

Conference Call Full Year 2021 Transcript Q&A February 25, 2022

Contents

1	BASF Group	2
1.1	Overall business environment.....	2
1.2	Downstream performance.....	2
1.3	Excellence program.....	4
1.4	Bonus provisions.....	4
1.5	Share buyback.....	5
1.6	Outlook.....	6
1.7	Wintershall Dea.....	7
2	Segments	8
2.1	Chemicals.....	8
2.2	Materials.....	8
2.3	Industrial Solutions.....	9
2.4	Surface Technologies.....	9
2.5	Nutrition & Care.....	11
2.6	Agricultural Solutions.....	12
3	Closing remarks	13

1 BASF Group

1.1 Overall business environment

Christian Faitz (Kepler Cheuvreux): Can you remind us of your exposure into Russia and the Ukraine for the Group and also, in particular, for your Agricultural Solutions division, which I would believe is relatively higher versus other segments of the Group?

Dr. Martin Brudermüller: It is roughly 1% of our sales in Russia and 0.2% in Ukraine, which more or less translates into almost €800 million sales in Russia and around €150 million in Ukraine. The distribution among the businesses in Russia is more equal. There is a high share of agriculture, but also from all the other divisions. There is a significantly heavier focus on the Agricultural Solutions business in Ukraine, where it is about two-thirds. That is roughly the situation. The size of the markets is not so large.

Peter Clark (Société Générale): Just a quick one on the resistance from customers. Have you noticed any change in the customer reaction to the price increases as we've gone through the fourth quarter into the first quarter?

Dr. Martin Brudermüller: You can imagine that customers are not amused. We are already on very high price levels throughout the portfolio – I have to clearly say this –, but definitely also not enough in all the businesses to cover the costs. They are aware of that. But with each level higher in the prices, the resistance also goes up.

But at the very end, it's a question of power balance. I think they have partially full order books. They need the materials. You know that some of the materials are short, not only because of supply chain issues. If you look at the number of ships: The waiting time has not dramatically reduced; to get containers and the price and everything is not easy. Raw materials are partly short, so we still have a lot of allocations in some of the lines.

I think this balance between their demand and our supply capability gives you the power of pricing. It has become more difficult, but our people are firm on that, and they get our pressure in doing that. So far, it's still working.

1.2 Downstream performance

Matthew Yates (Bank of America): I'd like to focus a bit on slide 20 and your statement that one of the priorities for this year is to improve the downstream performance. So, I have a couple of questions relating to the culture in the organization and the model of the Group in trying to achieve that.

You recently announced some reshuffling of the divisional responsibilities within the executive team. I think your leader in Ag moved to Materials and vice versa. I know that is the normal course of business at BASF. But can you explain or remind us why you think that model is best practice, to move around the management team? I think your US peers would probably argue that these different businesses have very different skill sets.

Dr. Martin Brudermüller: You can absolutely be sure that there is a lot of pressure on the downstream divisions to increase their margins, to pass on the raw materials and the energy costs. In December, we were a little bit disappointed about the final December result, which then also impacted Q4 because you saw that there was quite a spike in energy costs, even maybe in the last two weeks of that month.

So it was not possible to pass on all those costs to the downstream area. And this is also why they came in a little bit lower and with that the Group was maybe a little bit lower than some of you have obviously expected.

But you see also from my comment – that is why I have given it – that January was so strong, that we do not tire of passing on the cost increases and raising prices. It actually happened fairly well in January and, I have to say, also so far in February.

You know that the business models of downstream and upstream are different. In upstream, you have formula prices, and something translates from Friday to next Monday to a higher price. If you are downstream, you have partially monthly, quarterly, half-year prices and in extreme case also full-year prices. So, you cannot correct that all the time. And this is why it just takes longer.

With the energy prices which we have to expect from the current situation, the pressure on the downstream business is not going away. And be sure, we are breathing down their necks to continue to increase prices.

You refer to the change which we have made in the Board responsibilities between Chemicals and Materials on the one hand and Nutrition & Care and Agricultural Solutions on the other. First of all, we have to differentiate between the Board and the operating division Head. The division Heads are far longer in their business, normally five years and longer; that is also what we want: that they are in the details, that they are responsible for their actions. This is also going to continue because we don't have any changes here.

