

## **Keppel Corporation 3Q & 9M 2020 Business Updates**

### ***Media & Analysts Conference Call Transcript***

**29 October 2020, 6.00pm**

**LCH            Loh Chin Hua, CEO of Keppel Corporation**  
**CHC            Chan Hon Chew, CFO of Keppel Corporation**

### **Opening remarks by Loh Chin Hua, CEO of Keppel Corporation**

Good evening. A very warm welcome to Keppel Corporation's first voluntary Business Update covering 3Q and 9M 2020, following our adoption of semi-annual reporting of our results.

We have posted on SGXNET a deck of slides showing the highlights and key metrics of Keppel's performance across our various segments, namely Energy & Environment, Urban Development, Connectivity and Asset Management, as well as a media release for the benefit of the media and general public. I will not go through the announcement slide by slide, but will highlight a few key points and leave the rest of the time for Q&As.

Firstly, on the COVID-19 situation, as you are aware, many of Keppel's businesses provide essential services and continued operating throughout the pandemic. As the pandemic situation stabilises in Singapore and other key markets where we operate, our employees are progressively returning to the workplace, and our workers to the yards and worksites, while strictly observing safe management measures. Despite the improving situation, we are not letting our guard down, and remain focused on the health and wellbeing of our employees and stakeholders.

For 3Q 2020, the Group returned to profitability, compared to our net loss in 2Q 2020, although 3Q 2020's net profit was significantly lower year-on-year. Despite the pandemic, Keppel's business units have performed resiliently, with all key business units remaining profitable except for Keppel Offshore & Marine (Keppel O&M). For 9M 2020, the Group remained loss-making, due to the significant impairments in 2Q, mainly from the Offshore & Marine (O&M) business.

The Group's revenue was about S\$4.8 billion for 9M 2020, about 10% lower compared to the same period last year, mainly due to decreased contributions from Keppel O&M.

Our net gearing was slightly lower, at 0.96x as at end-September, compared to 1.0x as at end-June. This is mainly due to lower working capital requirements.

Keppel continues to receive strong support from our network of banks. In the year to date, we have raised over S\$3.0 billion in loans and committed bank facilities, as well as about S\$800 million in the MTN programmes that we have, equipping us to finance our operations even in the scenario of a slow, L-shaped recovery from COVID-19.

Last month, we announced the next steps in our Vision 2030 roadmap, including plans to unlock S\$3-5 billion of value from our assets over three years, and the strategic review of the O&M business. Since our announcement, we have established a Vision 2030 Transformation Office, and launched a 100-day programme to drive results. You would have seen a few of our recent announcements, in pursuit of our vision. This month, we announced about S\$140 million in asset divestments from our land bank and non-core assets.

## **Energy & Environment**

In line with Vision 2030, which sees Keppel seeking more opportunities in renewables, Keppel O&M secured an offshore renewables contract worth about S\$600 million. In the year to date, Keppel O&M has won about S\$900 million worth of new contracts, with offshore renewables and gas-related projects making up about 72%. However, Keppel O&M continues to face significant challenges in its profitability for the rest of the year, as the oil & gas industry continues to face headwinds amidst depressed oil prices.

To deal with the challenging environment, Keppel O&M will continue to carefully manage cost. Since the start of the pandemic, Keppel O&M has put in place cost management measures which will reduce annual overheads by more than S\$90 million starting from 2021. It is also working on further cost reductions.

Keppel Infrastructure (KI) continued to perform resiliently and recorded an EBITDA of S\$119 million for 9M 2020, slightly higher than a year ago. In the year to date, KI has secured S\$2.1 billion worth of waste-to-energy and district cooling contracts, including the latest contract from JTC that was announced yesterday.

## **Urban Development**

Keppel Land sold about 2,030 homes for the first nine months. This is lower than the same period last year. In Singapore, home sales have increased, mainly at The Garden Residences. Sales in China were slower, due to economic headwinds in the country and fewer new projects that were launched. There were also fewer homes sold in Vietnam due to slower approvals from the authorities for new property launches.

However, we continued to see strong demand for land and homes in good locations, driven by urbanisation trends. Yesterday, a plot of residential land was sold in the Tianjin Eco-City. It is expected to yield a gain of about S\$18 million for Keppel.

