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**ADVA Optical Networking**

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### 00:00 Operator

Dear Ladies and gentlemen: Welcome to the conference call of Adva Optical Networking for the full year 2018 IFRS financial result. This call is being recorded. After the presentation there will be an opportunity to ask questions. I now hand over to Mr. Stephan Rettenberger, ADVA Optical Networking Senior Vice President Marketing and Investor Relations, please go ahead sir.

### 00:35 Stephan Rettenberger

Thank you, and a warm welcome from my side. This earnings call builds on a presentation which is available for download in PDF format from our homepage under [www.advaoptical.com](http://www.advaoptical.com) in the About Us/Investor section. Should you not have the presentation in front of you, you may want to access it on the conference call's page in the financial results section of our investor section of our website. Before we lead you through the presentation, as always, please be informed that this presentation contains forward looking statements with words such as "believes, anticipates and expects" to describe expected revenues and earnings, anticipated demand for Optical Networking solutions, internal estimates and liquidity. These factors are discussed in greater detail in the risk report section of our annual report 2018. Please also be reminded that we provide consolidated pro forma financial results in this presentation solely as supplemental financial information to help the financial community make meaningful comparisons of our operating results from one financial period to another. This pro forma information is not prepared in accordance with IFRS and should not be considered a substitute for historical information presented in accordance with IFRS. Pro forma operating income and losses calculated prior to non-cash charges related to the stock compensation programs and amortization and impairment of goodwill and acquisition related intangible assets. Non-recurring expenses related to restructuring measures are not included. Unless stated otherwise, all numbers are presented in euro. We will target to limit this conference call to 60 minutes, as usual Brian will start and provide a business update and outlook, and then Uli will talk us through our Q4 and full year 2018 financials. And finally, we will have sufficient time for your questions which we will be happy to answer. So, Brian, please go ahead with the business update.

### 02:48 Brian Protiva

Thank you, Stephan. So we start as usual with the business update on page 4. Q4 revenues reached EUR 131.5 million, up sequentially from 126.2 million in Q3 2018 and nicely up year-over-year from 117.2 million in Q4, 2017. This is above the mid-point of our guidance corridor, provided on October 25, 2018, of between EUR 126 million and 136 million. Our Q4 pro forma operating income was at EUR 8.1 million, or 6.2% of revenues and was at the upper end of guidance of between 3 and 7% of revenue. This is the fifth quarter of sequential growth and represents double-digit growth year-over-year. We continued our solid performance and further expanded our gross margins, giving us more leverage and the ability to continue to invest in technology. And most importantly, for our shareholders, topline growth and good profitability are building a foundation for driving greater shareholder returns. In a nut shell, our technology investments are delivering increasing returns. Furthermore, we have a broad and loyal customer base, without any single customer exposure greater than 10%, this gives us less dependency and greater breadth than we have ever had at Adva. Slide 5, recap of the growth strategy we laid out early 2018. We have kept course during 2018, remaining disciplined to ensure both stability and continuity. In all four quarters, we were able to increase our revenues sequentially and our profitability has also developed nicely in a positive direction. In the first half of the year, we efficiently completed the integration of competitor MRV, acquired in August 2017, and convinced all relevant MRV customers of the current and future potential of Adva. In addition to successfully nurturing the existing customers, we have also won new footprint in all regions and extended our cloud access customer base, contributing above 30% in our 2018 revenues. Momentum in the optical space, specifically in the ICP customer base could have been better in 2018, when comparing it to the first half of 2018. But we did well in our tier 1 carrier customers, where we were able to leverage the upgrade cycle. And Oscilloquartz grew more than 25% year-on-year delivering an increasingly important number to our bottom line. For 2019 we said that we were going to leverage our expanded solution portfolio to increase market share and reaccelerate growth. We have pretty much completed a dramatic upgrade of our product portfolio over the last 18 months. This leads to the following tactics that we will use in 2019 to increase our growth. We will aggressively pursue more DCI opportunities with our new FSP 3000 TeraFlex expansion and our holistic open line systems offering. We will win new footprint for flexible programmable 5G infrastructure, leveraging optical packet edge and synchronization, and we will accelerate revenue contribution from our ensemble virtualization portfolio by winning new designs for NFV based service delivery. 2020 looks even more promising. We accomplished our 2018 goals and continue to execute against our plan.

