Transcript for "MPCES Preliminary results 2024 and outlook 2025"

00:00:00 - 00:00:57
Heike Hulle: Good afternoon, everybody. I have the pleasure to welcome you to today's webcast for MPC Energy Solutions. In our webcast today, we will discuss the preliminary results for the year 2024 and the outlook for 2025. The corresponding documents have been published this morning and are available on our website. If you have any questions during the presentation, please feel free to type them into the text box and then we will answer them later on in a quick Q&A session after the call. The webcast is being recorded and we will publish it later together with the transcript on our website as usual. Just as a reminder, we will be making certain forward-looking statements in this call. Please refer to the disclaimer included in the presentation for the background and limitations of these forward-looking statements. Now I would like to introduce Stefan Meichsner, who will lead you through the slides.

00:00:58 - 00:01:50
Stefan H.A. Meichsner: Thank you so much, Heike, and good afternoon, everyone. I'm very happy and glad that you're joining us today and taking the time. While the agenda looks rather short, there are quite a few details that we will go through today. It will be separated into two sections. The first part concerns the review for 2024. A disclaimer here, the numbers that we are sharing are preliminary, meaning that they're still unaudited. The audit is currently ongoing. Historically, there were very minor differences only between audited and unaudited financials. Just to bear in mind that the numbers might ultimately change, the audited results will be published in the middle of April. Then we will move and look into 2025, the goals that we have for this year, the priorities that we've defined, and also the financial guidance that we can share today.

00:01:50 - 00:02:42
Stefan H.A. Meichsner: Just a very quick reminder, I won't spend much time on this. For those of you joining for the first time or needing a slight refresher. MPC Energy Solutions is a full-cycle independent power producer. That means we're a company in the renewable energy industry that focuses on developing, building, and operating renewable energy projects, at the moment, solar PV plants, but ultimately also with the idea to branch out into other technologies. This business that we launched over four years ago is mainly conducted or only conducted in Central America, and to a lesser extent, the Caribbean, which we define as our target region. The portfolio that we have operational today consists of four projects. It was five projects last year, but we sold a project at the end of 2024.

00:02:42 - 00:03:34
Stefan H.A. Meichsner: Currently four projects, all solar PV projects in three different countries, are operational. We are constructing a very big and very important plant for us in Guatemala. It's a project that has the size basically of the entire existing portfolio. We started construction in early 2024. I will give an update today on how that is progressing. We target to connect it to the power grid and start delivering energy by the middle of this year. Most of our projects are trading in US dollars. To a large extent, everything is US dollar-denominated. The average lifetime of the delivery contracts that we have is around 16 years for the current portfolio. If you are tracking the slides that we uploaded, I will now skip to slides and continue with the review for 2024.

00:03:36 - 00:04:27
Stefan H.A. Meichsner: 2024, looking back at the operational result, was a very good year for us. Especially the fourth quarter was quite exceptional, which also helped us to beat the revenue guidance that we shared a few months ago and to end up at the upper range of the guidance that we gave for the operating profit. If you look at 2024, one of the clear highlights is that across the board, across the key metrics that we track, like energy output, revenue, operating profit, which we measure as EBITDA, and also the operating margins, we improved significantly. In part, that is because we simply had more projects under operation. Even the projects that were already operational the year before all improved in terms of output, revenue and profits. Even a like-for-like comparison, it was a very good year.

00:04:28 - 00:05:27
Stefan H.A. Meichsner: In addition, we managed to very substantially lower our overhead expenses year over year by 30 percent. Now, this is something that we launched at the end of 2023, and where we said we were trying to save as much as 30 percent year over year. I'm very happy to report that quarter after quarter and also for the full year of 2024, that worked. We showed a lot of discipline. We showed a lot of dedication to making this happen. With this effort and combined with the great operational performance of the portfolio, if you look at the impairment-adjusted group EBIT, we came very, very close to breaking even in 2024, which was ultimately

one of the goals that we shared earlier that year. Another highlight for us is the progress made on construction in Guatemala. I can share a few impressions from the site later on in the presentation, but for now, it's just important to note that we're on time.

00:05:27 - 00:06:17
Stefan H.A. Meichsner: We're on budget. The EPC contractor, our team, and everybody on site is doing a great job. There's at the moment no indication whatsoever that we shouldn't be able to connect by the middle of this year, which means the project, this large project, would also contribute to revenues, profits, and cash flows in the second half of 2025. Another important milestone that we successfully concluded right on the 31st of December last year, is the sale of our combined heat and power plant in Puerto Rico. Now, we lost money ultimately on that project, but I'm still considering it a highlight for a number of reasons. Number one, it helped us return significant cash back to the company, bolster and boost our liquidity, and create greater flexibility than we already had.

