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"Fourth Quarter 2019 Financial Results" Conference Call

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Conductors:

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Mr. Christian Thomas, CFO

Mr. Vasilis Tsaitas Investor Relations Officer

Conference Call Conducted by Chorus Call Hellas

OPERATOR: Ladies and Gentlemen, thank you for standing by. I am Konstantinos your Chorus Call operator.

Welcome and thank you for joining the Hellenic Petroleum conference call to present and discuss the Fourth Quarter 2019 Financial Results with the Management of the Company.

At this time, I would like to turn the conference over to Mr. Andreas Shiamishis, CEO, Mr. Christian Thomas, CFO and Mr. Vasilis Tsaitas, Investor Relations Officer.

Gentlemen, you may now proceed.

SHIAMISHIS A: Thank you very much. Good afternoon. We plan to spend the next half an hour talking about the performance of the group during 2019…the last quarter of 2019 and share a little bit of insight as to the strategy going forward for the group. Unfortunately the events over the last few days have shadowed the results and announcements which were coming up, but hopefully this is going to be only a temporary issue as we move into 2020.

So moving on to Page 2, the key highlights for the quarter…for the fourth quarter, we have the impact of some of the weakest refining margins in the last 5 to 6 years and a very volatile environment as well, which is partly due to the IMO disruption which has brought into the system. The high sulfur fuel oil cracks with middle distillate cracks have behaved in a very abnormal way which has set an unprecedented volatility on refining benchmark margins.

On the other hand, we do have a significant over performance and improvement in the operations, not only in refining, but also in marketing as well, which has helped us to over compensate the impact of a scheduled major shutdown in Elefsina refinery, which is quite good, given that the refinery was down for about 4 to 5 weeks, as a whole as a system. Being able to compensate for this loss of production in terms of EBITDA is definitely a positive thing.

In terms of the adjusted EBITDA we are just under €120 million for the fourth quarter and we are close to €600 million…€572 million of adjusted EBITDA for the full year of 2019. The impact as I said has been mainly the margins but also we had the Elefsina scheduled turnaround, which resulted to lower volume and sales. Having said that, the performance of the system of the refinery system post the shutdown has been significantly improved and it's actually paying back for the stoppage during the shutdown.

In terms of balance sheet we have a very strong balance sheet it stabilized at between €1.5 billion to €1.6 billion of debt even in a very weak refining margin environment in 2019 we have been able to deliver significant operating cash flows. This is also helped by the fact that we have reduced the cost of financing…the company and that has shaved over, as much as, about a €100 million over the last 3 years, which is clearly a very positive sign not only for the deleveraging of the balance sheet but also because of the ability to distribute a relatively high dividend to the shareholders for 2019. So for 2019 the board today approved a dividend of €0.50 per share which is the full year dividend. Given that we have already distributed €0.25 per share, we will be making a distribution of an additional €0.25 per share.

Turning to Page 3, some developments on strategy; we had in December the corporate governance changes as you probably know, all Greek companies had to change their Articles of Association in line with a new company's law. We did that in December 2019. In terms of organizational structure, we have changed the strategic business unit structure in the group. We have run a senior management voluntary retirement scheme during November, December and January, which is now completed, and this allows for a simpler structure going forward.

In terms of strategy, in the last quarter we presented during the "Capital Markets Day" in London, a view of what our strategy will be like going forward and effectively that we will be looking at in a couple of pages…a couple of pages later. It evolves around improving the core business, growing our core business and moving into a cleaner portfolio going forward.

As part of this strategy, we had the agreement with TAIPED, the Hellenic Republic Asset Development Fund for a joint sale process of the DEPA infrastructure and a participation of ELPE in the DEPA commercial sales process. As you know we own 35%, so it's a question of either acquiring 65%, which is the remaining or selling our minority stake to whoever outbids us in the process.

In addition a couple of weeks ago we announced a project in the renewables energy space. Renewables, as George Alexopoulos will explain, later is a portfolio move that we believe will have positive impact in terms of the overall group profile from a financial, from a risk, from a strategic point of view and in announcing this new photovoltaic project in Kozani, we are effectively launching the biggest renewables project in Greece to-date, that is, which is in line with our strategy.

On Page 4 we have the performance of the group. I won't go through the detailed numbers. You can see that the main impact in terms of performance comes from the refining supply and trading part of the business which is primarily driven by the benchmark refining margins. The comparison of the operating profit from associates is something which is a bit of a misnomer, because it's non-comparable. We had DESFA contributing to the share of profits from associates in 2018 whereas that is not the case in 2019. In terms of financing cost, what you see here is effectively a reduction compared to last year and 2020 and 2021 will bring an even higher reduction given that we manage to refinance the very low rate at 2% a new Eurobond reprice it's in the fourth quarter of 2019.