Slide 6: Digitization drives investment focus to the edge. It is important to reiterate, that despite all macro-economic turbelences, trade conflicts and barriers, the mega-growth drivers for our industry are fully intact. Our global digitization trend is progressing rapidly across all eco-systems. Applications like the smart work space, connected home, smart robots, autonomous driving, augmented reality, artificial intelligence, the internet of thing – they all drive the transformation of the network. A transformation that is built on openness, virtualization and security. And a transformation that moves the investment focus to

the edge of the network. The market is coming to our sweet spot, where we differentiate ourselves by understanding how to use technology to address applications and use cases, driven by enterprises and demanding residential customers. The edge is where you need to combine infrastructure knowledge with end customer needs. It is where Adva performs best. As a company, we have aligned ourselves strongly and have invested exclusively in strategically important future technologies, technologies that enable new digital business models. Optical transmission technology delivers the required bandwidth. Physical and virtual edge technologies bring the cloud and related services closer to the customer and enable instant service creation with a click of the mouse, whereby the packet solutions within this framework allow for secure cloud access. And our synchronization technology guarantees the level of timing needed in a high-performance network. All of our technologies make the difference between success and failure in the digital world. With our focus on the edge, and our innovation capacity we are well-positioned for the future.

Slide 7: Portfolio growth opportunities 2019, and my final slide. Our technology tripod is becoming even more stable. Each leg fulfills an important role in the network transformation happening in every market segment. Edge computing solutions, IOT and a fifth generation of mobile technology require robust and scalable telecommunications infrastructure with more optical transmission capacity. New models for providing communication services, and more precise network synchronization. Our portfolio and technology investments address precisely these aspects. Let me start with the cloud access and then go clock-wise. Our packet edge solutions with ensemble software provide flexible and fast delivery of NFV based services at the network edge. Several leading network operators have chosen the solution as a key component of their universal customer premise equipment. A commercial implementation is gaining momentum in 2019. Cloud interconnect, our FSP 3000 platform, it sets new standards for open optical transmission technology. The platform efficiently delivers automated scalable data transmission that further reduces the cost of gigabit transport. The launch of our new TeraFlex terminal has the potential to change market momentum in our favor. In addition, we will use our differentiated feature set for private enterprises networks. We are the only company offering the high performance 32 Gig FibreChannel transport for business continuity applications. Oscilloquartz, our network synchronization solutions portfolio is technologically way ahead of our competitors and is actively used by many of the world's leading network operators. We were able to show above average revenue growth in 2018 and continue to expect a positive and most importantly very profitable business development, supported by opportunities outside the traditional telco space in addition to our strength within the telco space. In summary, we have a loyal, growing global customer base that puts their trust in us and leverages our expanding portfolio in more and more network applications. The number and variety of our customers has never been greater.

The distribution of revenue between the regions has never been more balanced. And we currently see no critical dependencies on individual large-scale customers. At the same time, consolidation in our industry has further reduced the number of competitors, further adding to our profile as an innovative telecommunications supplier with a unique blend of innovation and customer focus. In addition, security questions and regional preferences for local suppliers is supporting our global strategy and investments in multiple regions. We expect 2019 to be a positive year for ADVA with accelerated growth in 2019 in the high single digits, with further improvements to our profitability. And with that I hand it over to Ulli.

### 12:55 Uli Dopfer

Thank you, Brian and hello, everybody. Let's move to slide 9, financial year 2018 at a glance. We ended our financial year 2018 with revenues of 502 million euros. Gross margin contribution improved significantly by 11.2 million euros compared to 2017. Our product innovations combined with active cost management enabled us to deliver a pro-forma EBIT margin of 4.6%. Net liquidity increased significantly, due to higher cash flows from operations.

Slide 10: Q4 2018 in review. Q4 was a strong quarter for ADVA, as we improved all our relevant financial matrix year-over-year. We achieved our guidance in terms of revenues and pro-forma operating income margins. Q4 revenues reached 131.5 million euros, up from 117.2 million euros in Q4 2017. This result is at the upper half of our guidance of between 126 and 136 million euros. Gross profit contribution increased from 42.5 million euros in 2017 to 48.7 million euros in 2018. Our proforma operating income margin was at 6.2% of revenues, up from 3.8% in the year-ago quarter. This is at the upper end of our guidance of between 3 and 7% of revenues. Net income was at 3.6 million euros compared to a net loss of 0.9 million euros in the year-ago quarter. Consequently, earnings per share improved from negative 2 cents to positive 7 cents. Net liquidity improved by 11.4 million euros to negative 26.8 million euros.

