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Stifel Senior Analyst: Bert Subin

Werner Enterprises: Derek Leathers, Chairman, President and CEO. John Steele, EVP and CFO

Bert Subin:

Good morning everyone and thank you for joining us. I'm Bert Subin, Senior Research Analyst covering Trucking Logistics here at Stifel. Thank you everyone for joining our conference. Today we have the pleasure of speaking with Derek Leathers, and John Steele, CEO and CFO of Werner Enterprises, respectively. Thank you both for being here.

Derek Leathers:

Thanks for having us, Bert.

John Steele:

Thank you, Bert.

Bert Subin:

Well, Derek, just to give our listeners a quick overview of Werner and what's changed across your business since you took over as CEO. I think it's fair to say that there's been a fair amount of change within Werner over the last several years.

Derek Leathers:

Yes, sure, I appreciate the opportunity. Look, I think we have a strong legacy. We've been around a long time. Our founder started this company 65 years ago, and really laid out; I think the.... some really strong foundational roots. And we're staying true to those. But, over the last five years, we've made a lot of steps, sort of a new version of ourselves. If you think about Werner five years ago, we embarked on a mission to kind of really become and regain our spot as best-in-class across to what I'd refer to as the five Ts, but we've went out and we've revamped and invested in trucks and trailers with kind of the latest safety technologies and amenities for our drivers.

We've enhanced our terminal network really more aggressively than we had in several decades prior to that. We've doubled down on our investments in technology and continue to invest for the future, because we know that that is a bit of an arms race, and we want to make sure that we provide our customers with and exceed their expectations for what they're looking for.

On the talent side, we went out, and we realigned, let's say, management's expectations and accountabilities. We've introduced pay for performance type programs where folks have to go out and perform and be held accountable to an expectation of excellence. And all of that's kind of got us to where we are today.

So, when I think about Werner today, I think we've – we're a company that's got our house in order. We've improved our margins, we've returned to a kind of a best-in-class safety and service story and continue to see that shine through. In the last three months alone, we've gotten carrier of the year awards from three of our top 10 customers.

But as I look forward, the focus is going to be kind of an “and” proposition. We're going to get back to a growth story while maintaining and looking to enhance margins wherever possible. And I think that...that future is there for the taking, but it starts with kind of an absolute commitment to excellence across all of the parts of the business that we operate.

Bert Subin:

So, I've historically likened Werner to Southwest Airlines, which, I don't know if anyone else has ever given you that comparison. But if I look at it, strong management team, differentiated culture, differentiated model, and you operate in a competitive industry. Do you think that's a fair comparison, and what do you think ultimately continues to increase your differentiation as we go forward from here?

Derek Leathers:

Well, I smile, when you started the question although, because, we certainly have the sarcasm part in common here at Werner. But yes, I mean, I think it's a fair comparison. I'm not going to pretend to be an expert on Southwest, but there's a lot of similarities in how we think about our business. I mean, holding ourselves accountable for service, and because, I think at the end of the day, we're not really in the trucking or the logistics business, we are in the service business. And so, we have to have best-in-class service and be unrelenting on our expectation. We have to have a commitment to safety above all else, and we do that every day, and it took a while to build that culture and really entrench it.

That holding ourselves accountable to be relevant and leading in these spaces that we operate, and if we can't do that, then we will get out of those areas of our business. So last – first quarter, last year, we sold WGL. It was a profitable, growing business, but it wasn't something that I had line of sight to how we were going to be one of the best-in-class in that space. And so, we're going to focus on being a North American Truckload and Logistics player and hopefully do it very, very well.

Bert Subin:

Well, maybe just to follow-up to that. Selling that business and then acquiring Last Mile, can you talk about how you sort of think about those differently and sort of why that does align with your strategy?

Derek Leathers:

Yes, absolutely. So, when we think about...the WGL business we had, we were proud of. And again, it was growing and profitable, but it didn't – it wasn't hand in glove with the rest of the portfolio the way Final Mile is. So, both, whether you look at the ECM acquisition and that short-haul regional truckload area, or that Final Mile acquisition of NEHDS, we think those really do fit where our customers are headed and what they expect of their North American Logistics provider.

