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Dole plc

First Quarter Results 2024

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CORPORATE SPEAKERS:

James O' Regan
Dole plc; Head of Investor Relations
Rory Byrne
Dole plc; Chief Executive Officer
Johan Linden
Dole plc; Chief Operating Officer
Jacinta Devine
Dole plc; Chief Financial Officer

PARTICIPANTS:

Adam Samuelson
Goldman Sachs; Analyst
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Gary Martin
Davy; Analyst
Ben Bienvenu
Stephens; Analyst
Christian Junquera
Bank of America; Analyst

PRESENTATION:

Operator^ Welcome to the Dole plc First Quarter 2024 Earnings Conference Call and Webcast.

Today's conference is being broadcast live over the Internet and is also being recorded for playback purposes. (Operator Instructions)

For opening remarks and introductions, I would like to turn the call over to the Head of Investor Relations at Dole plc, James O'Regan.

James Regan^ Thank you, Pam.

Welcome, everybody. And thank you for taking the time to join our first quarter 2024 earnings conference call and webcast.

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Joining me on the call today is our Chief Executive Officer, Rory Byrne; our Chief Operating Officer, Johan Linden; and our Chief Financial Officer, Jacinta Devine.

During this call we will be referring to presentation slides to supplemental remarks. And these, along with our earnings release and other related materials, are available on the Investor Relations section of the Dole plc website.

Our remarks today will include certain forward-looking statements within the provisions of the federal securities safe harbor laws.

These reflect circumstances of the plan they are made and the company expressly disclaims any obligation to update or revise any forward-looking statements.

Actual results or outcomes may differ materially from those that may be expressed or implied due to a wide range of factors including those set forth in our SEC filings and press releases.

Information regarding the use of non-GAAP financial measures may be found in our press release, which also includes a reconciliation to the most comparable GAAP measures.

With that, I'm pleased to turn today's call over to Rory.

Rory Byrne^ Thank you, James.

Welcome, everybody. And thank you for joining us today as we discuss our results for the first quarter of 2024.

So turning first to Slide 4 and the financial highlights for Q1.

While following the strong results in 2023, we're very pleased to report another good performance in the first quarter of 2024. Group revenue increased by 6.6% to $2.1 billion and adjusted EBITDA increased 9.7% to $110 million.

On a like-for-like basis, adjusted EBITDA increased 10.8%, excluding the impact of foreign exchange and M&A.

The growth in adjusted EBITDA was driven by a strong performance in our Diversified Fresh Produce Americas segment and continued growth in our Diversified Fresh Produce EMEA segment and a stable consistent performance in our Fresh Fruit segment.

Adjusted net income increased $8.3 million to $40.6 million. And adjusted diluted EPS increased 26% to $0.43 per share.

Efficient management and allocation of our capital is a key strategic priority for the Group. In this regard, we're very pleased to complete the opportunistic sale of our 65% interest in Progressive Produce in March, realizing after-tax net proceeds of approximately $100 million. The proceeds from this sale have been used to repay debt.

And at the end of the quarter, our net leverage stood at 2x.

During the quarter, we were disappointed to have to announce the termination of the agreement to sell our Fresh Vegetable division to Fresh Express. The decision to terminate was due to the DOJ's decision to pursue litigation if we had moved to close the transaction.

We strongly disagree with this decision and continue to believe that the transaction was pro-competitive and would have unlocked ongoing benefits to customers and consumers.

In any event, we are moving onwards and we are actively exploring alternatives that are in the best interest of all the divisions, stakeholders, employees, customers, partners and indeed the Dole plc shareholders.

Turning now to Slide 6 for our operational highlights and starting with our Fresh Fruit segment. This segment delivered another robust performance in the first quarter with adjusted EBITDA of $69.4 million in line with Q1 2023.

Firstly, looking at Europe, we continued to build on an excellent turnaround year in 2023 in the first quarter of 2024, driven in particular by higher volumes in bananas and pineapples and lower sourcing and shipping costs.

In North America, our operations are continuing to perform well with good customer progress and benefiting from lower fleet costs to offset some lower pricing, reduced commercial cargo profitability, and as anticipated, some higher shipping costs.

While our shipping remains a consistent source of competitiveness and reliability for our operations, this is an area where we are anticipating higher costs in 2024, due in part to regulatory changes, but also due to periodic dry docking-related costs.

Looking ahead on the market side, we continue to see a competitive environment in both North America and Europe for the remainder of the year.