On the other hand, we have made the change in this case between the operational responsibilities for the segments between Saori and Mike, for the reason that Mike in the past was himself in the agricultural business. You also know – we have said this – that we want to increase the performance in Agricultural Solutions quite significantly now. Also, the major markets are here the US and South America. Mike is over there, and this is why we said, we can also draw synergies from that. He can actually have a direct impact on these markets by being in the US.

Chetan Udeshi (J.P. Morgan): I'm just doing my math here and maybe I'm wrong, but hoping I'm correct. Nutrition & Care EBIT in 2021 is about 37% below 2019, Ag EBIT 35%.

I haven't seen any of your peers... Yes, I know they are not always your peers in the industry, but so far, as I've seen, 2021 numbers for most of closest peers in these markets have been clearly well above 2019 levels, even with raw material pressures. I understand the cost dynamics, which are somehow different at BASF because of the immediate pass-through of costs etc.

We hear you when you say, there is pressure on the teams. We've been hearing that for all of 2021. Are you able to commit today that in 2022 at least we should expect the earnings in these divisions to go back to 2019 levels? 2019 itself was actually lower than the prior years in both these divisions. I'm just wanting to get some more conviction in terms of how you think 2022 to play out for these two divisions.

Dr. Martin Brudermüller: We have enormous pressure on the downstream business to improve their margins, but I have to say: If you look at purely the energy cost and also the chart we have released: They are running uphill. The energy prices are continuously going up and they could not really pass them on.

If you look at the situation – we have given you some background here – also in the nutrition business where we had a fundamental problem with our vitamin A volumes, which are now coming back. You see also from the information we gave you on the segments with the price increases, that was the rather soft one here, whereas other segments have dramatically increased prices. So they just have not yet done their job entirely.

If you look at the Agricultural Solutions part, they had a fantastic volume growth. It was actually 8.1% for the full year in Agricultural Solutions, but not so much yet on the prices. They also have to dramatically increase prices over there. We have had a mix.

But let me also say: We have been significantly hit by FX because we are the only one who is reporting here in euro terms while the others do it in US dollars. We had quite a strong headwind both in the real and the US dollar, which is no excuse, but which has hit us.

I can only say: Yes, you made some mathematics. Now, I cannot promise you where it is. But I tell you: We will get the maximum out of these businesses in 2022. Certainly, we have to come back to the levels which you just described.

1.3 Excellence program

Tony Jones (Redburn): On the excellence program: Thanks for the update. But could you remind us if there are any further gains to come in 2022, 2023? If so, will that be enough to offset things like wage inflation?

Dr. Hans-Ulrich Engel: The excellence program came to an end, so to say, in 2021. We have reached the full impact of €2 billion. Is there more to come from that program in the following years? No, there is not more to come.

But as I mentioned, there are further excellence programs. There is one in our Global Business Services division. There is one in our Global Digital Services division, each targeting €200 million earnings improvement from 2023 on. Rest assured: We don't sit back. We keep moving and keep pushing BASF in the right direction.

Dr. Martin Brudermüller: There is definitely also a lot going on on the cost side, not only some significant savings on the corporate level from the Global Business Services and from Global Digital Services. Also all the divisions are looking into their cost structure and complexity. I think you have seen in recent months that we have also sold several sites and further cleaned up our portfolio in terms of active portfolio management. This is going through all the portfolio, and this will also help us contain costs while we are increasing margins.

1.4 Bonus provisions

Matthew Yates (Bank of America): In the numbers this morning, there was a lot of impact from the booking of bonuses, at least relative to what consensus expected. I just had a general question and that is: If I am working in, say, the agriculture or the nutrition division, how much of my bonus at the end of the year reflects the performance of myself and the division I work in versus the overall BASF Group?

Dr. Martin Brudermüller: I think I mentioned that; this is actually a formula where things are multiplied. The first one is the Group ROCE which defines a certain factor which is multiplied with the target bonus; this is kind of a Verbund reflection.

Then, beyond that, there is a second factor which relates to your personal target agreement, which is nothing else than the value driver tree brought down to each and every one where the lever is. This is usually also a quite ambitious target.

So, you see that this is a rather fair distribution on the one hand of the Verbund and the Group part and, on the other hand, with the same kind of multiplier for the personal performance. I hope that answers your question.