00:06:17 - 00:07:08
Stefan H.A. Meichsner: That was very important to us towards the end of 2024. In addition, we must admit that there was a time when it seemed like we would lose the entire investment, for the simple fact that from the moment that we started operating the plant, the off-taker had a very low energy demand. They constantly went through restructuring. There was a very low visibility on whether they would recover and how long it would take. Ultimately, we decided: Let's sell the project. Let's recover as much money as we can. In this case, it was $4 million, which has mostly already been collected. We just take the loss on the investment. It's better than spending years and years waiting for recovery, spending this time in court, or ultimately losing much more money. We consider this sale a highlight. Last but not least, not everybody might see it this way.

00:07:08 - 00:08:21
Stefan H.A. Meichsner: If you look at our preliminary financials in detail that we published this morning - you will also see them later in this presentation - we took quite a lot of impairment charges on existing projects, on discontinued projects, on some legacy projects that we unwound when management was changed in the middle of 2023. The balance sheet cleanup that we've done over the past 18 months or so has now been concluded. It's certainly painful if you look at the net result only. We'll dive into it and that this is a non-cash impairment. You look at the adjusted figures and you understand that we're now looking at a very clean balance sheet, a solid balance sheet as a start for 2025, then I think the picture becomes different. I think you understand that this is necessary to free up the company for the foreseeable future. Nonetheless, the impairments that we took are the clear lowlight of the year. We took impairments after the sale in Puerto Rico. We also adjusted the value of our investments in Colombia.

00:08:21 - 00:09:12
Stefan H.A. Meichsner: Our investment in a microgrid developed in the US that we still have as a legacy from the very beginning of MPC Energy Solutions and certain obligations and discontinued development expenses that we capitalized were also written off, which overall distorts the total result. While operationally and adjusted for these impairments, the numbers look much, much better than in 2023 and are right in line with what we predicted, a little bit higher actually, in some cases. Overall, the net result for the year is negative because of these impairments. Something to also bear in mind, and our thoughts go out to everybody involved in this, unfortunately, Colombia in recent months has seen some unrest. Certain groups fighting for, let's say, domination in certain areas of the country, which at the moment doesn't affect us directly. Our plants are still operational.

00:09:12 - 00:10:12
Stefan H.A. Meichsner: Even the plant that is within that region is operational. We are doing everything we can to protect the site and especially our staff, of course, reducing site presence as much as possible and especially traveling into the region. There is a certain volatility. There's a certain uncertainty around this. At the moment, the only negative impact that we see is that we had to put the divestment activity for one of the projects on hold until the situation stabilizes and hopefully improves quickly. We still have the target of selling this project in Colombia this year. At the moment, traveling to the region, conducting site visits, et cetera, is made very, very difficult. Temporarily, we are slowing down the divestment process. For the other Colombian project, it's progressing as normal. Here we see that we should come to conclusions soon actually. If you've followed our press releases, we already sold the first project in Colombia in January of this year.

00:10:12 - 00:10:58
Stefan H.A. Meichsner: Let's see that everybody stays safe in the region and that we can pick up the divestment

process in the coming weeks. Overall, I would say, again, a very good year, 2024 for us. Certainly a record year when it comes to all key metrics and adjusted for the impairment charges. As you will see later, it's a significant improvement also on the group level for 2024 compared to previous years. If we're looking at the exact numbers of what I just mentioned, the growth, the higher operating profits, and margins, we were able to increase our energy output by more than 30 percent, despite the fact that there was no contribution to this by the project in Puerto Rico. The other projects did a great job of compensating for it.

00:10:58 - 00:11:47
Stefan H.A. Meichsner: This growth, as you will see in our outlook later, is going to continue. Consequently, project revenues are also higher. We ended the year with proportionate total revenues of 12.8 million, which was above the 12 million that we guided for the year. We simply saw terrific performance from our projects in El Salvador and especially Mexico, higher than anticipated, which led to this significant increase. Then project EBITDA and margins also a significant increase to nearly eight million, which was at the higher end of the guided range that we shared last year. What's most important is that the operating margin also improved substantially from 49 percent to 61 percent. This is still below what we consider normal for renewable energy projects.

