James Fisher and Sons plc
Pioneering Sustainably

Presentation of 2026 Half Year Results

Speakers:

Jean Vernet, Chief Executive Officer

Karen Hazen-Smith, Chief Financial Officer

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Jean Vernet, CEO

Good morning, everyone, and welcome to our 2026 interim results earnings call. I am joined by our Chief Financial Officer, Karen Hayzen-Smith, and I will first cover the key business highlights for the first half ended June 30th, 2026. Karen will follow with an overview of our financial results at group and division level. I will then provide an update on how we are positioning the business to grow and scale and concluding with our outlook and Q&As.

But first, a quick recap on the things we do at James Fisher. Our company is organised across 3 divisions, defence, energy, and maritime transport, where we solve our customers complex challenges in the Blue Economy.

The defence division supports and rescues lives underwater through our global leadership in submarine rescue, rebreathers, and mobility solution for special forces. Our energy division provides upstream services across oil and gas and offshore wind so that our customers can meet increasing energy demand more efficiently, safely, and sustainably. Maritime transport ensures on-time delivery of clean petroleum products and chemicals through coastal shipping and provides global ship-to-ship transfer of oil and gas cargoes to third parties around the world.

Now let's move on to our 1H ‘26 business highlights. We delivered a solid first half performance with robust trading in defence and maritime transport, helping to offset challenging market conditions in energy. Given the mix of our markets and the business turnaround actions we have taken in recent years, we have delivered results in line with our expectation.

1H ‘26 revenue was up 2.1% year on year on a reported basis, and underlying operating profit increased by 27.9%. ROCE improved by 210 basis points to 8.2%. Leverage remained within the upper end of our target range at 1.5x, reflecting our investments in enablers for the long-term growth of the business, which I will cover later.

The divisions continue to operate in attractive end markets supported by long-term structural demand. In defence, revenue and underlying operating profit grew strongly year on year, with performance improving across all product lines. A strengthened order book provides good visibility into the second half.

Maritime transport also performed well, supported by strong tankship utilisation, favourable spot rates, and higher ship-to-ship activity in Latin America. By contrast, market conditions in energy has caused headwinds, with customers caution and project delays affecting upstream oil and gas activity and policy changes leading to lower activity in offshore wind constructions. As a result of the short-term energy market backdrop, 1H ‘26 performance was lower year on year, which Karen will cover shortly. However, the medium-term fundamentals are attractive, and we are managing for this challenging market.

Across the group, we continue with self-help actions in the short term, while we are also investing in our people, capability, innovation, and customer-led geographic expansion needed to support future growth. This positions James Fisher to scale in target markets.

With that, I'll hand over to Karen to walk us through the financials.

Karen Hayzen-Smith, CFO

Thank you, Jean, and good morning, everyone. Notwithstanding the energy market backdrop, I'm pleased that we've been able to deliver solid results overall. Benefiting from our diversified portfolio, we have delivered good results in defence and maritime transport in the first half of ‘26. We have also continued to deliver on our wider growth plans and overall we have made further progress towards our financial targets, and I'll go through these now.

So starting with the headlines, revenue was up 2.1% driven by defence and maritime transport, offset by a decline in energy revenues. Underlying operating profit was up 27.9% with the margin moving upwards to 7.2% when compared against the ‘25 period. Net debt was 65.7 million at 30th of June and our net debt to EBITDA ratio of 1.5x on a covenant basis was within our target range. Lastly, Returning of Capital Employed also increased to 8.2% which is a 210-basis point uplift as a result of the increase in profitability.

If we now turn to the breakdown of revenue, this slide shows the ups and downs in the revenue profile. Revenue increased year on year to just under 196 million and you can see that in ‘25 there was 8.7 million related to the IRM business in Mozambique not repeating in ‘26. There was a net 9.5 million volume increase in the period which comprised of a 19.8 million increase from defence and maritime transport, offset by a 10.3 million reduction in energy.

Moving on to operating profit. We saw an increase in profit to 14.2 million with a margin of 7.2%, which is higher than reported in the trading update at the end of July. There was growth of 7 million, up from the prior period, which was largely due to the volume increases I have just explained in defence and maritime transport, and this was offset by a net fall in profit in energy of 4.6 million. This reduction was from our higher margin services such as well testing, decommissioning and bubble curtain, which had been offset by cost reductions. Corporate costs increased by 400k to 6.6 million.