So, Final Mile, just as an example, is all dependent and really intertwined with middle mile, especially Dedicated. And we think, we both enhance our ability to play in that Dedicated space with a bigger, broader audience, and, also deeper into the wallet share by all...by coupling that with Final Mile capabilities with very high service expectations. And then if you look at the specifics of the Final Mile acquisition, what you'll find is it really is a Dedicated model. I mean, this is not a kind of you

haul, we haul Final Mile kind of scenario. It's Dedicated to specific customers, often single source buildings for a customer. And that fits very, very well with our overall strategy.

Bert Subin:

So, I mean, the supply chain challenges, we've talked about this a lot throughout our conference, but I think they've put Dedicated in the spotlight just as a way from retailers to guarantee capacity. You've been on this track for a while growing that business. Now, you're seeing a lot of your peers, competitors growing Dedicated as well. And sort of the – I guess, the proclivity to move into that is increasing. What gives you confidence that trend endures when things start to normalize?

Derek Leathers:

Yes, I think it starts with what do you let in the tent? And so, there's all kinds of desire for customers to do exactly what you described, which is, in a capacity constrained market, to kind of avoid the pitfalls of what's happening in spot market pricing and volatility and all of the rest. Those are capacity fleets. We really don't play in that space at all. We're very diligent about trying to sort through the pipeline and look at it at any given time, and try to find those enduring, truly Dedicated models, very high service levels, high level of driver engagement, very defensive type businesses with winning customers and winning leadership teams.

When you find that, that's the kind of stuff we pursue. So, the pipe's got to be big, because the win rate, coming out the other end is, generally low double digits to maybe 15%. But that's by design. Most of those that aren't won aren't won because they're eliminated through the process on our end, not the other way around. Because if we see something that looks to be more of a designated fleet than a Dedicated fleet, we know that too will change, if the market was to suddenly wildly swing some other direction.

And I think the best representation or proof point of that is, what you saw going from the 2018 market, where freight was very tight into the 2019 market, where capacity was a little looser. And you saw, Werner actually increase EPS over that timeframe. The reason was, all those Dedicated fleets didn't just fall apart and return to what they really were, which was One-Way freight, because that's not the kind of Dedicated we do.

Bert Subin:

So, I mean, maybe elaborating on that or expanding on that, Dedicated contrast and vary in just in terms of duration, fleet size, type of arrangement. Can you give a little more specificity sort of what you're looking for, and you often say winning customers. I mean, I guess that would sort of be a read through to sort of the larger retailers, just any color there I think would be helpful for the audience.

Derek Leathers:

Yes. I mean, we try, I want to be careful about giving too much of the secret sauce if you will. But at its most base level, it is what we say it is. It's winning customers that are winning in their vertical. People talk all the time about how retail is dead, and retailers are dying. Well, that's simply not true. There's just a lot of dead retailers out there that didn't evolve, didn't compete, don't have eyes toward an omnichannel type approach, etc. We want to work with folks that do.

So, winning leadership teams, people that repeatedly refer to their supply chain as a competitive advantage; those types of things pique our interest. Those that refer to supply chain as a cost center that's rising and one that they want to get under control is somebody who doesn't understand the significant strategic importance of a highly efficient supply chain.

So, we kind of work through, and look for, and identify and take a much more targeted approach to our pursuit of particular customers. We're heavy in discount retail, because it's more resilient through the cycle. We're heavy in home improvement for the same reason. But we are open minded across the spectrum. And then a lot of it has to do how you put the pieces in puzzle together. So counter cyclical surges, things like that, right? So, if I've got heavy, heavy fall retail type surge in a market, we're going to be looking for Dedicated that's counter cyclical to that, that has spring surges; think home and garden mower and blower type of work. And so, there's a lot more science into it than just pursuing it because they have it.

Bert Subin:

So, I mean, you mentioned earlier EPS growing from 2018 to 2019, it did grow a little bit over that period. Clearly most of your peers saw the opposite effect. You've recently been, buying back stock, which would make you, I guess, lead us to believe that you think you're attractively priced and that you can continue to grow earnings across sort of a variety of cyclical conditions. Can you just give us some more information of why you think that is the case?

Derek Leathers:

Yes. I mean, I think, again, if you look at what happened then, and then you think about who we are today; we are more defensive today with a higher percentage of our total fleet in Dedicated today. The One-Way portion that's left is more engineered today than it was then. We're focusing increasingly within One-Way on very specific niches that we think are harder to serve and easier to defend if you provide the level of service they're looking for. Things like cross-border Mexico, team expedited, that regional short-haul business that's highly service sensitive; those types of...and then engineered lanes around that One-Way business that we have left to make it much more repetitive for the driver. Much better lifestyles, and also more defensible, because our cost to operate it are simply lower the more we engineer it.

