



Verallia Q3 2025 Results Transcript – 23/10/2025

OPERATOR

Ladies and gentlemen, welcome to the Verallia 2025 Third Quarter Financial Results Analyst Call. The call will be structured in two parts. First, a presentation by the Verallia Group management team, represented by Patrice Lucas, CEO, and Nathalie Delbreuve, CFO. Afterwards, there will be a Q&A session. During this session, you may ask question in two ways: by submitting a written question in the box below the player, or by joining the conference call and dial pound key five on your telephone keypad to enter the queue.

I will now hand over to the management team. Please go ahead.

PATRICE LUCAS

Good morning everyone. Thanks for joining us, and welcome to our Q3 financial results call. As usual, Nathalie and I will go through our presentation and then we will have our Q&A session. I will share with you some key highlights of our quarter and Nathalie will present in detail our numbers, and then I will come back to the outlook for 2025.

As an introduction, just to remind you that Verallia is a global leader in glass packaging. We are number one in Europe, number two in Latin America, and number three worldwide. On this chart you have our ID card, you have on the left, the 2024 split of our sales by segment. One of our strong assets is our customer base, more than 10,000 customers, and the diversified and balanced end markets in which we operate. We operate in 12 countries with 35 plants with 67 furnaces. Please note also that we run 19 cullet recycling centres, allowing us to control about 50% of our needs for external cullet.

Let's now move to some key highlights of our Q3. First one, the first part of the year was marked by BWGI's voluntary tender offer. This process ended mid-August and was successful. You have on this chart the new shareholding structure at the end of September. BWGI went up and now holds 77.0% of Verallia shares. Bpifrance Participations went down and now holds 3.8%. Employees still hold 4.1% of share capital and the floating part is now 12.6%. With this step being completed, we will continue rolling out our strategic roadmap, focusing on creating value for our customers, employees and shareholders.

Second key highlight is about our decarbonization roadmap. A few weeks ago, we obtained certification by SBTi on our Net Zero 2040 target. We are the first glass packaging manufacturer to commit to such a target by 2040. We have a robust plan to do so. By 2030, we plan to reduce our scope 1 and scope 2 by 46.2% compared to 2019, and by 90% in 2040. For scope 3, the plan is to reduce by 27.5% in 2030 compared to 2019, and by 90% by 2050. Some of our customers have committed to achieving net zero by 2040, and they need our contribution. This commitment is paramount and demonstrates how glass packaging is well positioned as a sustainable solution for the future. This strategic lever is paramount and key for future value creation.

Last highlight is about the confirmation of the commissioning of our first hybrid furnace in Spain, Zaragoza, replacing an old traditional furnace technology. The commissioning was successful. As of today, we operate with 30% electricity and will ramp up in the weeks to come, with the objective to reach 70%. This furnace will bring a 55% reduction in CO₂ emissions compared to a traditional furnace. After our full electric furnace launch in Cognac last year, this is clearly an additional step forward in our decarbonization roadmap. We will take some time for lessons learned and if needed for optimization, and then we will move to a step-by-step pragmatic deployment phase aligned with our decarbonization roadmap towards 2040.

Before giving the floor to Nathalie, a quick overview of our Q3 and 9M results. As seen in Q1 and Q2, the positive news is that we are recovering volumes compared to last year, but in a much more difficult market than what we planned. Q3 revenues are down by 2.8% year over year to €846 million, with organic growth at -0.6% year over year, giving a 9M revenue result down by 2.5% year over year to €2,569 million, with organic growth at -2.4% year over year.

About adjusted EBITDA, Q3 is at €181 million, -14.0% versus last year, with a margin at 21.3%, -279 bps versus Q3 last year, giving a nine-month adjusted EBITDA of €531 million, -17.1% versus last year, with a margin at 20.7% -365 bps compared to last year, 2024.

About net debt. Our leverage is maintained at 2.6x at the end of September compared to last June. Let's see now the details of our numbers with Nathalie.

NATHALIE DELBREUVE

Thank you Patrice. So let's look at revenue and EBITDA as usual. Here you can see the third quarter consolidated revenue variance analysis. So we moved from €871 million reported revenue one year ago in Q3 2024 to €846 million today. As Patrice said, the organic growth for the quarter is almost neutral at -0.6%, or -0.7% excluding Argentina. You can see the volume pillar is up by €37.3 million year on year, despite a still challenging market environment and more challenging than anticipated. We saw, in fact, in the quarter that the activity softened in August and September after a very good start with a good month of July.