Chetan Udeshi (J.P. Morgan): In your return on capital employed calculation, why do you not include the costs in the Other line, which is quite significant? We are talking about €700 million of costs. Why is that excluded from ROCE calculation? That probably would dilute your ROCE by 100 to 150 basis points.

Dr. Hans-Ulrich Engel: As you know, ROCE calculations are done in different ways. We do a ROCE calculation on the basis of our operating assets and our operating results. In the target, we then include an adder of one percentage point and that covers what we have in the Other line.

I need to run the calculation myself. I haven't done that because we're using this operative ROCE model for more than a decade. I need to run that calculation myself, but I would doubt that we will find a significant dilution there.

1.5 Share buyback

Laurent Favre (Exane BNP Paribas): Since Q3 you announced a strategic review on the auto catalyst business and a €3 billion buyback program, which referred to history when you did about €10 billion of buybacks on a multi-year basis.

I was wondering if we should assume that the €3 billion program you just started is a one-off or should we see this more as an intention of, I guess, repeating what BASF did 15 or 20 years ago? Are you considering further portfolio reductions that could help fund the buyback, but also sharpen the focus, especially in the downstream?

Dr. Martin Brudermüller: This is, in principle, not a new instrument for BASF. We have practiced it for a long time and actually bought back almost 30% of our shares for €9.9 billion.

I have to say – I think we all share that –: We as management team have been frustrated about the share price development. We regard BASF as dramatically undervalued. This is also why we then said: We have to set a very clear signal that we have full confidence in the company, and we have very clear plans how to develop. We set financial targets in 2018, and we stand firmly by them. But we don't see them reflected in the share price.

That is also why we then, at the beginning of the year, started the share buyback – to all your surprise – but with positive commentary. I think the performance of the share, compared with the chemicals index but also with DAX and EURO STOXX, was actually a very good performance so far. I think that reflects what we want to do.

When it comes to portfolio measures, I think we have been fairly active over the last two, three years. Now we have also some activity which is the carve-out of the automotive catalysts business. This is not a decision to sell this business, but to put it into the right operational independence and strength for the team to get the maximum out of the business in a totally different environment now for the automotive industry.

But I would say, beyond that, we don't have a big thing in front of us currently. As I said: There is quite a lot of work in smaller areas where we take sites out and reduce structures. But there is nothing which I could mention now where I have to say we have a bigger portfolio piece ahead of us. We now fully focus – you know these projects – on the organic growth projects. We stand fully behind them.

Both for China, but also for the battery materials, the expectations in these businesses are good, I would even say, very good. But we now have to put some steel and iron into the ground to participate in this.

1.6 Outlook

Tony Jones (Redburn): You are guiding for oil to be \$75 over this year. I was curious to link that to guidance. Is that what you would expect to need together with much lower gas prices to reach your EBIT targets?

Dr. Hans-Ulrich Engel: In regard to the oil price of \$75: That is what our full-year assumption is. I am fully aware of the fact that today we sit at \$100 per barrel Brent. What this will lead to is – that is what Martin alluded to: We need to push obviously for further price increases, but we haven't built in any fluff or anything in our budgets. So we are fully committed to reach, even in an oil price environment of \$75 or a higher gas price environment, what we have budgeted for and what we are guiding for.

Mubasher Chaudhry (Citi): On the balance sheet: Can you please comment on your targeted net debt to EBITDA ratios, given the increased shareholder returns and the increased capex number that we were talking about and given the potentially weaker performance? I just wanted to hear your thoughts on whether BASF is able to balance the books on an organic basis going forward.

Related to that: When you talk about the capex forecast, could you provide some comments on the impact of inflation, please? What portion of the capex has been fixed? What portion could move up, given the costs are rising across the spectrum?

Dr. Hans-Ulrich Engel: First on debt and debt development: We have reduced debt in the year 2021 to a net debt level of €14.3 billion. We are fully committed to a single A rating and that is what we will also deliver on.

On our capex forecast: Now, fixing elements in a five-year capex forecast is relatively difficult. But if you look at price developments that are relevant for our capex projects, such as, e.g., the price of carbon steel, we have seen that at very elevated levels during the course of 2021. It has come down, I think, by round about 20% compared to the peak that we had in 2021.

You see also other key building material prices coming down, while on the same side you see labor costs increasing in the current environment. So what we will do there needs to be very carefully monitored. But I think this is anyhow a task that we all have day in and day out.

