Quilter Half Year Results

11th August 2020

Paul Feeney: Good morning, everyone. As you'll understand, we are doing things a little differently today but the broad format is similar to what we've done in the past; I'll walk you through the business highlights, Mark will then talk to the financial performance and then we'll take questions. For those dialled in on the conference call, you'll be able to ask questions directly, otherwise they can be submitted through the webcast.

Let me start by saying something we all know, the first half of 2020 was uniquely challenging so I want to acknowledge right upfront the fantastic efforts and dedication of my colleagues across the organisation in these very challenging times. Our teams have been there for each other and for our clients. Now, whatever the external environment, there were three important metrics by which I judge our business performance over a period - financial performance, strategic progress and operational improvement - and on each of these metrics I am pleased with how we've performed so far this year. Our financial performance was good, given the market context. Adjusted profit of £71 million was lower but we've performed well against market expectations, our performance in attracting gross flows held up strongly over the half, despite the turbulence, and our net flows of £1.1 billion were significantly ahead of last year. Our integrated flows were stable and our overall assets under management and administration at end of June were down only modestly on December, albeit after a fair bit of volatility which Mark will discuss later.

We've also made real strategic progress. As you know, the first migration of advisors and clients onto our new platform went well and we're now ready to migrate the vast majority of assets in the fourth quarter which I'll talk about shortly. The integration of Lighthouse is progressing well and we've continued to build out are national advice proposition in both Quilter Financial Advisors and in Quilter Private Client Advisors. And we've announced management changes to drive Quilter Investors and Quilter Financial Planning in their next stage of growth.

Turning to operational improvement, where our focus is on day to day enhancements across the business, our optimisation plans are on track, and beyond that we'll deliver an additional £30 million of tactical cost savings this year. We've added more investment managers in Quilter Cheviot and new advisors in Quilter Financial Planning. We've implemented a significant upgrade of our CRM system in Quilter Cheviot and we've also delivered a back office technology upgrade in Quilter Financial Planning. So plenty of progress, despite COVID and lockdown conditions. And we've also placed a priority on supporting all of our stakeholders - employees, clients and advisors - and the wider society too.

As you'd expect, our people, colleagues right across the organisation, were our first priority. We mobilised at pace. By early April over 98% of our staff were working remotely. Our IT teams did a tremendous job of deploying kit and telephony systems to enable this. That enabled us to maintain high levels of client engagement and operational resilience, despite the lockdown. We also focused on the mental wellbeing of our colleagues. Now, many of you know that this is a personal crusade of mine, I want all my colleagues to know that it's okay not to feel okay, and to support colleagues in that position we took Thrive, our existing Quilter wellbeing programme, and we repurposed it to support colleagues who might be struggling with remote working and isolation issues. We also made our wellbeing support programme available to 23,000 independent financial advisors across the UK, not just those who use our platform. As well as keeping our call centres fully open we provided a wealth of online and offline materials to support and guide advisors and clients through the market volatility. We've also adapted to a steep increase in digital adoption with advisors and their clients now happier to interact through video rather than meeting in person. Changes to this industry that I thought would take three to five years have happened in as many months. As a broader community contribution, we made the first module from our financial advisor school available for free online so now anyone can

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investigate whether training as a financial advisor is for them, and 300 people signed up to do so during lockdown. Separately, the Quilter Foundation has stepped up its efforts to support our key charities and I am pleased that as an organisation we were one of the first companies to donate to the UK National Emergencies Trust.

Lastly and very importantly, our balance sheet strength and strong liquidity meant we could continue with all our announced returns shareholders. These included completing our Odd-lot Offer which shrank our share register by nearly half, completing share repurchases of around £76 million up to close of business on Friday, obtaining FCA approval for the second tranche of our buyback programme and of course paying our final dividend for 2019.

[00:05:59] Before I move on, let me just say a few words on the interim dividend. The Board decided it is right to pay an interim dividend but we won't decide on the overall payout ratio for 2020 until there is greater clarity around the full-year profit out-turn. While we have given guidance today based on our assumption of relatively stable markets, there's obviously still considerable COVID related uncertainty so we think a conservative approach is appropriate, and that's why we've set the interim dividend at the low end of our target payout range until some of those unknowns become clearer.

Now, let me step back from the external environment to talk about the business, starting with flows. What you can see here is gross sales in the dark green bars with outflows in grey and black. Clearly, what's important is the net flows which are captured in the dark green line. We delivered £1.1 billion of net client cashflows in the first half of 2020. That's up nearly fourfold on the same period last year when we first saw the impact of outflows from the team that resigned from Quilter Cheviot. Those outflows are shown in black. At our first quarter update I said we were seeing some softening in our forward-looking indicators and you can see that in the lower gross flows in the second quarter which has continued into July, but what I've been particularly pleased with is the equally lower outflows which left us with solid net inflows in both the first and second quarter.

One of the impacts of the COVID situation has been to accelerate a trend that we've been highlighting for a while. We're seeing clients switch from fully "active" towards "core satellite and passive" investment solutions. As we anticipated, this has impacted the Quilter Investors' revenue margin in line with our expectations and past guidance. We've been planning for this shift for a while and are offering new products to meet those evolving client requirements. For example, as well as introducing Cirilium Blend last year we recently added our Wealth Select offering to our restricted advisor matrix. As you know, Wealth Select is a managed portfolio service which is only available on our platform so although its lower revenue margin reflects its narrower mandate relative to Cirilium Active, we also gain platform revenues whenever it is selected. And, importantly, given the breadth and attractiveness of our offerings, we're well positioned to retain the overall fund management within Quilter and grow share with our new platform when it comes on stream in a few months' time.

Finally on this slide, a few words on DB to DC transfers. Although it is not significant business for us, we welcome the FCA's plans to reform the defined benefit transfer market. It'll help promote better customer outcomes industry-wide. It focuses DB advice on those clients who are mostly likely to benefit from it. The FCA's approach is totally consistent with our existing practice here. I've highlighted our DB to DC flow contribution in light green shading. This increased modestly in the first half of 2020 but we expect a more subdued second half for two simple reasons, the virus and lead times. This is very much face to face work and so, not surprisingly, we've seen the active DB to DC case count fall by over 50% in the last couple of months.