Looking at segments, most segments grew year on year, and especially led by non-alcoholic beverages and spirits returning to growth.

The price mix impact on the top line is unfavourable at €(43.4) million, driven by lower prices than one year ago and still a negative mix. And then we have FX impact that continues to be negative. The perimeter impact is almost zero. Just as a reminder, when we look at 9M, you will see perimeter impact with Corsico, our additional entity and plant in Italy. It was acquired on July 1st, so in Q3 it doesn't show as perimeter anymore.

So, continued volume growth in Q3 despite difficult market conditions.

Looking at the nine months consolidated revenue variance analysis now, we moved from €2,635 million to €2,569 million. The organic growth for the full nine months is lower than in the quarter. Or, to put it differently, Q3 performed better than 9M. Organic growth is -2.4%, or -2.9% excluding Argentina. We have seen continuous organic

growth over the nine months supported by commercial initiatives, despite the softer market environment, especially at the end of Q3, as I just commented.

Volumes are up in Europe and especially in Southern and Western Europe, and LatAm is positive despite slower growth in the third quarter.

The price mix is negative over nine months, €(154.4) million. So it's significant but sequentially we see a decline in this negative impact and step-by-step, the carryover of 2024 price reduction is softening. We continue to see a negative mix over nine months and you have here negative FX impact, but also a positive perimeter impact from the six first month for €50.5 million.

So how does this translate into adjusted EBITDA? For the third quarter, you have here the adjusted EBITDA variance analysis. So we moved from €210 million in Q3 2024, down to €181 million in Q3 2025. We can see from the pillars that the spread impact is the main negative driver at €(40.6) million. We have lower prices and negative mix, as we explained since the beginning of the year, but as I was saying, it's gradually easing. It was €(85) million in Q1, €(60) million in Q2 and as we just saw, €(41) million in Q3.

Then, despite that, we benefit from the volume growth and solid Q3 performance in activity. We have €7.9 million positive impact from activity. Despite here start-up costs and ramp-up costs from, our two new furnaces, one in Campo Bom in Brazil, and mainly for wine, and one in Italy, mainly for food. And also, as Patrice explained, the hybrid furnace in Zaragoza in Spain.

The net productivity continues to deliver 2% cash production cost reduction, and some negative other mainly due to one-offs. Exchange rate is negative and Argentina as well.

So the adjusted EBITDA margin that you see on the top right is 21.3% for the quarter.

So for the nine months, this leads us to €531 million adjusted EBITDA. It was €641 million in 2024. And you can see all the pillars, so the activity pillar being positive, with growth across all regions and volume growth continuing despite a challenging summer bringing +€42.1 million. The main negative pillar continues to be the spread over nine months, even if softening in Q3 again. The net productivity continues to deliver a positive number at €35.5 million and is 2.2% of cash production cost reduction. Other pillar here is a positive and includes the first six months of Corsico, so the perimeter impact, and then you have FX negative. FX negative is mainly coming from the Brazilian real and Argentina is presented aside. So we have a continued positive activity over nine months but offset mainly by negative spread.

Here you can see the Group net debt evolution and leverage. Leverage is stable versus end of June at the end of September at 2.6x adjusted EBITDA, and net debt is €1,920.4 million.

Here you can see our financial structure and liquidity at the end of September. So, several comments here: the first two lines are the sustainability linked bond issued in 2021. As a reminder, following the change of control, there was a possibility for bondholders to ask for reimbursement of these bonds. But you can see that we still hold a nice amount on both of them. 100.7 million for the first one and 70.3 million for the second one. And as you can see, they have a very nice nominal rate, a low one.

So this is very good news for the Group and for the confidence that our bondholders have in the Group.

The rest was refinanced by a bridge loan that you can see at the end of this table, and you can see €838.4 million drawn on this bridge. And then, of course, we will prepare to refinance this bridge. At the end of September, we have available liquidity of €835.0 million.

PATRICE LUCAS

Okay, so let's move to the outlook. As we have just commented, so in Q3 we experienced again, after Q1 and Q2, volume growth in July, August and September, but we were expecting more based on the trend in Q2 consumption. And in Q3, consumption has suffered, impacting glass demand as a consequence. And I want to share with you some fact-based data.