Moving on to the strategy update, this is the summary of what we presented during the "Capital Markets Day" and we've tried to keep it as simple as possible. Hellenic Petroleum is a lead…is a leading company in the refining, supply and trading and marketing space in Greece and indeed in the Balkans and the East Med. We have 75% of our business being driven by non-Greek factors. We import a 100% of our raw materials and we export about 6% of our production outside of Greece, which means that we are relatively more international than we have been in the past.

At the same time, we realize the need to move forward for the next 10 to 20 years, taking into consideration the clean energy agenda, the energy transition agenda, which is something that will have an impact on our core business, and also it is something which will allow us to continue being a leading player in the energy space, not just the liquid hydrocarbon space, but also in the energy space

So, we've tried to group our strategy in three distinct buckets. The first one is improving the core business and that is effectively trying to drive more profitability and performance from our existing business, be it through organizational excellence and operational excellence, through the use of digital tools, by improving the energy efficiency, by improving the…the running of the refineries.

The second bucket has a growth element in it, but still it's the refining, supply and trading spectrum with a bit of petrochemicals as well added to that. So, what we are doing is investigating a number of priorities in terms of investments, which will take advantage of the existing investment in the refinery, which is on a new floor close to €5 billion to €6 billion of infrastructure in between the 3 refineries. And effectively what we want to do is by adding a little bit of CAPEX to either debottleneck or upgrade part of the product yield of the group.

So, this is something which will take a bit longer to materialize. However, from a strategic point of view, it ensures that we have the right refinery, keep the right operational and complexity factors to be able to drive value from our core business.

The third bucket includes the group as an investor, as a portfolio company. And effectively what we are saying is that, we move into the cleaner energy space. And as you can see, our vision is to be able to grow the business, but grow in a cleaner…with a cleaner environmental footprint. So, this involves establishing a material position in renewables. We've been investing in renewables, but in all honesty, we have not been very aggressive in this space. And at the same time, to investigate the power and gas portfolio, either by moving into a controlling position on the gas business through DEPA or by establishing an alternative gas trading arm for the group.

So, these three buckets, if we do things properly will allow us to generate on a like-for-like basis, because refining margins and volatility is something which we cannot predict, but it will allow us to generate significantly higher returns from what we are doing today.

Now, on this page, you will see that we have not put the IMO impact because, we think that this is something which is market-driven and it is something which we cannot control or predict. In fact, if you were to ask me for my predictions 3 months ago, they would be totally out, given that what happened is exactly the opposite of what we wanted.

However, it's early days, so we need to be a bit patient and see how the IMO will play out in the next few quarters.

The renewables and the DEPA sales process, what I will do is skip these pages, I mean, we will be talking about the renewables business and natural gas and the DEPA sales tender late in the business unit segment and George Alexopoulos' will cover this area. So, effectively, it's a description of the specific transaction. So, what I will do is skip these 2 pages and we can come back when we discuss about renewables and gas.

At this point in time, I would like to ask Dinos Panas, who is the Head of the Supply and Trading of the Group, to walk us through the next few pages of the industry environment. Dinos...

PANAS D: Thank you, Andreas. Good evening to everybody. Not a very good industry environment the fourth…in the fourth quarter of the year. We had the crude prices in an uptrend during the quarter starting from $59 in October to an average of $67 in December. The average of a quarter was $62 a barrel, same as it was the previous quarter of the year. Now the USD maintaining strength versus euro and that was supportive for our year results. WTI remained strong versus Brent, stronger than I think it was during the first half of the year. And Brent very…versus Urals was quite volatile. We saw ranging from plus $1 per barrel to minus $1.2 per barrel during the quarter. Then on an average, it went up at $0.4 a barrel higher than the previous quarter of the year.

Now going to next page, Page 11, you will see that the product prices actually did not follow the upward trend of the crude price we've recorded, that resulted in the cost of the product cracks lost ground during the fourth quarter, with the most significant losses being those of the gasoline from $9 per barrel in October to $2.6 per barrel in December and of course, the HSFO crack that averaged at minus $31 per barrel in December to recover back from this record low levels to minus $50 per barrel in 2020.

