



Stellantis Investor Day – June 13, 2024 Transcript

Q&A

Ed Ditmire:

Thank you. We're going to start the Q&A session. Just a couple details here. I know we have a lot of material, a lot of questions. I'm going to ask you to please limit yourself to one question and then we can always, if we have more time, go back to a second question. Let's see, Stephanie, why don't we start out with Michael here behind you? Thank you.

Michael:

Thank you, Ed. Good afternoon Carlos, Natalie and team, and thank you for the really great event and presentation. I'd like to ask a question on the US inventory position. Stellantis is clearly taking a more conservative approach with incentives in the US and I appreciate the frugality and stewardship behind that. But is there perhaps an argument to be made for being more aggressive on predecessor models and making room at dealers for the new ones to maximize the market opportunity from the fresh product lineup that you've got coming particularly on the RAM-1500? Thank you.

Carlos Tavares:

It's not exclusive. You don't have to do one or the other one who can do both. And of course, you need to create the room for the new products to be launched. That's quite clear. Reversely, if you make that readjustment brutally, it's very costly. So what we are trying to do is to do it in a progressive manner so that we create the room for the new products while making sure that the new products will reach the right level of quality when they go to the market. And as we have that target clearly in our radar, we just need to manage our inventory down in a progressive way so that it's not very costly way of doing things. That's what we are trying to do.

Speaker 4:

Thank you very much. It's Jose from J.B Morgan. I wanted to thank you for the presentation as well. Very interesting. I wanted to go back to this sustainability of maintaining the margins in North America going forward. I think there's an opportunity obviously on the manufacturing side, and I want to hear from you, Carlos, if you're happy with the current manufacturing setup, the utilization of the plants, the

retooling of these two plants that you have right now in the US will be there. And Brampton. And also, what kind of synergies can you obtain from the mergers still in North America so we can get that confidence that margins in the US can continue to be sustained at the current level. Thank you.

Carlos Tavares:

Thank you, Jose. It's a great point you are making. Let's be very transparent and very honest as always. No, we are not happy. Certainly not. Certainly not. But it's not the only problem to be solved. But that one is very concrete. It's quite clear that on the three dimensions of what a plant should be doing, supply, improve quality, reduce cost. We have at least two plants in the US that need a significant turnaround. At least two. So the good thing is that that represents an opportunity. Then second question is do we have the knowledge? Yes we do. Yes we do. Of course. We do because everywhere in the world we are doing that exactly the right way. There is no problem about any internal benchmark where we could bring that expertise. And by the way, at shop floor level, when I talk about shop floor, I'm talking about welding, painting, general assembly.

At that level, you can find executives that come from other parts of the world to bring the expertise that needs to be brought to fix those issues at shop floor level. So from one side, no, we are not happy, and Arnaud de Boef is leading the way to make sure that we fix it from the other side. The problems we are addressing are not problems that we did not fix in the past, but we also need to fix them in the context of the US environment because it's a matter of respecting what are the local ways of doing things, which is what we are doing so that we don't break anything on the way. So that's exactly what we're doing. But we have two plants in the US at least, that need this turnaround and we know exactly what we have to do. It is not rocket science. It's something that we have done tons of times everywhere in the world. We just need to do it the right way in the right context. And that is what Arnaud de Boef is now leading.

Natalie Knight:

And I think maybe I'd add from my side, if you look at that part of that Arnaud talked about how we're benchmarking across the whole portfolio of our manufacturing and we're saying, hey, what can we learn from the best and apply wherever we can. And we definitely have things there that are opportunities for the US. And the other one that we're doing I think a lot more now than even six or nine months ago is we're looking a lot at what are the things that we learned from Leapmotors in terms of how are there things from, I'll call it a BEV-first approach that we can or should be implementing into how do we do things? So we've got, I'll call it that really tried and true way of looking at things in the group that has yielded big results and where we know there's still a lot of benchmark opportunity and we're also starting to look at things that we hadn't thought about in the past that may give us incremental opportunity.

Patrick:

Hi, it's Patrick from UBS here right in the middle. If I can just follow up on the North American situation, on the one hand you're still working through the inventory situation, which is a significant drag. You talked about it. I would like to better understand for how long you think this is actually going to be a drag to margins. Are we talking two quarters in your mind, or just to get a better feeling?