00:11:47 - 00:12:45
Stefan H.A. Meichsner: When you factor in the special situation in Colombia, when you factor in the special situation in Puerto Rico, it doesn't look that bad, as you can see here, as we drill down into the projects. We had a very good 2024. We had a very good fourth quarter, in particular. Our projects in Mexico and El Salvador are really standing out as the two ones that are contributing most of the revenue, most of the output, and most of the profits given their size, but also simply given that they are the ones that are operating normally and in a proper manner. The margins also indicate this. To a lesser extent, we saw a good contribution from our Colombian projects. While revenues were overall okay, the margins remained substantially lower than expected. In part, this is due to the security situation which leads to higher security costs. We have to hire firms. We have to hire advisors to make sure we're taking the right steps to protect the staff and the sites.

00:12:45 - 00:13:44
Stefan H.A. Meichsner: We are also still seeing that the spot market is distorted and the trading that we have to do to deliver energy under certain contracts simply relies on us trading in the spot market. While we improve the profit in Los Girasoles, for example, where we lost 700,000 last year, now we reported a profit of over half a million. The improvement is there, but it's still far away from where we want it to be. If you remember that we reported - in certain quarters last year - an operating margin of around 10 percent, the 26 that we ended up with are not that bad at the end of the day. From a project perspective, Mexico continues to do great. El Salvador continues to do great. We also had a great start there into the year 2025. Puerto Rico is now no longer a factor. In Colombia, we're seeing continued improvement still, so that we think the worst year is behind us.

00:13:46 - 00:14:53
Stefan H.A. Meichsner: I already mentioned our efforts and success in reducing overhead expenses. In the first quarter of this year, meaning in January 2025, we took additional steps to bring down overhead expenses further. These steps will become visible from Q2 onwards, as we currently have some breakup fees to pay and other, say, extra costs to make sure we can bring costs down, get out of certain contracts, et cetera. The ambitious target, but certainly an achievable target for 2025, is to save another million. We will track this carefully, and I hope that the team will help us deliver this additional saving going forward. Thanks to cashback from certain projects, thanks to the sale in Puerto Rico for which we have partially collected the purchase price, our free cash position at the end of the year after going down throughout 2024, as we met certain capital commitments, have also relaxed. We are on a very solid footing at the moment with lower costs, with no capital commitments, with cash coming back from certain sales activities.

00:14:53 - 00:15:47
Stefan H.A. Meichsner: We're looking at a very solid free cash position, which will increase as the year progresses. We leave the, let's say, project and overhead side, and we look at the pure consolidated figures. I won't spend too much time on this because the message is very much the same. We increased revenues. We increased operating margins and operating profits. You look at group EBITDA on a consolidated basis. The improvement is from a loss of 700,000 last year to a 3.8 million profit. If you look at the group EBIT on an adjusted level, it's the same story. We nearly lost five million last year. We are approaching breaking even this year, especially if you consider the non-cash impairment charges we took for what's in the past. Looking ahead, this won't happen again. I think for 2025, after having delivered a record year in 2024, we will see further improvements.

00:15:47 - 00:16:36
Stefan H.A. Meichsner: We're targeting a positive group EBIT, both adjusted and unadjusted, in 2025, as you will see later. A quick look at the balance sheet, it's very much unchanged. We still have a solid equity position. We have free cash of 4.3 million. If you look at the consolidated cash position, including everything that's also in our project entities, is around 12.5 million. These are very solid numbers and adjusted for the impairment charges, in fact, we also are approaching a positive earnings per share number, which last year was nearly a loss of 40 cents. The -$0.05 per share also reflects a significant improvement.

00:16:36 - 00:17:26
Stefan H.A. Meichsner: What's next for us? Which brings me to the outlook for 2025. We have defined clear goals. Goal number one is very simple. We want to continue to improve our free cash position, our liquidity. The second goal is that we want to start generating positive free cash flows, also on an after-overhead charge basis. To that end, we have defind the following priorities, which are in part already being implemented. Number one, of course, it's very important to complete the construction in Guatemala on time and in budget by the middle of this year. That way, we can ensure that this huge project, which is substantially bigger than everything else that we've built, can contribute to output revenues, profits, and cash flows in the second half of the year.