Here on this chart, you have the data from Nielsen about off-trade consumption in Europe of beer, spirits and carbonated soft drinks. This data covers the last four-weeks period, evolution year-over-year. To make it clear, if I take on the graph the date September 7th, the off-trade consumption of beer for the last four weeks of September 7th was down by 5%, -2.9% for spirits and -2.5% for carbonated soft drinks. What this graph shows is, one, that off-trade consumption of beer was quite positive from mid-May to mid-July, and very positive on carbonated soft drinks for the same period, with potential positive outcome for the Summer to come. Two, reality was totally different, since mid-July, all categories turned negative with a sharp negative turn on evolution, especially in beer and carbonated soft drinks.

No need to say that uncertain environment remains the norm, with a slow global economy, while geopolitical and trade tensions are weighing as well on the consumption and creating a very volatile environment.

As for our outlook assumption, as a summary for the market and activity trends, despite a good month of July, we had a poor Summer compared to our expectations. In Brazil, after a strong H1, we saw the market softening especially in the beer market. Mix and spread continued to be negative, even if the spread is softening, as Nathalie clearly explained. And we are still facing a difficult situation in Germany due to the market condition and the overall environment.

And finally, about capacity. We continue to see permanent capacity shutdowns across Europe, with the latest announcements in Q3 in Europe, in Germany and the Netherlands. This means that since late 2023, up to 18 furnaces have contributed to capacity adjustment.

Facing this overall situation, we keep our focus on self-help measures and cash flow generation. For Q4, uncertain and volatile environment will remain the norm, and we see a delayed recovery in market conditions compared to our previous expectations. However, as recorded since the beginning of the year, we expect a continued pickup in activity compared to last year, again despite soft demand but supported by our furnace openings. Our additional capacity is well positioned in Brazil for the wine business, and in Italy for the strategic food segment. And as well a positive effect which will come with the reopening of our second furnace in Ukraine.

Priority will be to keep on our focus on strict cost control and CAPEX management to support cash generation. And last, we keep on preparing the future with our Zaragoza hybrid furnace, which will continue ramping up, being clearly a new milestone for us.

As a conclusion, based on, one, the material deterioration in market conditions in August and in September; two, the expected pickup in profitability in Q3, which did not materialize; three, the fact that we see a delayed recovery in market conditions and despite a continued organic volume growth for us in Q4, we have decided to adjust our outlook for 2025. We plan now to close 2025 with an adjusted EBITDA of around €700 million and a free cash flow of around €150 million. In the short term, again, we will keep our focus on profitability improvement action plans and cash generation, and we will be back to you to present our mid-term strategy next January during our Capital Markets Day.

Thanks a lot for your attention, and let's now move to our Q&A session.

QUESTIONS AND ANSWERS

Operator: If you wish to ask a question, you may do so by submitting a written question in the box below the player, or by joining the conference call and dial pound key five on your telephone keypad to enter the queue. If you wish to withdraw your question, please dial pound key six on your telephone keypad. The next question comes from Francisco Ruiz from BNP Paribas. Please go ahead.

Francisco Ruiz (BNP Paribas): Good morning and thank you for taking my questions. Well, the first one is if you could help me to understand your warning. In this quarter, you have volume acceleration coming to almost 3.9%, despite what is happening in the industry and you have a price evolution on the top line in line with what was your estimate. So, I mean, in my opinion, this is more a matter of operating leverage and cost structure. So two questions here. Why operating leverage was so low compared to, for example, Q2? And can you give us an idea of the impact of margin by geographies? I know that you are not reporting margin by geographies, but with the low activity in Latin America, we could have a much negative mix than initially expected.

The second question here is theoretically, Q3 should be a quarter in which you would see some deflation in cost. I mean, at the end of the day, you have no impact of the expensive hedges in 2022 and then low culler, probably better energy and also better soda ash prices. Why haven't we seen this in the net pricing of the company?

And last but not least, I mean I have another two or three, but just one more, is why if demand is so weak, have you decided to start three furnaces while the rest of your competitors are closing capacity? Thank you.