Now, let me turn to investment performance, starting with Quilter Cheviot which has continued to deliver strong performance. You can see that over three, five and ten years it has outperformed against its ARC benchmark. It's also done well on a one year basis. In Quilter

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Investors our Wealth Select range has continued to deliver excellent performance and the medium and longer term performance of our multi-asset solutions have also remained strong. However, our Cirilium Active range has underperformed over the last year and that is being addressed. Pleasingly, it has performed very well in the recovery since the 23rd March. We've simplified and broadened Quilter Investors' offering by consolidating funds and launching new products. These includes our new multi-asset income suite and our Cirilium Blend proposition. Both have raised significant assets and are performing well.

Let me now turn to our new platform project which, as you know, is something that I'm really excited about. It's going to be transformative for Quilter. We successfully completed our first migration back in February. We have proven our ability to execute a migration and are pleased that our platform is working well at scale. We've also been supporting and working closely with advisors who were in our first migration and have made enhancements to the platform and our migration plans based upon their experience and their feedback. And while it's early days we've seen good engagement from the advisors who have been migrated to the new platform. For example, more than half the migrated firms have increased their client flows onto the platform in the first half of 2020 relative to 2019. A number of other firms have even moved from net redemption in the first half of last year into net positive flows in the first half of this year. We've also seen encouraging take-up of some of the new products we now offer, such as Junior ISAs.

[00:12:10] So turning to our second migration, organisationally we are ready for it and, despite COVID-19, we expect the project to be substantially complete by the end of this year. We've been doing dry runs and dress rehearsals to be ready for a planned final migration in late summer but at the same time we've had to factor COVID into our planning which has two key impacts. First, we won't necessarily have all our staff in one place. We have done dress rehearsals in these conditions but it does add an additional layer of complexity, but the bigger issue is ensuring advisor readiness. A number of advisor firms have furloughed staff, especially paraplanners who are often responsible for dealing with the platform. Our number one priority is ensuring a smooth and safe migration for our customers and advisors and advisor readiness is key to achieving this. To keep momentum we're now going to split the second migration into two phases which will enable us to focus support on each cohort of advisors and customers. We will migrate around 75% of total platform assets in the next migration. We are aiming for October with a fallback of November with the final decision based on our confidence in advisor readiness. This migration will cover around 2,000 advisor firms, including Quilter Financial Planning. And then we expect to undertake a final migration in early 2021. Of the 5,500 firms in this cohort a number use Quilter as their second or third choice platform due to limited current platform functionality. We believe this group will find our new platform proposition compelling so a successful migration is key to building deeper relationships here. By doing things this way we expect the project to be substantially complete with over 80% of assets migrated this year and just eight weeks or so later than our pre COVID plan. On the basis of our current expected timelines for these migrations we anticipate the total cost to complete the project will be around £200 million, so about £15 million more than previously guided. As I said at the outset, ensuring continuous strategic improvement is about making our business increasingly client-centred.

Our mission is to bring high quality wealth solutions to our clients through whatever channel suits them. We are removing the clunks so that clients can access Quilter's wealth solutions', platform tools and advice capabilities however they want, the omnichannel approach. So looking at our business, on the left hand side you can see our two powerful distribution channels, our own restricted financial advisors and independent financial advisors. On the right you can see our open architecture approach to investment solutions. We want to deliver the right solution to each client in the appropriate investment wrapper and, as you know, our model is all about quality assured choice. Over time we expect our new platform and the build-out of Quilter Investors to drive increased integrated flows so a greater proportion of the flow generated by those two powerful distribution channels would be managed and administered within the Quilter ecosystem. Our new platform will help us take a bigger share of the pie available in the IFA channel and at Quilter Financial Planning the appointment of Stephen Gazard as Chief

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Executive is about improving the productivity of our business. We want to do more with the incredible franchise we've built to drive sustainably higher client flows. Similarly, at Quilter Investors we have appointed Bambos Hambi to drive the next stage of development and to ensure that our investment solutions are fit for purpose in a lower margin world. At Quilter Cheviot we continue to build our team of investment managers and we're also seeing closer integration with our high end advice business, Quilter Private Client Advisors. We're getting good traction here with our combined all-in advice and investment management offering.

Finally, the discretionary fund management capability that our new platform brings is exciting for IFAs who currently use the platform and from next year it will enable Quilter Cheviot to manage discretionary share portfolios easily on our UK platform too. All of our efforts are focused on creating a modern advice-led wealth manager built on a few simple principles, and I'm in danger of sounding like a stuck record on the points you can see here so I won't repeat them again. They are consistent and at the heart of everything we do.

Right, let me hand over to Mark to run through the financials and then I'll be back to summarise and take Q&A.

[00:17:44]

Mark Satchel: Thank you, Paul, and good morning, everyone. As you know, the first half of 2020 was a pretty challenging period for a whole bunch of reasons. Notably, the volatility in the markets has obviously had an impact on our assets under management and administration, or AUMA, which has flowed through into revenues. So I'm going to drill down into that in a bit more detail than I normally do to help you understand how we are managing our business to deliver the right outcomes for all of our stakeholders. But let me say upfront the four messages that I hope you take away from our presentation are that the business is in good shape, the trend in revenue margin is playing out in line with our expectations, we've got costs well under control and, having delivered a strong performance here in the first half, we plan to do even better in the second and, lastly, we've got a strong balance sheet with our capital return programme remaining on track, so let's get started.

We think our performance during the first half was pretty good, given the market environment. Overall, adjusted profit flows and our operating margin all stack up well against market expectations. Net flows were nearly four times the level we saw last year - still below our 5% target but making good progress in the right direction. Our AUMA at the end of June was pretty much at the same level as a year earlier and we achieved an operating margin of 21%. All of this delivered adjusted profit of £71 million.

Let me walk you through the details behind that profit number. Starting top left and as already mentioned, flows were much improved on those of a year ago with better persistency particularly encouraging. There was little change in our AUMA figure at end June versus a year earlier but the journey to get there was somewhat different which is why reported average AUMA was slightly higher – we'll get into that shortly. And top right of the slide you can see revenues were down 4%. Costs, bottom left, were up 2% to £5 million after absorbing a number of expense increases which were largely offset by optimisation and other cost reduction initiatives. That gave an operating margin of 21%. As a result, we saw around a 20% decline in profit contribution but, as I said a moment ago, there were several items which led to a drag on profit, including Quilter Life Assurance stranded costs, significant increases in the FSCS levy, double running London property costs and COVID related expenses. I'll get to these in detail later. So the end result was Adjusted Diluted Earnings per share of 3.5 pence, a decline of 15% on last year. That's a smaller decline than we saw in adjusted profit as a result of the share buyback programme and a slightly lower tax rate.