And then when it comes to the phase in of the BEVs, I think the industry or investors tend to be a bit scared about margin dilution from EVs at looking at the numbers at those OEMs that are disclosing the profitability. You have a different strategic approach, you have a different platform approach. How can you reassure us that that phase-in of the EVs will not be as dilutive as we've seen it at your competitors? And then as a very last one, if you put these inventory issues behind us and the phase-in of these stellar

platform models, does it make sense still to believe that North America can go back to 15% margin or more? Or was that just the result of an extraordinary strong pricing situation in the industry? Thank you.

Carlos Tavares:

Well, that's a very important question you are asking. So let me try to explain at least our vision in a proper way. Let's not forget let's not that on the total production costs of an automobile, you have 85% bought-out parts. That's a good idea. Thank you, Ed. Thank you. Perhaps somebody did not like the answer. So I'll come back again. I'll repeat it. So 85% bought-out parts, 10% transformation costs in the OEM plant, 5% logistics. That's the total production cost of an automobile before you put the product on the trailer to ship the product to the dealership.

So on this part, when you talk about competitiveness on cost to generate the margins and reassure you that the margins of electrified vehicles will be as good as the ICE, one cannot forget the 85%. I can do as much as I can do with my teams on the 10%. And I have possibly the best worldwide benchmark of what you can do in any kind of plant on quality and cost shop by shop. So this is available, but that's 10%. So what do you do about the 85%?

PART 6 OF 7 ENDS [03:30:04]

Carlos Tavares:

So what do you do about the 85%? And the answer was, in the presentation that was done, about 80% low-cost country sourcing. So that is something that is going to happen in a way or another. In a way or another, there is so much potential, double-digit potential, in the sourcing of bots which represent 85% of a total production cost of an automobile. There is so much potential there that the guy that reaches that point first is going to be a winner, and we believe that we are leading the pack. If you measure it through the index of unpopularity, that that brings us to us. We are number one by far. So that's point number one. Point number one is if we want to get back to the margins of ICEs, you need to get a significant cost reduction from the 85% of [inaudible 03:31:06] parts. And that means, in the current context, best-cost country sourcing.

It's a huge machinery for a company like ours that is sourcing 132 billion euros per year. You can imagine. But each new project that we are approving has that component 85%, 85%, 85%. So this is now in the pipe. It's going to come out. It's going to come out very soon. It's going to be one of the big drivers of our cost-competitive edge. By the way, when we compare to Leap Motor, those 30% cost-competitive edge I'm always talking about, they're coming mostly from two things and only two things, which is good news. One is all of their parts are sourced in China, which is a 15 to 20% cost advantage on the parts. And then you have the electric powertrain, which is mostly about cost of batteries and drive trains. With those two things, they generate north of 80% of the 30% cost-competitive edge.

So, it shows the way. It shows the way of what? It shows the way of vertical integration on the EV powertrain components, which is exactly what we are doing with electric motors and drive trains and batteries with ACC vertical integration, and then everything else sourced from best-cost countries. This is exactly what we are doing and I believe that we are ahead of the pack on that specific component. That's on the cost side. Now you have on the revenue side, and it is fair to say that given the number of tests drives I'm making right now, we are ready to start selling the fact that a BEV is a better car.

But that's not enough. If you drive a BV, if you drive a Wagoneer S, if you drive the new Charger, you will obviously agree with me, obviously, that it is a better car in dynamics, in NVH, in whatever you want to think about. Once we start communicating that, an example, any courtesy car needs to be a BEV so that you have the experience of a BEV and then you come back and say, "Whoa, it's super silent. Wow, it has

a super acceleration." Once you start selling the fact that it's a better car, then the only thing which is left is the convenience of charging. And the convenience of charging right now is not yet there because of the lack of density. But that is the reason why we are bringing the best ranges of the industry. And we have enormous discussions about that, and we are happy that we bring the best ranges of the industry until the moment where you start seeing a higher density of the charging network.

So that's what we are now doing, and any seminar of our top leadership team always start by test drives of EVs and breakdown of EVs. Test drive of EVs will confirm what I've just told you and the breakdown of EVs, and we had yesterday here another meeting where we cut and disassemble and break down the cars of all the competitors. It's the world of enlightened engineers. It is just starting. When you look at the engineering of BEVs, it's basic. It's not optimized, it's just basic. Look at the battery packs. It's basic. This technology has not been optimized. There is huge potential to do much better than what you can see in whatever brand you want to pick today, including by the way the Chinese, which means I'm very confident that challenging the brains of our people will lead to making a much better cost at a higher performance level very soon. Which means what?

