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Transcript

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Webcast

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Other Participants:
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QUESTION AND ANSWER SECTION

Brandon Oglenski
Analyst, Barclays
Good morning, everyone. Welcome to our fourth session here at Barclays 39th Annual Industrial Select Conference. I'm Brandon Oglenski, Airlines and Transport Analyst and thank you for joining us in person. This is really great after two years of the pandemic.

I'm really excited and humbled to be joined next by Canadian Pacific, Mr. Keith Creel, CEO and Chris de Bruyn from IR. I know we're going to have a great conversation. But for those of you that have been to our conference in the past, you'll know that we had audience response questions. Unfortunately, we don't have the little BlackBerry devices to type it in this time. But if you scan the QR code right in front of you, you can give us some valuable feedback to Canadian Pacific in terms of ownership and sentiment, which is really helpful.

And as well, if you're on the webcast, I think even if you scan the QR code here, we'll get questions popping up on the iPad, I can read them or you can just raise your hand and we'll get you a mic.

Gentlemen, thank you so much for coming down. I can't believe it's like deja vu, we're back to normal kind of. But Keith, you know, maybe just open it up -- a lot of questions around M&A and KSU and where that process stands.

But maybe even before that, just give us an update on operations, because I know it's been a challenging, well, number of quarters here with COVID and supply chain constraints. And now I think you guys have had some weather in the first quarter. So if you could start there, if you don't mind.

Keith Creel
President and CEO, Canadian Pacific

So thank you, Brandon. I think it's a bit befitting the last in person conference I did was this conference in 2020. A lot has changed, obviously.

<Q – Brandon Oglenski>: Yep.

<A – Keith Creel>: The world around us has changed, the rail industry, the landscape has changed dramatically, and it's going to continue to change as we go forward. So 2020 was challenging, 2021 COVID. We're pursuing a major transaction, I think what history will share is probably the battle of my professional career of our company's history, 140-year old -- we turned 140 in 2021. I thought it was a celebration.

We ended up having a lot to celebrate about at the end of the year with this opportunity with CPKC, but I can tell you along the way, it did not come easy. But it was something worth fighting for and I'm happy to share a bit of excitement and insight into where we're at with that process.

But to your point coming into 2021, not only are we in the middle of the STB process, which is required to consummate our merger application and to put these two great companies together, we still have to run the railroad. We're laser focused on doing that.

And to your point, above all the other challenges 2021, unprecedented challenges in the summertime with the fires that we had in Western Canada and very near to the same locations, we had historic floods, where we lost the railroad, both railroads. Our railroad for eight days in November, in the busiest time of the year, as well as CN's railroad for an additional two weeks after that. So it was a very challenging setup and then of course, winter came.

December rolled in to January. January last year from a compare standpoint was you know, it was a beautiful winter. It probably did not exist, it was a unicorn, January from a weather standpoint. So we had very high demand, moved a tremendous amount of grain very favorable operating conditions. This year, everything that was true last year is not true this year. We had terrible operating conditions, extreme cold temperatures, which affect our railway uniquely because of train size and the challenges all that brings to it.

And then at the same time we've got a drought of Canadian grain, which is a meaningful piece of our business. It creates a huge headwind. So those two together, sprinkle a whole lot of COVID uncertainty on top of that, because that peaked as well as the rest of the world, the U.S. and Canada peaked, so did CP peak with the Omicron cases. So we went up to a high I believe the first week of February, we had about 500 employees system-wide, that were marked off because of COVID dealing with that medical challenge. Fortunately, that has reversed itself, we're down to a very -- I think the number today might reach 60 to 65 people. So certainly still significant for those 65 people but does not materially affect the business the way it was then.

So setting this up, and I talked about this in the first quarter call, it sets us up with a drought and with these challenges for a year of the tale of two halves. The first half is going to be challenging. We're going against very strong compares, both in weather as well as volumes. We don't have the grain. We don't have great weather, but what we do have is a lot of pent up demand and except for the grain, we have strong demand across the book of business. And I can speak at any level you want to speak in each one because of our self-help, our history of creating contract wins, driving international growth, driving domestic growth, we've got strong fundamentals.

We just renewed our contract, the seven year contract with Canpotex which, you know, we're the major mover of potash exporting out of Canada, very robust demand there. And even Teck coal when it comes to metallurgical coal. That’s just in high demand, the price is net -- I don't think it's been historically this high in a long time, certainly in my memory.