Now going to the next page, no sorry in this page you can also see that the weakness of the gasoline in the HSFO cracks resulted in lower cracking margins, quite low cracking margins $1.6 per barrel in the fourth quarter of the year, while they're quite decent in the middle distillate cracks and the low price of the HSFO that are key feature of the focus resulting in a very high numbers in…for coking margins in the fourth quarter of the year, especially in October, where it was $8.9 per barrel.

Going to next page, Page 12. Well, in a nutshell what we can say is that the domestic market was up in almost all the products with the exception of the heating gasoil, which was lower due to warmer weather. So, transportation fuels were up, LPG was up, aviations fuel is higher, bunker fuel is higher than the same quarter of the previous year.

And if you go to Page 13, you can see that the overall consumption in the Greek market in 2019 was 3% higher than it was in 2019. And this trend actually is something that we see continuing into 2020.

So that's for the business environment. Back to you Andreas.

SHIAMISHIS A: Thank you very much, Dinos. The next section covers the high level of the group results for the quarter and for the year. I would ask Vasilis Tsaitas to walk us through this section, please.

TSAITAS V: Thank you, Andreas. Good afternoon, ladies and gentlemen. Looking at the overview of our group results starting from Page 15. The usual casual track of our performance versus the comparative quarter of last year. As you can see and as discussed earlier, the main…the negative impact on the environment here of around €60 million from the significant decline in benchmark refining margins, partly offset by a positive impact from FX and the accounting treatment of the new IFRS 16.

As far as performance is concerned, we had the turnaround of Elefsina that given especially the timing of good margins had affected the results negatively by around €40 million. But as mentioned before, post turnaround and given the good performance of the refinery and other business units S&T and Fuels Marketing, we were able to completely offset that. So zero effect on performance, what is left is a negative impact from the environment.

The picture is not much different on the full-year basis. If we go on Page 16, a dollar and a half more or less of weaker refining margin for the year, the lowest we've seen for a few years… for at least 5 to 6 years had an impact of €160 million more or less, partly offset by the stronger dollar, which benefits our business model, having IFRS 16, you also, as far as environment…you also have the negative impact from disruptions in the crude supply earlier in the year with the Druzhba Pipeline. And in terms of performance a heavier maintenance year versus 2018 with the 3-year scheduled maintenance of Elefsina, the full turnaround that took place in October.

Moving on to Page 17, in terms of sourcing, you can see the impact of the new Eurobond increasing the share of debt capital markets in our funding mix and offering some additional diversification and also extending our maturity profile with a longer maturity. Now the €0.5 billion Eurobond maturing 2024. The bond has been performing well, touching even 1.6 in terms of yields with an uptick recorded over the current week. I guess, all these actions including the Eurobond, the repayment of the '19 Eurobond and amendments in our bank loans altogether had a positive impact on our funding costs, which over a 3 year period are down more than 40%. And given the fact that our marginal cost of funding currently is lower than the average, we should expect that to for…even further over the course of this year.

On Page 18, we recently announced our dividend policy; it was more about putting on paper what we have been really consistent in doing over the last few years. So if you adjust for the additional dividends that we paid out of the DESFA process in 2018, the nominal payout is flat year-on-year at €0.50 as a total dividend, $0.25 were distributed as interim. So the proposal of the board to the AGM will be for another €0.25 as a final dividend.

Moving on to the business units, refining, and supply and trading, on Page 20. We discussed the results; our adjusted EBITDA was mostly affected by the negative environment with system benchmark margins are at 1.5, the lowest since the third quarter of 2013. I guess, it's worth discussing a bit, the key operational events that took place during the quarter. So one was the transition to the IMO model for Aspropyrgos, **t**his is something that we have been preparing for a year and it was very important that we have a smooth transition that went very successfully. We were able to start…we started supplying the Greek banking hubs with the new VLSFO.

Elefsina completed safely and successfully, its 3-year maintenance, a 5 week turnaround. So the refinery was back in operation in early November with very positive performance and contribution of the start up. And we also tied up the new ETBE units at Aspropyrgos refinery. As a background, the bio-component for gasoline in Greece from 2020 increases to 3.3% from 1%. So we thought it made…it will make more sense to produce the bioethanol rather than import it. That is an example of, you know, the small investment with high returns.

Moving on, on Page 21, some more detail on operations. The main events that are affecting operations for the quarter is the transition to IMO model for Aspropyrgos, as well as, the turnaround of the Elefsina. Gross production is lower by around 600,000 tons, mostly driven by Elefsina turnaround versus the comparative quarter. So is yield, with middle distillates…lower than 50% with higher MOGAS due to low contribution of Elefsina to the overall mix.