1.7 Wintershall Dea

Gunther Zechmann (Bernstein): I was intrigued by your comment in the remarks to force possibly an IPO of the Wintershall Dea business in 2023. Can you talk us through how exactly that would work?

Dr. Hans-Ulrich Engel: Gunther, let me put it this way: Is this something that we want to do and that we intend to do? No. Is that an option that we have? Yes, it is an option that we have. The technicalities of that are as you would expect them for a unilateral IPO.

Laurent Favre (Exane BNP Paribas): About the constraints you have with Wintershall Dea and LetterOne. I was a bit surprised that the dividend of Wintershall Dea would only be flat, given the strength in the market. Are you also constrained in your ability to grow the dividend and turn the free cash flow into a dividend for BASF?

Dr. Hans-Ulrich Engel: As you have seen, Wintershall Dea is paying a common dividend of €600 million. It remains to be seen whether that is the end of the flagpole for the year 2022.

Markus Mayer (Baader Bank): On the free cash flow. Can you remind us how much of the free cash flow came from Wintershall Dea?

In the past, before this business was combined with Dea and also deconsolidated, in the core business units, you also had an oil and gas sensitivity analysis. Maybe now it would be helpful if you could give at least a kind of flavor of how much an oil and gas sensitivity would mean for your cash flow coming from Wintershall Dea.

Dr. Hans-Ulrich Engel: On the free cash side, that is relatively simple because that is the dividend that we are receiving from Wintershall Dea.

On the oil price sensitivity, we will have to provide that to you after the call.

[A change (+/-) of \$5/bbl Brent has an impact on Wintershall Dea's free cash flow of +/- ~€80 million. A change (+/-) of \$1/mmbtu TTF has an impact on Wintershall Dea's free cash flow of +/- ~€50 million, see page 15 of Wintershall Dea's "Q4 and full year 2021 results presentation" of February 24, 2022 available for download at: <https://wintershalldea.com/en/investor-relations/fourth-quarter-and-full-year-results-2021>.]

2 Segments

2.1 Chemicals

– no specific questions –

2.2 Materials

Sebastian Bray (Berenberg): I'd like to focus on the upstream, please, and in particular why the Materials segment had such a contrasting development versus the Chemicals segment, Materials being substantially below market expectations and Chemicals slightly above. In both cases, higher raw materials and higher bonus provisions are cited. There seems to be in the release a bigger emphasis on higher fixed cost in Materials. But given these are effectively both upstream petrochemicals businesses, what is the reason why Materials seems to have had a much harder time in Q4 than the Chemicals segment? Would you expect this to continue into 2022?

Dr. Martin Brudermüller: The first thing I would like to say: You make always a very black and white distinction that both Chemicals and Materials are upstream. We have to clearly say: The Monomers division, is clearly upstream, but the Performance Materials division is actually downstream. We have a full value chain here. This segment is a little bit different than the divisions in Chemicals, which are fully upstream.

So what you can actually see is that the raw materials side, i.e. the commodities, the isocyanates basically and also the materials for the polyamides, have done extremely well, actually also across the year ammonia, which is one of the materials that has done extremely well. Where we had more issues, was on the downstream part because Performance Materials had lower volumes, which came from the automotive industry. You know that this is a significant outlet for them. But also the construction industries across the globe did not do so well. They had not done fully their job on the price increases.

So if you look at Materials, be really aware: That is the full value chain and not only upstream logic, whereas Chemicals really is an upstream business. This is also why, as I explained, there is a different performance here.

Sebastian Bray (Berenberg): Is it just fair to say that BASF charged the Performance Materials business more for the isocyanate monomers and the caprolactam and it got internally squeezed, but that hasn't shown up in previous quarters, so it's entirely a lag effect on downstream why Materials is different from Chemicals in terms of development?

Dr. Martin Brudermüller: We certainly want to have the full earnings on the whole value chain. The upstream businesses are simple in the internal transfer price. They just hand over from Friday to Monday the price increase which they give also to the external customers. Then the higher raw material cost is with Performance Materials, and they have to pass it on to their customers. So they get squeezed with increasing raw materials and energy prices. So there's the same logic for these customers as there is for external customers. That's why they need a little bit more time to hand that over.

But you know also, when the raw material prices go down, they also get from Friday to Monday a lower price while their sales prices are going down later. Then they have an expansion of the margin. It is this logic which we explained several times already, which in this case applies within the Materials segment.