Those are all the kind of things that we've worked on for several years. And although I'm very proud of the progress we've made on rate and margin, honestly the bulk of the work has been beyond the rate. It's been putting these pieces together to prepare for that next cycle turn. And although I think people are calling the cycle way too early, if they're right, we're better prepared than I believe anyone else.

John Steele:

I'd add one thing. So, the sun's really been shining here lately on the transactional Truckload and the Logistics business; you can see based on the performance of companies. We're 63% Dedicated and we produced an 81.8 OR in fourth quarter, consistent with what we performed last year. So, that proves that our Dedicated must really be strong. And as we look out to the future, when maybe it's not as sunny in transactional business and there's some wind and rain and snow, we're in a position where our Dedicated fleet is really strong, defensible, protects us from the change in the environment. And we're proving that with how we performed in 2019 compared to 2018 and how we're performing here lately. So, we think we're in a great position to do well in the future.

Bert Subin:

Just maybe expanding on that a little bit and back to what you said, Derek, just about sort of your One-Way engineered business and the compliment to what you're doing in Dedicated, you did make an acquisition last year of ECM, your first acquisition. Obviously put a lot of thought into why that fit into the business. Could you just give us some color on sort of how that's going so far and sort of why you think that regional trucking is the right fit at Werner?

Derek Leathers:

Yes, sure. I'll kind of do it in a reverse order. Why ECM? And why we thought it fit was that regional short haul, and when I say regional short-haul, I'm talking ultra-short-haul type freight with very high service expectations is an area that we think the market is headed increasingly towards. A lot of that will get served by Dedicated contracts and Dedicated business, but where it's not a fit for Dedicated, you've got to be good at picking up and delivering freight in a less Dedicated environment. But – and then repeating that behavior at a high margin, that justifies reinvestment back in the fleet. ECM did that very well.

As we met with them and got to know them better and it was a long process, what we found was the culture fit was really important to us, and it felt right and has proven to be so. How is it going? It's on track. All of the major integration milestones are on track or ahead of schedule in some cases. The synergies are flowing through with the one caveat to that being, in this tight equipment market, it's hard to bring to bear as quickly as we would've liked all of the equipment synergies, but they are coming.

And we've actually, since acquisition, grown that fleet, which, you know, how unique that is in the space. More often than not, when one Truckload carrier buys another Truckload carrier, one plus one equals one and a half, and that's viewed as successful. Well, this is truly, bigger than it was when we bought it. We've retained the drivers; we've retained the office associates and I think it speaks to the level of due diligence and culture alignment that we looked for and we'll continue to look for if we were to do deals in the future.

Bert Subin:

That's very helpful. Maybe just to back up a little bit, so I don't forget this, because I think it's always important to investors. We've been in a super strong freight environment. I think coming into the year, you and others were talking about double-digit rate increases on contract. Has that expectation moved higher? It looked like January and February have just been really strong, December was strong. And then on the Dedicated side, assume that's sort of repriced similar to contract, just everything doesn't reprice all at once. Is that right?

Derek Leathers:

Yes. So, overall, on our One-Way side of our business, for instance, we'll reprice a little north of 60% of our business in the first six months. It's obviously even a little more weighted in the first, call it month three – month two to month five. And those expectations, we've issued year-over-year guidance relative to 16% to 19% kind of improvement in that One-Way Truckload pricing. A lot of that's because we're lapping customers that, early in the year, last year, maybe didn't get the full share of what that rate needed to move at when you think about some of the inflationary costs. But we're confident that our customers want to reinvest with us based on our service levels and we'll be able to achieve that type of outlook.

Dedicated... the range that we've given for revenue per truck per week, which is different than what the contract rate renewal looks like, is 3% to 5% and that may worry people, but they shouldn't be. What we're seeing in Dedicated, especially at our fleet, is 16 of the last 20 fleets we've added were significantly shorter length of haul, and also less miles per week, because they were such high service levels type fleets. So, you don't generate the same revenue per truck per week, but you also don't have the same expenses. And so that 3% to 5% range we think is where we need to be, in that, in our current Dedicated mix and that accounts for the reality that some of the growth that's coming is going to be additional short-haul lower revenue, lower cost type fleets as we work our way through the year.