However, we believe we are managing this well and have been able to win some new business due to our own competitiveness as well as our continued efforts to expand our offering with additional products and varieties.

On the sourcing side, we continue to face challenges such as currency appreciation in some key sourcing regions and lower yields due to weather-related impacts. And while forecasting is complex, we continue to focus on managing these challenges to maintain our competitiveness.

As ever, our strong and experienced management team in this division are keenly focused on risk management and driving operational efficiencies.

And together with our diverse sourcing infrastructure and customer base, we are confident in delivering another strong and consistent performance in 2024.

Moving on to the Diversified EMEA segment.

Our Diversified EMEA segment has continued its momentum from the end of 2023 into the start of 2024, delivering a strong first quarter result. Revenue growth remained strong. And while this was mostly driven by higher pricing, we did see an improved balance on the volume side with growth being seen in several markets. Adjusted EBITDA growth in the quarter was driven by higher revenue, margin expansion and good contributions across most regions, in particular in Northern Europe and South Africa.

On the margin side, we saw the benefit of the continued investments we are making coming through to drive growth.

As ever, in the Diversified EMEA segment, we'll continue to be attentive to opportunities to drive synergies, opportunities to invest internally and opportunities through bolt-on acquisitions that will further drive our expansion across the European marketplace.

Overall, we are targeting good performance of this segment in 2024 as we continue to leverage our strong market positions, operational integration and investment opportunities.

Our Diversified Americas segment delivered an excellent first quarter result driven by positive underlying performance and by the benefit of some seasonal variations, pushing more volume into the quarter than in prior years.

As noted on our last call, the El Nino weather patterns have notable impacts on both the timing and volumes of products that have been exported out of South America in the fourth quarter of 2023 and indeed in the first quarter of 2024. This was apparent in particular for our Chilean cherry business, which saw much higher volumes in the first quarter of 2024 than in the prior year.

While this was also an important factor in blueberries, grapes, which saw variations in volumes as well as different windows for marketing from different sources.

Excluding some of the seasonal timing factors, the quarter was also very positive on an underlying basis with healthy volume growth and strong pricing across most of our North American business, particularly in avocados, while on the South American export side, we benefitted from a good Chilean cherry season and continued supply chain improvements across all commodities.

As we look further into 2024, we are targeting a strong performance from our South American export businesses as well as healthy dynamics across most of our North American operations with the remaining challenge to accelerate the turnaround in the berry category to maximize performance in this sub-segment for the full year.

Moving on to our Fresh Vegetable division.

Operationally, we're very pleased that the performance of our vegetables business has improved substantially in the first quarter due in no small part to the continued dedication of the businesses, management and employees. The positive operating result was driven by an

improved performance in value-added products as well as higher pricing and volumes in fresh packed products.

And with that, I'll hand you over to Jacinta to give the financial review for the first quarter.

Jacinta Devine^ Thank you, Rory. And good day, everyone.

Firstly, turning to the Group results on Slide 8.

We are pleased to have delivered another strong performance in the first quarter of this financial year. Revenue increased 6.6% or $132 million to $2.1 billion with growth across all segments. Revenue benefited from a positive foreign currency impact and from acquisitions in EMEA, which offset the reduction in Americas revenue following the Progressive Produce disposal.

Stripping these factors out, revenue increased 6.7% on a like-for-like basis.

Adjusted EBITDA increased approximately $10 million, driven by strong performance in the two Diversified Fresh Produce segments.

On a like-for-like basis, the increase was $11 million or 10.8%.

Net income for the first quarter was $65.4 million, an increase from $20.5 million in Q1 '23. The increase in net income was driven by higher adjusted EBITDA, a $74 million gain on the sale of Progressive Produce and lower interest expense as our total debt reduced. Partially offsetting this was a non-cash goodwill write-down within the Americas and Rest of World segment. After accounting for the disposal of Progressive Produce, we reviewed the remaining goodwill within the segment and booked a non-cash goodwill write-down of $36.7 million.

However, we expect this segment to continue to grow as the benefits of a strong asset base are realized.

Income tax increased due to higher operating profits, a gain on the sale of Progressive Produce and the jurisdictional profit mix. Diluted EPS was $0.74 compared to $0.15 in prior year.

On an adjusted basis, predominantly excluding the gain on the sale of Progressive Produce and the goodwill write-down, adjusted net income increased 26% to $40.6 million and adjusted diluted EPS increased 26% to $0.43. The increase was driven by higher adjusted EBITDA and lower depreciation and interest expense, partially offset by a higher tax expense.