## **Connectivity**

Digitalisation continues to drive demand for data centres, which is a growth engine for the Group. Reflecting our commitment to sustainability, Keppel Data Centres (KDC) continues to explore ways to reduce the carbon footprint of data centre operations. This week, KDC announced the collaboration with City Gas and City-OG Gas Energy Services to explore the use of LNG and hydrogen to power the proposed floating data centre park in Singapore.

M1 also performed resiliently with EBITDA remaining stable year-on-year, while its postpaid customer base continued to grow. M1 has launched its 5G non-standalone network, and expanded its MVNO partnerships. And the plans for M1's transformation from a traditional mobile telco into a digital connectivity platform remain on track.

## **Asset Management**

Keppel Capital's (KC) asset management fees have grown year-on-year due to contributions from new fund initiatives. In the year to date, KC-managed funds have secured total commitments of US\$2 billion, from institutional investors including pension and sovereign wealth funds. This reflects the continuing demand for real assets with cash flow. This includes US\$295 million from the first closing of Fund IV in the very successful Alpha Asia Macro Trends Fund series.

In short, despite the impact of COVID-19, Keppel is well-placed to weather the challenging environment, and pursue our growth trajectory as a provider of solutions for sustainable urbanisation. Management will continue to focus on the longer-term performance of the company, guided by our Vision 2030 for the benefit of all stakeholders.

At this juncture, I will stop and invite any questions from the attendees.

Thank you.

### **Question & Answer session**

#### **Questions from Gerald Wong, Credit Suisse**

**My first question is on the 100-day plan, can you share a bit more about what kind of targets you have in terms of divestments within the next 100 days?**

**LCH:** The 100-day plan is part of the larger plan for the Transformation Office, which is charged with seeing through the implementation of our Vision 2030. We have identified a group of initiatives to kickstart our Vision 2030. This group of initiatives includes asset divestments, looking at some growth initiatives, and also the strategic review of the Keppel O&M business - that is also part of the 100-day plan. It is a multitude of activities that we think are important to kickstart our Vision 2030.

**Does this mean that the outcome of the strategic review around O&M will be out within the next 100 days?**

**LCH:** That is the plan. I think we would be looking to have something that we can share at the end of the 100 days.

#### **Question from Terence Chua, Phillip Securities Research**

**Thanks for the meeting. My question is on Keppel O&M. Can I find out what is the total increase or change in the headcount for Keppel O&M on a quarter-on-quarter or maybe year-on-year basis?**

**LCH:** The total direct workforce has reduced from about – let me give you the number exactly: We started the year at about 13,473 and at the end of September we were at 11,600 for the direct workforce. This is our global direct workforce, including those overseas.

#### **Questions from Cheryl Lee, UBS**

**Good evening. I have a few questions. With regard to Keppel O&M, could you comment whether it was EBITDA positive in the third quarter?**

**LCH:** We made a gross profit for the third quarter, but we made a loss at the net profit level. In other words, the revenue and gross profit were not enough to cover the overhead costs. That is why getting control of the overhead costs is so important. The team has worked really hard, and we have identified about S\$90 million of cost savings from overheads that can come into play from 2021.

**At your current revenue run rate, assuming that your revenue for the third quarter neither worsens nor improves, in terms of scale, your fixed assets, your overheads, do you think that you are at almost the right size?**

**LCH:** I do not think the third quarter is a good indication of what our stabilised run rate would be. The reason is that when we started the quarter, in July, we had a workforce of about 5,000 in the yards. Now, we are at about 15,000. But before COVID-19 started, we had a workforce of about 23,000 in the Singapore yards. We are still not quite there. The Safe Management Measures (SMM) for COVID-19 have also impacted the productivity of the workers. We are working to improve productivity, because some changes in protocols were needed in order to observe the SMM. We hope that in the weeks and months to come, that productivity will go up. In short, I think the third quarter is not a good indication of where our topline should be.

**Thank you. There are some jackup rigs which are due for delivery in 2020. Do you have any update on these?**

**LCH:** No updates so far, other than what we have announced in the second quarter.

**Finally, with regard to the renewables contract that you announced a couple of weeks ago, what additional details are you able to share with us at this point? For example, could you give us a sense of the payment terms, how much of Keppel's working capital is being tied up, to help us understand both the opportunities as well as the risks involved in this project?**

**LCH:** Sure. I cannot disclose details of the vessel because of some confidentiality requirements from the customer. Hopefully in the period ahead, we will be able to make a more detailed announcement on the contract. But as far as the contract is concerned, it is cashflow-neutral to us. In other words, there are milestone payments.