Slide 11: We have now generated five consecutive quarters of sequential growth, gross margin remained at a healthy level of 37%. As a reminder, we report according to IFRS, where amortization of capitalized R&D has to be included in the gross profit. Our IFRS gross margin of 37% compares to approximately 43% according to the US-GAP framework. Additionally we improved proforma operating income sequentially throughout the year, both in absolute and relative terms.

Slide 12: Revenues per region. EMEA continues to be our strongest region and contributed 51% of total revenues, representing a 14.7% increase year-over-year. Revenues in the Americas increased by 8.5% compared to Q4 2017, the Americas region contributed 39% of total revenues. Asia Pacific had a revenue share of 10% and increased by 14.4% versus the year ago quarter.

Slide 13: Balance sheet. We ended a year with solid credit metrics of 50.3% equity ratio and a cross-leverage of 1.4. Compared to 2017, our return on capital employed increased by 3.4% to 4.5. Versus the year ago period, networking capital decreased by 3.3 million euros and the working capital ratio improved by 3.5% points.

Slide 14: Operating cash flow increased significantly by 53% or 9.3 million euros, year-over-year. Please note how operating cash flow throughout the year is subject to certain seasonality due to recurring events, particularly employee-related costs, especially in Q1 and Q3.

Slide 15: Our guidance for Q1 2019 and outlook for the full year 2019. For Q1 2019 we project revenues of between 124 and 134 million euros with pro forma operating income margin of between 0 and 4% of revenues. We aim to achieve significant sales growth in the upper single digit percentage range in 2019. In addition we expect our pro forma operating income margin to increase beyond the 2018 level. We remain committed to a flexible cost and operating model that allows us to quickly adapt to changing market conditions. We will continue to perform detailed revenues of the expected business development in respect of all intangible assets, including capitalized development projects. In case of highly adverse business prospects, such a review may result in non-cash impairment charges in Q9 2019 and beyond. The pro-forma operating income guidance we have provided today excludes any such potential impairment charges. And now I would like to summarize today's call.

Digitization drives network transformation. As a consequence, the networking investment focus is moving to the network edge, where ADVA performs best. Our three core competencies are strategically relevant for this network transformation, and we are gaining momentum in multiple accounts. Packet edge and synchronization are growing nicely with NFV, starting to contribute significant revenues in 2019. Also in 2019 our new FSP 3000 TeraFlex comes to market. The innovative product has the potential to change DCI market momentum in our favor. And finally we see that the industry consolidation and regionalization sharpen our profile as innovator and trusted partner in many accounts and our core geographies. Our Q1 2019 financial results will be published on April 18 in the form of a quarterly statement. With that I thank you and would hand the call over to the operator to open up the Q and A session.

## Q AND A SESSION

### 20:03 Simon Scholes (First Berlin)

Yes good afternoon, I have three questions, if I may. The first one is: You said that you expect the pro-forma operating margin to exceed 2018 levels. Should we assume that this improvement will stem mainly from a higher gross margin with R&D, G&A and sales and marketing costs roughly stable? And secondly, you also stated that the gross margin improvement in 2018 came from all three regional products and customers. Would it be right to assume that the regional shift is likely to play a less significant role this year? And thirdly, you have made several acquisitions in recent years for both customers and technologies, should we assume that you will make further acquisitions in coming years? Thank you.

### 21:05 Uli Dopfer

So the EBIT improvement for 2019 we project has a few parameters, so I guess the most important one is what we said that our revenue will increase at a higher, higher single digit percentage, which of course will add to the bottom line. We also assume better gross margin and improvement due to what we said earlier, that we have a higher share of the synchronization business but also the NFV business, contributing more to our revenues. Thirdly our operating cost of course will increase simply inflation-based, salary increases, but on a normal level, I would say. So three points, but the most important one I guess is that we assumed growing topline.