Right, let me give you a broader perspective of what happened in the business in the first half. I promised you a little more detail on the evolution of AUMA and this slide shows it. The detail

in grey show how AUMA evolved over 2019. The bars represent the month end positions, the grey line shows the rolling average as it built up through the year and the green shows the same for 2020, to date. In 2019 AUMA trended up during the first half and then remained broadly stable in the second half. In contrast, in 2020, AUMA started at a high point, fell to a low of £95 billion at the end of March with the broad based COVID sell-off and has subsequently rebounded back to £107 billion.

From a P&L perspective, what's important is average AUMA which drives revenues. So if you look at the two lines you can see that in the first quarter average AUMA in 2020 was well ahead of the corresponding period in 2019 but as the year has progressed those lines have converged. So as you think about modelling revenues for the remainder of the year, bear in mind market levels will impact how that green line progresses and our expectation is that broadly stable markets would lead the two lines to converge further in the second half, making the second half a tougher comparative for revenue momentum.

Now, AUMA is only one component of revenues, the other part is margins where, as you know, there are structural pressures across the industry, so let's turn to that. We've seen a 3-basis point decline in the Group margin in 2020. I have been saying over the last few years that I am expecting some margin erosion to take place, and we are well positioned to deal with this. So let me explain what is behind it by looking at trends across our business units.

[00:22:37] First, Quilter Cheviot, the black line, has experienced relatively stable margins. New business is coming on the book at a broadly similar margin to our existing stock. Second, Quilter Investment Platform, in maroon. Here we see gentle dilution of around a basis point a year in line with our guidance. That reflects the new business being generally priced in the mid to high 20s, so at a slightly lower margin than the stock. This differential is most pronounced with clients of Quilter Financial Planning where we offer the Platform at our keenest price point. Although it is dilutive to the overall Platform margin, we'd like more QFP clients on the Platform as it generally enables us to benefit from incremental revenues in another part of the value chain. You can also see the impact of the platform re-pricing which came into effect in April. Thirdly, Quilter International, which is the blue line. Here, as you'll remember, new assets have been coming onto the platform in our Portfolio Bond at lower margin than legacy assets for several years. That's why we have been very hard on costs here in order to maintain profitability. Finally, Quilter Investors, in orange. You can see the improvement in the margin in 2019 which reflects two things. First, the provision release that we called out at the full year, which was worth about £8 million or 2 basis points of margin to Quilter Investors, and a mix effect as a greater proportion of funds moved into Cirilium Active. The strength in the Quilter Investors margin over the last couple of years has been a function of a concentration of assets within Cirilium - we always anticipated that this benefit would be transient. So we're now seeing the margin normalise, as we have guided.

As we diversify our multi-asset solutions and broaden out our propositions to build a more diversified larger business, I anticipate that Quilter Investors will settle at being a mid-40s to low-50s margin business, similar to where it was back in 2015 to 2017. But as Paul said earlier, one of the impacts of the COVID environment has been clients deciding to move into lower all-in cost solutions, such as our Cirilium Blend combined with MPS solutions, a bit faster than we anticipated. And that's one of the reasons we've added Wealth Select to our restricted adviser matrix; it is a natural destination for money looking for a more economic alternative to our full Cirilium Active solution. Putting this all together at a Group level, with the green dotted line, you can see the modest decline in the group margin that I mentioned earlier. So to summarise the moving parts, the non-repetition of last year's provision release took a basis point off the Group margin and asset mix shifts in Quilter Investors and Quilter International both reduced the Group margin by around a basis point each …

So now let's look at what that meant for revenues in more detail. This slide sets out the year-on-year walk in group revenues. So working from left to right, you can see the uplift from our

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advice acquisitions, principally Lighthouse. Next, the mix shift in Quilter Investors, Quilter International and the Quilter Investment Platform delivered about a net £7 million of revenue drag. Then I've highlighted both market and other revenue impacts. We experienced lower average AUMA in Quilter Cheviot due to lower equity markets this year and the second half of 2019 outflows that were still within the comparative prior year average. There were also impacts on other revenues within Quilter International where better persistency resulted in reduced early encashment charges compared to 2019. Foreign exchange volatility also resulted in translation impacts when comparing period-to-period movements. Together, these reduced revenues by about £14 million vs 2019. Finally, the platform price repositioning in April reduced revenues by about £2 million in the first half. This was a strategic decision to help make our new Platform a compelling proposition for advisers and their clients and, as you'll have seen, persistency and net platform flows were up in the first half.

[00:27:02] So things are progressing in line with our expectations and, in summary, we continue to expect a gentle decline in the Group revenue margin driven by mix shifts in Quilter Investors and the transition to modern product structures in Quilter International. Our focus, of course, is on growing revenue, given that broader industry margin trends are likely to result in downward revenue margin pressure over time. We also expect our integrated business model to provide some support here.

One final point on other revenues which I have flagged previously. We are expecting a temporary headwind from the mortgage and protection business in Quilter Financial Planning in the second half. We hope that the Chancellor's efforts to stimulate the housing market will mean that this is only a short-term impact but it generally takes a while for this activity to result in revenue generation.

Let's now turn to the cost side of the equation. Our total cost base of £264 million in the first half of 2020 was up £5 million on last year. Important contributors to that were the Lighthouse and other acquisitions which added £12 million, including integration and restructuring costs, the FSCS levy of around £12 million which was about £4 million higher than the prior period and, as I mentioned earlier, we had to absorb the Quilter Life Assurance stranded costs and dual London property costs which added around £7 million. In addition, we expect COVID to add about £5 million to costs this year. We spent around £2 million in the first half, principally on support arrangements and additional equipment to enable staff to work from home, and we expect a drag of £3 million, relative to our expectations at the start of the year, from deferring certain planned staff reductions to the second half of the year. These were largely offset by our optimisation programme. This time a year ago we had delivered actual Optimisation benefits of £4 million. In the first half of 2020 that figure was £14 million against a 2018 cost base, which has resulted in incremental in-period benefits of around £10 million.

Now, the eagle-eyed among you will have noticed that the first half benefit from optimisation in 2020 is only £2 million higher than the run-rate benefit we exited 2019 with. That is slightly lower than we expected at this stage because of the deferral of certain optimisation initiatives, as I have already mentioned. Finally, you can also see the benefit of our tactical initiatives to save £30 million over the course of the year, with a benefit of half of that achieved in the first six months of 2020. So we reduced the cost base by around £25 million against where we would have been without Optimisation and other management actions and, notably, underlying costs, excluding acquisitions, were down again year-on-year.