**Are you able to say when we will get more details?**

**LCH:** I cannot, but I expect it would be before the end of the year.

Questions from Rahul Bhatia, HSBC

**Good evening everyone. My first question is related to the O&M business. Could you talk about your conversations with the clients regarding the ongoing delays related to deliveries?**

**LCH:** Keppel O&M has been engaging with customers on a number of the projects that have been affected by the disruptions related to the Circuit Breaker, and the reduced workforce. So far, the discussions have all been quite positive. I think the customers understand, and they also believe that it is important that when we resume work, we must do so in a safe manner. So they are very supportive of that. So far, we do not anticipate any issues. We are also trying to do some catch up work as best as we can. Some of the customers have also offered early completion bonuses for the new schedules for delivery.

**Are there any penalties involved in case of delays?**

**LCH:** Generally no, because typically in our contracts there will be the standard force majeure (FM) clauses. Initially, when the pandemic hit, we had to serve some FM notices on the customers. But over time, once we have been able to work out the agreed new dates of delivery, some of these FM notices have been removed.

**My second question is on the property side. Can you please talk a bit about home sales and the prospects for home sales in China and Vietnam?**

**LCH:** On the home sales in China right now, everyone is very focused on this new policy measure called the "Three Red Lines", which is putting pressure on some developers. I would

say not all developers – probably those developers that are more heavily leveraged. How that will play out remains to be seen. As far as we are concerned, at Keppel Land China, we are not affected by this, but clearly, we are watching the market very closely on any potential impact. The Vietnam market remains quite firm, if you look at secondary sales. There are fewer sales, you would note, even from Keppel Land Vietnam. That is not because the demand is not there. The challenge there is that approval for pre-sale permits has been a bit slow in coming. We do not anticipate that this will change until probably the beginning of next year, hopefully. The market fundamentals in Vietnam are actually still quite strong. The challenge is in getting the pre-sales permits approved.

Question from Chang Kwok Wei, Citi Research

**Could you give some indication, directionally, how does the scale of Keppel O&M's 3Q net loss and revenue compare to 2Q on a quarter-on-quarter basis? Is it up or down directionally? Thank you.**

**LCH:** This is just a business update, so we are not providing guidance on P&L. We will show these for the full year.

Questions from Lim Siew Khee, CGS-CIMB Research Pte Ltd

**Can I just check, when do your 100 days start?**

**LCH:** Well, you can put it as end-September, early-October.

**Did you say that by the end of this 100 days, you might have an outcome of your strategic review of O&M?**

**LCH:** Yes, that would be one of the initiatives under the 100-day plan. We will share with the market at that time what we have.

**Ok, but you may not have a conclusion by then? Or would you have a conclusion by then?**

**LCH:** No, I mean we will share with the market at that time. I do not want to predict what the outcome is going to be. As I have said before, all options, both organic and inorganic, are being considered.

**For Keppel O&M, despite having more workforce resuming work, it was still making a loss. Is it because of the SMM that are restricting the ideal capacity to give you the right productivity levels? Am I right to say that is why you are still making a loss?**

**LCH:** I said earlier that at the gross profit level, Keppel O&M was profitable for the third quarter, but the gross profit was not sufficient to cover the total overhead cost. That is because the topline was very much reduced because of the reduced workforce, as well as the lower productivity of the workforce due to the SMM. That is why it is very important for Keppel O&M to rightsize and get the overhead costs under control. The team has worked very hard to identify levers to reduce overhead costs in excess of S\$90 million starting from 2021.

**You only provided M1 and Keppel Infrastructure's EBITDA. Is there a reason why only these two segments were given? What is the Group EBITDA?**

**LCH:** For each segment, we chose a slightly different variable to give some guidance on the business' performance. For M1 as well as for KI, given that they are more infrastructure-like, we think EBITDA is a good way to indicate directionally where things are. For the asset

management business, for instance, we show you the fee income, and for the property business, we show you the home sales numbers etc.