The next slide should be familiar as it is used to illustrate the financials on a like-for-like basis showing the increase in both revenue and operating profit in the continuing businesses with margins increasing towards an initial 10% target. We have made progress in a number of areas which have added to the improvement in margins such as supply chain savings, self-help and the rebound in defence which Jean will discuss in more detail later.

If we now turn to look across the divisions, in defence we started to see the investment made in previous periods together with contract execution from recent contract wins generate revenue. Revenue increased from 37.6 million in '25 to 53.8 million for this period, up 43%, driven by good performance in submarine rescue, tactical delivery vehicles and military driving.

Profit also increased from 0.7 million to 5.3 million, with a high proportion of the increase in revenue falling through to operating profit given we were carrying a cost base to support that growth in previous periods. This is evidence with a much-improved margin to just below 10%. We have been improving our operational efficiency and achieving supply chain savings.

We have strong momentum and customer interest in our products, and we continue to invest in the capabilities required to capitalise on those opportunities. We have invested in people to support increased bidding activity, project management given the uptick in projects and engineering skills. We will also be increasing our capabilities in sales as well as process and system improvements to scale the division. Execution is key to delivering further profit improvements.

Turning to orders, the order book at 30th of June was 295 million together with awards under framework agreements of around 95 million. Even with a 43% revenue increase, we've been able to continue to replenish the order book. The orders and awards together total 390 million, which is up on December '25. It's estimated that around 60% of this total will be realised over the next three years and together with a 15 million run rate each year provides good visibility of our secured revenue. We've had a number of smaller important strategic wins and are close to finalising a number of contracts which we expect to turn into orders in the next few months.

Moving on to energy, revenue was down 17.7 million with 8.7 million related to the Mozambique contract and 9 million down across the other product lines, giving rise to a 20.6% reduction in the division. Energy services has had a challenging year with the Middle East crisis having a greater impact than originally anticipated, with revenues down 15 million. The market uncertainties have impacted our customer spending plans, resulting in delays to the commencement of projects across our key markets. Overall, we have experienced reduced customer spend on both well testing activities and decommissioning.

The number of projects in offshore wind construction using our bubble curtain technology has reduced in the period. The macro and policy decisions have reduced our US activities and although we had intended to pivot to alternative geographies such as Europe, there has been an overall reduction in new offshore wind platform build programmes.

The volume reductions are in activities that attract higher margins and therefore there is a higher fall through impact with a 45% reduction in operating profit and a drop in margins to 7.8%. In the other product lines, the IRM business in Brazil has had a good performance due to increased activity levels. And in the offshore wind aftermarket, there was increased demand for blade services and also recorded performance related revenue in the period.

Given the overall downturn, we have been reducing costs to offset the volume reduction but being mindful of retaining those critical capabilities to respond when the market recovers.

Turning to maritime transport, this division had a good performance in the period. Despite a slow start to the year from poor weather conditions, tank ships managed to end the period with revenue up 7.5% to 46 million. This was achieved by good utilisation and improved spot rates. The Cattedown business continued to perform well with good volumes through the port. And in Fendercare, the strong performance at the end of last year continued through into '26, resulting in revenue increasing to 28 million, an increase of just under 9%. This was a result of increased volumes on ship-to-ship transfers in Latin America.

Overall, the division improved operating profits to 10.2 million, an increase of 48%. This was a result of the volume increases, but also with a focus on cost savings and efficiencies. We have also taken delivery of three out of four new tankers, with two in the first half, one in July, with a fourth expected towards the end of this year.

So if we now turn to the cash flow waterfall, and I'll just pick out a few points here. On working capital, we saw an outflow of just under 7 million in the period. This reflected the increased working capital, in particular in inventory and defence, to ensure we deliver to customer timings and on contract work in progress. This should unwind in the second half but is of course subject to the timing of completion of project milestones.

Cash collection improved with DSO days reducing to 39. We had an inflow of cash of around 5 million from asset disposals, and we will be selling additional assets in H2 as the IRM Middle East and Africa closures are finalised. Net finance costs were 3.7 million which comprises a bank interest of 4.6 million offset by interest income and our average rate of bank interest reduced in the period to 7.8%. Lease payments, including lease interest, was 15.5 million, marginally up compared to '25. As we have entered new lease arrangement, lease payments will increase in the second half. Although the vessels are replacing existing ones that we have, we will be able to obtain higher pricing on these vessels as contracts renew. And CapEx was 14.5 million, which I'll explain further on the next slide.