In terms of IMO, you have for the first time, the new product, the VLSFO at 4% of our yield and the new operating model is also evident now in crude mix with other crude and feed up significantly due to both increased requirements for VGO for the new operating model, as well as, a new crude grades from Azerbaijan and North Africa, so a more diversified crude slate and a lighter crude slate in order to be able to produce the new specs.

Moving on to Page 22, the low utilization of our refineries for the quarter had a negative impact on exports. So these are down 28% year-on-year. December was the first year that we operate in full IMO mode in our refining and supply business. So, we sold 85,000 tons of VLSFO in the first full month of operation. That corresponds to 55% of our total marine sales, that was mostly produced but we also took advantage of positive blending economics. So Elefsina was also a contributor to our VLSFO sales.

Moving on to Page 23, we have the usual graph with the system benchmark margin which, you know as I mentioned before is the lowest in our time series and even before that. However, overall performance was very strong as a result of a number of opportunities that we took advantage of in the pricing of products in IMO. The very strong operation of our refineries post turnaround, as well as the sales mix given the lower contribution of exports.

Moving on to petrochemicals on Page 25. Benchmark margins for the fourth quarter have been the lowest for a few years. However, the increased production and sales of polypropylene as well as the record high production of Aspropyrgos propylene unit had a mitigating effect on that leading to an adjusted EBITDA of €20 million overall. In our Fuels Marketing business on Page 27, effectively even if we strip out the impact of IFRS 16, so focusing on our comparable EBITDA, we have improved contribution from retail as well as marine. What happened is marine was obviously the product mix with more gasoil, as well as materializing pricing opportunities in the Mediterranean in the bunkering business.

On Page 28, we have a very good performance from our international subsidiaries despite the lower low-margin wholesale volumes in Bulgaria. We were able to improve performance in all our subsidiaries, a number of factors contributed to that. It had to do with the supply optimization in some of our…in some of the countries, improved operations across the board as well as the contribution of some selected investments that we undertook over the last year.

At this point, I will handover to George to discuss about our renewables business as well as the power and gas. George…

ALEXOPOULOS G: Thank you Vasilis. Good afternoon, everybody. We thought today was a good opportunity to introduce you to our renewables BU, which we believe is a key pillar of our recently announced strategy. It fits very well the strategy for entering and expanding low carbon footprint activities and certainly will contribute towards our goal of reducing our carbon footprint by 50% over the next 10 years.

So in a nutshell, we are developing a material renewables business. This is our goal. We currently have a small footprint of operating assets, 26 megawatts. However, we have set short-term and medium-term targets to reach 300 megawatts and 600 megawatts, respectively. And in order to do that, we are developing our own organic pipeline, and we are also considering selective acquisitions.

Our pipeline today is approximately at 1,000 megawatts. It consists mainly of solar and onshore wind projects which are at various stages of development. We believe Phase 1 of this renewables development plan will have a substantial financial impact to the Group. We are targeting approximately €30 million of EBITDA at the end of this first phase of development. This will correspond to approximately €200 million of CAPEX and we are targeting equity IRRs of the order of 15%.

Where we end up will depend on project characteristics such as which technology, whether it will be organic or inorganic, but we are generally comfortable with these numbers. Andreas has already mentioned a project which we have agreed to acquire very recently. It's the largest renewables project in Greece as of today and it will be among the top 5 PV plants in Europe, so it's a very significant project. That project alone will contribute 204 megawatts to our installed capacity and its production will exceed 300 gigawatt hours per year.

As you can see in the table at the bottom of the page, this project alone will bring us close to achieving our Phase 1 targets which are also shown here. We will reach 230 megawatts. The short-term goal is 300. We will reach 355 gigawatt hours, short-term goal being 500 and very importantly, we will reach 10% reduction of our carbon footprint as a result of this project, so very significant contribution. In terms of EBTIDA contribution, depending on the final technical solutions we choose, we expect between €15 million and €17 million of EBITDA.

Turning to Page 32, from renewables to conventional power, Elpedison. The fourth quarter EBITDA was lower than last year mainly due to further delays in the implementation of the flexibility remuneration mechanism. We are very disappointed by this delay and we also expect very soon the implementation of the target model which should bring also a permanent capacity mechanism. Nevertheless, the mechanism was not in place, so like-for-like were almost at the same level as last year because our sourcing of natural gas was much more competitive in 2019 and we managed to operate more hours and generally at higher margins and this partially compensated for the loss of flexibility remuneration income.