**For home sales in China, is it a lower trend quarter-on-quarter?**

**LCH:** It is lower for 9M this year. Part of the reason is that we had very good sales in some of the projects, which were recorded in 2019 rather than 2020. Of course, there are some headwinds. I wouldn't want to give you the impression that there are no headwinds; there are headwinds in some of the markets in China. But for home sales, we continue to put the runs on the board. We expect that those projects that are well-located, those in the Tier 1 cities, will continue to do quite well.

**If you were to compare the home sales in 3Q this year compared to 2Q, was there a slowdown?**

**LCH:** Home sales in 1Q 2020 was 330, 2Q was 720, 3Q was 530. There is a drop in 3Q compared to 2Q, but it is higher than 1Q. It is also dependent on the projects that we are launching.

**When you said you were facing some headwinds in China, what headwinds are you talking about?**

**LCH:** No, I did not say we are facing headwinds, I am saying the market is facing some headwinds. Generally, the economy has slowed a bit, so there has been an impact on home sales.

Questions from Mayank Maheshwari, Morgan Stanley

**Two questions from my side. First, in terms of the overall infrastructure business, you announced this district cooling project, and you talked about this S\$2.1 billion in waste-to-energy and district cooling contracts. How do you think about the contributions from these projects in 2021 and 2022?**

**LCH:** KI has done very well generally, and we have seen that over the last quarter, and this year as well. Its contributions have moved up, as you can see from the EBITDA. For the first half results, the net profit for KI has also been better than last year, even if you exclude the RIDs, namely the reclassification of Keppel Infrastructure Trust. We would expect that these project wins will continue to help KI. During the construction phase, we will be able to book the EPC profits. And of course, after the project is completed, like in the case of the Keppel Marina East Desalination Plant completed at the end of June, we will start to collect capacity payments as well as operations & maintenance fees. As I have shared before, as we layer on more of these projects, the operations & maintenance fees will keep growing, and this is recurring in nature. We are in a fairly good position. These new project wins of S\$2.1 billion will help add on to these profits and contributions in the years ahead.

**The second question is more related to the order win on the O&M front, regarding the offshore wind side. Can you talk more about when you were getting this contract vs. the competition etc., what made Keppel stand out?**

**LCH:** We have pivoted towards the renewables side since 2015. In the initial period, it was a bit more challenging because the customers are different from the traditional oil & gas customers. But the technology and solutions we have are quite well-suited for offshore wind solutions as well. You have seen that through the contract wins we have had in recent years, including the TenneT project in Germany, as well as the Ørsted project in Taiwan. A strength of Keppel O&M is its track record of delivering projects on time, on budget, and safely. These

are the same criteria that resonate with customers on the renewables side. There are other strengths, but I cannot touch on them now, because if I tell you more, I will end up saying a bit more on the project than I should. But when the project is announced, we will have a more detailed announcement, and you can see that there are some strengths that we have that put us in a strong position that helped us win this project.

Questions from Mayuko Tani, Nikkei

**Can you please refresh my memory on capex? For the full year, what is your plan to spend on capex for this year, and what is it going to be in 2021 and 2022?**

**LCH:** I will ask Hon Chew to address that.

**CHC:** I'm sorry, we don't provide guidance or forecasts, whether it is capex or financial numbers.

**But will you be able to give me that, for up to nine months this year?**

**CHC:** As today is a business update, we do not have the financial results to share for today's call. We will update the full financial statements for the full year when we announce the results in January next year.

**If you are able to help me understand, with Vision 2030, you have plans to divest part of your assets, and you will continue to invest in new businesses, I believe. What is the mid-term on capex? What does it look like?**

**LCH:** Maybe the way to look at it is that we have identified a number of growth engines that will propel us for Vision 2030. As an example, data centres. We would expect the investments in data centres to grow. We also run an asset-light model, where we have Keppel Capital providing funding, not just from the group, but also from third party investors. There was an announcement a few weeks ago, where we have a strategic collaboration with National Pension Service of Korea (NPS), one of the largest pension funds in the world. NPS will collaborate with us on various assets, including potentially real estate, data centres, infrastructure, etc. The investments that the group will make collectively through the private funds that we run would be significantly more than what we invest from our balance sheet. The point I am making is that, with the asset-light model that we have, the actual investments into these growth sectors will be much bigger than what our balance sheet will show.