Bert Subin:

So, you guys have really embraced the short-haul, and maybe look at the numbers, just the length of haul has sort of come down pretty significantly. What should we know about why that's sort of the right path forward? And just a follow-up, you mentioned the fact that you're growing your fleet, that's obviously unique. Can you talk a little bit about what you're doing on the recruiting side, is this short haul a part of that?

Derek Leathers:

Yes, I mean, so short-haul, it's – I'd love to say it's something that, you... I think your word was, we're embracing it. I mean, the reality is, that's where the market's going, right? So, as we have more and more forward-deployed inventory, as customers want freight closer and closer to the end consumer, you're going to see increasingly shorter lengths of haul.

We've got to be able to provide that service, and do it better than anyone else. So, that's got a lot to do with why we pursue it. We also think a lot of that short-haul freight ends up, over time, maturing into very sticky long-term Dedicated opportunities for us and that stuff that doesn't, we can operate in that short-haul environment and do so very competitively. So that's got a lot to do with why and how we think about that business.

The other aspects of our One-Way Truckload are equally kind of niche, and or defined in their nature. Cross-border Mexico as a competitive advantage that we think we have, and with nearshoring and other trends that are underway, we think we're very well positioned for that. Team expedited, which may feel as though it doesn't fit when I'm talking about short haul, as much as I am, we believe does, because there's always going to be some portion of freight that simply cannot go Intermodal, it's not ever going to go Intermodal, but when it goes over the road, it's because it needs to go quickly. And so, we're going to continue to embrace that.

On the driver's side, to answer the question about how we achieved 120 trucks sequential organic growth from Q3 to Q4, it's the output of the, what we believe to be the strongest, most robust, highest quality driver training network in America. We invested in our driver school network years ago, we've grown it. It was actually an acquisition we made that got very little fanfare. We've improved upon it. And now those drivers that come out of that school network, outperform drivers from other sources within our fleet. We've been able to expand it and therefore access and tap into more potential future drivers for the industry. And frankly, just produce a higher quality output. And so, all the way across the board, we're excited. That's why we added schools this year. That's why we're going to add a few more, this – we added schools last year. I should say. We're going to add a few more this year. And we will move and react to where the market goes in terms of new locations over time.

Bert Subin:

So, I have a follow-up on the recruiting question, but you've mentioned now, I think either two or three times, cross-border Mexico. What should investors know about that segment of your business?

Derek Leathers:

Yes, I mean, I think the biggest thing is how long we've been there. I came to Werner to start that business. It was a greenfield kind of startup, and that was my expertise. I used to live and work in Mexico City for years. I'm fully bilingual. Our ability to operate in that country we think is a competitive advantage to many others because my ability to go down there and really speak to them in their own language and understand the culture and having lived there for many, many years, is an advantage.

We've invested heavily in it. And so, we've got one of the largest facilities, actually, I think we have the largest facility on the Southern border in Laredo. We are expanding and have continued to invest across other border crossing points. And we have a very seasoned, long tenured team of leaders inside of Mexico, some of which I've known for longer than the 23 years I've been at Werner. And so, I just think, it's nice, it's not a must have, but it's a nice to have that the person that's accountable for running the overall organization, understands the market as complex as Mexico, as well as I do. But make no mistake, the team down there is the one who deserves all the accolades.

Bert Subin:

So, Derek you're, this is just my recruiting follow-up, you've always historically, I would say, been a forward thinker, sort of thinking about how the pieces fit into the puzzle for your business. We're coming up on additional infrastructure spending. I think there's still a lot of question marks about what that means in terms of when it gets spent and how it gets spent. But I think it's fair to say over time, it's going to be a recruiting headwind for the industry, just because there's been, high correlation between people being hired in construction, manufacturing jobs relative to trucking. You talk about recruiting like, you're putting in more schools so that should put more output. Does that get forwarded? Do those efforts get forwarded by, you know, if infrastructure spending materializes and now, you're competing with new sources of labor?