We have continued to invest for future growth. In defence, we have been investing in our new product base, including the new multi-role rebreather and tactical delivery vehicles with 3 million of investment. In energy, we have been building a new fleet of electric compressors to meet the electrification requirements of our customers. And in maritime transport, the capex represents deposits paid on vessels together with the usual dry dock maintenance capex across the fleet.

Looking at the debt position of the group, we are comfortably within our covenants. Net debt has increased from December '25 by around 11 million to 65.7 million, which is only marginally up on June '25. This is mainly timing and phasing of cash payments due to working capital seasonality, which follows a similar trend to previous periods. The 2 new tankers in maritime transport are funded by lease arrangements and therefore you can see that the rate of use liabilities in the period have increased to 114 million. As previously guided, each vessel adds around $25 million of lease liability. And in March '26, we added another lender to our banking group with a hold of 25 million, increasing liquidity.

The next slide sets out our priorities in relation to capital allocation. This is unchanged from the position presented earlier this year. We continue to focus on organic investment, including new product development and innovation. We will balance investment in the growth opportunities we see ahead of us with the need to maintain financial discipline and operate within our debt range, making investment decisions which are aligned with our financial targets.

We understand the importance of shareholder returns and are reviewing our dividend policy to assess the appropriate time to re-estate a dividend. We will also consider bolt-on acquisitions that fit with our strategic priorities in due course.

Overall, during the course of this period, we've been focusing on those areas that are growing, also investing for future growth and managing a weaker energy market. We are taking the steps to reduce costs but protect core capabilities required for when the market improves.

Therefore, to summarise, we've improved performance in the majority of our key metrics, demonstrated growth and margin improvement in defence, invested in new products and capital expenditure for future opportunities, including capabilities required for scale and managed our debt position, giving us the financial ability for growth and to take advantage of new opportunities.

I'll now hand back to Jean to take us through the rest of the presentation.

Jean Vernet, CEO

Thank you, Karen. Before we move on to strategy, let me recap how the turnaround efforts we started four years ago created a stronger company. We have now reshaped James Fisher into a stronger, more resilient business. We have strengthened the balance sheet, simplified the portfolio and built a leadership team focused on accountability and disciplined execution. We've invested in the foundations that will support the next phase of our growth, including stronger governance and controls, an integrated supply chain, strong support functions, and greater investment in people, technology and innovation. Together, these actions help us to serve our customers better, while improving efficiency, effectiveness and standardisation across the group.

The result is a more client-focused service technology business with a clearer operating model and stronger execution discipline. We are now better positioned to scale in the markets where we see the strongest customer-led opportunities.

Now let me turn on to our growth strategy. Our financial targets are 10% underlying operating profit and 15% ROCE. We ended 1H '26 with underlying operating margin up 140 basis points year on year to 7.2%. We continue to work at improving our portfolio performance with a stage closure of our subsea Middle East and Africa business and the strengthening of our renewable aftermarket business. Decommissioning was also affected by the market headwinds, but we are nevertheless preparing for when activity returns, expanding into new markets and investing in differentiated technology. We made progress on self-help initiatives slotted into the prior years, with additional measures underway this year in the energy division at a time of lower activity.

Defence has rebounded in the first half to a run rate which brought it close to our 10% UOP target range. Finally, the integration of our supply chain delivered important incremental sustainable savings in 1H '26 while improving key supplier relationships and processes. Our three-year supply chain integration plan is on track, allowing us to build our operations in support to our strategy. Beyond the 10% EOP and 15% ROCE targets, we see further opportunities to go above these levels in the longer term.

Now moving on to growth. Our strategy is underpinned by powerful megatrends impacting all three divisions. Global energy demand will continue to grow despite this year disruptions, increasingly shaped by energy security. Second, rising geopolitical tension, digitisation and automation are also changing how our customers operate with a growing emphasis on local content.

Our focus remains on positioning to grow, embedding the operational disciplines that support customer excellence and strengthen our supply chain. We are funding targeted investments in technology, innovation, and sustainable solutions that give our customers a competitive edge. We are also developing specialist engineering capabilities in emerging areas such as data science and autonomous systems. Investment in our people and global workforce of the future remains pivotal to our strategy, focusing on quality and bringing superior service delivery.