**From the beginning of the new projects, you probably have the funds to invest, and then divest by selling to the REITs or Trust?**

**LCH:** Yes, correct. We create private funds. For instance, we announced different funds like the Keppel Asia Infrastructure Fund, the private infrastructure fund. We are targeting to raise about US\$1 billion. We put in US\$100 million, and the other US\$900 million comes from third party investors. This fund then invests in infrastructure projects. When the infrastructure project is completed and de-risked, they can serve as a potential deal flow for Keppel Infrastructure Trust, which is the listed infrastructure trust that Keppel Capital manages as well. We can recycle, from the private funds to the trust.

**For the nine months, I think the bottom line is still negative. For the full year, can you comment on how management is looking at the outlook?**

**CHC:** Sorry, we typically do not give any forecast or guidance on financial numbers.

Questions from Anita Gabriel, The Business Times

**Based on the third quarter performance, barring any big shifts in the direction of the wind, would it be safe to conclude that Q2 would be the darkest quarter for the Group for this financial year, because of the impairment hits that you have suffered over this period?**

**LCH:** As you heard from Hon Chew, we don't give any projections. Certainly, the second quarter impairments were quite significant, driven by changes primarily in the O&M industry. By comparison, in the third quarter, we have not observed any deterioration of those conditions, and as a result, we have not had a need to take any further impairments for the third quarter.

**So, I would be correct if I made that assumption?**

**LCH:** It is your assumption, not my assumption. I cannot validate that. I can only tell you about the second quarter and third quarter. I do not know what will happen in the future.

**Is there anything about this third quarter that surprised you, or disappointed you, in terms of any of the key segments and how they had performed?**

**LCH:** As I shared in my opening remarks, other than for Keppel O&M, the rest of the business units have performed remarkably well for the nine months to date. Most of our businesses, for the nine months to date, have done better than we had perhaps projected as a budget for the first nine months of this year. Keppel O&M's underperformance is understandable, because of what has happened to the O&M industry, to the oil price. I think you can say that COVID-19 has been a huge negative surprise to everyone, and that has had an impact on energy prices, etc. It has also caused the disruption in the workflow, as we have explained earlier, and that has directly impacted Keppel O&M's topline for this quarter.

Questions from Mervin Song, JP Morgan Securities

**A couple of questions on the residential side of things. Just wondering if you have any timeline in terms of when Keppel Bay Plot 6 may be launched? Also, on 19 Nassim sales, it has been a bit slow. Any plans to cut prices?**

**LCH:** Are you talking about Plot 4 or Plot 6? Plot 6 is on Keppel Island. You might be referring to Plot 4. The project is called The Reef at King's dock. That is plot 4. We are getting it launch ready. I expect that, barring any surprises in terms of market conditions, it should be launched sometime by the first half of next year.

**And 19 Nassim?**

**LCH:** 19 Nassim has been a bit slow, but we are not too concerned, because we only have about 100 units there. The project is very well located, and it is designed by a top-notch architect. We think that that the design is good, the sizes of the units are not too large, and we don't have a lot of units; so I think we are still quite comfortable with where the price is.

**I've got a couple of divestment questions. One is with regard to Keppel Bay Tower. We asked Keppel REIT about it, but they referred us to Keppel Corporation. Just wondering if you are ready to sell that property at this point in time?**

**LCH:** There are always discussions. I would say that when the time is right, and we have something to announce, we will announce it.



**With regard to the Park Avenue site in Shanghai, just wondering what is the carrying value on your books for that property? How close are we to monetising it?**

**LCH:** It is a development site, so it will be part of the landbank and projects under development that we have. We have already announced, the group of assets that we have identified for monetisation includes our landbank and projects under development. There are various ways you can monetise something like this. You can develop it, wait till it is fully developed and then sell it, or you can sell equity interest in it in a joint venture, or you can sell based on a forward commitment. There are various options that we have.

**Which is the more likely one?**

**LCH:** I'm sorry, but I cannot tell you. Generally, we have identified this pool of assets. There is a commercial reason why we don't hang up a sign to say that this asset is for sale, or that asset is for sale. I'm sure you understand that. We have a large enough pool of assets to monetise. So far, since the announcement, we have monetised about S\$140 million of assets - one of the landbanks and also a non-core asset in Bangkok. We hope to do more. We have a target of S\$3 to S\$5 billion in the next three years. That is what will guide us.