Nathalie Delbreuve: I'll start, and don't hesitate to complete your questions. So, first on what happened in the Q3 and the gap versus our expectations. In fact, the gap versus our expectation is truly on volumes and on price/mix, I would say. Even if I will comment on the operating leverage, you're right. It is low in Q3 but don't forget that in Q3, as I commented, we start, we are ramping up, and this is also one of your questions, we are ramping up new furnaces, and we have been working on the hybrid furnace for Zaragoza. That is not a new capacity, so you have three furnaces where you have start-up costs. We are ramping up. They are not fully delivering, they are not producing

at full capacity at all. So it is quite a strong impact in the third quarter especially, and it was anticipated, because it is just the start of work in the plants.

But also, yes, even if we have additional volumes versus last year and you're right, we are very pleased and happy about that, we anticipated a better Summer. And this is what Patrice illustrated, the consumption was low. Our customers did not ask for the volumes that they were supposed to ask in several geographies. The beer segment especially was disappointing. So we expected, frankly, a better Summer in that. And the mix also was poorer than expected, lower than expected. So this is mainly that.

On the cost side, in the third quarter there is no specific element, that would be to be noted. On the cost element, I'm not sure I understood well your question here. So, we have a very flattish inflation as in the rest of the year. So there is no change here.

Patrice Lucas: About profitability by geography, Francisco, as you mentioned, we do not communicate by quarter the profitability. I can give you some colour about it. In LatAm and especially in Brazil, but also in Argentina and Chile, we enjoy very good profitability. So there is no material change compared to what you know, I would say. Still difficult in Northern and Eastern Europe as we've mentioned, especially in Germany. So there is no big move or change compared to what we saw roughly in H1.

About the capacity, the additional capacity. This is a fair question and I'm going to take some time here. Clearly, one, in Campo Bom in Brazil, this furnace is positioned on segments we do believe have a real potential. And this is what we see really today when we look at the market and the demand. This furnace will be focused on wine and spirits. And these are the segments that are facing good momentum right now. What is much more difficult in Brazil as we speak, especially since July is the beer market. And it is known that the Winter period there was very cold, the coldest for the past 40 years, according to what we know. And obviously it has an impact on the demand. So, there is a clear willingness to keep on developing in Brazil with our fifth furnace. And with that, we are preparing the future.

The second furnace in Italy is about the same story. It's a furnace on which we are focusing sales development in food jars, which is a segment where we do see potential. We see significant growth this year. And we see, according to the forecast we have, a significant increase as well above the average of the overall industry. So this is why we decided to focus and add this additional furnace.

So obviously it's a balance between the short term and the medium and long term. But as you know, we are focused on long term. And for us, it's taking the appropriate measure in the short term to protect profitability, but at the same time doing the job to position well the company for the future. So this is the rationale behind it.

And the hybrid furnace in Zaragoza, it's a different story because here it's not additional capacity. It's to replace a furnace which was at the end of life. And we've decided to make here our first hybrid furnace, our first pilot. Again, here to prepare the future, to get the lessons learned from such a furnace, to align with what we want to do as a strategic lever for 2040 decarbonization.

So this is the rationale for our additional capacity. So maybe we have, obviously some penalty short term, especially since in Q3 we ramping up all of that. But it is an upside

for tomorrow and it is aligned with our long term strategy here. Hope it is clear, Francisco.

Francisco Ruiz: Yes it's clear. Could you give us data of what's your level of capacity utilization and the level of curtailments?

Patrice Lucas: Well, capacity utilization, it's about the same story as what we mentioned in Q2 at the end of July. We are running close to normal, except some slight adjustments, but marginal adjustment everywhere except UK and Germany. And in the UK we have one furnace which is stopped, and in Germany we have two furnaces which are stopped, cold-stopped. And obviously we are working to see how we are going to optimize that. And this is part of the industrial strategy we are working on to make it clear.

Francisco Ruiz: Okay. Thank you very much.

Operator: The next question comes from Louise Wiseur from UBS. Please go ahead.

Louise Wiseur (UBS): Hello, three questions for me, please. What are your assumptions now, based on your new guidance of around €700 million of adjusted EBITDA, for the top line in terms of volumes and in terms of price? And then on the adjusted EBITDA bridge for the price cost spread for the full year?