00:17:27 - 00:18:32
Stefan H.A. Meichsner: On top of that, to strengthen our liquidity further, and to create greater flexibility, concluding the sales of the Colombian projects is a top priority. Our development project is already sold. For the joint venture that we have in the region, we are approaching the final discussions with a potential buyer, so we believe we can sign the deal here, provided that the terms are right, in the coming weeks. Concluding the sale will then certainly take a little bit longer. Once the situation for our other project stabilizes security-wise, we will also push the divestment process further. The intention is to sell all Colombian projects by the end of 2025. To achieve the second goal, positive operating cash flows, we need to further reduce overhead spending and be very, very selective on development spending. As I said, the measures have already been implemented. They will become visible from the second quarter onwards. Even though the goal is ambitious, it's totally achievable.

00:18:32 - 00:19:40
Stefan H.A. Meichsner: All of this is ultimately targeted at starting to return cash to shareholders. Now, we haven't defined in what way. We haven't defined the exact amount. That certainly depends on how the cash position is growing throughout the year. A little bit over four years after the IPO, starting to return cash to shareholders is an absolute priority for us. This is why it is one of the focus areas for 2025. Before I underline this with the projections for 2025, I'd like to give a few impressions on our construction progress in Guatemala. The project is called San Patricio. As you can see here, it's a huge site. The modules that you're seeing here that have been installed only reflect one-third of the plant, and the rest is currently ongoing. The good thing is all the equipment is on-site. There's no more delivery risk on components. There are no more price risks. Everything is going really well. At this time, really a thousand thanks so far to the contractor and our team who are making this possible.

00:19:40 - 00:20:34
Stefan H.A. Meichsner: There is, as I said before, no indication whatsoever that we shouldn't complete the project on time and within budget. What can you expect from us financially in 2025? We're sharing our predictions on the key metrics here. It's important to note that these projections do not include any contribution from the Colombian projects. Even though they are still part of the portfolio - they're generating revenue, they're generating profits - we do not consider them in the forecast. What we would rather do is we will update every quarter the guidance a little bit upwards for the simple fact that, at the moment, we don't know how quickly the sales processes will ultimately go and when we can conclude them. We found it prudent to not consider them at all, and then rather consider them as an upside for our guidance as we move forward.

00:20:35 - 00:21:38
Stefan H.A. Meichsner: The main impact that we see here is, of course, the connection of San Patricio, and that the project itself will contribute half a year of output, revenues, and profits. This overcompensates the, let's say, sale of Puerto Rico, and this overcompensates even not factoring in the Colombian assets. On the energy output side, we are expecting a roughly 20 percent increase. On the revenue side, we're expecting to end up in the same range as in 2024. Because the project in Guatemala is expected to deliver a much higher margin than what we had in Puerto Rico and Colombia, we should also see an uptick, not just in the absolute terms of operating profit, but also on the margin side. That is the goal that we have for this year. It's a fairly conservative outlook

given the fact that we're not factoring in Colombia, but at the same time, it is something that we consider realistic and that we would like to be benchmarked against.

00:21:38 - 00:22:34
Stefan H.A. Meichsner: If these numbers come, that means on a group level, we will report group EBITDA between 6 and 7 million for 2025. Under normal conditions, normal depreciation, and normal amortization, we should then end up with a positive group EBIT as well of around 1.5 to 2 million. After having had a record year 2024, what we're looking at is a record year 2025. The start over the first two months has been quite well, which we will report at the end of April with our Q1 figures. That's the prepared remarks for today, solid 2024, looking ahead into a very, very promising 2025 with clear goals, and clear priorities. With that Heike, I hand the call back to you and I'm happy to take any questions that the audience might have. Thank you very much.

00:22:38 - 00:23:34
Heike Hulle: Stefan, thank you very much for the presentation and the transparency provided. Now, let me just look at the questions you've received. Please, if anybody out there has any further questions, there's still time to type them into the question box. Let's get started with the first questions. Some of the questions I'm trying to group them into one here are focused on the topic of impairments that you raised. The question is: you reported large impairments in 2024. What triggered these impairments? How do you judge remaining balance sheet risks? Can we expect additional impairments in 2025? There was also a follow-up question, if you could perhaps split the impairments across the related projects, Stefan?

00:23:35 - 00:24:32
Stefan H.A. Meichsner: Absolutely. Let me bring up the slide that also contains part of the information already. One moment. Here it is. Most of the impairments, nearly 90 percent of the total value, are related to real-life events. You can see that in the text box here on the lower right. We sold a project in Puerto Rico. That project was sold at a loss. That loss is being recorded as an impairment. That is by far the largest amount of a little over five million. Then we corrected the value of a joint venture investment we have in Colombia for the simple fact that we have an ongoing sales process. We know what the buyer is willing to pay. Even though the negotiations are not completely finalized, even though there might be upsides for us down the road, we found it prudent to adjust the value on our books to the amount that we believe we will ultimately collect.