So there's a lot of demand across the entire book, which sets us up for a very strong March, given the weather is going to be favorable. You know, I think the next few days, it's a bit cold, but if I look back at the last two and a half, three weeks, we regained our rhythm pretty quick. We've got year over year growth in RTMs. So looking more like the CP that I'm used to looking at.

But looking forward what I'm most excited about the first half, you're going to see some margin degradation versus last year, obviously, because of that big chunk of grain, we don't get to move in these challenges. But again, what's true about the first is not the second. The second, with all the demand we have favorable operating conditions, we get a normal grain harvest that comes in to start, you know, we'll see that impact the fourth quarter. You're going to have chip shortage we're assuming, all that's going to sort of sort its way out the second half. You're going to get to a very busy railroad.

So what I see is probably a little bit of margin degradation the first half. You're going to have RTM degradation the first half, but the second half, you're going to see margin improvement substantially, you're going to see double digit RTM growth which leads us to -- although we have not given official guidance, because of all the other things we're dealing with the KCS -- I see us in a place where we're going to have positive RTM growth through the year, which when you think about and put this in perspective, to have positive RTM growth against the backdrop of a 4% RTM headwind because of the grain, that's pretty meaningful.

I still think when you adjust that out, if not for the grain drought, that would be the industry leading growth, which is what this company is a better track out on, which is what led us to this KCS opportunity as well. So we're in a good place. We're going to continue to rail -- to run the railway with a constructive tension that we're known to run, control what we can control and I think at the end of the year, we're going to have – we're going to have a good result, given the hand we've been dealt this year.

Now, let me spend a few months on KCS. So that's, you know, outside of running the business that certainly what's consuming people's minds and eyes and maybe as an investor, your thoughts in the press and I'll give you a quick update of where we are. So December, we closed the KCS in Trust. So right now KCS is being run completely independent of CP. Pat Ottensmeyer and his team are still doing a phenomenal job. They're running the network, executing day-to-day until we do get our merger application approved.

Back in November, the STB ruled that the time schedule, the schedule for the merger application would take us through at worst case, based on the regulatory timeframes allowed, a February approval date.

Now we think if you look at each of the steps along the way, we think there's a probable --and I think likely possibility we'll get an answer from the STB, late fourth quarter, December, that's what I'm -- kind of had in the back of my head. And listen, that could go to January and obviously it could go to February, but I think December is a reasonable planning date.

So with that said, the process now what we've read about and heard about and we mentioned this a second ago, the last filing that were made were called responsive applications. That was probably maybe a month ago, all the dates kind of run together to me. But the responsive applications in layman's terms had to do with the railroad wanting access because of the transaction and trackage rights or divestitures. So, each of the railways, every railway Class 1 except obviously KCS filed responsive applications. And the STB and their ruling since then, have said that the facts matter and I've said all along that the facts matter.

And I think the facts not because it's CPKC but because they are the backs that CPKC represents, this is a very good combination, unlike any that's ever occurred in this industry and unlike any that will ever, I believe, occur in the future because it is truly pro- competitive. It is truly zero overlap. It's an end-to-end, hand-to-glove combination. We co-own a facility, a joint agency in Kansas City, we have for 80 years. It's a marriage -- I call it a perfect marriage because that's what it is when it comes to creating an ideal network not only in lack of complexity, not only in representing pro-competition, pro-service, good for the customer, good for the economy at a perfect time.

When all the things that made it make sense when we first started talking about it back in 2020 with COVID, supply chain challenges, nearshoring -- all those issues we've all had to battle with and every company has had to personally or professionally be impacted by this as a solution to help relieve and improve upon that on a go forward basis forever. Uniquely connecting the economies of three nations, enabling nearshoring to accelerate not decelerate, enabling companies to take better control of their supply chains and not be so beholden to the steamship line. And I love steamship lines, they're a great customer, but to the congestion that's associated with sort of the bow wave of demand that's going back and forth and with the economy that we're dealing with today.

We're a solution to that. So we're super excited to continue on with the process to get it approved. As an investor what you can expect is a deadline coming up the 28th. There have been a couple of rulings that I'll point to. I won't take a lot of time talking to them, but they're very material and this

is how I've guided myself. I've been in this business for 30 years. I've had a couple of experiences either, you know, not at the table, but certainly not at the head seat, but at the table listening and participating with interactions with the STB and attempts to perhaps put railroads together that didn't go so well.