Derek Leathers:

Yes, I mean, so I think I take it...turn the question a little bit on this head. But the way I talk about it within our four walls and with our team is that most any of these things that are potential headwinds out there, we are a net beneficiary of on a relative basis. So, make no mistake, as infrastructure takes place and driver recruiting gets more difficult and it becomes even harder to source drivers moving forward, it will also be harder for us. But our structure, our forward thinking, the fact that we've invested in these schools now for a decade and have really refined the process of how we do it, where we do it and how we scale it, puts us in a better position on a relative basis than others.

And so, we think we really will differentiate further, the tighter the driver market gets and be able to provide our customers with a better product, the tighter the driver market gets. So, I don't wish it to happen, but I know it will. And so yes, we will come under pressure like everyone else. The question is, what do you do under pressure? And I think what we'll do is perform and I'm pretty excited about the opportunity

Bert Subin:

And maybe just to put a bow on recruiting. And the reason I'm asking so many questions is, I think it really is a differentiator for you guys, just because I think a lot of your peers have struggled to increase fleet counts, to increase drivers and it seems like you have, sort of had the opposite reaction. So, can you attribute some of that, I mean, clearly there's been wage increases. I don't know if you want to comment on sort of what you're seeing there, but can you attribute some of that to just what you're doing on engineered loops and other nonpaid benefits? And can you elaborate on what those might be?

Derek Leathers:

Yes, absolutely. I mean, it's well beyond what you pay them. I mean, so our pay is up significantly, and that is an obvious and necessary component of the process, but it's well beyond that. You have to have a culture that puts the driver first. You've got to manage the company with the driver in mind. I mean, we've rethought over the last five years, a lot of things, but one of those is literally now we think about freight in relation to where the driver is, not the other way around. It used to be, you'd go get freight and hope you could find drivers to fill those lanes and fill those needs.

We have pretty good handle on where we think we have the best opportunity for successful drivers, and we focus our sales efforts in those areas. We build more and more and more opportunities to improve their lifestyle. So, north of 70% of our drivers get home every week, many, many of those get home every night and we're going to continue to push the envelope on that further.

Now the negative in that approach, or the negative that comes with that, is you do face productivity headwinds as a result of it. So, you've got to make sure that your overall efficiencies and the type of equipment you're specing, and you've got to find some savings somewhere to offset some of those productivity losses. And you've seen productivity in the industry, both through shorter length haul, but also, I think, our really conscious focus on lifestyle, continue to come down.

And I think that's really relevant to the investor, because as you start doing, kind of truck counts, just remember, they're not created equal. If you compare the total U.S. trucking fleet today to something like '18 or '17, you've got to remember that over that same timeframe, productivity is down nearly double digits, in some cases, in some regions, more than that. So you're still net down in terms of delivered freight per day. And that's kind of a misunderstood part of why there's a bigger lid on this capacity issue than I think people realize.

Bert Subin:

Yes. In terms of capacity, you mentioned trucks earlier. Are you seeing anything different there? I think I've been surprised throughout this conference, by the rhetoric toward not getting trucks. I guess it just seemed like that would be something that would, alleviate faster and it seems to be getting more drawn out.

Do you have anything that you're seeing at Werner in terms of your ability to get trucks? I think when I met with you at Omaha, you had like a prognostication that it was going to be 285,000 last year, something, when everyone was calling for over 300 and it seemed like you were more right, so maybe your wisdom will be important here.

Derek Leathers:

I don't know if I want to be right or not, but last year, actually, my number was 265 and it was almost spot on. But that didn't mean I'm going to be that good again this year. But look, trucks are...I would tell you this, I think equipment is tougher in 2022 than it was in 2021. I mean, that's the headline. It's harder to get the quantity that you want, even on the order board, in 2022 than it was in 2021. And whether you get them or not is yet to be determined. The disruptions with Omicron and all of the labor headwinds and everything else are probably more severe at the moment than they were in the majority of 2021.

And the most optimistic estimate that we've been putting forth, is we think, by the third quarter, the OEMs might start to get back to pre-COVID production levels. And I'm – my point of view as I sit here today, is I think that looks increasingly optimistic and less likely. So, I think we're going to be in another constrained year for equipment. I think it's going to keep a lid on any ability to really grow, unless you're taking more than your fair share, and we're going to work hard to do that. And it also will continue to prop up used truck values as a result.