As Rory mentioned, the Fresh Vegetables business had a good quarter and delivered operating income of $16.6 million. This was offset by a non-cash reduction in a tax asset as a consequence of the termination of the Fresh Express transaction.

Now turning to the divisional updates for our continuing operations, starting with Fresh Fruit on Slide 10. The Fresh Fruit division delivered strong consistent result with revenue increasing 3.2% and adjusted EBITDA up 0.3%. The increase in revenue was primarily due to higher worldwide volumes of bananas and pineapples and an increase in worldwide pineapple pricing, partially offsetting this was lower worldwide banana prices. The margin increase in adjusted EBITDA was driven by higher volumes and lower fruit sourcing costs.

Now turning to Diversified Fresh Produce EMEA on Slide 11. The Diversified EMEA segment delivered another strong result in the first quarter.

Revenue increased 7%, primarily due to a strong performance in Ireland and the U.K. as well as favorable FX movement of approximately $13 million and a $6 million contribution from acquisitions. Excluding these impacts, on a like-for-like basis, revenue increased 4.6%. Adjusted EBITDA increased 10.9%, primarily driven by strong performance in Northern Europe and South Africa as well as by a positive impact of $0.3 million from foreign currency translation. Like-for-like, the increase was 10%.

Finally, Diversified Fresh Produce Americas and Rest of World.

The Diversified Americas segment had a strong quarter, benefiting from seasonal timing differences and also improved pricing and volumes across a range of products. Revenue increased $54 million, driven by higher cherry volumes due to seasonal timing differences as well as higher pricing and volumes of avocados and most other commodities. Revenue was impacted by the sale of Progressive Produce during March. And so on a like-for-like basis, revenue increased to $73 million. The increases in revenue drove the strong adjusted EBITDA result.

Stripping out the impact of the Progressive Produce contribution following its disposal, on a like-for-like basis, adjusted EBITDA increased over 100% or $8 million.

Turning to Slide 13 now to discuss our cash generation, capital allocation and leverage.

We remain very focused on capital allocation and managing our leverage and are pleased that our leverage reduced further in the quarter to 2x. The reduction was driven by the receipt of proceeds from the Progressive Produce disposal and higher adjusted EBITDA, which balanced out a seasonal first quarter working capital outflow.

As discussed in our full year earnings call we benefited from favorable seasonality at the year-end and had an expected working capital outflow in Q1, which was higher than Q1 2023.

Also the quarter close was impacted by higher receivables due to higher revenue and the timing of collections around the Easter period. This was partially offset by the impact of higher payables.

Our expectation is that this will reverse over the course of the year following the typical working capital cycle seen in our business.

Cash capital expenditure from continuing operations was $18.2 million in the first quarter and we added a further $7 million of assets by way of finance lease.

For the full year, we continue to expect total capital expenditure in the range of $110 million to $120 million.

Interest expense decreased due to lower debt levels compared to the prior year. Post quarter end, we repaid $100 million of our term loans using the proceeds from the Progressive Produce sale.

For the full year, we now expect our interest expense including discontinued operations to be $75 million to $80 million.

Continuing with our commitment to return cash to shareholders, we are pleased to declare a dividend of $0.08 for the first quarter, which will be paid on July 5, '24 to shareholders on record on June 12, '24.

Now I will hand you back to Rory, who will give an update on our full year outlook.

Rory Byrne^ Thanks, Jacinta.

Well as I said, we're very pleased with the strong start we've made to 2024, and we believe that this puts us in a good position to deliver a strong result for the year.

While it's still early in the year and forecasting remains complex, we are maintaining our target to deliver full year adjusted EBITDA in line with 2023 on a like-for-like basis.

In dollar terms, adjusting for the Progressive Produce disposal, this implies an adjusted EBITDA target of at least $360 million for the full year.

In conclusion, we're very pleased with the excellent start we've had to 2024 and are now keenly focused on continuing that momentum in the second quarter, while also advancing on our strategic priorities in the year ahead.

I want to finish by once again thanking all our excellent people across the Group for their ongoing commitment and dedication to drive Dole plc forward as well as our suppliers, customers for all their ongoing support.

So with that, I'll hand you back to the operator, and we'll open the line for questions.

Operator^ (Operator Instructions) Your first question comes from the line of Adam Samuelson with Goldman Sachs.

