunity here for us as a Clean Air business. So I think good progress to note.
focused on delivering margin improvement

What is coming, we are laser-focused on improving the margin. It is good to see that we had an over 100 base point improvement in the half year. We are going to get this to double digits for the full year and we see significant improvement potential thereafter. Where is that coming from? Again, it is better pricing, plus, I’d say, much more focus on costs; and cost is manufacturing consolidation, so footprint streamlining. It is also SG&A; it is also R&D. So a lot of things that we can control regardless of what is happening in the market that can help us improve the overall margin of this business. So I think good progress to date, lots more to come and we look forward to digging into that further in the Q&A as well.

PGM Services:

key enabler for our growth businesses

On the PGM side, core focus for us has been our asset renewal plan. I think you all know, our main refinery for PGMs is in Royston. It dates from the 1950s. We have a once in a lifetime upgrade of that facility, which is really important because it will allow us to operate in a much more efficient manner going forward without any concerns about the future viability of the refinery as well, because if it is 70 years old, of course you're going to get a lot of maintenance issues. Really important that we make progress on this, and we're making very good progress. We have completed our China refining capability, which is really important for us to be able to tap into the full market opportunity in China. And we are driving business growth on the product side, particularly tapping into the life science market where there is a growing need for PGM-based catalysts. Here we see significant growth potential.

Overall, what I think is really important, this business is a foundational piece for JM for all of the other businesses. We’ve particularly seen the demand on the energy transition side, so Catalyst Technologies and Hydrogen Technologies. Customers are more and more interested in our ability to offer a full solution, meaning manage the metals because no customer who does not have metals experience has the capability to do this, typically. Manage the metals, produce products, and recycle them. On that front, I think we have made great progress recently. A lot of our customers are asking for certified green metals. We have got certification now from Carbon Trust that our metals are secondary-refined products qualified, can be certified as green metals, which allows us also to charge a premium for those metals then going forward because this is based then on a market demands that is there for other companies who want to meet their sustainability commitments. We’ve also recently had a breakthrough on the recycling side, which I think is going to be really important for the future of the electrolyser and fuel cell market. At lab scale, we have now got a process whereby we can also recycle the membrane. The membrane is a core part of any electrolyser or fuel cell key component. There is actually a bit of a bottleneck and supply on that side. Having a recycling capability here, apart from the sustainability benefit, actually adds a real competitive advantage. This is something that we are looking forward to scaling up, but it is another piece of the puzzle that allows us to do a closed-loop business model and really cement that foundational element of our business here.
Catalyst Technologies: 

*breakthrough growth and margin improvement*

On the Catalyst Technologies side, last time around we spoke about the need to improve this business. I am really pleased to see the progress that the team has been making here. It is really strong progress. As Stephen already outlined, I mean, 84% improvement in profitability I think is quite remarkable in any world but we have been doing that not at the cost of the business; we have been doing that at the same time as we are investing in the business. We’ve ramped up engineering capabilities, and this is specifically on the process engineering side for our licensing business so we are investing in the business here, getting it fit and ready for more growth in the future. We have been winning a lot of new business. So driving profitability and winning business at the same time; this is a really good and healthy mix that we wanted to see. I am happy that it is now starting to come through in the results.

*winning early projects and a large pipeline*

Here, the sustainable solution projects that we’ve won to date, a quick overview of what they are. We had a target basically of 8 to 10 for the end of the year. We’ve already achieved nine and since I last spoke to you in May, we have achieved four. This is like almost one a month, this is really tracking along. What you can see here, these are very different projects, low carbon hydrogen, sustainable aviation fuel, but you can see a truly global footprint. This goes from North America to Australia and everything in between. We believe there is a world of opportunities out there for us, but it shows we have here a global footprint and these are first-of-a-kind projects. These are kind of the lighthouse projects that set the tone for what is to come. And if you have companies like an Equinor or a Linde or a bp choosing your technology for first of a kind, that means it is good stuff. And that gives confidence to others who are making their technology selections for their projects; gives a lot of confidence that those companies have done an awful lot of due diligence, done a lot of comparisons, and if they pick you, must be good. So these are important not just from a commercial point of view, these are important symbolic wins because they set the tone about what can come thereafter as well. We said we have over a hundred sustainable solution projects in the pipeline, and this pipeline will grow over time as well. So I think great, great progress here.