The second question is around the new furnaces you opened in Italy and Campo Bom in Q3. How much did they actually contribute to the volume growth in Q3, and how much was the underlying volume growth for the rest of the business?

And the last question is around the flow through of the volume from the top line to the EBITDA. It was only 22% in Q3. What explains this? I guess given your comments right now, there's probably some things around like the new furnaces, but it was much better in Q1 and Q3. When do you expect to see that actually, you know, that flow through actually improve again?

Patrice Lucas: Okay. Thanks a lot for this question. So about the top line assumptions. As we've said, we do expect a continued growth in Q4 compared to last year in the order of magnitude of what we have been delivering so far, let's say, despite a market which is softening. So the gap compared to what we are expecting is that we were expecting a higher demand. So obviously end-consumption going down, has an impact on that. But we do expect us to be in the same order of magnitude on top line.

On pricing, moving forward in Q4, we do not expect any change, I would say. What is weighing is mix due to the market conditions, market environment. So mix will be more negative than what we were expecting initially. So this is some colour about the top line moving forward in Q4.

About Campo Bom, the impact in Q3 is quite limited as we are ramping up, so it's really partial, and we are not providing data in details furnished by furnace or plant in a geography, but obviously it will contribute. Next year we will have some repairs in Brazil, especially in one furnace in Porto Ferreira, and this additional capacity will enable us to keep on selling at a good level. And obviously focusing again on the wine and spirits segment here.

Nathalie Delbreuve: On the flow through, so yes, you did understand that the Q3 was a bit specific with these ramp-up costs and not full saturation of this capacity. So it will improve going forward based on this because step by step, as we were just saying, Campo Bom will contribute, Pescia will contribute more and they won't have these start-up costs anymore. And then, it's more the country mix that could impact also because the flow through is not purely mathematical, it's a bit different between countries, but it should improve in Q4 and moving forward.

Louise Wiseur: Thanks.

Operator: The next question comes from Francisco Ruiz from BNP Paribas. Please go ahead.

Francisco Ruiz: Sorry, it's again me. I have two more questions. One clarification, as you mentioned, in your press release that the Latin America demand momentum weakened in Q3, but also in the presentation, you mentioned that Q3 performance has been solid, driven by Europe and LatAm. Could you give us an idea what is the general performance? You mentioned already Argentina and Chile, good, Brazil bad, but the overall or the net effect, if it's a plus or a minus.

And the second question is on the covenants. I mean, if we are assuming €700 million adjusted EBITDA with €150 million free cash flow for the year and with the dividend you have paid, I mean, the net debt should go above or slightly above three times. Is this a risk for you? Is this a risk for the dividend? Thank you.

Patrice Lucas: So, I will answer the second one and we have to come back to the first one, because I'm not sure we understood your first question, Francisco. So, I mean, about the net debt ratio, as you projected and all of that. I mean, obviously, as we have said, this will be a priority for us to protect that. And to speak about the dividend as of today, it's too early. And this will be part of the board decision, at the beginning of next year.

Nathalie Delbreuve: So we did generate a good free cash flow in the third quarter. Strong free cash flow. And this is also what we expect for Q4. So the leverage will not worsen by the end of the year. And then for the dividend next year, it's too early, as we said, but we are not at all seeing the three times.

Francisco Ruiz: So the first question is to have an idea on what had happened in Latin America. Because in the press release, you say that demand weakened in Q3, but on the presentation, you talk about the EBITDA contribution of Latin America, which is positive together with Europe in activity.

Patrice Lucas: Yeah. So, Latin America, I mean, is still making a good contribution in Q3, obviously. What we are just saying is that in terms of activity and especially due to the beer market environment and demand, it was much below what we were expecting and below what we saw in H1. So, this is what we wanted to explain here. And we were much more in our plans and expectations, in a kind of growth similar to what we had in H1, which did not materialize. But even with this environment, we have positive contribution coming from Latin America, and certainly due to the fact that we are not just beer focused or beer dependent, I would say.

Francisco Ruiz: Okay, now that's clear. Thank you very much.

Operator: The next question comes from Louise Wiseur from UBS. Please go ahead.

Louise Wiseur: I know it might be very, very early for you to reply to this, but just trying to get your thoughts on that. Around the pricing, how do you think about this for 2026, given the slow recovery in terms of volumes? Could there be therefore an impact on pricing next year, and you would have a bit of pressure from clients to cut prices to get a bit more of the volume recovery?