Bert Subin:

So that's clearly been a headwind for asset-based volumes, but I think Logistics seems to be sort of a successful way to get around, or at least, some of your peers have gotten around the inherent competitiveness and some of the capacity challenges. You guys were lagging behind some peers, I would say, in terms of growth and margins, but seem to be catching up. What should we know about the runway for this business? Are the margins you put up in 4Q, are those sustainable? And then in terms of top-line growth, which we just assume this is sort of a double-digit grower for a while?

Derek Leathers:

Yes. I mean, I think if you look at Logistics and you kind of fairly think about the last several years, we had a five-year turnaround that we had to do top to bottom and side to side throughout the whole business. We had to get the asset business in shape, we had to get the fleet back where it belonged in terms of quality, we had to raise the standard on drivers, we had to build this accountability culture; we did all of that. And then within Logistics, the amount of that same work that needed to be done was in some cases, just greater.

We had more tech debt and investment – the investments we need to make, that you get all of the cost in the early innings, and you start to reap some of the benefits in the middle of the game, and that's coming to bear. We said, it would, and it is coming to bear, and fourth quarter logistics, if I recall correctly was up ex-WGL, if you take that out, it was up 58% year-over-year, while expanding the operating margin by 480 basis points or thereabouts. So, it is working. Yes, when we look forward, we expect that to be outsized growth.

So, the growth there, we expect to outpace the growth in the legacy business, but make no mistake, it's my objective, and the vision and strategy we are laying out here, is we are going to return toward a growth and profitability story, because all that heavy lifting and hard work to get the house in order is predominantly behind us. Now, we have to hold the line on accountability, expectations, but also include growth as one of them.

Bert Subin:

Got it. Well, we're getting close on time, so I just have two final questions. John, maybe I'll go to you for this one. Free cash flow profile is consistently strong. I know you've said before, you've targeted 1% dividend. You've done repurchases and

now you're sort of doing M&A, and now you've done two deals at least. Should we expect anything to change in terms of how you think about capital allocation? Is there one that you're leaning more heavily to toward right now?

John Steele:

I would say that it's more the same. We've produced a more or consistent net CapEx, the last couple or three years where we had a little bit of a catch up that we had to do back in 2015, 2016 and early 2017. That's the first priority, is reinvesting back in our business to keep our fleet new and to be attractive to drivers and provide the service that we need to produce for our customer base. We've got a 1% dividend yield. We've been growing that dividend over the last couple of years, based on the fact that we're generating free cash flow of, in the mid \$100 million range, the last couple years.

On top of that, share repurchase, I don't...we don't believe that the market has really recognized the long-term value of the company, in terms of our ability to perform in tougher markets, whenever that happens with our Dedicated portfolio and our Engineered One-Way fleet. And so, as a result, we bought a little over a million shares the last couple of quarters, and we'll continue to reevaluate share repurchase when it makes sense, when we think that our stock is on sale.

And finally, the M&A portfolio, we started to do some smaller bolt-on acquisitions where the companies that we purchased in regional Truckload and in Final Mile are additive to our business, increases our capabilities and service to our customers and they're accretive to earnings. So, if we identify similar type companies that are additive to our business, we'll do so in the future. So, we think there's a place for all four; CapEx, stock repurchase, M&A and dividend options within our portfolio going forward for capital allocation.

Bert Subin:

Great. Thanks, John. And maybe just final question to wrap things up. Derek, you've been, you've liked to put goal markers out there. You've talked about now the 12% to 17% TTS operating margin, which was higher than it used to be. Now talked about five-year, 10% revenue growth CAGR; can you give us the scenario, where those targets are not achieved?

Derek Leathers:

Well, I mean, look, I think it's going to take something major, geopolitical, as an example, some kind of major global unrest, things that are just clearly, not just outside of our control, but outside of anyone's control across the broader business community. But we have not built those goals or built that plan under an assumption of the 2021 freight environment throughout the whole plan, or the OEMs continuing to not be able to deliver trucks for an entire cycle, or that inflation doesn't have some dampening on consumer sentiment, consumer spending. All of those types of things were part of that plan before we came forth and put it out there for the market. So, I think it's an aggressive, but thoughtful plan that we can achieve. And if I didn't think that we wouldn't say it.

Bert Subin:

Great. Well Derek, John, thanks so much for being with us today. I found it very informative and I'm sure our listeners did as well. So, thank you.

Derek Leathers:

Thank you, Bert. Appreciate it.

John Steele:

Thank you.