*delivering strong margin improvement*

Finally, on this one, it is not just then about this growing the licensing business and the sustainable solutions projects. We actually see tremendous opportunity to further improve the margin, both near term and long term. Near term, we have a variety of different areas that we are working on. Once again, same as in Clean Air when we talk about improving commercial muscle, equally applicable to Catalyst Technologies. Therefore, you are seeing pricing improvements. Procurement, this is also very relevant for Clean Air, very important space for our Catalyst Technologies business. Give the example, last time we spoke, I said we had 22,000 suppliers. That is down to less than 14,000 right now. Of course, as you consolidate your supplier base, you get better deals with the ones who remain, and that number will go down to less than 10,000. We are getting better deals and just doing a more professional job on the procurement side, and that plays through to the different business results as well.

Then on the manufacturing efficiency side, this is not about shutting down plants, this is about getting more out of the footprint that we have. Here we see very good opportunities for
us with small investments to actually be able to ramp up more production, just get more out of the plants that we have. That helps us also from the margin side. Then you can see the significant improvement that we have already seen in the half year continuing going forward to mid-teens and then high teens over time, particularly as the portfolio transitions more towards a licensing-based portfolio, you get into that high and beyond margins as well. Great progress, but again, this is not something that we are saying hopefully will happen by 2030. This is happening right now, you can see it is starting to shine through and the results, and you should be expecting this to continue as we move forward.

**Hydrogen technologies:**

*continued growth momentum*

And finally, on Hydrogen Technologies, we are pleased with the growth. Over 60% growth, again, from a sales point of view in any business, I think, would be termed as good progress. Really important for us here, the challenge -- and this is the challenge for the industry -- has been building out the supply chain. So increasing manufacturing capacity is really important for us, that that is the bottleneck to actually increasing sales. It is not demand, it is the supply side and our ability to scale. Where we have been really pleased now is with progress in the UK with our current facility. Right now, we have facility in Swindon which was originally a development scale facility which we have been using, but we have basically repurposed it to turn out commercial product. We have been refining the process as we go. Due to those refinements, we have actually been able to significantly ramp up production more than we had originally anticipated. We are now building those improvements into the design of the plant that we are building in Royston, which was originally planned for 3GW of capacity. This will actually now be more. This plant will come on tap next year. It is imminent that that plant will be ready and that will be able to produce more than we had originally anticipated. With that, we do not need to move as fast as we had originally anticipated in the US because we will be able to meet our customer commitments with supply from the UK. That is the reason why we are able to adapt the CapEx guidance because we are slowing down investment in the US simply because we are doing a better job of churning out product in the UK. We will still be investing in the US, we will still be investing in China, but we do this in a very disciplined manner, maximise the output of available assets; and if we are investing, it's customer backed, we use maximum opportunities available from government support. We also look at customer co-investment. I think overall a very disciplined approach to what we are doing, huge opportunity in this space. Green hydrogen is a key part of the decarbonisation agenda. You will not be able to decarbonise heavy industry and things like heavy duty without green hydrogen. I think a key part of the overall decarbonisation agenda and great opportunities for us as we scale up capacity.

**Sustainability is at the heart of everything we do**

Final point, this is really important for me to make this point. It is actually the most important for our new hires, and particularly our grads, and the fact that sustainability is at the heart of everything we do. A lot of companies make this claim. We are one of the few companies in the world that actually truly does have a circular business model in the sense that we can actually recycle Platinum Group Metals, and it is a core part of what we do. What I am really pleased with when I look at the stats of what we are doing, I mean, we have ambitious targets, we are on the 1.5-degree scenarios. We are meeting those scientific initiative targets,
1.5, which means we have to reduce emissions by 42% by 2030. We are on target for achieving all of those.

But what is also important is our safety track record for any company like us, which has a big manufacturing base, really important to be on top of safety. Our safety stats have improved significantly. We need them to improve further. This is top of mind for everybody in our company but if your safety culture is improving, it is usually a good sign your overall culture is improving as well, because there is a direct correlation between the health of a company culture and safety performance. When people care, you get better safety results. This is really important for us to see, and as you can see from the number here, 20% reduction or improvement on total recordable incidents. This is good progress. This is getting recognised externally, as you can see, whether it's EcoVadis or others. I think our efforts here are being recognised; really important for us overall from a sustainability point of view. But more and more my personal belief is sustainability, and the circular business model will more and more become a competitive advantage for JM. We do not just do this because we want to help save the planet and address climate change, it actually will give us a competitive advantage as well.