2.3 Industrial Solutions

– no specific questions –

2.4 Surface Technologies

Andrew Stott (UBS): Regarding mid-term return on capital. You have kindly given the split by segment. I suppose we knew this from last September. But the confirmation is there that you are spending almost 20% of your Group capex on Surface Technologies and obviously battery materials mainly. But the return on capital in 2021 was 5.6%. I have got two questions on this:

What was the underlying return on capital? I assume there is a lot of goodwill in there for Chemetall, Shanshan and maybe other things. So, I am trying to get an idea of the incremental return on capital as we go forward.

Then, more importantly: What are the levers for improving that return on capital, given the amount of capex you are committing to that segment?

Dr. Hans-Ulrich Engel: As you rightly point out, Surface Technologies has a relatively low return on capital. What is that driven by? That is primarily driven by the two major acquisitions that we did in that segment, one back in 2006, the Engelhard acquisition, and then in 2016 the acquisition of Chemetall. Both came with a significant amount of goodwill. As you know, under IFRS rules, you don't depreciate the goodwill.

Now, if we look at the investments that we are now forecasting in that area, this is organic growth, in particular the two battery materials plants in Europe with significant capital expenditures, in particular in 2022, and then the startup in 2022. For this kind of investments, you will see returns, obviously, in the range of what we expect for the BASF Group, i.e., earning a premium on our cost of capital.

Peter Clark (Société Générale): About the pressure on the downstream that you talk about not going away and specifically on something like Coatings, which looks like it's fallen in deeper loss in the fourth quarter.

You pushed prices 4%. It's clearly not enough. You make that quite clear. There's a lag effect. I am just wondering when you see that business turn back positive and certainly when the pricing catches up with the costs. It sounds like it might be more of a second-half effect, I think, in that business.

Dr. Martin Brudermüller: There is most probably no other business that is more directly related to automotive than Coatings because you can build a car without a seat, but you cannot build a car without coating it. That means the coating business immediately reacts when they reduce the number of cars produced. This was also the topic for the Coatings business last year, when the numbers actually went down significantly. They certainly had much less, and they also had short-time work. You know that from the past.

Now, what we have seen is that sequentially there was a certain uptick in volumes because Q4 was for the automotive industry in volumes better than anticipated. So that also immediately was shown in the Coatings business. I would say, it strongly depends on what really the final number of cars produced is.

They are extremely pushy and successful in reducing costs. Over many years, they have really reduced complexity and the number of people, and they work on that.

But I also have to say: That is an area where price increases are not easy. If you have an OEM that produces not so many cars, you don't have an open door now to say that you will increase your prices dramatically. Certainly, they have to go much more their way because raw material price increases are not fully covered yet in Coatings.

But they are working on it, and I would expect, when the number of cars is really going up and the semiconductor shortage eases a little bit, they will also have the power to increase prices even further.

Jaideep Pandya (On Field Research): Around your nickel and cobalt sourcing because, obviously, you have a relationship with Norilsk Nickel. In the current geopolitical context, what is the Plan B if really there are hard sanctions around trade agreements between Russia and Europe?

Dr. Martin Brudermüller: On the raw material supply: You're referring to Norilsk Nickel, which is our supplier in the batteries value chain, also in Europe, because the Harjavalta plant is actually directly adjacent to the metal refinery over there. We have a long-term market-based supply agreement for these materials, so nickel and cobalt, with them.

We have a long-standing relationship with them when it comes to precious metals, particularly palladium, for our automotive catalysts business. They are a very reliable partner. Given the power and the pressure the EU Commission now puts on bringing the combustion engine into a decline and moving on with the EVs, Norilsk Nickel is one of the very strong, if not the only significant European nickel and cobalt supplier. For that reason, we go with them. We don't know that yet, but I don't expect that it will be part of the sanctions package.

You know also that we have built up a much more sophisticated raw material supply network. First of all, with our acquisition in Shanshan, we have access also to nickel and cobalt suppliers over there. You know that we also work with Eramet in another project for tapping into the Indonesian resources. If something would happen, we have to reshuffle and use the network globally which we have established for the raw materials. But I would expect that this is something we have to observe. It's just very, very hard to give more comments on the first day after the conflict escalated.