Adam Samuelson^ Yes. I guess, I wanted to just clarify the guidance and the way to properly calibrate the Progressive Produce contribution, both in the prior year and what that implies for the forward. So you're saying EBITDA this year of $360 million, which is flat on a like-for-like basis. You reported adjusted EBITDA in 2023 of $385 million.

So should we be interpreting that Progressive Produce was $25 million of EBITDA contribution in the final three quarter or 9.5 months of 2023, which implies that was a pretty dramatic component of the overall Diversified Americas, Rest of World segment?

And kind of maybe some more context on the historical EBITDA performance on that business relative to the rest of the Diversified Americas, Rest of World, maybe just to start?

Rory Byrne^ Yes. I mean last year, our reported number for Progressive Produce was $23.5 million. So we subtracted that off the $385 million and that gets you down to the $360 million guidance, which is $361.5 million or something like that when we do the math, so the guidance is $360 million.

So yes, I mean the Diversified we had called out some underperformance and other elements of that division in the prior years.

We have actually had a strong first quarter in most aspects of that business in the first quarter.

So the turnaround work that's been undertaken over the last year or so is in good shape. And we're confident that we'll have a good performance in the remaining piece of that business over the course of 2024.

Adam Samuelson^ Okay. And so in the first quarter, adjusted EBITDA for the company was up $10 million year-over-year. Again, you still have Progressive Produce for most of the quarter. The prior year number has it in there. So -- but you're saying flat year-over-year for the full year.

So implication -- I just want to make sure you're implying EBITDA declines on a like-for-like basis for the balance of the year. And I know you called out some of the shipping and dry dock costs, in particular, Rory. Maybe quantify those and just help us think about how we go from the growth anticipate -- realized in the first quarter to the decline implied for the balance of the year?

Rory Byrne^ Yes. I mean the whole question of guidance, as you know Adam, is very definitely not an exact science. We're trying to come up with a number that we think is a sensible number. With the history now of given guidance, we try to be I think reasonably conservative in how we do that. There's a couple of big factors out there.

If you look at our peer group reporting in this quarter, have reported some significantly challenged numbers in Q1. If you look at Fresh Del Monte, Orsero for example, were two companies that we're often compared to.

So I suppose that tells you two things. One, you need to be a little bit cautious how you look at the full year based on their assessment of similar factors. And as well as two, it gives us some comfort that the business model that we've got with our scale and our size and our diversification of earnings gives us a significant advantage over both of those companies.

We look back at 2023, we started out the year with a guidance of $350 million. We upped that during the year and we ended up exceeding that coming in with $385 million. So we have clearly stated that we overperformed in 2023. There are some of the issues that we flagged in '23.

For example, we took a strong advantage of the backhaul freight market, for example, that gave us a significant contribution and we have flagged, but it was right for us to take advantage of that when the market was high, but it's not something that is sustainable and we called that out.

So there's a few factors that you flanked the question around the dry docking of some of the ships, the replacement capacity we've got and the cost of doing that will have an impact on our numbers.

So the main message here really is it's not an exact science. We've set the line in the sand as best we can. And as ever, we'll focus on beating the target over the remainder of the year.

Adam Samuelson^ Okay. And if I could just squeeze one final one in. With the proceeds from Progressive Produce on an adjusted basis or pro forma basis, trailing net leverage is 2.1x. You've used the proceeds for deleveraging and gross debt reduction at this juncture. But how do we think about capital kind of allocation prospectively given kind of where your stock is, I would think the risk-adjusted returns look better on share repurchase than potential bolt-on M&A. I know we still have the Fresh Vegetable sale to finalize. But help us think about how you would think about prospective use of cash from here given where the stock is?

Rory Byrne^ Yes. I mean obviously the stock rating is somewhat disappointing. If we applied the multiple -- the gross value of the Progressive deal to our overall business, we'd have something like a $21 share price. So that's obviously frustrating and as well as to your point. But all capital allocation questions are continually being examined whether that's buybacks, dividends, acquisitions.

It's quite clear that in the short-term, certainly with the current rating we've got that some of the any significant acquisitions are -- it's going to be hard to buy them on our current rating. And so we have to focus on acquisitions that will enhance some of the parts in some way.

We have got this big strategic question about what the final outcome will be with regard to the Vegetable division. And that obviously is a big factor in determining where we allocate our capital.

It can be a material element of our absolute debt number, for example. So all of those questions go into the ongoing analysis of where we might allocate our capital.