**Catalysing the net zero transition**

That is basically where we are as JM. We are at the end of the presentation. Again, just an overall summary. Good underlying performance, and the transformation at JM is very significant, but it is showing up now in the underlying results and at the same time, we are delivering on our strategic milestones. I can tell you, we are absolutely committed, myself, my team, to value creation for all of our stakeholders, and looking very much forward to your questions today. With that, thank you for your attention so far, and we will now dive into the Q&A session. Thank you.

**Q&A**

**Martin Dunwoodie:** Thank you, Liam and Stephen for the presentation. We will dive into Q&A as Liam suggests. As a reminder, if you can give your name and then company before you ask the question. We will take questions from the room first and then move to the webcast. I think we have got first one, Kevin, second row.

**Kevin Fogarty (Numis):** Great, thank you. Kevin Fogarty from Numis. If I could start with two, please. You have upgraded the medium-term efficiency guidance today. Part of that seems to be driven by Global Business services and a benefit from that. I just wondered if you could help us how should we think about that and the impact it has on the sort of structure of your cost base; going forward, what does that sort of entail? Second point is really on the sort of value proposition. You have talked again today about improving the commercial muscle of JM. We are probably seeing some of that benefit coming through in pricing but I guess, you know, if we are to sort of think about pricing being above and beyond just cost recovery, how should a customer sort of think about your value proposition, and how might that have changed? What will I see as different?

**Liam Condon:** Thanks a lot, Kevin. Let me start with GBS. Stephen might want to chime in on the value proposition and particularly kind of commercial pricing. I would actually ask
Anish to give an answer. Anish is the CEO of our Clean Air business, but he is also in charge of the Commercial Council across all businesses. He is the one I introduced last year’s commercial tiger so we will see what he has been up to. On what we call global business services is what I would call the classical business process outsourcing approach, which many companies have already done. I mean, many companies started decades ago on this. At Johnson Matthey, I think we were pretty siloed from a functional point of view, which led to the fact that we have pretty, quite honestly, clunky processes that are functionally optimised, but they’re not optimised from a customer or an end user point of view because we did not really have that end-to-end process view. With that, we also did not have the ability to truly automate processes. What we are doing now is instead of trying to fix all of that ourselves, let us give processes to people who do this on a day-by-day basis. We are partnering with a business process provider who will basically help us professionalise the processes with an end-to-end view, improve user and customer friendliness of what we are doing, but also significantly improve the costs of that whole approach and have a, quite honestly, a better risk managed approach because a lot more will be automated versus today where we have a lot of manual interventions. On Stephen’s slide, we showed that that should result in savings this year of 15 million. That will significantly increase going forward. It is a significant cost portion. I personally think it will have an equally big impact on the culture of JM because this forces us to think no longer silo but end to end customer and user from that point of view. It will allow us to work in a much more agile manner than is currently possible so that is a little bit that the background to the global business services. Has already kicked off and we are implementing in UK and US, which are the two most affected markets already in the first half of next year.

Stephen Oxley: Let me, Kevin, I will pick up the financial impact. Last year we set 150 million of savings. I am confident that we will exceed that. I am not going to give you a number now, but I certainly will update with a new target at year end. The improvement is not just GBS, it is right across the board. As you start to sort of pick at things, you can see more and more benefit, which is why we are driving the change harder. It is right across all of the areas that I talked about. If you think about it as we simplify the business, so as we close sites, as we sell businesses, we end up with a much, much more focused company. That is lower heads, that means we can take cost out right across the whole business from back office, from IT, you know, you name it. As the business shrinks, if you like, in complexity, we get more benefit.

Kevin Fogarty: Great. That’s really helpful. Thank you,

Martin Dunwoodie: Anish.