Patrice Lucas: No, no real comment about pricing, Louise. First, too early to discuss about 2026. Our focus is really to close 2025 with what we have just mentioned. So we are on the way to validate our budget and business plan. So we'll be back to you. What we can say is that we expect market conditions to continue to normalize, with possibly a slight growth in activity. We'll see that in detail. And what we expect is continued, sequential spread improvement. But we'll see that in details. And net PAP to contribute. So we are working on that and especially on our mid-term plan. And we will give you more colour, obviously, during our CMD, next January.

Louise Wiseur: Thanks. And just maybe then, I mean, just checking, but there was not supposed to be – I mean, Q3 was supposed to be negatively impacted by the price cuts made at the beginning of the year, but no more carry over. Has there been some price cuts in Q3 that would therefore impact 2026, or have you not done any further price cuts in Q3?

Patrice Lucas: No. Marginally. The main impact is coming from the mix, which due to the market conditions being really below what we're expecting.

Louise Wiseur: Got it. Okay. Thanks.

Operator: The next question comes from Fraser Donlon from Berenberg. Please go ahead.

Fraser Donlon (Berenberg): Good morning everyone. It's Fraser here from Berenberg. I have two questions. So following on from the pricing question, like on the cost side, do you see any wins, let's say in the next 6 to 9 months, whether that's like in the hedging book for energy or soda? And then the second question was just on inventories, like, I think you're around €730 million last year. Like, do you have an idea of where you can land inventory in 2025, at the end of 2025, I should say, given the demand context is, I would say, more difficult than expected? Thank you very much.

Nathalie Delbreuve: Okay. So in the nine months, as I said, our cost inflation is very neutral in fact. We have inflation on most of the lines, you know, back to normal inflation, I would say, for example, on labour costs. We commented that we have significant reduction in cullet. You know that cullet is more than 50% of our raw material, so it accounts for a large part, and cullet overall prices have been declining in recent years, so we have a softening here. So that's the main, I would say, deflating driver, and that leads overall our costs to a neutral evolution at the end of September versus previous year.

Patrice Lucas: About inventory, Fraser. So inventory control is a key topic. And since this demand backdrop, let's say, which started at the end of 2023, it is really a key topic for us. And we are on that on a monthly basis to adapt and to make sure that we keep all of that under control. So, one, it's a key topic. Our expectation for the end of the year is to be up compared to last year, at the end of last year, but in a controlled

way and slightly up versus last year, due to the additional activity we have compared to last year and what we anticipate for next year. So it's slightly and marginally up, I would say, compared to last year. This is what we are planning to do.

Nathalie Delbreuve: One additional point on costs that I should have mentioned is on the energy, just to remind you that we are not fully benefiting from the spot energy price decrease because of our hedging policy. But, you know, this is the last year that we have a portion of hedging from the high years, so it will be an upside or it should be an upside for next year.

Fraser Donlon: Very clear. Thanks to both of you.

Operator: The next question comes from Manuel Lorente from Santander. Please go ahead.

Manuel Lorente (Santander): Good morning. My first question is on the volume side. I'm trying to address the potential impact on that of the low profitability of the Group in Q3. So according to what you have said on the call, is it fair to say that the vast majority of this 4% volume growth is coming from the new furnaces? And in that case like for like growth should be flattish to slightly negative and then filling the gaps to that 4% will imply all the new furnaces or not?

Patrice Lucas: Good morning Manuel. Thanks for your question. No, the contribution in Q3 of the new furnaces is still very low. So like for like we do have organic growth and it's coming from Europe, but as well from LatAm. It's quite well spread I would say.

Manuel Lorente: Okay, so since we have a limited contribution from the new furnaces, so to speak, then the narrative of low margins because ramp-up costs in those furnaces might not significantly explain, let's say, the margin deterioration. Right? So then, you also mentioned the mix effect on that impact on profitability. So when you are mentioning regarding mix, it's more a country mix, a segment mix or both?

Nathalie Delbreuve: So when we comment on the ramp-up cost and the fact that the new plants are not, they are not running fully, so it's just normal. You know, we usually have 3 to even 6 months to really run at full speed when we start a new capacity. So this is just normal. And at the beginning you have the cost, but you don't have the full sales against it.