This provides the platform to scale the company, which is driven by three engines. Firstly, selling more to our existing clients, deepening intimacy with tier one customers who already trust us, increasing wallet share in home markets, and building higher quality repeatable business. Secondly, selling our existing product and services into new geographies, acquiring new customers, focused on the Americas, continental Europe, and Indo-Pacific. Three regions which are large and growing across both defence and energy. And finally, accelerating innovation as a core differentiator, focused on the areas where we can create the greatest value for our customers, as measured by our vitality index,

Now if I go to the division prospect. In defence, with NATO and allied government targeting defence spending at around 5% of GDP by 2035, our estimated £6.1 billion serviceable obtainable market remains highly attractive. Our focus is on executing against this growing opportunity. In 1H '26, we continued to deepen relationships with leading global partners across Europe, Indo-Pacific, and the US, including SAB, ST Engineering in Singapore, and Taylor Mahan in the US. This allows us to progress the next generation of mission-critical product and services with our customer across all product lines.

We started work on the Polish Navy's Ratwonik project, which was awarded at the end of last year, which will help protect critical underwater infrastructure in the Baltic Sea. We also secured a key submarine platform contract extension and a new TDV maintenance contract in the first half.

Together, with further awards and the framework agreements, this is providing revenue visibility and positive order book momentum through the second half. We have strengthened the division's presence in Asia Pacific, opening a new subsea centre of excellence in Singapore, while in Sweden, we expanded TDV capacity to support manufacturing of our craft to meet a growing demand. In the US, we have appointed an experienced and highly regarded board of directors to our special security agreement company and recruited key commercial talent to drive the business.

Finally, defence is leading in new product development, such as our SMR, next generation military diving rebreather, and we have already secured our first order. We also continue to invest in our submarine rescue capabilities, which was recently demonstrated in a successful RescueX East 2026 exercise involving the UK, France, and Norway.

Now let's move to energy. Despite a challenging first half driven by macro conditions, we made progress against key growth priorities within energy services and renewables. February, we secured the first digi-rig contract in the Caspian Sea, creating a digital twin to support the redesign and delivery of bespoke air, steam, and well-test packages. This marks strategic milestones in digital innovation and the expansion of our James Fisher's asset management capability.

Renewables saw increased activity, supported by additional performance-related payments and continued growth in the blade services aftermarket. Europe is becoming the centre of offshore wind aftermarket activity, with over 90% of current out-of-warranty turbines located in this region, which creates a clear opportunity for us to grow as the market mature.

In oil and gas, our geographic expansion centred on Guyana in the first half, where we opened a larger operational base to reinforce our footprint in the Latin America region, which brings us closer to customers in a strategically important and growing market.

The energy division is investing in innovation with a strong pipeline of new products coming to market over the next three years. One recent example is our development of our new electric compressors in Norway with the first ones already in operation. This reinforces the role technology can play in supporting safer, cleaner, and more efficient operations.

We also see opportunities emerge in adjacent markets such as critical underwater infrastructure, we call this CUI, where energy security, offshore infrastructure, and national security requirements are converging. This creates an opportunity for James Fisher to deploy our unique solutions across energy and defence to build early market proof points.

Now let's move to Maritime Transport. The image of Orca Fisher that you see on the slide is a reflection of the long-term partnerships we have established with our customers and suppliers to meet the demand for safer, more efficient, lower carbon coastal shipping. It also ensures that James Fisher and its customers meet forthcoming regulatory commitment to decarbonise the shipping industry.

If we look at our geographic growth, we also saw strong ship-to-ship activity in Latin America, supported by our expansion into the region in 2025. Safety, quality, and compliance remain top of our customers' priorities. And this is why clients continue to trust us as a main supplier. Our success in Latin America more than offset lower volumes in other geographies, including the Middle East, which was impacted by the Iran war.

From the innovation side, our fleet replacement programme remains on track with three of our four new build tankers now delivered. This early investment positions us well in the Northwest Europe market where 7% of existing smaller tankers are forecast to reach obsolescence by 2031.

Now looking ahead and to summarise what we have covered today. In conclusion, we delivered first half trading in line with expectation, with good momentum in defence and maritime transport expected to continue across the second half of the year. Energy continues to be affected by geopolitical and macroeconomic uncertainty, with challenging market conditions expected to remain through the second half. If we assume no material worsening and disruptions in the energy markets, the board's overall expectation for the full year remain unchanged. The long-term fundamentals of our markets remain attractive, supported by structural demand growth across defence, energy, and maritime transport. James Fisher enters the second half with a stronger operational platform while we remain disciplined in navigating the near-term market uncertainty. I am confident in our ability to grow and scale towards our medium-term financial targets.