Back to my story about, you have two kinds of people. The ones to whom you say, "Don't worry, I'm going to protect you." And the ones to whom you say, "We go racing." This is all about recreating an optimization in the new technology that is not there. And the good thing is not even in the Chinese brands. They are not there either. Their technology is not super optimized, but of course they have a competitive edge on cost. Somewhere in the EE architecture, they are a few years ahead of us. Not much, because when we are going to come with STLA Brain, we'll be on their back. We'll on their back.

And you see, I told you a few years ago that we were trying to make the best performance at that point in time was beat Tesla with the cost of the Chinese. We are getting very close. In terms of performance, the Wagoneer S is going to demonstrate to you that we are better than Tesla and we are going to keep on doing that. The best performance in terms of BEVs for the cost of the Chinese. We are going to continue to push on that front. That's what I can share with you. Thank you.

Natalie Knight:

Can I add one other thing? Because you said how do you look at those higher margins, and I'm sure you would've jumped on this, is scale is also part of that. I think we covered it a lot today in the presentations on how do we improve how we think about the pricing dynamics overall, our commercial practices, and there's lots of opportunity for us there. But when we look at the size of where we are in the market, we're definitely at the low end of what the potential is, and when we grow there, we also have an ability to spread our fixed costs over a bigger base.

George Galliers:

Thank you. George Galliers from Goldman Sachs. I wanted to ask you a question about local heroes, because I think some investors still have concerns around the complexity of managing so many brands. Obviously, you have the data because you're selling similar products on similar platforms across Europe. What's the kind of price premium that a local hero gets if you compare a Peugeot in France to an Opal or maybe a Fiat in Italy versus an Opal? Can you give us any kind of insight or data there?

And then when we think about the third engine, what role will local heroes have or potentially could they have in the third engine? Is the fact that the third engine doesn't have strong domestic brands creating the market share opportunities that you seek out? Or is there also a risk that it opens the door to Chinese manufacturers and maybe some of your competitors that don't have such high AOI aspirations?

Carlos Tavares:

Great point. Let me first tell you that if you go to Latin America, you will easily capture that Fiat is a local hero in Latin America, even though it is as you know perfectly well an Italian brand. So you can have local heroes that are the consequence of being adopted in the region because your roots have been created in the region. Latin America, where we are the leaders in automotive group, leaders in brand with Fiat, is a place where we have so many plants, such a dense network, such strong marketing communications that we are considered Latin American with Fiat in Latin America, so we have our local hero. If you go to Africa, most possibly you will be able to say that Peugeot is a local hero. But more than that, there is one thing that is obvious to me when I go everywhere in the world, is that the Jeep brand has the potential to be a winner everywhere, local hero or not local hero.

The Jeep brand has this capability to convey freedom, outdoor adventure, so strong. It's meeting so many expectations right now that the Jeep brand can be a local hero anywhere, and we are going to reinforce the manufacturing footprint of Jeep because we believe it has a big potential. I don't know if you noticed on the slide presented on Africa and Middle East the ridiculous market share we have in GCC with Jeep, less than 1%. South Africa, less than 1%. Now, if you go to the Maghreb, you look at Morocco, Algeria, and even in Turkey you see that we are between 20 and 70% of market share in those countries. We have huge potential to go east and to go south.

And in that case, with or without a local hero brand, Jeep is the perfect tool to conquest. And I would say if you go to GCC, of course, in addition to Ram. So, we have that capability. To your question on the pricing power, if you compare different European countries where you see the price premium of a Peugeot in France, the price premium of Opel in Germany, the price premium of a Fiat in Italy and then you go with the same brands on the other countries and you look at the gap, I would say it's between three and five points on TPVA. Three to five points price premium in your home country compared to the other countries where it's not your home country.

Henning:

Hi, thank you. Henning from Barclays. Hi, maybe we-

Carlos Tavares:

Can you please raise your hand? I don't see you. Oh, you are here. Thank you.

Henning:

Maybe we can pivot to the total shareholder return a little bit. Natalie, I think you used the words conservative and very sustainable and I just wanted to clarify on the dividend level or in terms of absolute dividend level, absolute level of share buyback, do we mean when we say conservative and very sustainable, that's a floor level? And of course we also talked about paying out the excess free cashflow, and one of the key variables of course is the M&A, I suppose. So is there a floor for the total cash return to shareholders? Is there a ceiling for potential M&A? And I guess that part of the question is for Carlos as well because you said with a smile you have ideas, and maybe you would be prepared to share a little bit more about the ideas that could eat into the cash return potential to shareholders. Thank you.