Anish Taneja: Good morning, everyone. Thank you for the nice introduction, Liam, especially on the Commercial Tiger part. In my role as the Chair of the Group Commercial Council, I am really pleased about the further development we have done on the commercial side, and there are a lot of proof points we can talk about. So what we did was probably, if we split it in two parts, first was fix the basics. When you work on a commercial side, what you want to see is a kind of hunting spirit, which is proven by winning new customers that you did not have business before. We have done that in all four businesses including Clean Air, which is actually a good proof point that the commercial abilities are moving in the right direction. The second one on the basics is probably cross-selling. You can see more and more that we have
one JM account plans in our company where we are looking into the potential of offers and products that we can bring to a customer where we already have a relationship, increasing our share of wallet or even bringing a new business into the relationship, which is especially true for HT and CT. And then also implementing a CRM system that gives us visibility and agility in front of the customers because the data is collected at one place and our position in that customer relationship gets more obvious. So that is done on the basic side. Then on the more advanced side, obviously, we are talking about the pricing. When we look at the pricing effects that we had, for example, in Clean Air, half of our improvement on margin is coming from pricing and half is coming from efficiencies. In that pricing side, it is not only about inflation, that is something we have to keep in mind. There is much more behind that, which could, for example, be volumes or products with a different mix where we have possibilities to talk to the customers and improve the situation. Then probably the more sophisticated part is value-based pricing where we are now starting to talk to customers about what do they really need, bringing the voice of the customer to each and everyone in the organisation and having right sized and not over-engineered products and services, which help us to get more value out of the relationship with customers.

Charles Bentley (Jefferies): Great, thanks very much. Charlie Bentley, Jeffries. If I look at the bridge for operating profit, I think on volumes it implies probably something down on a top-line basis kind of maybe mid to high single digit, is that kind of, right? If I just go down through the commentary, it is Clean Air up and then CT down, PGMS down. It is just those divisions are quite meaningfully down to be down overall. Just could you help me with the kind of the various blocks there? Then a second related question is just as I am looking into the second half bridge, again, like on a cost savings basis, you should be delivering something like 12% earnings growth for the division. It suggests that you have kind of slightly negative on the net of price and volume. Again, as you think about the second half, why do you think volumes are and perhaps, and is the pricing component likely to be relatively similar? Just thinking about those components. Thanks.

Stephen Oxley: Let me pick up. Charlie, thank you for the question. As we said, if I look at the overall performance for the half, it is not dependent upon volume increase. We are really getting it from a combination of pricing and the benefits of transformation. There are ups and downs. The most obvious obviously is PGMS on the recycling side due to auto scraps. We have seen volumes come down. Volumes year on year are down about 15% and we are working really, really hard to offset that with cost savings. However, as I said in the second half I do not foresee a rebound quickly. Hopefully that will come in the next financial year, but we are not expecting any improvement in the second half. Clean Air volumes are up a little bit. It is sort of low single digit. There were put some takes in different regions, in different sort of product areas. CT volumes were down a little bit. That actually was not the market. That was our ability to get product out the door. If we can debottleneck the plants there for relatively small amounts of CapEx, we can get higher volume and get that into the market. That business has actually been slightly constrained, Charlie. There is opportunity there for volume growth and I expect that in the second half. And obviously HT speaks for itself, a 61% increase in sales and obviously most of that is volume driven.

Charles Bentley: Great. And sorry, just one other question. I guess if we look at your automotive customers that maybe you are going through a little bit of a rethink in terms of
where they are going in terms of EV platforms potentially for the next decade. As we think, I mean, your kind of planning assumption for EV penetration for Europe is something like 60% to 2030. If you think about the sensitivity of that number, whether it's 5% up or down, like how do you think that impacts both that kind of 4 billion target as well as on the OP of the business?

**Liam Condon:** Charlie, I suggest we ask Anish on this one as well, get a definite -- and then Stephen you chime in.

**Anish Taneja:** Yeah. I think that's a really good question, which we're looking at constantly. I would separate the answer in different parts of the world. If we look at China, we think the current predictions on EV penetration are accurate or even a little bit too low. We see EV penetration that is going faster but in the rest of the world, we are getting more and more signals that EV penetration will not be at the pace that we predicted and, in some markets, never on to the level that we predicted. What we are looking for is real proof points that we can build a strategy on and rebuild our forecasts on. For example, if you look to some of the CEOs of German manufacturers that have given press releases in the last six to eight months, they have been very clear that their EV penetration is going to -- their EV part of their fleet, which is very important for them on the CO₂ coverage is going to be later, and in some markets never as big as they thought. That is definitely generating an upside for us. I think we have to wait a little bit longer to see how regulation really kicks in in order to be able to give a good forecast on the US and the rest of the world but for now, I would have a positive outlook on the runway of Clean Air in terms of size of EV penetration and also the end state of the business. We will definitely come back to that in the next months and years because we need more proof points to be able to revisit our forecast on the cash for 2030-31, for example.