Turning to Page 33, DEPA, the main factor in the significant reduction in DEPA's profitability is the fact that DESFA was sold at the end of 2018. So the financial contribution of DESFA is not included in the numbers for 2019. On a comparable basis, the performance is actually not very different, despite the fact that the sales volume are quite a bit lower due to the significant contribution of LNG in the natural gas market, and that LNG was not supplied only by DEPA, but to a large extent by its competitors.

Since, we're on DEPA I will ask you to turn a few pages back to Page 8, just to update you on the DEPA sales process. You may know already that a pursuant to recent legislation DEPA group is in the process of being restructured into 3 separate units, and infrastructure unit which is distribution, city networks, a commercial unit which includes wholesale and retail and an international project unit which will include a several international midstream projects.

In all new companies created ELPE will hold 35% and TAIPED Hellenic Republic Asset Development Fund will hold 65% there is an agreement for a joint sale process of DEPA infrastructure through which we're exiting a minority position in a value maximizing way. It's also a position which is not consistent with our commercial activities in power and gas. We've done this before with the fund, and it has been successful in the case of DESFA and we believe we can repeat it. And we have already seen strong, strong interest for a number of international players. We received 9 expressions of interest last Friday.

Regarding, DEPA commercial we also have an agreement in place, and we will be involved in the sale of 65%. We will participate as an interested party. If we are not the preferred bidder, we are able to exit from this minority participation through a pre-agreed called put-option structure. The day for the expression of interest is next Friday, March 6. Both of these agreements have been approved by the Shareholders Meeting of ELPE and are in full force and effect.

SHIAMISHIS A: Okay. This brings us to the end of the presentation, the business units we won't go through the detail number section. So I would ask the call operator to open the floor to any questions that maybe…that you may have, and take it from there? Thank you.

Q&A

OPERATOR: The first question comes from the line of Patricot Henri with UBS. Please go ahead.

PATRICOT H: Yes, hello, everyone. Thank you for the presentation. I have 3 questions please, just 2 on refining and one on CAPEX. On refining you mentioned that you had some improvement in the Elefsina refineries instead turnaround. I was wondering if you can give us some details around what is the margin improved compared to previously? And then secondly, wondering if you can give us some sense of what you are seeing yourselves on the market in terms of demand given what's happening currently, because of the virus risk, but also perhaps in the marine market specifically, what you think in terms of VLSFO demanded, gasoline demand would be interesting? And finally, on CAPEX and then 2 things actually on CAPEX. There is a bit of a jump in the fourth quarter, I am just wondering what was driving that? And secondly, if you can give us an update for the CAPEX outlook for 2020? Thank you.

SHIAMISHIS A: Okay, I would ask Dinos to take the first 2 questions, and I can explain a little bit about CAPEX.

PANAS D: Right. So the improvement of Elefsina refinery. Well, the refinery has what we call, a beginning of run and end of run. The beginning of run coming out of a turnaround as always better yields. So what would be the difference between the end of run and the beginning of run? It's not quite easy to quantify, but I would say anything between $0.5 to $0.8 per barrel as an additional margin, would be…that is right. Now the market demand, okay, we see the global demand going down with virus. We have not seen anything material yet in Greece. And we have seen…we have not seen a big difference in the exports that we make. We actually have our…and half of it is going to east already tendered for the year. Let's say in a contract for the year. We do not really think that they will…these barrels will go to the market at this time, most probably they will find their way in the Med. But other than that, yes the market now seems to be…it is becoming a little bit weaker than before, quite weaker than before. Now, CAPEX Andreas.

SHIAMISHIS A: Yes, on CAPEX we have a couple of timing, which has caused this increase, Christian do you want to cover that?

THOMAS C: Yes, on CAPEX it is basically, because your question is also related to the hike in the fourth quarter, it's mostly the Elefsina shutdown, but the rest of the year we had bank's maintenance, catalysts, VRU [ph] units, the CAPEX in the petrol stations, and of course the international CAPEX, which has mostly been Cyprus.

PATRICOT H: Okay. Thank you. And for the 2020 CAPEX, are you expecting to trend?

SHIAMISHIS A: We are expecting it to be in the range of €200 million.

PATRICOT H: Okay. Thank you.

OPERATOR: The next question comes from the line of Katsenos Nikos with Alpha Finance Investment Services. Please go ahead.