00:24:32 - 00:25:30
Stefan H.A. Meichsner: Then in the US, where we still have a legacy investment into a microgrid developer, they restructured their capital structure. As part of that, we agreed to take a certain loss on our investment. At the end of the day, these were real-life events that were triggered by certain instances. The remaining amount here is related to Colombian development projects, the Jamaican development project, a project in the Dominican Republic. There was also still a remnant on our books from the Saint Kitts project, which we divested in 2023 already. This is basically how it all breaks down. Regarding the question about balance sheet risks, we did this to clean up the balance sheet, to the extent that we can estimate the fair value of our investments. We believe the balance sheet is clean now, so we don't foresee any additional impairments.

00:25:30 - 00:26:26
Stefan H.A. Meichsner: Ultimately, especially looking at the Colombian assets, it will depend on the final sales price. If that sales price turns out to be below the book value, there will be additional corrections. It could also very well be that we're collecting a little bit higher amounts, so that we can report a profit. When you look at the balance sheet entirely, certain fair market value adjustments, like for El Salvador, to a certain extent, Mexico, especially Guatemala, where we know the projects are worth more in the market than what we have in our books, we need to keep in mind that we only report the negative side. The upsides are not considered until they're realized. There's never no risk at all. I want to make that clear. I think to assume that would be foolish, but we feel very comfortable at the moment. I would think the risk for additional impairments after 2024 is very, very low.

00:26:30 - 00:26:44
Heike Hulle: Thanks, Stefan. Now, let's move on to Colombia. First of all, the question is, do you expect to be able to sell the Colombian projects at book value?

00:26:45 - 00:26:49
Stefan H.A. Meichsner: After the value adjustments that we made, that is the target at minimum.

00:26:51 - 00:27:07

Heike Hulle: Then maybe moving on to the outlook for 2025, it was noted that you did not include the Colombian projects in the outlook. What is your guess on the upside of the projects that remain in the portfolio for another six months or so? Is there an upside related to that?

00:27:08 - 00:27:45
Stefan H.A. Meichsner: It's not just a guess. We have a budget and a projection for both projects. On a full-year basis, both projects - and this is our economic share in them - should deliver around 2.5 million in revenues and around 1 million in operating profit. If we take that in half for the first half of the year, then we're talking 1.2 million revenue, half a million in operating profit. Which we will ultimately see because we won't be able to sell them next week. Since the timing for the sale is a bit uncertain, this upside just needs to be kept in mind, and we will update the projection as we go through the year and have greater clarity.

00:27:48 - 00:27:59
Heike Hulle: Now, moving on to cost savings. First of all, the question was how you could save such a huge amount on your expenses?

00:27:59 - 00:28:53
Stefan H.A. Meichsner: In 2024, the savings were that we simply got rid of, let's say, well, how do I phrase this? We had certain growth ambitions and we built a structure, especially with certain service providers in many different countries, that was targeted at supporting that growth. We also had some special expenses in 2023. Getting rid of all of that and really focusing, narrowing down on what is necessary for the current setup and for what we had planned, that was the big lever. This is what we actually implemented. For the next round of savings, we're doing the same thing. We're taking a very hard look at what is 2025 about, where should we make adjustments to a service setup, also in part to our team. That is ultimately what will or should allow us to bring down costs further. I don't like the word rightsizing, but that is ultimately what we're trying to do.

00:28:56 - 00:29:16
Heike Hulle: The next question that came in is, do you expect to be able to sell the Columbia? No. Sorry, we already had that. Sorry. Are there any projects moving to FID in the near term, I guess is the next question.

00:29:17 - 00:29:38
Stefan H.A. Meichsner: No, no. The development pipeline that we have is still very early stage. We are spending very, very selectively on this. If we were to move this forward as quickly as we can, I think the next FID wouldn't have to happen before 2026, middle of 2026.

00:29:40 - 00:29:48
Heike Hulle: Now in Guatemala, are there any PPAs on the Guatemala project? Have you looked at farming that down partly already?