**Stephen Oxley:** If bring it back to the numbers, we said a minimum of 4 billion in the 10 years to 2031. In the first two years, obviously, we delivered a lot of cash, and we are 1.2 billion, including the benefits of precious metal. We have got increased confidence in the 4 billion, we are not going to upgrade that. However, that was set in the most aggressive EV transition scenario. Let me give you an example. We said that in Europe no light duty ICE vehicles will be sold in 2030-31. That is not only cars, that includes vans and small trucks up to six tonnes. Nobody is saying that I think in the current environment.

**Riya Kotecha (Bank of America):** Hi, morning, this is Riya Kotecha from Bank of America. I have got two questions please. My first is on Clean Air. When does the pivot to running Clean Air as a more mature business kick in versus maximising profitability wins and gaining new customers? Can you talk about the plan for fixed cost reductions into next year after you have closed down the four sites? Do you have any plans to cut R&D costs next year? Is there a wide descent that restructuring needs to accelerate with ICE production at peak levels and the Euro 7 decision? My second question is about working capital. Can you talk about the increase in non-PGM working capital where days have taken a big step up to 57 in the first half or '24 versus 35 in the prior year period? And this seems to be offsetting a lot of the PGM-related working capital inflows. What is driving this and what is your expectation for the second half? Thanks.

**Liam Condon:** Let me on the first one. Stephen, you chime in and then you take the working capital question. I think what is really important for us with Clean Air today, we said we have
a great opportunity to improve margin. We are running this business for cash de facto now.
This is the core goal. That is why we have all the streamlining initiatives, whether it is the manufacturing footprint, whether it is SG&A, whether it is the R&D. We are running it as a cash-focused business today. There is no pivot in the sense that we foresee a completely different operating model. We see great opportunity to improve the profitability of the business as it is today, and we’re completely committed to accelerating that trajectory. That may be just on the overall positioning. Maybe Stephen, you want to chime in in general and then take on --

Stephen Oxley: On Clean Air. Clearly it is a mature business, but we still expect overall to see some volume recovery. You know, we have not got the full post Covid bounce, and we expect some of the product mix to improve. The cost-based obviously does not just come down. When we close a plant, it takes a while, as Liam talked, for that to come through. However, we are constantly looking at the different costs. We are trimming the R&D number depending on the regulation that is coming through. That will have peaked. We talked about the different levers that we can pull in the business to maintain and improve profitability. It is about getting the margin up. You have seen some of that, we can get back to double digit, and it's focusing very much on the cash generation.

That's Clean Air. Let me come to touch your question, Riya, on working capital. Overall, a reduction in working capital and a cash release there, which is really good. Bit of an offset, as you say, on metal and non-metal. On the non-metal side, we have seen an increase of about 150. Half of that is VAT-related. That is the timing of payments. And we have had some stock build in both CT and HT that is supporting growth that will come through in the second half. So, actually I think I am actually quite pleased with the working capital performance overall. In the second half, I’d expect continued cash generation and a good working capital position. The other thing I highlighted in my speech was that we are carrying around a 100 million of higher metal -- precious metal inventory in the PGMS business. I expect that to come out in the second half.

Martin Dunwoodie: Okay, we will now move to a couple from the web and then come back into the room. First one is from Alycia Samsudin, Berenberg. Could you please comment on the rumour of a 600-person layoff? Could this nudge up the GBP 150 million cost savings?

Liam Condon: Yeah, thanks. Special thanks to Mark Kleinman for Twittering last night. Let me give some context on what's happening on the overall headcount at Johnson Matthey and this is directly linked to the transformation. The way we are looking at it is, if you go back a couple of years, Johnson Matthey had about 14,500 employees. We think in target state this will be about 10,000. Really significant reduction. That is largely due to the divestments of the Value Businesses. That makes up well over 3000 headcounts. These are not people getting laid off. These are businesses where there is a new owner, so people move to a different company. Then we have the streamlining impact. What we are doing in Clean Air on the manufacturing footprint, closing four sites, three already closed, that has an impact of about 900. You quickly get to a 4,000 plus number headcount, that is real consolidation. Then there is a question of what happens with the remainder of the organisation. What we have been very clear about is, well, if we have a third less base, almost a third less employees, we got to right size the rest of the organisation. We got to make sure that we’re not top heavy from a management point of view. We got to make sure that overall from a functional point of view
that we have the right number of people servicing the size of the business that then remains. That comes to a ballpark of about 600 which is basically about right sizing the company for the business that remains at JM. That will be the base then for further growth. We will be growing. We will, for example, be hiring more engineers, we will be hiring more commercial people; and in different parts of the world, this will go at different rates but that is where the 600 number comes in. It is about right sizing the company to make sure that we have a sustainable platform for growth.