I'd like to close by thanking all our employees and their families for the really hard work they deployed in H1, which led to these results both in good and more adverse markets. and the difference they make in delivering superior service to our customers. With that, I will close and move back to Q&A.

Question & Answer

Operator

Thank you, Jean. Just a reminder, if you're on Zoom, then you can use the raised hand function to indicate that you have a verbal question. Alternatively, please click on the Q&A icon to be able to type your question. We'll now go to questions in the room. Thank you.

Andrew Nussey, Peel Hunt

Yeah, good morning. I'm Andrew Nussey from Peel Hunt. A couple of questions, if I may. If we start with energy and when you look at your main components of activity and as we look maybe into a little bit into FY '27, and I appreciate that's pretty much crystal ball gazing at this stage, but if there is some improvement in geopolitical events, greater market stability, how quickly can the business respond to better market conditions?

And secondly, in defence with increasing certainty around budgets, defence investment plans, etc., are you seeing greater consistency in terms of how customers are behaving between invitation to tender all the way through to contract award?

Jean Vernet

Right, so on the first question, under a scenario where activity resumes, we have a good response time to that, right. We are very careful through our cost saving initiative to preserve our ability, both on the people and asset side, to meet sudden demand. And without looking into a crystal ball, when I look at the component of our energy service business, we know that drilling and well test activity will come back driven by energy security and all the needs to diversify demand sources, especially in deep water, which is the space we are in. Decommissioning is more at the whims of the timing of operators versus the regulation and the penalties they might face. And bubble curtain, again, is really driven by activity. And as those project resumes in future years, we have both the fleets and the crews to be able to meet that demand.

In terms of GFD, there is an increased urgency from various governments to procure especially to procure commercially available solution faster, right. And we've definitely seen a pickup of paces in a cadence of those procurement programs. But as usual, we are part of a bigger whole, whether it's submarine rescue or mobility solution for special forces. But the supply we provide is also depending on larger programs, and those by nature are taking a certain number of time to go through the complexity of procurement, right. But overall, there is a pickup of the pace.

Thomas Rands, Berenberg

Good morning, it's Thomas Rands from Berenberg. Three questions, if I may. The first one's on defence and acknowledging the kind of the 100 million kind of annual run rate that you've kind of hit in the first half, and you've previously said that kind of 10% margins were kind of what you'd expect at that level. I was wondering, given the operational leverage, what sort of revenue do you think is required to get to say your kind of mid-teens, 15% kind of margin in defence? And on what sort of time scale, roughly?

Jean Vernet

Well I'll first frame the answer and then I'll let Karen response to the arithmetic. But we always say that for a run rate level of 100 to 120 million, we'll be in the 10% UOP.

So I'm glad to see that we are pretty much at that level, as you pointed out. On the other end, we're not going to stop at that range especially looking at the demand, the scale of the upcoming demand. So we have to prepare for making additional investment for future growth beyond those levels. So it's not just a straight line. And those investments are in our new products. Those investments is in the modernisation of our supply chain and operation. But most importantly, those investments are to establish ourselves in some of those new markets where we are entering that require intimacy next to the customer.

[To Karen] You want to answer the arithmetic?

Karen Hayzen-Smith

Yeah, the thing I would add, first of all, I think rather than actually being a revenue target, the first point is actually looking at contractual decision making and when we're entering into the contracts ensuring that those are being generated at margins that meet our hurdle rates given the engineering skills and the value within those contracts.

The other point is around we have to continue to innovate and therefore we need to ensure that we have margins that allow capacity for that innovation to come through. So as Jean said, it's a bit of a balancing act. I think we've seen that operational leverage come through because we were carrying a bit of cost, but we have to continue to invest but also have margins that allow us to continue to do that as we go forward.

Thomas Rands, Berenberg

Great. Thank you very. Second question was just on supply chain and the self-help progress. Is there any kind of examples you can give us just to give us a bit of kind of colour on what you've done so far, what the potential is? It looks like you're roughly nearly halfway through that kind of three-year timeframe, kind of plan, please.