Natalie Knight:

Well, maybe just generally on TSR, one of the great things about TSR, there are different components to it in terms of how do we get to that number. So I didn't give a floor or a ceiling today on purpose. What I wanted to do was show you the track record of what we've achieved, talk about the pieces that we

believe we can continue to sustain in terms of we like the dividend where it is, we see potential for going forward, and that's why we've taken the range up. When we look at '25. We've talked about share buybacks being something that's core and that we're going to continue to use, but we didn't give you a firm commitment in terms of what does that mean forevermore. We look at TSR. I think those pieces are core to how we get there, but it's also what do we do from an AOI perspective and what do we do from a valuation perspective that are going to be able to help us deliver that number over time.

When you look at what are the pieces in there in terms of that story I talked about at the beginning, which is we've got, I'll say, being ready for a rainy day, that spot we've got very much in our mind. What does that look and feel like? And then you've got what are the opportunities that are out there? And there is that piece of it. As we grow toward our Dare Forward 2030 ambitions, that's a lot of revenue we've got to generate. And that is going to require on the one hand organic being able to fund that growth, but also potentially things that could be inorganic in terms of M&A. And if you would like to give any breaking news on that front today, feel free, but I'd say that's the structure front in terms of how we thought about it.

Carlos Tavares:

Your question is making my CFO nervous, so please don't do that. The rationale is very simple and I'm trying to keep it as automotive as possible, but of course there is a political dimension of what I am sharing with you, which is a risk for me by the way. But what is the rationale? The rationale is that when you start playing around with significant tariffs, you are trying to correct what? You are trying to correct a very significant competitive gap. That's what the tariffs are trying to correct is a gap of competitiveness. As we are a global company and we go racing, we are going to do whatever it takes to face any competition in terms of performance, in terms of price competitiveness, cost competitiveness. We are going to race with Tesla on the product starting there. We are going to race with the Chinese with our e-C3 Citroen and the Smart Car platform program.

We are going to race because we are a global company, and anyway, outside of the US and outside of Europe, we are going to face that harsh competition. As we are going to face that harsh competition and we are going to overcome those challenges, when something will happen to those who are protected, we will be there, so that's the rationale. Expose yourself to the harshest possible competition you can find on the planet so that when the people that are supposedly protected will face the gap of competitiveness that the current terrorists are trying to correct, the opportunities will be obvious. And I don't know what those opportunities will be, but I want to prepare my company to be ready and fit to grasp those opportunities when they will come, and they will come because this is mechanical.

When you imagine you make IRE plus 100% tariffs from one side, you make 48% tariff from the other side, imagine the magnitude of the gap that this kind of tariff is trying to correct. Is this going to be sustainable? Don't know. But what we are doing at Stellantis is to be able to stand in front of you saying we are making money outside of the protected regions by facing those very harsh competitors. And by the way, the solutions we have to face those harsh competitors are also available for the protected regions, which is going to give us a competitive edge that will put us in a position when there will be an opportunity where we are fit to grasp the opportunity. Thank you.

Natalie Knight:

Can I also add on the M&A side, there is, I'll call it a meat and potatoes part of M&A that we also are very active in. And that's you see especially what we've done recently on securing raw materials. When we look at the BEV side, when you look at Leap Motors, there are lots of things there that in terms of

how do you think about the ecosystem that I think are going to continue to be important as we go forward.

Michael:

Hi. Michael [inaudible 03:47:07]. Maybe as a follow-up, you just talk about tariffs in Europe and in the US, but what about [inaudible 03:47:14]? We see Chinese OEMs coming more and more. It'll be probably less protected, so how do you deal with that in the very near term like in South America, which is a big market for you, but also probably in MEA and in Asia? Thanks.

Carlos Tavares:

Great question. That's where the fight starts. We have different kinds of answers to that thoughtful question. Let me start with Latin America. Latin America is a place where the level of deep localization is outstanding, and specifically in Brazil, our supplier base and our cost-competitive supplier base is very strong and we have everything we need to achieve a very high level of localization. So if I combined the cost competitiveness of Latin America with the products we have over there, not only for Fiat but also for instance for Ram, and we are building a full lineup of pickup trucks in Latin America under the Ram brand. And not with the bill of materials of the US ones, which makes those products even more competitive. So Latin America, we have the localization, we have the networks, we have the products. I think it's going to be a harsh fight, but they will have some difficulty.