Stephen Oxley: Yeah and that is an important part of us exceeding and ultimately raising the overall target.

Martin Dunwoodie: Next one is from Charlie Webb, Morgan Stanley. There has been some recent concern over the financial health of one of your key fuel cell customers and partner Plug Power. In light of these concerns, does it change the viability of your partnership and what does it mean for the risks associated with the US investment in HT?

Liam Condon: Yeah, thanks Charlie. It's a great question. I think what is really important when we designed the strategy last year, we said green hydrogen is going to be an important growth opportunity for JM; one because there is a huge need for green hydrogen going forward as part of the decarbonisation agenda; but, two, because we have great technology, we have been actually in the business for several decades, this is a space we know really well, so somewhere where we can be highly competitive. What we said is as we move forward, we need to do more strategic partnerships and make sure that we are tied in with different players in different parts of the value chain. One of the strategic partners that we have, and that is being referred to is Plug in the US. Plug is a disruptor. It is basically designing or wants to be the ecosystem play for green hydrogen globally, but specifically with a very heavy focus on the US. They are recognised as the most advanced player in the world but also in the US from a green hydrogen point of view. So we do have an important strategic partnership with Plug and this will continue. We have learned a lot from Plug, Plug learns a lot from us. We think it is a very good collaboration and that continues going forward. We have many others, it is one of multiple customers that we have. I think from an exposure point of view, that's a little bit also background to the question, important to point out, we have no material balance sheet exposure to Plug. Also important to point out as I alluded to in my presentation, we have not yet started our new planned facility in the US. We are planning to do a co-investment with Plug for a manufacturing facility for catalyst coated membranes in the US but we have not yet started that. Because of the ramp up in UK volumes, we can serve Plug for longer from the UK, so we are able to push out that US investment decision. So I would assume we will be updating you on that sometime next year but we have not started, we have not spent any material CapEx on it. That is just the status quo.

Martin Dunwoodie: Okay. Then a couple of related questions. One from Lacey Midgley at Panmure Gordon. What is the risk of Plug Power's recent going concern warning on the HT business sales target of 200 million? And then related, Alycia Samsudin, could these difficulties impact the hope for breakeven in mid 2020s?

Liam Condon: Specifically, a part of the 200 million, Plug is one of the customers that makes up the 200 million. We assume Plug will continue the base case scenario, will continue as a good partner and will continue to be an important part of reaching that 200 million. If Plug was for some reason not, let's say, able to meet the these this volume uptake, there are
plenty of other customers out there who are crying out for supply. We have certain supply commitments to strategic partners. If one partner pulls back, it gives us the optionality to then basically do a partnership with somebody else that we maybe cannot commit to right now because we simply have constrained supply amounts. So I think we will be very agile in our approach here, our base assumption is we will continue with Plug as is. If that was not the case, we will have alternatives and I think on the breakeven, we are completely committed to the breakeven '25-'26. And again, this is completely in our control. A short reminder that the fuel cell business we used to have was profitable. The only reason it is not profitable right now is because we are investing in scaling capacity. If customer demand for whatever reason was to tail off, we would reduce investment and that immediately plays into the breakeven. So we have multiple levers here that we can pull that allow us to remain confident in our ability to breakeven by '25-'26.

**Martin Dunwoodie:** Okay. Thank you. Any questions in the room? I will carry on with web -- sorry, one down the front.

**Ken Rumph (Goodbody):** Hi, Ken Rumph from Goodbody. Two questions. One on Catalyst Technologies. I think we saw no particular change in the mix between licensing and supply and therefore the margin benefit was on the back of costs and so on. Margin mix gaining because of more licensing is part of the plan. The nine new contracts, what is the sort of timing of those? Are they all licensing type deals? So timing and kind of, are they all licensing? Second question on Clean Air on Euro 7, the worst combination is kind of Euro 7 later, but it still happens. You still have to do the work, but there are less engines, which does seem to be the way it's going. Maybe it's a question for Anish, what's the sort of view on Euro 7? Thanks.