### 22:00 Brian Protiva

And then the acquisition is, we will be patient, we had said we don't want a 2014 and 16 and 17, we had loaded down our balance sheet a little bit, we are well on the way to moving to net cash positive again at the end of the year or the first half of 2020, so all in line with what we have been continuing to communicate to you as the analyst community and the view would be that we are continuing to work on our M&A strategy but we won't pull the trigger until we feel that our balance sheet is absolutely rock solid. We have no need for technology, no need for doing anything to help drive growth, but ultimately to be the billion dollar company in five years, or when we want to be there, that will be combined with both an organic strategy and selective acquisitions along the way.

### 23:13 Robin Brass (Hauck & Auffhaeuser)

Hello. I have three questions. The first one would be the 5G roll-out this year. Do you have any number maybe how big the impact for you might be this year, like a two-digit million number of anything like that? The second question would be your guidance for Q1, especially on the profitability side, the 0 to 4% pro-forma EBIT margin, at least it looks a bit conservative in my view, because you also guide for higher revenues (inaudible). Is there any impact here why maybe the margin is not a bit better? Also on the tariff-side possibly? And the last question relates to the tax rate, I think in Q4 you had a rather high tax amount, were there also any specifics here and what can we expect 2019 when it comes to the tax rate? Thank you.

### 24:05 Protiva

So the 5G rollout clearly, you guys, lots has been discussed. I think in the U.S. and parts of Asia it is going to be a little bit faster, but it is all in the framework of rolling out more wireless infrastructure to drive greater bandwidth, which is a big plus for us, so very important for us is just the roll-out, the more you invest in that whole infrastructure, the more opportunity to drive bandwidth and drive our business. The second opportunity is clearly the back hauling, front-hauling and X-hauling of connecting the antenna to the network and everything is going fiber, as you increase bandwidth, it used to be copper, fiber and microwave, then it was fiber and microwave, and it is going fiber-fiber-fiber. So all good directional movements for us strategically, and therefore we will have the opportunity to win select 5G MNOs, so the true mobile network arbiters that are investing heavily in infrastructure. It is also conducive environment because 5G has tried to build standards and allow different pieces to be brought together to solve the networking equation, whereas in the past it was really one stop shop with some of the big mobile providers. So that is also very positive for us. The question: Does it represent double-digit millions of revenue opportunity for us? Sure, it does, in various different ways. Driving our business as a whole, as people invest heavily into the infrastructure, too, is the whole fiberization all the way out to the antenna X-hauling, where we are very well positioned with three technologies that are needed: Sync & timing, packet edge and optical. And three, the fundamental transformation of how they are going to buy products. We think that for the first time there is going to be some opportunities, an example of this is our D C S G, that is Disaggregated Cell Site Gateway that we have signed up for with the TIP organization with supported Vodafone's, and Telefonica (unclear 26:17) that you see us actually getting into new segments driven by the ever-greater scale needed for 5G.

### 26:33 Dopfer

Let me take the next question regarding guidance. So there are a few uncertainties in this Q1, and you mentioned one, the tariffs issue. That is for sure one, the uncertainty here. We of course have this somehow considered in our guidance but also as always as you know with our project business, we have always the question how many projects can we recognize in the end? Or how many will slip into the next quarter? So that is why we are rather a bit on the conservative side, I would say. But of course as always, we will try to do our best to outperform the guidance. The tax question, yes, we had some, two impacts in Q4 that increased our year-to-date tax rate for 2018 to 22%. One was related actually to the fact that we are eating up some of our NOLs quicker in some entities than we anticipated originally and the second one has to do with the liquidation and transformation and sale of some assets based on the MRV acquisition, where higher taxes have been applied. For 2019, this was the next question, I would assume a similar tax rate that we saw year-to-date in 2018, so I guess the 20% range is plus or minus a few points, that is probably a good guess.

### 28:00 Protiva

I would like to expand on one thing in the Q1 issue. You really have to do Q1 to Q1, it is seasonal, and the reason is that because you have the step stone in our OPEX increase at the beginning of the year as you increase personnel, that is the standard in our industry, as it goes a step stone, a step up. And that is just based on a hot market, and that means there are increased personnel costs. The second one is that we have some pushes and pulls from different quarters, both on cash flow as well as things like vacation accruals, so accruals that impact us on our balance sheet and on our cash flows are most negative in Q1. So there is some seasonal issues in there pushing that. So it is not really like-for-like coming from Q4 to Q1, because there is a multiple millions of euros that are accounted for differently between those two quarters, so I think business usually, we are not weakening in any way or form, it is just that we are moving forward, there is some seasonality there and you will see us continue going down on our path.