I've experience it with CSX, oh, I'm sorry at CN, with the IC railroad, that end-to-end transaction went quite well, but I also experienced it as an operating guy on the ground, living through the BNSF, looking through the SPUP, all those things. I learned one thing, understand the regulations as best as you can much like understanding the rules, we operate by. As an operating CEO, you best do that, especially if we're talking about spending this kind of shareholders money to create this opportunity. So reading the regulations, understanding that this particular transaction because of our facts, uniquely qualified for consideration, under the old merger rules. The old merger rules have decades of precedence, that guide you to the way the STB looks at these issues.

And the STB since then not only have they ruled in line with the way the regulations and their mandate dictates even as of Friday. When we look at this ruling that came out Friday, it essentially says the bottom line concessions, we're not going to impose concessions unless there's something that truly needs to be remedied that creates public harm, specifically loss of competition. So if you don't represent loss of competition, that's a pretty high hurdle rate. So for -- whether it be another railroad, whether it be a customer, whether it be a shipper's organization that are asking for things that quite frankly, don't generate a need for remedy, this is not the place to discuss it.

Now that said, we're going to be reasonable. We've engaged with all the railroads, we're engaging with our customers, we're engaging with our shippers associations, we would love to get to reasonable outcomes and deal with all of our own issues and not get to a point where the STB has to ultimately decide about perhaps an impasse issue. So my message then, my message is today, reasonable people can set that to come out to reasonable outcomes. But if, for instance, some of the things that were asked for by the other railroads. If that is the reasonable position, then I can reasonably and clearly say, we're not going to go there because it's -- there's no need for that remedy.

We're going to work with every individual railroad, we're going to keep gateways open commercially, physically, we're going to do business the same way we always have and if they enjoyed in line move with KCS, or the CP they can enjoy, I think a better experience with CPKC because we're going to spend a whole lot more money on the infrastructure to create and unlock this capacity, that effectively is going to give them a better service experience.

So all that being said, the 28th, I would be extremely surprised not to see another litany of stories and narratives that suggests there might be harm or suggests there might need to be concessions or remedies. And again, we'll work through each one of those, but all I would speak to is sort through all that and get to the facts. Is there really competitive harm? Is there really something to be addressed? Or is this more maybe a railroad that's asking to fix a long standing issue through other transactions they never got addressed or perhaps they're trying to gain an advantage that otherwise they would never have or think they might get through this transaction. And the last thing I'm going to allow this company to do is to acquiesce, or to bend to unreasonable expectations or asks that put us in a place where in my mind, and I keep it this simple. I made a lot of commitments, this company is committed. We've got a commitment to our shareholders. We've got a commitment to the customers. We've got a commitment to the regulators. We got a commitment to these three nations.

I'm not going to put us in a position so that we can't aggressively compete. So that we can invest, create value for our shareholders, for our customers, for our employees -- that's what this is all about. It's all about growth. It's about strengthening a -- not just a U.S. rail network, but also a North American, a three country network, to create a backbone for our economy that's going to carry us, I believe in a unique way from a growth prospect in a more positive way than any other opportunity you have in the rail space. It's a very unique, once in a lifetime, truly transformational opportunity. We're going to navigate through the regulatory process, we're going to respect the regulator, we're going to respect everyone that has a concern, we'll address the reasonable concerns.

And I'm confident when we get to the other end of this, based on the facts, and based on taking that approach, we're going to come out the best place possible and we'll be in a position to start realizing the benefits not only for CPKC, but for every stakeholder across the board in 2023 and beyond.

<Q – Brandon Oglenski>: Yes. Well, your largest competitor has a new CEO coming on board, but they've made a public statement that they want to make this process, fair and, you know, I guess they're very focused on this. So fortunately, or unfortunately, I think you're dealing with that too.

<A – Keith Creel>: Well, there's been a lot of statements. I was very encouraged by what Kevin said, I just hope that his lawyers are speaking the same language he's speaking. Because what he said is what's true, there's an opportunity. We're going to compete with every railroad in some way. But much like in this industry, we could be your fiercest competitor today on one particular lane for our customer, that's what the customers deserve and that's what our obligation is to the customer.

But in another area, we can partner, you know. I can go head-to-head with UP in a particular market, but I could also partner with UP to create a product to another market that otherwise the two networks wouldn't serve that together, we can complement each other and we can serve and create a customer solution. So there's time and space for all of this.

And I think they're -- I think at the end, you get through all this -- this rhetoric and this positioning and we're going to get to a place where this industry overall, not just CPKC is going to ultimately benefit by this transaction.