So, this is impacting the flow through when we look at the EBITDA bridge. So it's very specific to Q3. This is also impacting the percentage of EBITDA margin, when we look at it, because, again, you have a portion of cost and you have no revenue in front. So it's one driver. It's not the only driver, you're right, to explain the level of our EBITDA margin percentage in Q3 or in the 9M. Absolutely. It's not the only one, but it is a negative impact still on that.

And when we comment on the mix impact. Yes, it's both. Here we were more commenting on the mix of the segments and the products, because of the lower level of consumption, you know, people buying more entry products than, again, high-level products. So we have less margin in some cases on these products. But we also have a country mix. When you have Latin America a bit weaker than expected again, in Q3, but yes, you know that LatAm is above 30% adjusted EBITDA usually. So it has some impact. So it's a combination.

Manuel Lorente: Okay. Great. And just the last one, the next key milestone, it will be the Capital Markets Day. You mentioned that probably was too early to talk about 2026, but what we should expect on the Capital Markets Day? Is it going to be a quantitative type of Capital Markets Day with medium to long term forecast? It will also address some qualitative issues regarding strategy? A little bit of both?

Patrice Lucas: Well, you said everything. Yes, first of all, it will be mid-term. So it will not just be only 2026, obviously. So it means we will give and provide some orientations, both qualitative and quantitative, especially about the sectors, how we see the evolution, the different segments, how we are positioning ourselves on that. It will be a mix of all of that with some financial data again. We're still finalizing that. Working on that. But this will be a key milestone, after this quite let's say, disturbing period of 2022/2023 high inflation, 2024/2025 the opposite. All the volatility and the demand. So this will be the opportunity for us to pause and to explain how do we see the next years and as a consequence, what you could expect from the company. This will be our intent. So you said everything, Manuel.

Manuel Lorente: Okay. Okay. Thank you.

David Placet: All right. Well, so this is David Placet, the head of IR. I think we're done with the questions on the call. And thanks, guys, for, asking all of them. We have, I think, just two questions in writing, from Jeremy Peries with ODDO. The first one relates, to basically the flow through between the volume and EBITDA in Q3. I think we've largely touched on that. The second one relates to the spread. The question being, so last year, spread effect was around €(200) million. Should we see the same trend happening in 25 for the year? Also, do you see any improvements in full year 2026? That is the last question.

Nathalie Delbreuve: So on this, so for the full year I think, yes, I commented quite largely. On the spread, we have a spread of €(183) million at the end of September. So, we are indeed close, already, to the €(200) million. But as we commented, we have a softening of this negative spread, so an improvement, quarter after quarter, and we were €(41) million in Q3. One element where we are prudent and it's difficult, very difficult to forecast, as you know, is the mix impact in this spread at the end of the year. And sequentially in 2026, again, we'll come back with more data, but yes, we should see an improvement, of course, in the spread. That continues to normalize, but slower than expected, in fact.

David Placet: Thanks, Nathalie. And actually, we have – I think I'll take the last one. Last minute question from Inigo Egusquiza with Kepler, asking, actually, what has changed in the company, since BWGI took over? So, any changes that you've seen or that that may occur, etc Thanks. That is the question.

Patrice Lucas: Good morning, Inigo, and thanks for this question. I mean, as we said, BWGI is not new in the company. They were already a significant shareholder, part of the Board, so they decided to go for more. So it is really a continuation of the strategic plan we have as we speak. And obviously this will be updated with the CMD, but it is a much more about rolling and key focus on managing the short term profitability and preparing the future as well. You know that BWGI, the DNA of the company, they are really long term oriented. So, it's going to be a step-by-step evolution if needed, but based really on the key business factor and how we see the industry here. So the key word is continuation, more of the same, and value creation and facing the environment.



David Placet: Great. Well thanks, Patrice. Thanks, Nathalie. I think that's it on my end.

Operator: There are no more questions at this time, so I hand the conference back to the speakers for any closing comments.

Patrice Lucas: Thanks a lot to all of you. Let's first focus on delivering and facing the situation and moving forward to Q4. And obviously next milestone is CMD. It will be a pleasure for us to have this opportunity to share our view here and much more mid-term orientation. Thanks a lot and have a good day. Take care.

Nathalie Delbreuve: Thank you.