To help you when it comes to thinking about the full year 2020 cost base, let me remind you how our thinking has evolved since the beginning of the year. You'll recall that we exited 2019 with a "continuing" cost base of £530 million, in other words that figure excluded Quilter Life Assurance. From that base we began 2020 with the full year contribution from Lighthouse and a need to absorb QLA stranded costs, which took us to a starting base of around £550 million. Back in March I then said that there were the other usual ins and outs such as normal cost inflation, the incremental London property costs and expectations of a higher FSCS levy. I said

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we expected these to be largely, but not fully, offset by further cost reductions from the optimisation programme. Most of you took that to infer that I was targeting a cost base in the high 550s to low 560s area, which was a reasonable assumption. Then COVID hit and, given the revenue impact, we clearly had to recalibrate the cost outlook.

So with the first quarter update, I told you that we intended to remove approximately £30 million of discretionary spend from the business. About two thirds of that will come from a lower staff bonus accrual. The remainder is from reduced spend on travel, entertainment, marketing and project development spend. That took cost base expectations down to around £530 million. This £30 million is not a permanent reduction. Indeed, we'd expect some of it return in 2021, assuming we have a better revenue environment. But, given that we still expect revenue headwinds in the second half, we are continuing to focus intently on our costs. So we are now targeting a full year cost to be a touch below the annualised first half level, assuming that markets remain broadly stable. And my caveat here is deliberate. If we have much better markets in the second half and that drives better revenues, then we might spend a bit more in some areas. So if we do see a better revenue environment, you should expect a slightly higher cost out-turn. It is too early to be more specific on 2021 costs at this stage but, assuming stable markets, we continue to target a two-percentage point improvement in the 2021 operating margin off the 2020 out-turn reflecting the benefit from our optimisation programme, which is very much on track.

[00:32:34] Now let me turn to our balance sheet, starting with the major movements in Solvency ratio which are all straightforward this half. We began the year with a ratio of just over 220%. The main contributor to the decline to just below 200% at the end of June has been the capital return programme which reduces the ratio by around 16 percentage points. And our platform transformation and optimisation costs have taken about 3 percentage points off the ratio. The interim dividend will reduce the ratio further by 2 percentage points. Finally, having completed our review of the Lighthouse British Steel Pension Scheme DB to DC transfer, we have increased our provision here to £24 million which takes two percentage points off the ratio. This is net of a prudent estimate of what we will be able to claim under Lighthouse's professional indemnity insurance and expected tax relief – we continue to work closely with the FCA to deliver good customer outcomes here.

Next let me touch on the cash position which, not surprisingly, shows a broadly similar picture. You will recall that we ended 2019 with £815 million in cash across our holding companies. Up to the end of June, we had spent just under £100 million on our capital return programme and the final dividend cost £64 million. You will note that we injected a bit more cash into subsidiaries than we received from dividends and remittances. Normally we expect that to be the other way around but, given the market volatility and focus on capital in regulated entities, we deliberately held back from upstreaming some of the capital that we would have done in normal market circumstances to give a bit of a buffer in volatile markets. We were left with around £570 million of cash in the bank at the end of June. There is still about £320 million to return through our capital return programme and other costs, including the remaining PTP costs that Paul mentioned. After all that is spent, we'll be back to around the £250 million of cash that we indicated at the full year.

As you know, we kicked off our £375 million buyback programme after the full year results and we said then the programme is subject to staged Board and regulatory approvals. Our first approval was for a £50 million tranche plus our Odd-lot offer. Both of these were completed by early June. We spent £50 million to acquire 43.2 million shares at an average price of 116 pence on the buyback and we shrank our register by around 45% by spending £21 million on the Odd-lot offer at an average price of 120 pence per share. We received regulatory approval for a second tranche of the buyback, of £125 million, in mid-June. So we have given Goldman Sachs authority to conduct a further £75 million buyback and to close of business on Thursday 6 August, they had used just over a third of that. When this is complete the Board will review progress and, if appropriate, authorise the remaining £50 million of this tranche of the buyback.

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You will be familiar with this slide – it is our current guidance and updates. You will note that the only principal change from what we've said previously is the dividend guidance. Here, as Paul has already mentioned, the Board is deferring a decision on the 2020 pay-out ratio until the full year results.

So in summary from me, I am pleased with the financial performance of the company so far in 2020 and let me remind you of my key messages. The business is in good shape, we are on top of and managing everything that is in our control. The trend in revenue margins is broadly as anticipated and we are offsetting it with the levers we can pull; driving volumes and reducing costs. Costs are well controlled and, having delivered a strong performance here in the first half, I expect us to do even better in the second. And our balance sheet remains in good shape with our £375 million share buyback programme on track. What all of that means is that, assuming broadly stable markets, we expect our cost plans to offset expected revenue headwinds in the second half. And with that, let me hand back to Paul.

[00:36:58]

Paul Feeney: Thanks, Mark. So, what's our focus for the second half? First, in turbulent times like these we want Quilter - our advisers and investment managers - to be right there to support and guide our clients so they are not left to deal with the uncertainties alone. On top of that, we've got four things we're going to deliver. We're going to substantially complete our Platform Transformation Programme, we're going to finish integrating the acquisitions we made last year, we're going to improve operating leverage by delivering our optimisation initiatives and, particularly for shareholders, subject to the staged regulatory and Board approval process, we'll continue with our share buyback programme to return £375 million to our owners. The environment is uncertain, markets are volatile, and nobody knows how this pandemic will play out but it's at times like these that clients, advisers and colleagues need a trusted partner and Quilter aims to be that partner. And with that, we will now take your questions. We'll open the phone lines first. You may experience a short pause while we connect everybody through.

(Pause)

Andrew Sinclair: Thanks and good morning, everyone. Three from me as usual. Firstly, just on adviser headcount which is basically flat year to date. I totally get that it's a challenging backdrop in the last few months but that's about a year now that headcount has barely moved. I just wondered if you could give us some colour on the outlook and plans to get back to growth. I think I've said a few times in the past I think some medium term targets would be super-helpful here. Secondly, on dividend and buyback, I just really wondered if you can give any colour kind of on your thinking for the full year about balance between the dividend and buyback. Would you be tempted to use some of the extra liquidity to, say, stabilise the dividend – particularly I'm thinking about the timing to complete the buyback – or should we think of the buyback in dividends, cash just being completely separate? And, thirdly, it was just on Quilter Investors. Bambos Hambi is a pretty big name hire, I just really wondered if we should be thinking about any particular changes strategy-wise with the change of Quilter Investors' CEO and has that resulted in any one-off boost to flows? That's three from me. Thanks.