00:29:50 - 00:30:43
Stefan H.A. Meichsner: There's one PPA that we signed for the entire output over a 16-year period with a local off-taker. We've published that also in previous reporting and press releases. That is a bilateral PPA. We don't have to trade on the spot market or use the market as a vehicle, even if we could be a fallback option, so to speak. In terms of selling a stake, we've communicated openly that we are in discussions with potential buyers. The process has been much, much slower than what I would have usually anticipated. At the end of the day, it's progressing. Ultimately, what we will need is binding offers from interested parties, and then we will sit down and we will discuss whether the offer reflects our own expectations and valuations. At the moment, it looks like it.

00:30:43 - 00:31:22
Stefan H.A. Meichsner: There are also strategic considerations that we need to take. There is value in keeping a 100 percent stake in the project from a different perspective. There's also value in collecting a substantial partial purchase price now, a development fee. I personally have not reached a final conclusion because I don't have a final offer on the table that I can judge, but when the time comes, we will sit down with the team, with the management board, with the supervisory board. We will discuss whether farming down part of the asset is the right step. Then we will inform the investment community once a decision has been taken.

00:31:25 - 00:31:32
Heike Hulle: From the same person, another follow-up question, in the future, what's the cash conversion rate on project EBITDA?

00:31:34 - 00:32:25
Stefan H.A. Meichsner: Ultimately, in a steady state, we would expect that if we have project EBITDA, you only discount, let's say, the overhead, the debt service, and then a certain amount on withholding taxes and the like. Ultimately, if I look at the guidance for next year where we are predicting, let's say, the nine million project EBITDA, we're looking at 6.5 million group EBITDA and then accounting for the debt service and the withholding taxes, we should be slightly positive already. Then starting 2026 onwards, when Guatemala is kicking in and delivering a full year of operations, we should see very, very steady free cash flows for the group in the range of 2 million USD until we grow further.

00:32:29 - 00:32:40
Heike Hulle: Thanks. The next question, now moving back to the sale of the Colombia projects, do you have a range for the expected net sale proceeds, net of debt from the Colombia projects?

00:32:41 - 00:32:44
Stefan H.A. Meichsner: We do, but we will not share that until that is secure.

00:32:46 - 00:32:47
Heike Hulle: Understood.

00:32:48 - 00:33:03
Stefan H.A. Meichsner: I can share this, the remaining book value of our investments at the moment is around 16 million. That is what we ultimately target to at least get out of any sale.

00:33:04 - 00:33:19
Heike Hulle: Sure. As a last concept, let's move on to the development project. What development projects do you currently focus on and do you intend to start new constructions this year?

00:33:21 - 00:34:22
Stefan H.A. Meichsner: The answer is we will not start any new constructions this year. The pipeline that we have on the development side is still relatively immature, so it will require money and resources to move them forward. The core markets that we have our pipeline in are El Salvador, Guatemala, and Panama. I would say the pipeline is around 200 to 250MW, but we will be very selective on spending what we do in that area. For example, in El Salvador, we are fairly close to getting an interconnection permit. That's a great value generator. It doesn't take a lot to get to that point. Ultimately also to increase the value of the company, this is what we will do. Otherwise, we will remain selective. We will look very, very carefully at how our operational performances or cost savings materialize so that we always retain sufficient flexibility on the free cash side and also achieve our target of returning money to shareholders. We need to find the right balance, and that will ultimately define how quickly we evolve the development pipeline.

00:34:25 - 00:34:35
Heike Hulle: Now, as a last question for now, do you consider selling development projects to shore up additional cash? I think you partly answered that already, but maybe just to round it up.

00:34:36 - 00:35:20
Stefan H.A. Meichsner: If there are interested parties, especially for those projects that we discontinued where we said, “Okay, for our return requirements or our strategic purposes, we no longer consider them core," we're keeping our eyes and ears open, and we're talking to interested parties. In Colombia, this has worked. We sold the development project there recently. It's an idea, but given that the pipeline is relatively immature, the upside would have to come later on, so I don't expect that we will collect millions now upfront. If somebody purchases the project and we can find an agreement where, at certain milestones, we get certain payments, that's doable. We should focus on selling the operational assets in Colombia, because this is where the true cash sits.

00:35:23 - 00:36:00
Heike Hulle: Thanks, Stefan. I think this concludes the Q&A session for today. These are all the questions we received. We're also nearing the end of this webcast. We'd like to conclude the webcast now. If any of you have any further questions that we've not covered today, please feel free to send them to us via email at ir@mpc-energysolutions.com. We will get back to you after the webcast. Thanks everyone for joining us today and enjoy the rest of the day. Thank you very much.

00:36:00 - 00:36:01
Stefan H.A. Meichsner: Thank you. Take care. Thanks, Heike.