2.5 Nutrition & Care

Andreas Heine (Stifel): Again on the Nutrition & Care business: It was not great in performance over recent years. It cannot be only the vitamin A plant and the pricing. Is there anything else you have to change? As we look on peers which live obviously on the same planet and have the same issue with energy prices and raw material cost, there the margin actually improved during this year and was not down. So why is it that different, not only in 2021, but also in the year before? It cannot be only the vitamin A plant.

Dr. Hans-Ulrich Engel: Vitamin A plays an important role in that segment, due to volume and the position that it has. We have, in addition to that, not only the fact that the vitamin A plant didn't produce. We have the expansion actually of the vitamin A plant and the cost that comes with it. And we have the expansion of the formulation plant and the cost that comes with that. That hits an operating division that is relatively small. These two effects explain pretty much what happened in the Nutrition & Health business.

In the Care Chemicals business we had, if you think back to the year 2020, very strong results. I think we talked about that also in prior calls. There are in particular two areas which suffered in the year 2021; both are actually leisure or travel-related. One is the UV filter business, which is an important part of our Care Chemicals business, and the other, also in Care Chemicals, is active ingredients for high-end cosmetics. A lot of that business simply has to do with people travelling more or less. In 2021, we saw people, for obvious reasons, travelling less.

By the way, that has picked up in the meantime. So, our customers seem to have worked through their inventories of UV filters. Where we had very slow business during the course of 2021, it has now picked up again.

I hope that helps.

2.6 Agricultural Solutions

Jaideep Pandya (On Field Research): In 2019, you guys gave a guidance on Ag for roughly 23% margin. In the last couple of years, obviously, this business has gone significantly backwards. When I think about the mix, your fungicide sales have gone up by about 20% in 2021 versus 2019. You obviously have got Bayer's vegetable seeds and other seeds business. R&D costs are also roughly flat. I appreciate the whole bonus reshuffling thing but, underlying, what is really going on in Ag? Are you still sticking to the 23% margin guidance despite the whole bonus reshuffling?

Dr. Hans-Ulrich Engel: If you look at the year 2021, some of the factors that drive the margin below what used to be the target and what continues to be the target is – as you mentioned it – the higher personnel cost that's coming via the bonus. We have significant cost increases also in all other categories.

When you compare to these significant cost increases, what we were able to push through as price increase was just not sufficient. It reduces the contribution margin by roughly five percentage points. When you look at this, this goes all the way through to the EBITDA level and also the EBIT level.

There's also another component in there that you will not see the same way with the US competitors, which is the impact that currency has. In the year 2021, there's somewhere in the order of magnitude of €100 to €150 million also sitting in the currency effect that a US competitor would not show the same way because the US dollar compared to the euro on average in 2021 was significantly weaker than in the year 2020.

But as Martin has stated before, this is certainly not the kind of performance that we want to deliver with that business, and I'm pretty sure that we will significantly improve performance in 2022.

3 Closing remarks

Dr. Martin Brudermüller: First of all, I thank you for the variety of questions and not only focusing on Wintershall Dea, which is clearly something everyone thinks of now. I am happy that you reflected that BASF is certainly much more than that.

I hope we could really convey: We are positive about this year. Yes, there are uncertainties now about Wintershall Dea and the Russian aggression and what that all means for us and for the world. But I would say: Overall, the fundamentals for 2022 are good.

There is a sound demand, as we can see, at least for the first half year. As far as we can see, there is actually no business where this is falling off the cliff or that anything is changing significantly. We also hope that in the second half automotive is actually getting better. So, the business conditions are good.

We told you that Russia and Ukraine are not really big markets for us and, I think, for many other companies this is the same. So if there is something directly connected to sanctions, I think, it is not this direct market effect. Something we have to observe is the energy costs, which under these circumstances may rather stay on the higher side. If Europe buys a lot of LNG, most probably the energy prices also stay high in Asia.

What is then the impact on consumption? What is with real income? Are people getting a little bit more cautious on spending? But I would regard all that not as so dramatic that it has now the potential to derail everything.

We expect now a very strong first quarter. Orders are fine. Orders on hand are fine. Order entry is fine. So I just would like to really close here on a positive note.

You know that visibility is always giving us quarter one, quarter two. Then, let's see. The further we go into the year, we will then have more insights into the second half and then we will update you. But I think, overall, this should be a good year.