Paul Feeney: Okay, thanks, Andy, it's Paul Feeney. I'll just say a couple of words on the headcount in restricted financial planners then I'm going to hand over to Steve Gazard who's our newly-appointed Chief Executive of Quilter Financial Planning, he'll put a bit more colour on that. The dividend and buyback, that is definitely in Mark's territory so I'm going to hand that over to Mark, and then I'll come back and talk about Bambos. So, very quickly, we actually hired 106 restricted financial planners during the period which I think is a pretty good achievement during a complete lockdown where we couldn't meet any of them really, or very few of them, face to face, but on a net basis that turned out as a handful of positives. But, Steve, do you want to…?

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[00:40:56]

Steve Gazard: Yeah, so I think it's fair to say that we've shifted our focus a bit. So generically our focus has shifted to working with the productivity metrics of our existing population. Clearly, we've grown rapidly over the recent years through acquisition and organic growth. Our focus has been far more on organic growth – that's been tough during lockdown, as Paul's implied. Actually, our pipeline for that is strong at the moment and we hope that a number of those kind of come to fruition as we kind of ease out of lockdown. But at the same time what we've been doing, particularly in our network environment, has been working with those advisors who are at the lower end of the productivity spectrum to either help them increase that or exit them from the business, so that's why the net number is where it is. But the flipside of that is, you know, we're beginning to see the cohorts come through the financial advisor school so we had 34 land through that so, again, that's a good place for us to continue our focus of organic growth going forward.

Paul Feeney: Okay, thank you, Steve. Divi and buyback, balance between the two and whether we should think about them separately, Mark.

Mark Satchel: Yeah, so, Andy, we pretty much have viewed the two of those independently in our sort of current assessment of this half-year but increasingly I think as we get through more of the buyback and we look at what the dividend prospects are and everything else I'm expecting that myself and Paul and the Board can consider them more on an integrated basis, but certainly to date that hasn't been the case. We've got a stated dividend policy. I gave quite a lot of guidance previously on how I think about capital and capital returns to our shareholders and we haven't deviated from that and, you know, I think, as you'd expect any Board to be doing, we'll be assessing both the dividend and the buyback aspect in the rounds as we progress with those and, if appropriate, we'll take decisions on a more commingled basis rather than necessarily a separate basis. But, you know, we are at the moment in a strong balance sheet situation with a lot of cash onboard and we are committed to returning that to the shareholders over the next little while, but both the buyback and dividend obviously remain subject to ongoing Board considerations.

Paul Feeney: And the Quilter Investors. Yes, Bambos is a great hire for us. I know Bambos well; we've worked together in the past, I've hired Bambos once before. So probably one of the biggest names in the multi-manager, multi-asset world in the UK; I think he was voted number one multi-manager last year. I think it's a tribute to what we've built in Quilter Investors that someone of Bambos's character wants to come and join us and to lead that business into the next stage of its development. We'll have to wait when he arrives… Obviously, he's going to be a leader and mentor to the investment team. I know that one of the themes that Bambos holds very close to his heart is ESG and sustainability but we've hired Bambos to help us move, as I say, to the next stage of our development. We've built a great business with great capabilities, with great investors in Quilter Investors and we've now just managed to attract one of the best multi-manager investors in the market to lead that business for us.

Andrew Sinclair: Very good, thank you.

Greg Simpson: Morning. Thank you for the presentation. Just a few questions on my side. Firstly, it would be on independent financial advisors. You mentioned advisors furloughing staff, it's a tough year for revenues, regulatory costs are up, I'm just wondering if you're seeing signs that there's more advisors looking to exit or sell their business, if that's a trend or not, and if so is that a potential route for Quilter to grow their own RFD numbers. Then, secondly, just on the platform - thank you for the colour on the progression of the upgrade and the flows - can I just check on the costs of the platform? Does it mean you're today paying costs to run the technology and the infrastructure for two separate platforms and, if so, could you provide some colour on the kind of quantum of these dual running costs? And, more broadly, once the new platform is fully live and a hundred per cent of assets are on there do you think it will be more or less profitable in

terms of margin to run the new platform versus your existing in-house solution? Thank you.

[00:45:49]

Paul Feeney: Well I'm going to take the first one on IFAs looking to sell. Maybe let Steve say a word, Steve Gazard. And then I'm going to hand over to Steven Levin on the dual running costs. But I can tell you straightaway we're expecting to be more profitable when we have our new platform - that's why we're doing it (laughs), as well as obviously the service to our advisors and our clients. So just in terms of IFAs looking to sell, look, adversity brings opportunity obviously, we know that, and it was the same last year when we had all the Brexit upheaval, it brought opportunity, and there's opportunity here. But really at the moment, as Steve Gazard said, our total focus is on making our business hum, really making the most of what we've got, streamlining our business, focusing on our business. You know, one of the great opportunities when we get our new platform in is stemming leakage in our model. At the moment we are leaking, even with the figures that we've provided this morning we're still leaking nearly 50% of platform business to other platforms because our existing platform can't do all the stuff that our new platform will be able to do, and our new platform is eight weeks ish, ten weeks away from getting launched but, yes, we expect that. So that's on IFAs. On dual running costs, Steve, do you want to say a few words on whether our new platform will be more profitable and…?

Steven Levin: Yeah, I'll say a little bit on that [inaudible] really talk about the numbers if you want to elaborate further. But there are dual running costs, we're having those today already but they're not material at the moment because only 8% of the assets have been migrated with the first migration in February. When we do the next migration they do become more material because obviously we will be migrating another 75% out of the assets to end with about 80% on the platform at the point of the second migration. And we are looking at the level of our staffing but generally we are not going to start reducing our headcount before we do the third migration because we want to make sure that we have got our operations in the most strongest state to handle the period before, around and then just after the migration. But all of those dual running costs are included in the numbers that we've given you today so the forecast that we have given include the dual running costs.