**Liam Condon:** Yeah, sure. Thanks a lot. Let me start with licensing, how the licensing versus catalyst business develops. And then Anish can take Clean Air, and Stephen, you chime in on any of the topics. What we had -- status quo for our Catalyst Technology business today is we have 90% ballpark, 90% of the business is catalysts and 10% is licensing. Over time, we see this shifting to, maybe it's 60/40, but it's a very significant shift over time. You are right that the sales growth was kind of equal more or less in catalysts and basically licensing so far. The important point with all of the nine wins that we announced, these are all licensing projects. The important piece is this is typically revenue that is spread out over five years. You get a smaller portion upfront and then it is distributed over the next five years. You do not see the kicker impact of that now, but you know that revenue is going to come in the subsequent years. On top of that, what I think is really important is that licensing business pulls in catalyst sale because it will be licensing with a catalyst. Then you have after ballpark five years, you have the catalyst refill opportunity. To give you a number, the nine projects translate into sales in a five-year period of about 185 million. Then after five years, you get the refill opportunity, which can be ballpark 10, 15 million again, and subsequent sales thereafter. There is a lag between securing a licensing project and seeing that that let's say portfolio shift over time because the revenue comes in then a little bit later; but by sealing the win, you know it is going to come and then you can adjust accordingly.

**Stephen Oxley:** Just to be clear, the 450 basis point improvement is self-help in the catalyst business. There is virtually no benefit from the sustainable solutions licenses in these results, that comes. The self-help gets us to mid-teens margin; we are well on the road. And it is the
contribution from the new licenses that will come in after that and push the margin towards 20% and beyond.

**Liam Condon:** Clean Air and Euro 7 impact?

**Anish Taneja:** Yes. I think the most important message first; our commitment to the 4 billion of cash until 2030-31 is independent from when and how Euro 7 is going to be implemented. I think that is the first and most important message. Then on Euro 7, I think we have to wait for the legislation process. As Liam stated, the Parliament has a position now, there is this negotiation between the parliament, the council, and the ENVI right now. We have to see how it ends up especially knowing that there are an election next year. There is a little bit of timing pressure as well for the colleagues there. Just to be clear on two points. Our position: so, we think Euro 7 should be implemented right soon and as it was planned originally, because this is protecting the planet and saving lives. I think the OEMs have an accountability here and I said that on the stage with my customers, so I can say it here as well. They have kind of lobbied for pushing it out and making it weaker. There is an accountability there to which we are going to hold them accountable once we negotiate how Euro 7 is going to be implemented. We are their partners, we are here to catalyse their way to net zero, but if we have costs from developing Euro 7 and it's going to be later, that is commercial expertise to find a way with our customers how we going to make them share those costs and hold them accountable for bringing that technology into the market. The most important part is obviously with our partners and customers; we are in constant dialogue. I can tell you that some of them are already thinking to keep the plans on Euro 7 even if legislation is later because technology is available. Some of them don't want to get to the scenario that in a few years from now they will be blamed for not having protected the planet and lives because technology was available, and they have just decided to use it later. These conversations are ongoing, and we will be a good partner to our customers, but we will get our fair share on the overall implementation of Euro 7.

**Liam Condon:** Thanks Anish. Another one from Riya and I will go down to the web.

**Riya:** I've got a follow up question on the on the CT business and the licensing. You mentioned 180 million in licensing win. Does that include the first fill or is it just licensing? Then if five years on you're getting 10 to 15 million refill each, does that mix percentage of 60/40 skew back up to catalysts? If so, what is sort of the steady state mix between licenses and catalysts, because presumably that then impacts the ultimate margin -- the steady state margin of that business versus the high teens number that you've put out?