Karen Hayzen-Smith

So there's obviously the supply chain, which we've discussed before that we didn't really have a supply chain or procurement department. So that's a big area that we have been investing in, and we've seen the benefit of that as we collectively look at our spend across the group. Specifically on the self-help, we have been working on the various functions, and that includes our systems, our processes, and given where we have been before in terms of James Fisher actually coming through its growth through lots of acquisitions previously, there was a lot of duplication across that group. Multiple systems, for example, when we're consolidating those systems, talk about operating as one James Fisher. So therefore looking at how we simplify our processes across the group, simple things like reducing the number of entities we have. So there's multiple projects actually within the self-help programme.

[To Jean] I don't know if you all have anything else to add to that.

Jean Vernet

So the self-help is to fix some gaps that, and essentially avoid duplication and chase waste, the usual stuff, which with a special focus this year as energy is lower. The supply chain, if you remember, back in the days, we say that a good supply chain target is to achieve a 10% reduction overall. And I think when I say that we are on track, we are on track to achieve that. But it's beyond the cost saving. It's about the resource this brings for us to grow. So examples are we've avoided the duplication of many of our suppliers. We are having a professional relationship with our suppliers that leverage the scale of our company as opposed to a lot of different units. And then we are working with our suppliers to prepare for the future in terms of quality, qualification, capabilities, how much more we can outsource to them, and also diversification, geographic diversification of provenance. Because as we mentioned, especially in GFD, local content becomes a key element of the future. So all this is not just cost saving, it's also being more responsive, being more agile as an organisation and being able to face the growth.

Thomas Rands, Berenberg

Great, thank you. And then the final question was just for Karen on the debt and the kind of refinancing time frame. Just remind us when, and I see you've added another lender, the 7.8% still quite high interest rate given you've got that financial stability now. Any update you can give on that please?

Karen Hayzen-Smith

Yeah, so we constantly look at the right timing to refinance. When we entered into the agreement, it was a three-year plus extensions actually, and we have exercised, are in the process of exercising those extensions. So we're not in any hurry to refinance, but given our higher rate, as you say, it is something that we are looking at. Given some of the uncertainty in the bank market, we needed to sign on the appropriate timing associated with that, but we are looking at it.

Gerald Koo, Panmure Liberum

Thanks, Gerald Koo from Panmure Liberum. Three, if I can, firstly on tax, seems a bit of a difference between what you've talked about in terms of full year tax rates versus what you booked in the first half. What's the driver of that? And is there any opportunity to get the tax rate down or is 35% kind of where you're going to end up long term given where you operate and given the nature of the group?

Secondly, what should we be expecting in terms of exceptional or non-underlying items in the second half?

And finally, you talked about interest in bolt-on acquisitions. I was wondering whether you could give an indication as to which divisions you're thinking about and what your criteria are, you know, what are you looking for in broad terms?

Jean Vernet

Maybe I can start with the last one and back to you on the other two. So first of all, I'd like to stress that acquisition is not our priority, right. The statement is and when it comes an opportunity to either accelerate our growth or fill up, you know, complement our capabilities, you know, we'll look at them, right. But James Fisher is pretty good at partnering with other companies when it comes to capability gaps. So we'll be very pragmatic when we make that decision. But it's more a strategic statement than the fact that we have any plan to do that at this point.

Karen Hayzen-Smith

So firstly on tax, the makeup of our profit mix across the group obviously determines that rate. And currently we're in a position that what you're seeing in the rate is reflecting the higher taxes associated with the activities that we have in Brazil, for example. We also have given the position in the UK and some of our interest costs and costs that we incurred in previous years, we have a position whereby we are not recognising a lot of those losses at the moment. And the third part of it is around some of the withholding taxes that we pay in various countries where we don't have a credit for that at the moment. So you do see some volatility in the tax rate dependent on the profit mix and where that lies. As we look forward and we've guided previously around when we start recognising some of those losses as the UK profits come up, the rate would trend downwards. So for modelling purposes, we guide to a rate of around that 30% mark.

With regard to the non-underlying position, you'll see in the first half we had costs on the wind down of our Middle East and Africa businesses that we had highlighted. That is not yet complete, so there may be some additional costs there. And the other item within restructuring is we are undergoing IT transformation program. So quite a major reorganisation associated with our IT function as we seek to ensure that is sufficient for us to be able to scale. Obviously it's a key component of scale with regard to our systems. So therefore the costs incurred on that and that would continue in the second half too.

Jean Vernet

But directionally we would like to avoid these kinds of items.

Any more questions? All right, so thank you very much for your time and have all a great day. Thank you.

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