Mark Satchel: Yeah, Greg so I probably don't have too much to add to what Steven and Paul have already said. Just to reiterate, the dual running costs are included within the forecast that we've provided. It effectively costs around £3 million at the moment for each month that we have those dual running costs, and that's the total programme costs, it's not just the dual running costs associated with it, it includes a component of those programme costs. But that's effectively provided within the guidance that we updated the market on this morning on the total platform transformation costs being around about £200 million. So we've spent just over 150, we've got about another 50 to go based on the dates that we expect to get those two migrations in and that includes components of the dual running.

Just on the future running costs of the platform, the FNZ costs are charged differently to how we currently [inaudible] (Buzzing sounds) Sorry, there's a bit of static over there. Just given the nature of the charging structure that we have with FNZ. So we move onto a basis point charging structured, it's tiered. We obviously don't divulge the amounts that we get charged on that, given the confidentiality around those commercial arrangements but it moves more to sort of a more of a flexible tiered structure which has some capital benefits for us overall and, frankly, it gives us a more manageable cost base when it comes to that, predominantly around development spend. So the actual sort of day to day run costs on a like for like basis of the new platform will be actually a little bit more expensive than what we pay today on an old clunky platform but where the benefit really comes through is in the medium term, it'll be a reduced run cost, and particularly the development infrastructure and the ability for us to carry on servicing that platform, those costs come down significantly from the ones that we experience today. So it's a little bit of a change in the mix-up of our underlying cost base that'll come about as a consequence of this.

[00:50:33]

Greg Simpson: Great. Thank you, that's very clear. Can I have a quick follow-up on just… When you say 'stable markets' in the presentation and release a few times, do you mean 0% in terms of assumption or is it kind of small positive? Just to check.

Mark Satchel: Well you're probably getting down into a level of detail there that can largely get lost in the roundings at the moment. (Laughing) But no, I mean, I'm expecting… The main thing for us is to have a stable environment where we're expecting the market to probably be increasing a little bit over a period of time. You know, nothing heroic, nothing that's sort of expecting a V-shaped recovery that FTSE equivalence is back to 7,500 or anything like that, but certainly not something that's going to be hopping around a whole lot or something that's declining. Sort of a slight and steady improvement is what I'd be referencing in that.

Greg Simpson: Okay, thank you.

Jans Ehrenberg: Hi, good morning, guys. Thanks very much for the update and for taking my questions. A few from my side, if I may. First of all, obviously the platform migration's slightly delayed. I appreciate the majority should be on the platform towards the end of this year. There appears to be quite a growth opportunity with the new platform so, just to confirm, when could new advisors actually come on the platform then, would that be after the final migration or would that be possible before then? The second question I had was just around IFAs. I believe you have mentioned in the past that you have a number of IFAs within your advisor base that basically came on through acquisitions and whatnot that could potentially be converted to RFPs, has there been any progression at this stage? And, lastly, a few on Lighthouse, and apologies if I have missed that before, a bit of a tricky line for me here. So first of all the DB to DC complaints, I think you've increased the impairment, could you give a little bit more colour on that? And on a more positive note, I suppose you have a very, very big opportunity within Lighthouse around the affinity contracts, although I imagine it might be quite tricky in the current environment with COVID to go after that. What's your view on that, will you target that right after the completion of the migration? Yeah, how do you think about that? Thank you.

Paul Feeney: Okay, thanks Jens. I'm going to turn over to Steven Levin for the first one on new advisors coming on the platform, IFAs within our own advisor base converting to RFPs, I'll hand over to Steve Gazard and Lighthouse provision, I'm going to hand that back to Mark and maybe Steve Gazard can talk on the potential for Affiliate Marketing post that. So Steven…

Steven Levin: So on the new advisors, the first thing to say is, I mean, given the size and age of our business, there's actually relatively few new advisors that we've never seen before because, as we've said, we've got about 8,000 advisor firms who've got business on our platform. So actually for us the biggest opportunity is advisors who we do know and have got, you know, some business on the platform even if they themselves have never written that business. Advisors, as you can probably understand, acquire customers all the time and pick up new customers, those customers come with a history of other products they have. So we have pretty much sort of exposure to all the advisors in the market in terms of advisor firms. What we've chosen to do is how we've picked what goes into the second migration is we've picked very carefully what groups go in there and we have put in the firms that we've identified as the core potential growth firms for us. So in my world those are the 'new advisors' for us where we're getting quite a low share of their wallet at the moment but we believe the new platform will really be able to address that. On the technical question of it, absolute new advisors who we've never seen before, they can come onto the new platform but, as I've said, practically that seldom happens because advisors typically have some business from wherever, either from stuff they've written or from clients they've acquired already on our platform, but the growth ones are included in the next migration. So we are optimistic that we'll see benefits from that as soon as the second migration is done.

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[00:55:13]

Paul Feeney: Okay, thank you. So I'm handing over to Steve Gazard, do you want to take the point, Steve, on IFAs and converting to RFPs within our…?

Steve Gazard: Yeah, of course. So yeah, ultimately we've got a kind of plan within our own model of converting our existing IFA population to our restricted proposition. That's working well, we're ahead of plan, and particularly in areas like the Lighthouse network conversion, so we're pleased with that, and it's a well trodden path for us over many years of kind of acquisitions and transition and integration. As I've said earlier, our focus is now really on productivity of those and ensuring that actually we're only bringing across the right ones. With regards to Affinity relationships, yeah, that was always the kind of attraction of the Lighthouse national business. That we saw calm down during lockdown. Inevitably a lot of those Affinity relationships and leads are generated through events which clearly went on hold but we're beginning to see that ease back up to the levels that it was pre lockdown and of course our teams have kind of mobilised to deliver those kind of events through virtual mediums like Zoom and GoToMeeting, etc. So we're confident that that remains the kind of strong source of ongoing leads for us going forward.

Mark Satchel: Yeah, and just on the Lighthouse DB to DC complaints… Now, there's going to be a few numbers here so you just need to keep your wits about you as I walk you through this, but if you get lost along the way page 69 of our release, it's in note 17, we go into quite a bit of detail there and the numbers I'm going to give you now are going to be consistent with that. So at the end of 2019 we had made a total provision of £12 million for the Lighthouse redress which was really just the cohort of Lighthouse DB to DC pension scheme members on which we'd actually received complaints. That £12 million was split £9 million of redress and £3 million of the costs that we estimated would be incurred at that particular point in time. Now, at the time I noted, and I think I was very clear on this, that I expected that provision to go up. We recorded it as a contingent liability and I made numerous references to that during the presentations at the time. We have increased in gross terms the £12 million provision to £29 million which still includes £3 million of costs and £26 million of redress. So the £9 million of redressed increased to £26 million, the £3 million of costs stayed the same. That's because what we've done is we've extrapolated that now over the entire cohort of Lighthouse DB to DC British Steel pension scheme cases on which advice was provided, so that includes 266 cases. Not all of those will have redress applicable to them but what we've done is we've included that as the full cohort of that population. Then against that I have taken a very prudent assessment of what we expect our PI recovery to be.