<Q – Brandon Oglenski>: Well, apart from this process, is there anything else that we need to be concerned about? I go back to like the EJ&E acquisition and Canadian National, relatively small railroad in Chicago, but environmental, community concerns, you know, it really drove up the price of that acquisition. Could you run into roadblocks like that here?

<A – Keith Creel>: Listen, anything's possible. It's something you have to be aware of. It's something that you have to put your best foot forward in managing and fortunately or unfortunately, I was on

the other team when that was occurring. I accused Hunter of moving me into that hornet's nest when all that happened and I had signs in my yard. I lived in Barrington. My kids went to school in that area with those kids. I knew the crossings, when they got upset, they knew who to call if they got blocked. So I understand the sensitivity of Chicago, and we're not going to dismiss any of those.

But again, I go back to what's reasonable, what's fair, we have a responsibility in Chicago, we have a responsibility in Iowa, we have responsibility in Missouri, along down the line. So in anticipating, you know, people are going to be concerned change is tough.

So in anticipating some of those challenges, we went to work, you know, we literally laid the groundwork for lessons I learned then about community engagement, probably two or three years ago, especially on the CP corridor going down the west of Mississippi River with the floods that we

experienced. I'd never had my railroad flooded before like we were exposed at that time and communities were shutting the railroad down. You know, they have seawalls, they're putting up and guess what they crossed my tracks, I can't operate my trains, that was a problem.

So we got involved, boots on the ground went and met with and created relationships of trust and respect in these communities, whether it's Clinton, Iowa, Davenport, all down the line. So a lot of that groundwork and that trust and respect, we didn't just show up when this all started.

So we depended upon those relationships and as soon as we finally reunited with the KCS, we started our community involvement, our community engagement. We went and told them this is what's coming. This is – we were very transparent.

Obviously, the merger application lays it all out, there's nothing to hide. Community by community, we know what the train impact is, we know what the noise impact is, we understand all those things and the message that a community stand in this today and will remain we want to be good neighbors. We know that it represents change. We're going to come to the table, and we're going to look for solutions and two reasonable parties again can come to a reasonable outcome.

Now in the end, might there be some holdouts, might there be not enough you could give someone to satisfy their concerns perhaps. But I'm going to choose an optimistic view on this and I think that we can work through 99% of that, if not all of that.

<Q – Brandon Oglenski>: Well, I definitely want to get to the commercial opportunities with this agreement. But there is an exclusivity period in Mexico on the concessions of the KCS railroad that I believe expires in 2027…

<A – Keith Creel>: That's correct.

<Q – Brandon Oglenski>: …which we've been talking about for a long time, but it's getting closer and closer. So I'm sure you guys understand that quite well. What are the implications beyond that period of time?

<A – Keith Creel>: Well, I spent a lot of time as you can imagine, understanding and talking to and trying to explore what the whole exclusivity meant and the reality is, it's part of the Mexican regulatory process. It's not, you know, a new approach. It applies to ports, it applies to railroads, so it's part of their fabric and the way they do business in Mexico. So we're going to respect that process.

So there is a -- there is a date in '27, based on when it was awarded, it expires, if not for renegotiating and extending it. And I'm not suggesting that the Mexican government has committed to doing that, but I am suggesting that looking at the competitor in Mexico, they have extended theirs. And I'm of the view that if there is a justification and a case for the competitor to extend theirs for an additional 10 years, I don't see why we can't go to the table, especially with a great relationship of respect, that the Pat and his team have created with KCS in Mexico itself and come to those same potential outcomes.

So, again I can't get ahead of myself. We do only asset, but I'm being very careful to respect the STB process. Although Mexico's not the U.S., they still connect at Laredo. But in due time, there's definitely focus on that. And I can tell you, I know historically, there's already work that's been accomplished by the KCS team in that regard. It's not completed, there's more work to be done. I'm sure it's something that once we get the companies together, pending the STBs approval that it'll be on my task list, but I'm very confident we'll get it navigated. And in the worst case, exclusivity simply

means that if you don't perform, if you don't give good value, you don't give good service, it's much like here. You could be forced even by the STB to open up your railroad and allow somebody else to do your job for you. That's an extreme measure, obviously, in the STB regulatory process, but it's a remedy that's always available to a customer if you don't do your job and I don't intend for us not to do our job. I've always been open to competition. I think as long as we take care of our business, give good value, good service, that's the best way of protecting it.