**Liam Condon:** Thanks Riya. The licensing does include the first fill because typically our process is designed together with a specific catalyst where we can offer then a guarantee for performance. That is typically included. What is not guaranteed is that we will get the refill, but if we offer a performance guarantee, typically we will. The 60, the way we have modelled it out, basically our catalyst business will continue to grow based on the fact that our licensing business is growing, so independent of other reasons for the catalyst business to grow, based on the licensing progress, the catalyst business will grow as well. It will not be exactly in lockstep, otherwise we will not get the ratio improvement. From what we have modelled out, it gets to about 60% catalyst, 40% licensing over time. That is the overall, and that allows us to get to the margins that we have basically given out, so the mid-teens accelerating towards the high teens margin in '27-'28 and increasing further thereafter. I think that the key
difference is the catalyst business is of course a lower margin business than the licensing business, where in essence you have no CapEx. It is a pure people business, it is a engineering consulting type of a business. That part, the sales part, has a much higher profitability than the corresponding sales, the profitability related to the sales of a catalyst piece. That is where the differentiation comes in.

**Martin Dunwoodie:** Okay. If we move back to the web. Chetan Udeshi, JP Morgan. Does the target of more than GBP 300 million gross proceeds from divestments include the previous divestments done in 2022, like AGT? Can you remind us of the proceeds already achieved until now in the total of the 300 million target? This is me being a bit cheeky, if I could add one on from Sid Sakumar at JO Hambro, it’s all related. Could you please provide an update on the MDC sale process and also on the competitive intensity in sales process? It’s all related.

**Stephen Oxley:** Thank you for the questions. The 300 million, just to remind you, was net by the end of this year, we are making I think reasonable progress. Chetan, it is the whole of the Value Businesses. Includes everything that has been in that portfolio. The cash to date is 60 million. The single biggest business is MDC, the Medical Device Components business, I am looking at Louise, but that process has now started. It is a fantastic business and there are lots of interest in it. As I stand here today, I am confident that we will exceed that 300 million target.

**Liam Condon:** I would be massively disappointed if we didn’t.

**Martin Dunwoodie:** I think that’s known as feedback. There are a couple more from Sid on this and I don’t know if you are going to be able to answer this. One of them is MDC again, what was the EBITDA of the business and how much did your running costs and what would the margin of the business post the new facility coming online be, might be?

**Stephen Oxley:** I am not going to get into that detail. We do not break out in the individual businesses within Value Businesses. But, look, it is a great business. Let us see where we end up.

**Martin Dunwoodie:** Then last one from Chetan. The pricing benefits of GBP 35 million is gross or net of cost inflation? Then the same question for the transformation benefit, is this net of OpEx inflation due to higher wages, IT investment, etcetera?

**Stephen Oxley:** The pricing benefit of 35 million is the pure pricing benefit. That is the top line benefit. So it is gross, it is not net at all. I am sorry, Martin, the second was transformation?

**Martin Dunwoodie:** Transformation, yeah.

**Stephen Oxley:** Again, that is purely the benefit that we are tracking through to the bottom line. We have talked about the transformation cost to deliver that. We have said that that will be around 100 million on a cash basis. That is obviously recorded in our non-underlying numbers.

**Martin Dunwoodie:** Then Sid Sukumar again, JO Hambro. PGM refining, how can we get comfort that the volume picture stabilises here and what are your expectations for H2 and beyond?
Liam Condon: I will start and Stephen chime in. We have seen a decline in recycling volumes of about 10-12%. As was alluded to earlier on, this is due to the lower auto scrap, due to the lower availability of new cars as well and people holding onto to cars for longer. We have actually been able to recover or compensate for that refinery volume loss through efficiencies in the PGM business. The hit we are taking on the PGM business is really related to Platinum Group Metal pricing declining. It is not related to the fact that we had lower volumes in the PGM refinery because we have been able to compensate for that. Going forward, our assumption is that volumes for the remainder of the year will remain relatively subdued and that we will see a slow uptick in the following year. And we will guide for that then next year what exactly we are looking to.

Stephen Oxley: The whole industry is seeing the volume decline. We do expect that to come back as sales or new vehicle sales increase. The other thing that I’d point to, of course, is we have talked about primary versus secondary in this business. Over time, partly because of the embedded carbon content, we see greater focus and greater use of recycled, i.e., secondary metals. That is what we think is going to drive the volume progression over the longer term but we are not going to see much of that in the second half.

Martin Dunwoodie: Great. Thank you. No more questions from the web, none in the room I can see. Thank you very much everybody for coming along today. Thank you to Liam and Stephen for your time and hopefully we will see many of you in the coming weeks. Thank you.

[END OF TRANSCRIPT]