Now, I'm sure you appreciate that the accounting recognition of receivable and liability have different criteria applied to them and, given where we are in going through all of this, given that we haven't actually made any redress payments yet, we're in very good and close collaboration with our PI insurers but I've been cautious in terms of the amount of recoverable that I think we'll receive from that, which is £3 million, and we also get tax relief to the tune of around about £2 million with the provision at that level. So that takes the £29 million down to a net position of £24 million. Of that £24 million, £19 million has been booked against the Lighthouse acquisition balance sheet so it predominantly impacts goodwill, it's where it all goes to, and £5 million has been taken as an IFRS P&L charge in the current period. And the difference between what that £5 million represents is the change in redress amounts estimated as being payable between our point of acquisition and now. So I can tell you the acquisition activity or the pre-acquisition activity in relation to this can go to the acquisition balance sheet, any change in circumstances of redress payments would come through the P&L, which is what we've done over there.

[00:59:28] Now, that provision might still go up or down, depending on the PI recovery that we do make on it and depending on market movements and some of the other factors like discount rates and things like that, and we've provided some sensitivity within the actual accounts in terms of how you might think about that moving based on some of those factors because when we actually

make the redress payment that is when the calculation gets performed. So at the moment we've got the best estimate based on current markets but the redress payment, if it's only made in six months' time and the markets have gone up, we'll get a credit, if the markets have gone down further we'll need to increase the provision. So that's the way you need to think about it. I hope that that provides a whole lot of clarity and apologies for the long detail around it but hopefully you found that useful.

Gurjit Kambo: Hi, good morning, everybody, thanks for the presentation. I have three questions. Firstly, in terms of the migration you've done, so the 8% of assets under the administration that have already moved over, you know, any sort of commentary around how that's gone? Sort of, you know, retention rates around those assets would be helpful. Secondly, in terms of the movement in advisors from gross to sort of net, the advisors that have left, have they left because of competition or have you sort of, you know, reduced that because of maybe some of the underperformance? I'm just getting a sense of, you know, why the advisors have sort of left the platform. And then, finally, Mark, just a quick one. On the Quilter Investment platform there's a negative other revenue of -2. I know it's a small number but I just wanted to know why it was a sort of negative number rather than a positive. So those are the three questions.

Paul Feeney: Okay, thank you, Gurjit. Well I'm handing over obviously to Steven Levin to give you some commentary on the 8% migration but I know Steven can talk about those firms that are using our new platform and what their experience is.

Steven Levin: Yeah, absolutely. So yeah, the feedback from the firms, and we've sort of given some data, has from a flows perspective been very good. We've seen net client cashflow from those firms increase and we've quoted some numbers in the detail of the report, so more than half of them have increased their net client cashflow over the prior year. We had some firms in that cohort that actually were in net outflow before they migrated and they've turned round to being in the inflow, so actually that feedback has been really good. There have been some learnings that we've had and that was the entire point so we have made some tweaks and improvements to some of the processes which has been… From the feedback that we had from advisor firms, I don't think there was anything massively material but we're very grateful for the support and feedback from some of those firms in areas that we can and have been able to make some further improvements in things like some of the correspondence and a little bit of work on how some of the model portfolios work, but actually the feedback from firms has been really good and we're pleased with the results. The whole point of doing a phased migration was to be able to do it big enough that we could see everything working in the real world but sort of small enough such that if there were any issues we could absolutely handle them, and I think we've been very pleased with the result that we've had from the first migration.

[01:03:03]

Paul Feeney: So the second question was advisors gross to net. We've hired about 106. We're standing at about 1,808 restricted financial planners so on a net basis there's a handful more. And Steve Gazard, do you want to just take this?

Steve Gazard: Yeah, a mixture of natural attrition in that space that we'd expect but also some of our focus on that kind of low producer population and encouraging those either to kind of increase their productivity through our support or exit.

Mark Satchel: Okay. And then going into the detail on that other revenue line in the platform, look, that's one historically… So I think it was +2 last year and it's -2 this year. That one will pick up some of the sort of more esoteric revenue movements and in particular there'll be interest incoming there last year which, given the reduced rate this year, means that we don't have the same sort of buoyancy on that so we pretty much started the year in a flat position. The reason why it's a slight negative is on a particular cohort of trades we have a five-day settlement period and with the extreme market volatility that we saw over the back end of February and beginning of March

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period we had some breakage costs that we needed to incur on that, so that's effectively what's coming through there.

Gurjit Kambo: Okay, great, thank you very much.

John-Paul Crutchley: A few questions have come in on the website so let me just call those out and then we can deal with those. The first is from Ben Bathurst at RBC. He has two questions. The first is "At the Q1 stage you highlighted transfers out from the platform to competitors were lower and I wondered to what extent that has continued to be a factor in the flows in the second quarter". And then the second part of this question is "Are you seeing any signs of the crisis creating greater disruption to smaller scale providers that might mean you can be opportunistic in terms of bolt-on deals in the aftermath and has this played any part in your more cautious approach to the first half dividend?"

Paul Feeney: Okay, I'll pass to Steven Levin on lower outflows in the platform market and then I'll take the second one in terms of opportunism.

Steven Levin: Okay, thanks, Paul. Yes, so what we have seen in the first quarter and the second quarter and, you know, particularly in the second quarter after the lockdown and the markets really starting getting volatile, we've seen upflows fall off quite dramatically. We actually look at and monitor and track outflows on looking at outflows directly to clients, so in other words clients taking their money out and, you know, pension drawdowns, all of those things, cash to client bank account and then transfers to competitors. Both have fallen off. The transfers out to competitors I think have been… you know, we've been very pleased with the way we've performed throughout the lockdown period and the support that we've given to customers and advisors. I think some other companies have struggled and that may have sort of supported sort of a slowdown but we have seen that I think across the industry, that less business is being moved away and moved around. In terms of client outflows, what we did see, particularly in the second quarter, was clients after the markets fell actually phoning us and reducing their pensions and payments - these are on the flexible drawdown type plans - which was sort of good and sensible practice, you know, advisors advise clients to keep a portion of cash, several months' worth of cash and sort of emergency cash in a savings account for exactly like times like this and we saw that sort of behaviour and that did lead to a reduction in client-led outflows. It's starting to ease up a little bit as markets are a bit more stable but not actually back to sort of former levels at all.