### 29:28 Tim Savageaux (Northland Capital Market)

Hello. A couple of questions from me. I guess first, as you consider your guidance for high-single digit revenue growth in calendar 19, to what extent does that contemplate increased traction on the cloud side from new products? You mentioned the TeraFlex or is significant new traction there? Does that represent upside potential to your targets or what are your overall operating assumptions with regard to reaccelerating growth on the cloud DCI-side?



### 30:15 Protiva

So, good point, you know the size of the ICPs, we sell to four of them, different types of products, if we win one or two or three of them with our TeraFlex type of a product fundamentally you are going to see much higher growth rate, because any one given win can represent a 10% increase in our revenues, on its own. So how we put together the forecast is really based on momentum we have seen in 2018 ever evolving, we have holistically upgraded, and I said it very clearly in my presentation, holistic upgrade of all our products in each segment. Our tripod is getting stronger, you will see strong growth coming out of synchronization, so you are going to see there another nice uptick, much faster than average growth, packet edge we are doing very well, and our virtualization strategy is market leading, we won major customers, we probably have eight or nine or ten already, we have major channels pushing that. And then we have some of our new optical pieces like some of the OLS, TeraFlex and some of our carrier base and things like that. So the growth rate is very much evolutionary based on what we are seeing over the last 12 months and moving into the market, there is much more upside, but let's not count our chickens before they hatch. We are building a business and I think we are doing all the right things to get better stability, better average gross margins, less dependency on the optical cycles, and very good breadth. See our less than 10% - we don't have a customer that we have to name as a 10% customer. So I think all the pieces are being put together for really good stability and then there are a bunch of break-out scenarios that we could go through at some point, including one of them is the ICP break-out based on TeraFlex, but there are a number of other stories that we have that we are pursuing that are pretty hot right now.

### 32:20 Savageaux

Got it. And maybe you need to update us on the actual status on kind of bringing the TeraFlex platform to market. You mentioned some expectations of moving that into your carrier customer base. But where do you stand in terms of volume shipments or availability of the platform, currently? And do you expect that to contribute to revenue, the TerraFlex in Q1?

### 32:51 Protiva

So we are well on plan, I mean I have to say, looking back at the CloudConnect as a whole, we missed a couple cycles back when we originally introduced the CloudConnect, everything was new. This time around we are absolutely on plan, so everything looks really good, great quality, our technical specifications are as good or better than what we had committed to. We did Q4 demos, we are doing Q1 POCs and customer small volume in initiating business there. Q2 is really starting with real shipments and rev rec, Q3 a real scale. So everything well aligned, moving forward, feature-rich, we did not have to cut a bunch of features, and that is somehow the sneak-around. You know as they say, we are going to introduce it here but then they cut 92% of the feature availability, we are right on plan. So feel good about it, feel again that the technical specifications were very competitive with what is out there today.

### 34:03 Savageaux

Great. And the last question from me. You mentioned in your commentary trends toward security concerns or preference for local suppliers, I gather that is a reference to the headlines that we see almost every day with regard to Huawei and ZTE, are you seeing a real benefit out there in the market place as of yet from these types of concerns in terms of maybe projects or more opportunities coming your way as a result or is that sort of something that you think could materialize throughout the year?

### 34:44 Protiva

It is hard to know why – in general I am pretty positive on the business for a number of reasons. One is again the technology platform that we have to offer. Two, our people and stability and etc. and three, feedback from customers. So the question that you just asked is a complex one, we are engaging in a number of different areas. It comes from encryption platforms to security solutions that are definitely discussions that are being driven by local discussions. So we are seeing already things happening, but is it basically the whole China Inc competitive positioning or is it just general world hesitation and dependency on our own stuff for encryption and security and things like that? So we definitely see it in certain aspects, and that is in the security and encryption side of things. The second thing is, there seems to be more support than ever before for maybe it is because we are strong innovation leader mid-sized company, highly dynamic and very responsive to customer bases that we are getting very positive feedback from our customers. In the past it was always, well you are the small guy, why shouldn't I go with the big guy? And now the conversation is more around it is great to work with you, how can we build value together? So it is a hard answer. I don't engage in those conversations to tell you the truth, and I have asked our management team not to engage. It has nothing to do with us and we don't really care. For us it is all about execution, differentiation, right solutions for our customer base and that is going to drive value. But there is something to be said for some of these regional opportunities that are discussed and more specifically both security encryption topics becoming prevalent.