And we've got a very open mind as to how we do that in the best interest and the best long-term interest of all of our shareholders.

Operator^ Your next question comes from the line of Christopher Barnes with Deutsche Bank.

Christopher Barnes^ I just wanted to follow-up around the EBITDA discussion. With Progressive Produce coming out, and Rory, you mentioned that $23.5 million of EBITDA last year. I just wanted to ask around opportunities to recover some of that divested profit. In the past, you've spoken to potential savings from rightsizing overheads and head office allocations. But any additional perspective would be helpful just as we think about the continuing business going forward and opportunities to claw back some of that profitability.

Rory Byrne^ Yes. I think the biggest area that we would hope to get it back is that in the remaining components of that division, we're really focused on getting the profitability levels at the right level.

I think depending on where we end up with the Vegetable division that can dictate where we go to in terms of our overall head office costs and all the cost structures. A little bit difficult to scale it down just with the disposal of Progressive Produce, but it may be a little different if we can find the right appropriate answer for the Vegetable business.

But our cost structure is a constant area that's under examination, whether it's at the operational level in the business or at the central cost level in the business.

And I think critically over the last number of years post IPO, the integration of the North American and South American management team under one management grouping and really focusing on maximizing the profitability in that business.

I think it's well like a business that suffered badly post-pandemic with the supply chain issues, we highlighted those in prior years, supply chain disruption.

So a lot of those issues have really settled down and it's giving that business a much better platform to launch, have that profitability from. So that will be the big focus over the course of 2024.

Christopher Barnes^ Got it. That's helpful. And then, I guess, just switching gears on the Fresh Fruit business, very nice results this quarter.

Could you just elaborate on what's driving the better top-line and profitability? Last quarter, you highlighted increased competition in North America weighing on pricing, which seems to have transpired, but it looks like you also got better volumes globally and lower sourcing costs to help offset the lower pricing.

So I guess, could you just help us frame like what is supply and demand conditions look like at this point in the year? And then like looking forward, do you expect this relative outperformance or relative strength to continue?

Rory Byrne^ Maybe Johan you might cover that one, please?

Johan Linden^ Yes. So Christopher, so there are, as always, when it comes to our business, a lot of moving parts. But overall, when we look at our Fresh Fruit segment, and in particular, bananas, but also pineapples, we see that demand is being solid.

So there is -- the consumers out there want our products. People are looking for cheaper alternatives, and of course, bananas is one of them. So the demand is solid.

At the same time, we see retailers putting pressure on margins. They're really going after trying to fight inflation and get themselves in the good books of the politicians. So it's a lot of pressure on margins.

But at the same time, supply is tight. The supply is tight on the back of -- if you remember, we have talked about poor farm maintenance as a consequence of high input costs in Ecuador.

We see also in Costa Rica that the colon has -- is very expensive. So some of the farmers are having not the right maintenance. So the supply is coming down. So you have good demand. Retail is putting pressure. You have supply being tight.

At the same time, you have some cost giving on the input costs when it comes, for example, to paper.

So if you put everything together, we feel that with the supply diversification we have, the geographic diversification that we have and the customer diversification, we feel that we are able to handle this very volatile situation very well. So we're looking at more or less similar as last year.

But of course, then a little bit of a drawback and a downside when it comes to our commercial cargo, the shipping business that we have.

Operator^ Your next question comes from the line of Gary Martin with Davy.

Gary Martin^ First of all, congrats on a very strong quarter. Just a few questions from my side, just starting off with Diversified EMEA. I mean I think just in terms of prepared remarks, you mentioned a bit of recovery with regards to volume growth in the quarter. I mean could we get a bit more just detail on where you're seeing that? And whether these green shoots are expected to continue into the back half of the year? And then secondly, just on Diversified Americas.

Can you just give us a bit of details with regards to what you're seeing with regards to the kind of berry market in North America just because I know it's been on the weaker side? And also, just kind of congruently, just with regards to how much the kind of seasonal cherry inflow? How much of that is expected to kind of continue into the rest of the year? Is this quarter's exceptional results? Is it more kind of one-off and timing-related?

Rory Byrne^ I'll take those. On the Diversified EMEA one, I think really it's fair to say that across all of our geographies within that division, we've had very solid performance.

Scandinavia, we're doing a lot of bolt-on additions to some of our operating businesses and that they had a particularly good performance in South Africa, which falls into that division as well have performed very well.