And as you know well, Latin American, Brazil are not going to open the road for them in BEVs. Why? Because strategically, Brazil has no interest in challenging ethanol-based mobility with battery-based mobility because the current flex fuel, ethanol-based mobility is cost-competitive, affordable for the middle classes, and as good emissions as an electric vehicle. So the position of the Brazilian government is to make the importation of BEVs from China more difficult because they already have the solution, so they don't need to transform and take the risk of transformation of their industry. So that's for Latin America, and of course it's driven by the competitiveness of Brazil because that's where the cost competitiveness is.

If you go to Africa Middle East, it's a different story which is totally based on the Smart Car platform competitiveness. And I think that [inaudible 03:49:42] made the comment to you. What we are doing right now in Morocco and in Turkey right now, I'm not talking about planning, I'm talking about doing it today, it's already at the Chinese cost. It's already at the Chinese cost, so it's going to be difficult for them. But of course if you look at Algeria, where we are leading the market, I think the latest numbers I have seen is 60 to 70% market share. If you look in the mirror, we have nine Chinese brands behind us, so this is going to be an enormous race and you still have people that think that they can be protected? Wow, that's naive. That's naive.

So Africa and Middle East, Smart Car program, because that's where today we are already 30% less costly than the Western world, i.e. Europe of course in this case. So we are already at minus 30, so they can come, we'll fight, and we don't start by fighting with a handicap. We are already on the same level as they are. And of course, you'll see all the e-C3 Citroens, the next to come, the C3 Across. All of this will exist. The [inaudible 03:51:04]. All of this will come step by step in a good execution mode at that level of competitiveness, so I can give you those two examples.

And the third one is an obvious one that of course you understand is if I cannot compete with the Chinese, I will put a Chinese brand in front of them. It's going to be Leap Motor. And I will put Leap Motor on the price ban of all the other Chinese brands that are competing with me, and I'm sourcing at the same cost-competitive level as they are, and I'm trading through a company that I own 51%. So I

have those three answers. First one is deep localization rate in Latin America. The second one is Smart Car platform-based products, which are already at the Chinese level. And the third one is Leap Motors.

Harold:

Hi, Carlos. Harold at Citigroup. Thank you very much for a very detailed presentation. I think we all expected it, and thank you. You've delivered in spades. Within that, you're very well-known for your execution, the control that you have over the company. Can you maybe talk a little bit more to us today? If you look at the North American business and the issues that we've had there over the last six, 12 months, how did that happen? The market share has dropped probably a little bit more than I think you would've hoped that it would drop. I know there's new products coming and stuff, but I know you control these things really, really closely. Your pricing has been more aggressive than some of the others and maybe that positioning-wise, you've positioned yourself a little bit outside the market. But I'm just a little bit surprised that this happened to you, to be honest with you, a little bit. And so philosophically, how has that happened?

And then secondly, looking at today, the message is just a little bit different from what we've heard from you before. We've seen quite a lot of plans for growth, obviously multi-energy platforms and things. We're going to be running a lot of different drive trains next to each other. You've always been the guy for simplification and it just feels a little bit that we're adding complexity to the business now. So within that context, again, how are we going to manage the complexity and what you've always said yourself, the cost of that complexity as well?

Carlos Tavares:

Those are two great questions and I would like to answer to them very honestly. On the first question, we were arrogant. That's all. Arrogant. There was a conversion of three things. The market conditions deteriorated by the end of '23 at the moment where we were trying to deal with a certain number of inefficiencies and we were not good at dealing with those inefficiencies, and they were specific to a certain number of plants. And we saw it, but we were arrogant because we gave us too much time to fix it, perhaps somewhere polluted by what happened with UAW in fall 2023. So perhaps we were too smooth, but the things were visible in fall 2023. But as you know well, we were busy doing something else, which was to figure out how to keep the plants running. So at that point in time, things were already visible that we had a few plants that were not delivering on what we expected them to deliver, which is supply, cost, and quality.