Questions from Terence Chua, Phillip Securities Research

**My question is on the Tianjin Eco-City. Can you share with us, how much was the GFA of Plot 18b that was sold in October 2020?**

**CHC:** The GFA for the site is 79,684 sqm.

**My second question is about the Keppel O&M workforce in Singapore. What is the total size of the workforce in Singapore currently? Is it 15,000?**

**LCH:** Are you referring to Keppel O&M's direct workforce? It is less than that for Singapore. The direct workforce in Singapore at the end of September is 7,345. The total direct workforce, including overseas, is 11,600.

Questions from Cheryl Lee, UBS

**I have a follow up question. When I look at how you have talked about your EBITDA according to your new segments, you mentioned that Keppel Infrastructure's EBITDA is S\$119 million for 9M and is slightly up year-on-year. Your EBITDA for M1 is S\$202 million. Your Asset Management is positive, in terms of fee income. For Urban Development, we do not know, but you have asset monetisation. How do we think about dividends?**

**LCH:** Cheryl, you have asked this question before and you know the answer. We don't have a dividend policy, or we have nothing specified. But we have been paying about 40-50% of the earnings. When the Board meets to look at dividend pay-outs, they will factor in all this, including what is the requirement for capital for the Group. In short, you have seen from our credit lines from the banks, we remain very well supported by the banks. Hon Chew and the team have lined up the credit facilities that we will require to see us through, whatever happens in the next few years. This asset monetisation is really to create the balance sheet space for us to look at growth initiatives, such as those that I have mentioned before, including data centres. Of course, if through the asset monetisation, there are some profits that are generated, then that will also come into play in terms of the dividend payments.

**I know that dividends are typically about 40-50% of earnings. But given the very large non-cash impairment this year, maybe you can give us an update on how we should**

**think about that? Because we cannot really apply the 40-50% to this year. Also, your EBITDA suggests stability for the nine months, but there was a dividend cut for the half year.**

**LCH:** For the half year, it depends on whether you look at it as half full or half empty. The interim dividend that was declared was cut, and rightly so, because there was a significant impairment and we cannot pretend that it didn't happen. But we still declared an interim dividend. It should be seen that, to the extent that we can manage, we would still want to reward our shareholders who have been very patient with us. I think that is how you should see it, rather than to just say that the dividend has been cut.

Questions from Paul Chew, Phillip Securities Research

**On the 100-day programme that you mentioned, can I just clarify, what is the basis of these 100 days, or maybe the 70 days left? Is it based on some legal or deal timeline? i.e. It needs to be completed within these so-called 100 days, and if nothing happens, then the deal is off?**

**LCH:** Not really. I guess the way to look at this 100-day programme is that we have a Vision 2030. When we came up with Vision 2030, the idea was to give enough runway for the future leaders of Keppel, who were involved in this Vision 2030 exercise, to re-imagine what Keppel would be like in 10 years' time. It doesn't mean that we want to take 10 years to execute. In fact, we want to execute much faster. We decided that we wanted to create a bit of energy, a catalyst, and an impetus to get ourselves going for Vision 2030. The senior management and I decided that we should have a 100-day plan, so that there is a push for the whole team.

This 100-day plan involves everyone in the group. All the business units have their so-called "marching orders" for the 100-day plan, including Keppel Corporation as well. It doesn't mean that if we don't achieve it in 100 days, then the deal is off. We hope it does not happen, but it could be that some of the projects can get shifted to the right. But if we are able to deliver on this 100-day plan, I think it will give a very good impetus to the execution of our Vision 2030.

**Is this 100-day programme centred on O&M, or is it across the Group like you mentioned?**

**LCH:** It is across the Group. Every business unit, including Keppel Corporation as the centre, has a series of initiatives that are part of this 100-day plan. Just to be clear, the 100-day plan does not mean that everything will be done in 100 days, and after that, it doesn't matter. It does. The transformation office for Vision 2030, besides looking at this 100-day plan, will also be looking at medium-term plans and longer term plans for the accomplishment of Vision 2030.

**When you talk about plans, is it more about the disposals that you are planning? Is that a fair way to express this?**

**LCH:** No. I said it at the beginning but maybe you missed it. I explained that the initiatives under this 100-day plan are quite multi-faceted. It includes some asset monetisation. It also includes strategic reviews of some of the businesses that have been announced. It also includes some growth initiatives. So you will also see some investing, it is not just about divesting. It is quite multi-faceted.

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