So I think that's been a business that's over a long period of time, a long period of years has a few ups and downs with individual segments within it. But overall, it's performed and continued to grow very successfully over a long period of time now.

In Americas, I think there's a bit more work to be done on the whole berry segment and our particular involvement in that.

We're doing a lot of work to fix that, but there's more to be done to get that right and that is a big project for 2024.

I think in terms of the cherry season, it probably is -- we probably did have an exceptionally strong Q1 without a doubt. Some of the volume that may have historically fallen into Q4 of '23 came into Q1. So that highlighted just -- it does give us a slightly better Q1 performance even though the season for cherry is overlapping '23 and Q1 '24 satisfactory season in line with the prior year. So it's just timing on that.

We flagged that I think at the end of the year as well. So you will see there's definitely a slightly better than normal Q1 and that will balance out over the course of the year. Again, we're comfortable within the other elements of that business that we're going to have a satisfactory outcome in Diversified Americas for the coming year.

Operator^ Your next question comes from the line of Ben Bienvenu with Stephens.

Ben Bienvenu^ So firstly, just a quick question on the balance sheet. With the sale of Progressive Produce and the subsequent paydown of debt in April, are you satisfied with the debt positioning of the balance sheet today? And should we think about kind of removing that as a bucket of capital allocation in terms of any excess cash flow that you have is less likely to go to debt reduction and more likely to go through either organic growth or inorganic growth investments or perhaps share repurchase?

Rory Byrne^ Yes. I mean obviously we're comfortable at 2x leverage. And as I said, we put all of the factors into the mix, not least the potential item in relation to the vegetable issue which has

a significant potential impact on our financing capacity. And we assess it as we go along based on how all of those dynamic factors evolve.

Ben Bienvenu^ Okay. Thinking about the overall margin profile of the business, it seems that we're past the worst of inflationary cost pressures that we've seen over the last several years impacting you and others in the industry and really all industries. When you think about your price and volume balance versus kind of the embedded cost variability you have in your business, are we on a path to continued EBITDA margin expansion in 2024? And do you think that can sustain into 2025? Just any thoughts on the potential of the margin profile of the business as you see it today?

Rory Byrne^ Yes. I mean you look back at inflation, while certainly managing in inflationary times is much more complex than more stable times, just got a big impact on our business is probably a little bit of an exaggeration.

I think we've done remarkably well over the long period inflation in the last few years and we've managed, whether it's through our dynamic pricing models and our two diversified divisions are getting the appropriate price adjustments in our Fresh Fruit business to adjust for the inflation and just survival inflationary impacts on our costs and items.

So I think we've managed well through that segment. We've held our margins pretty constant over that period of time. And our objective is always to try and improve around the edges within different sub-segments and Diversified Americas is one example where we had some supply chain issues that have a negative impact on our overall margin.

So we would like to see margin improvement particularly in that division and that is starting to come through now.

Operator^ Your next question comes from the line of Christian Junquera with Bank of America.

Christian Junquera^ You have Christian on for Bryan. We understand that you don't disclose year-over-year change in shipments and price mix on a consolidated basis, but can you give us some color on how shipments performed relative to price mix this quarter and your expectations for this fiscal year?

Rory Byrne^ Yes. I mean we believe in our Fresh Fruit division we've done well in terms of volumes. Price has been under a little bit of pressure for a range of reasons. And we've done -- compensated that through good customer progress and volumes.

I think maybe even going back to Ben's question a little bit in terms of the price volume equation, there have been some challenges for people who have seen the economies of individual families are affected by inflation and lots of basic items going up in price and demand is maybe a little bit subdued.

So we're hoping as the current levels stabilize, become more normalize that over time that can help go to volume. And we're seeing some green shoots on that front in terms of volume gains, both in Europe and in North America.

Operator^ There are no more questions. I will now turn the conference back over to Rory Byrne for closing remarks.

Rory Byrne^ Thank you. Well as I said, I think we're very pleased with how the year started. We had a very good strong start to 2024 following on from what I believe was a very, very strong 2023. So we've now demonstrated a very good strong sequence of quarterly performance and done a lot of work on our capital structure and getting the right balance between debt and equity. And I think with all of those measures, lots of work still to be done.

We believe we're very well positioned to continue to grow and look forward to the future with confidence.

So a huge thank you to all, our very committed people, for helping achieve that. And thank you to all of you for joining us today. Thank you very much.

Operator^ Ladies and gentlemen, that concludes today's call. Thank you all for joining.

You may now disconnect.