[01:07:16]

Paul Feeney: Hi Ben, it's Paul Feeney. In terms of will there be opportunities in the financial advisor market with this disruption, certainly there are opportunities, but the type of… Our focus really at the moment, as I said, is on integrating our acquisitions, stemming leakage from our model, which is by far the biggest way we increase productivity, and, quite frankly, even if there were a few smaller opportunities that has absolutely no impact on our dividend. So the reason we've been more cautious on our dividend is simply that we are not through this COVID crisis yet and, you know, we… We're not saying that we anticipate there's going to be really stormy seas ahead, we just don't know, however we will know by the end of the year what the year has turned out like and it just seems prudent and sensible for our Board – clearly, Mark and I are members of the Board – to take a prudent view on the interim. The final dividend, you know, the Board could… you know, if all these uncertainties on the downside don't materialise the Board could of course choose to pay a final dividend outside the top of the range but the total dividend will be within the range. So it's simply that. We are at a situation whereby we are a prudent company, we're a prudent Board and a prudent executive management team and it's simply that; it's nothing to do with the fact that we need capital for acquisitions or anything else, we've got plenty of capital.

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John-Paul Crutchley: I think we have a further question on the lines. Can we hand back to the lines?

Andrew Sinclair: Hi guys, just a quick one from me. It was just on the financial advisor school. I just wondered if you could give us an update on how many people are now in the financial advisor school and how many new students you're expecting to take in over the next six to twelve months. Thanks.

Paul Feeney: Okay, I'll hand over to Steve Gazard but I think we've got about 148 going through the school at the moment and I think we've had about 300 sign up in this crisis to check out whether this is for them.

Steve Gazard: Yeah. I don't need to add then. Yeah, we've had 34 who've come through that so far this year. We've got another 31 applications in process and actually what we've done, as Paul's alluded to, as well as the kind of 100 plus that we already have in that process we opened up elements of the financial advisor school free of charge to the public market during lockdown which we've had a great response to.

[01:10:05]

John-Paul Crutchley: Okay, I'll pick up on another web question before we go back to see if there's any more from the lines. There's two questions from Rahim Karim at Liberum which have slightly been touched on but I'll read them out anyway. The first is "You mentioned the learnings when advisors migrated in stage one of the migration, can you elaborate further?" And then the second question is "On the second stage of the migration, i.e. the 75% of assets, is this expected to be done over one weekend or over a phased basis over the remainder of the second half of 2020? Can you provide any colour behind the decision to go this way?"

Paul Feeney: Okay, well I think these are both for Steven Levin. So the first one is what specific learnings were there from the migration and, secondly, will we be doing the second migration over a weekend or phasing it over a long period.

Steven Levin: Yeah, so in terms of the specific learnings, as I've said, there were some things around correspondence where we've made some tweaks to the correspondence, sometimes about the frequency of some things that we've been sending out. There's also been some feedback on the way model portfolio rebalancing is handled and also how the sort of queuing of trades works. So we made various tweaks just to make the system a little bit easier for advisors to sort of put things in and queue transactions, etc. So that's been sort of the main areas. In terms of the migration, the migration will still take place over a weekend, it always does, and in fact, as we've said before, there's actually generally only sort of one weekend each month that we would do the migration. Because one of the complexities of the migration is actually to deal with what's called 'in-flight transactions', if you just work through how switches particularly work on a platform, you have to wait for the… There's a sell leg and then a buy leg and you have to wait for the settlement of them. So switches and especially on some funds which are as deep as four settlements, which is going to sort of take eight days to work through the system, and lots of other transactions take at least four days to work through the transactions. So what we look to do… Because if you start transactions on one system and finish them on the other that is very complicated so we look to minimise, I suppose. So to time the migration to avoid the period in the month which is the debit order run and the pension payment run and things like that. So it's always done over a weekend and it's normally done at the weekend that will give rise to the least number of in-flight transactions which is the best possible sort of operational time to do it.

John-Paul Crutchley: Okay. And just on the decision behind how we're doing the migration?

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Steven Levin: Yeah, so it is over one weekend, each migration, yes.

John-Paul Crutchley: Okay. The final question that's come through on the web from… doesn't say from who but anyway… And it's on advisor productivity. It says, "You have spoken about improving advisor productivity, what specific metrics do you look at here to measure this and can you provide some detail of these as future KPIs?"

Paul Feeney: Okay, I'll hand over to Steve in a moment but we look at our own advisor productivity purely on the basis of per advisor how much of their flow comes to Quilter. So if one of our advisors put 50% with Quilter into our investment solution and they put 50% elsewhere we'd only look at productivity on the basis that it comes to us. So the biggest opportunity we have in Quilter is stemming that leakage and capturing of a far higher proportion of advisor productivity. But, Steve, is there any other things that you want to bring out?

Steve Gazard: I think, clearly, with the advice business we're looking at gross productivity as well as that so, yeah, increasing their gross productivity as to the general amount that they're providing. But yeah, absolutely, our key metric is about the capture of that kind of leakage at the moment and that integrated flow.

[01:14:18]

John-Paul Crutchley: Okay, I think that's it from the web. Any last calls coming through on the lines?

Male speaker: There are no further questions on the phones.

John-Paul Crutchley: Okay, I'm going to hand back to you, Paul, just to say a few closing words.

Paul Feeney: Well thank you, everybody, first of all. I know it's been somewhat different this year, I'm sure you've attended a number of these already. Look, we're very pleased with how we've delivered in the first half for our clients, for our advisors, the staff and of course for our owners. We believe it's a good set of results. We are of course, as you know, a prudent team and therefore our guidance is prudent but we believe that this company is so well positioned in a high secular growth market. Some of the huge transformational things that we've been doing we've been delayed by a matter of a couple of months but we'll still get them done, so by the end of this year we will be in an incredible place to deliver into 2021. So thank you for all your support, thank you for your listening in and your questions this morning and we'll keep delivering for you.

[End of Transcript]

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