That was obvious, and we were somewhere hesitating on that one. Then what happened next is that the market conditions deteriorated by the end of '23, and we ended up '23 with too much inventory. And you were the first ones to spot that, and you were right. Which means that when we started correcting that by the beginning of '24, we already had to fix the manufacturing issues. We already had to readjust the inventory. And the third thing is something I discovered, which is that our marketing way to go to market is just not rigorous and professional enough. So we combine the three things. We combine some kind of slow pace in fixing the manufacturing issues on the context of what happened in fall, we had to correct the inventory because the market conditions deteriorated in a Q4 2023, and our way to go to market, which I summarize by saying our management of the purchase funnel, was suboptimal to say the least.

So the combination of those three things created the problem, but you are absolutely right. No excuse. I am responsible. And we were arrogant. No excuse. Your second question was about...

Harold:

Complexity.

Carlos Tavares:

Complexity. That one I'm quite comfortable with, which is not the case of the first one. But for the second one, 75% of references down. Now, what happened once you do this is that we were all thinking that the transition to EV would be on a ramp-down, ramp-up that would be in a shorter time window. And what is visible now through all the tensions that the lack of affordability and the lack of convenience has created in the society. By the way, this was not created by Stellantis, but these open questions that you can see, they are creating some kind of bumps on the road. I believe that the end of this story will still be zero-emission mobility, because if not, something else will happen. Possibly our kids will bring us to court or even my grandkids will bring me to court.

So in this context, we see that you have to expand, you have to expand the time window during which you will have this transition, and you have to adjust the investments and the cash-outs in function of what you see in terms of EV ramp up. This is the reason why ACC has announced that we are going to pause on the second gigafactory and the third gigafactory in Europe because we have to wait for the BEV sales mix to continue to grow. And that is simple, basic, thoughtful cash-out management of the company. But what we see is that we are going to be able to manage this transition indeed with additional complexity, not on the parts because we have reduced them by 75%, but mostly by leveraging the multi-energy platforms and the flexible manufacturing. I would say we are blessed with that decision. You could say it's a matter of luck perhaps, but we made that right call a few years ago. Q1 2021, we made that call, and it happens that it's perfect decision to adapt to this transition time window that appears to be longer than what we expected. Thank you.

Ed Ditmire:

And we have time for one last question. Tom?

Tom Ryan:

Thanks. Yeah, Tom Ryan, RBC. Thanks for taking the question. So question on pro. A number of us here were at a similar investor day last year for another OEM who has 40% market share in the pro segment in the US, and they made a big pitch showing how it's very difficult for them to seed market share because it's very sticky and there's a lot of very small businesses, huge profit center for them. Just curious what gives you guys confidence you'll be able to take market share for them, and how important of a priority is pro for you in the US? You're very strong in Europe. How do you achieve that in the US?

Carlos Tavares:

Great point. I see exactly who you are talking about. The guy I'm racing with. That's perfect. By the way, you don't know, but I'm racing against Jim in the Le Mans classic races every single year, so we know each other well. Not with the same car by the way, but on that point it's absolutely a correct question. What I can tell you is that right now, what we see is our fleet sales, namely on vans, in the US are like this. And Jim is absolutely right. Small fleet, small and medium enterprises are the core of that business. We are bringing now the ProMaster at a higher capacity, including with the EV versions. There will be a surprise next year. And we are seeing right now that our B2B reboot is working very, very well, so it's going to be a big fight. But one thing that is also interesting to see is that even if you talk about fleet, and if I talk about fleet on Ram, you're going to think, oh yeah, but fleet is less profitable than retail.

So I can share with you a very sensitive information, which is the profitability of fleet on Ram is much higher than the profitability of Jeep in the US. Which means what? Which means we can fight. We can

fight. And when we are increasing on the van business our market share in the segments with fleet, not only on ICE but also on Bev, and when we'll bring additional surprises very soon, we'll see. It's a race. It's a race. And Jim is right to say it's difficult. Yes, sir. It's difficult. Nobody will say that it's easy, but we are going to bring strong arguments. And in the way to go to market, our B2B management was a mess, and Carlos has been working like hell on this dimension and he talked to you that he completely reset the organization of the front line of the US sales starting with B2B and small and medium enterprises, because that's a big profit contributor to the result. Thank you.

Ed Ditmire:

Thank you, everyone. Thank you all for coming today and I look forward to inviting you to participate with a lunch with management after this. Thank you very much.

Speaker 5:

Ladies and gentlemen, this concludes our event. Thank you for attending.

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