### 36:37 Savageaux

Thanks and congrats on a good quarter and outlook for 19, I'll pass it on.

### 36:50 Robert Sanders (Deutsche Bank)

Yes, hi. My first question was on NFV, you called it out as a gross margin driver. When you bought Overture it was doing 30 million of sales, can you give an update on where you are running at in 2019? And I have follow-ups.

### 37:10 Protiva

Overture was a bit higher when we originally bought but we had forecast it in and around the range that you just indicated, and we are doing fine there. It is in around a slight touch under the original but now we are starting to growth the NFV space and that is going to clearly then drive growth off of that base. So we are getting good on-going business for some of the products that we bought, we are maintaining those products, even adding some features to them. But we are really focused on the NFV piece, and I think it starts to contribute meaningful revenues this year and profitability, it really becomes a very successful investment in 2020 I think, and again we are absolutely market-leading. We have won tier-1s in every region of the world where we even have weak support infrastructure, we are winning deals and we won two of the biggest global channels in the world, two of the three biggest probably are now working with ADVA on this piece. So you are going to see us build momentum opportunity and most interesting it is not just a telco play, we have all sorts of verticals, specific market applications, adding certain VNFs that are specific to certain used cases, there is a lot of directions that we can flow off and now this software architecture to move forward. So I see it as a slowly evolving business because of the complexity of changing operational models, but the whole thing of flexibility, scalability, virtualization of the carrier network, all great, but we are now running into these enterprise opportunities, edge access, solution sets, that show that we have some differentiations for other used cases going forward. So I believe that we kind of bottoms, we will start now the old legacy overture, will slowly decline over the next five years and the NFV architecture that we inherited from them will outgrow that decline and you'll go into a positive mode off that whole overture acquisition. Just to repeat: There are a lot of people who have criticized me over the years about the acquisition strategy not bringing enough, I really believe that all three of those acquisitions have played a wonderful role in where we are today as an organization.

### 39:33 Sanders

Got it. And how do you react to Ciena's decision to spin off Blue Planet? Presumably they did because they felt like the software business – presumably Overture for you is primarily more of a software business – was better off separated. Have you considered doing something similar if it does take off as a way of kind of keeping your arm's length?

### 39:52 Protiva

I like to think we are always one step ahead, we already had actually built a BU, so we had very much focus – an inside joke – but the BU concept, I think they are smart in doing it. I think the focus, since it is a different business model, you really do want to focus in on the different models, there were lots of discussions within our own organization about doing it that way, but ultimately, I think that you have very focused leadership driving that business. So we essentially took the Overture ensemble management team, added one of our key leaders to the team, and it is a wonderful management team driving that business forward. Within ADVA leveraging the sales engineering teams, the sales organization, the services teams, really driving as an independent business. Again it is probably a wise decision of Ciena on the Blue Planet piece as well, although I do not know their business nearly as well because it is a much broader business base that they are focused on.

### 41:00 Sanders

And around your fronthaul business, we have talked about fronthaul for a long time but I think in some countries it has moved fast, some have been very slow because of the availability of fiber and everything else. Are you basically arguing that there is like an inflexion and the CRAN is now suddenly going to go up in a big way because of 5G or whatever it is or do you think it is just going to be another gradual but slightly tortured and delayed process of rolling it out?

### 41:30 Protiva

I think we like to be tortured as an industry. So, I think we should not focus the opportunity that we have in our business segment or market specifically in 5G, and I think it is one of the drivers. I believe that there will be both back-hauling and front hauling applications, X-hauling applications that are coming down. I believe that clearly the industry is strapped for cash, so I don't see this billion dollars of additional capital coming anywhere as you know. And therefore it drives forward, I think it evolves, I think there are cases to be made for different architectures, depending on networks and fibers and coverage and customer base, etc.

So I cannot answer that question straight-on, I think you will have evolution and not revolution, and people in Europe more specifically will start driving 5G and some urban opportunities, and maybe some fixed wireless type of opportunities Suburbia Rural.

#### 43:10 Rettenberger

Thank you for all the lively discussion, Q and A and interaction and thank you for today's participation. We end today's call and note that the next earnings call will be on April 18, and we will also publish a quarterly statement. Good bye for now.