KATSENOS N: Hello from me. Thank you for the presentation. I have a question on the refining business. I was wondering whether assuming the refining environment we've seen in the first 2 months of 2020, you could give us an idea of whether you would be better or worse off in the assumption that…under the assumption that you would operate the refinery in the Aspropyrgos complex with the pre-IMO configuration.

A second question regards the marketing business. You’ve delivered year-on-year improvement in terms of comparable EBITDA in the international marketing, despite the 12% fall in terms of sales volume, would you please elaborate a little bit on that? And also, on a year-on-year basis for the full-year 2019, we've seen a notable improvement in terms of incremental EBITDA of about €12 million, if I'm not wrong, on a comparable basis. If I remember correctly, you were guiding for incremental EBITDA target of €30 million to €50 million over the medium term from the marketing business? Is that improvement of 12 million part of this overall, 4-year improvement that you're targeting?

SHIAMISHIS A: Okay, let me try and take your questions in the sequence you've been through them. First of all, assuming we have a similar refining margin environment as we had in the beginning of the year for the first 2 months, we would probably end up being better than 2019. But that is with the post-IMO configuration because the pre-IMO configuration doesn't work and it would actually be even worse than what we are actually doing now, because of the cracks of high sulfur fuel oil.

Now the market is in a total abnormal situation because we know that there are stocks of VLSFO still lying around in Northern Europe mainly, so we haven't seen what we expect to be slightly more normalized cracks. However, a straight forward answer to a simple question is that if we see the refining margins are in the first 2 months effectively being the same throughout the year, we will have a performance, which is going to be better than 2019. That is subject to any scheduled shutdowns and we do have a shutdown for Aspropyrgos refinery in 2020. So, that will have any impact. Even so, we expect performance to be better than 2020.

On the international marketing performance, the sales volume drop that you rightly point out relate to wholesale business in Bulgaria where margins are very low. Other than that, we have an improvement in the performance of pretty much most of the international subsidiaries and that is better margin management as well as a maturity of the network.

Now in terms of the domestic marketing performance, I believe that was your question, an improvement? I think there may be some confusion there with respect to the IFRS 16 impact, which might be causing this delta. I'm not sure I understood the question.

KATSENOS N: I was referring to your guidance regarding €30 to.. million, a €30 million to €50 million of incremental EBITDA from the marketing business over the medium-term, if I remember correctly. So we've seen for the full-year '19, an improvement already of €12 million on a comparable, so post the IFRS 16 impact on a comparable basis. So I was wondering whether this €12 million is already part of this €30 million to €50 million improvement already is related to other factors not included in your guidance.

SHIAMISHIS A: Yes. No, no. Now a lot of it is included with the guidance, but it is not just that, we do have the upside in the marketing business, which is a bit of a misnomer because marketing includes also aviation and bunkering business. So, in the domestic marketing with the introduction of the new shipping fuel, we have seen improved margins on the VLSFO. So, part of that improvement is also coming from the product mix. But yes, there is improvement coming from marketing on a structural basis because we are increasing the percentage of owned and managed effective petrol stations in the network.

KATSENOS N: Okay. Thank you very much.

OPERATOR: Ladies and gentlemen, there are no more questions registered at this time. You may now proceed with your closing statements. Thank you.

SHIAMISHIS A: Thank you very much for attending this conference call. All-in-all, we have a challenging environment during 2019, and indeed we started off 2020 on a difficult environment. However, this is also a proof of concept because what it shows is that Hellenic Petroleum, having been through a strategic transformational project in the last 2 years, is able to withstand this volatility in the market, and still deliver a healthy result. We are short of €600 million for the full-year. But still, we are in a position to fully fund our CAPEX, to pay our interest, which is significantly low, to reduce our debt, and to distribute dividends to the shareholders, so if anything, that is a good position to be in.

We expect that IMO will gradually lead the market into better grounds, in terms of middle distillate cracks, and that will allow us to generate more value from our existing refinery, which is always good news. So, on the results point of view, that is effectively what we have been doing.

More importantly though, is that we have re-launched a strategic review of the business. We have committed to taking the business forward with a much cleaner environmental footprint. The target is within the next 10 years to be able to reduce "the impact on the environmental metrics," by the group business by 50%, which is something we is quite aggressive. But at the end of the day, it is part of the strategy that will ensure that Hellenic Petroleum will maintain its position as a leading energy company, hydrocarbons today and energy tomorrow in this part of the world.

Thank you for attending the call. Thank you for your support and we look forward to having you on the first quarter 2020 in a couple of months' time. Thank you.