<Q – Brandon Oglenski>: All right. And if there's any audience questions, raise your hand, we'll get a mic to you. But Keith, you're an intimidating guy, so I'm afraid to ask this next question, but I'll ask it anyways. I think initially, when you made your bid for KSU, the EBITDA synergies projected were $700 million to $800 million. Is that correct, in the ballpark?

<A – Keith Creel>: Yes, that's correct.

<Q – Brandon Oglenski>: And then your competitor came out with a plan that said it was about a billion dollars. And magically, a couple weeks later, yours was also a billion dollars. So I'm being a little critical here, but where do you see these synergies coming from and is it all in intermodal? Is it operationally -- what's the opportunity here?

<A – Keith Creel>: Well, let me address the criticism first. You're not being critical, you just don't understand the full story. So if you really go back in the narrative to understand the one thing we are guilty of at Canadian Pacific, myself included, you could say we're guilty of being conservative. We have a responsibility to be responsible in what we share with our investors, what we share externally, so we try to set realistic goals and outperform.

So taking that conservative approach, we had to do our diligence when we obviously entered in this negotiation with this transaction. Before we ever agreed to consider this pursuit of bringing these two companies together through interline discussions, through interline meetings, which I participated in, each of my department heads participated in along with Pat. We did a lot of homework about what opportunities -- what could we create standalone versus what took investment and took one mind, one approach, took the combination to be able to realize, and creating a customer solution which ultimately leads to revenue.

So we had a small list here and we had a big list there. So we went through a lot of work, literally customer by customer, commodity segment by commodity segment, a whole lot of diligence, sitting at the table asking tough questions to get to this is really doable, this is exciting. We had a low case, conservative case and a high case. Well, what happened once we committed to the case, yes, we started having now it's just not our teams' talking, we're talking to the customers. And when you started talking to the customers that month we were together -- I went to Kansas City I had a town hall with their customers.

We start talking about -- they're asking questions. Could you do this? Could you do that? I'm like, yeah, we could do this. Yes, we could do that. We could replicate some of the success we've had in Canada with our 8500 foot model. We can invest in a particular intermodal terminal. We can recreate a product that we might have in Canada. We can get you to Toronto. We can get you to Mexico. Together, all these things are possible. So through those conversations, we knew ourselves that our -- what we thought was the billion dollar level was actually conservative. You get it. We knew through those conversations that everything we thought and everything we had stressed out -- we tested ourselves, that we were underestimating the opportunities.

And then what I also knew, Brandon, is what I had just gone through with the CMQ. The CMQ transaction which we -- the dates run together, I think that was in the ’19, first of ‘20, when we – we got the STB approval to put the two railroads together in 2020.

You know, that was a smaller in scale, but we made it based on synergies. And once we got in and started talking to the customers, we're like, we way underestimated, I mean, by two and a half times what the revenue opportunity was. You just don't know what you don't know. But when you get into it, you know how to ask the right questions. You believe in these solutions. So number one, it wasn't mysteriously just showed up, it was always there, you might make the case for the alternative in the bid they made. But since we've gotten it back together again, that momentum has continued.

We've had over 100 face-to-face interactions with KCS customers, with CP customers talking about the art of the possible. They're very progressed discussions that are occurring now where NDAs are being signed, whether it's in the Ag space, whether it's in automotive space, whether it's in intermodal space, taking trucks off road putting them on rails. There are a lot of moving parts here and it takes a lot of timing and planning for capital and all that, so all that’s ongoing. But if you really look at the buckets, back to where we started, and again, I would say based on the last two months of personal experience in this, again, I'm guilty of being conservative.

A lot of work to do. We've got to make it happen, but we have the ground, we have the footprint, we have the capital plan, we have the ability to execute this and achieve and exceed those buckets, and it's driven the lion's share. It's taken trucks off the road. It's taken a portion of what's on rail today, so it's intermodal off road, intermodal from our rail competitors providing a single line, longer haul service.

It's also automotive and often automotive intermodal tied together, especially when you're connecting the manufacturing process of vehicles. And if you're the railroad that connects a plant in Ontario, to the plant in Mexico, and automotive terminals in between and you have an intermodal product, you can run both ways with a terminal in both locations, you can create a very unique ecosystem both for intermodal moves, as well as automotive moves to finished vehicles and parts that's unmatched or unparalleled in the industry. So that's a big chunk of it.

And then you get to Ag and it's all about okay, you know, we just go into the investment in our hopper cars and the steady 500 foot model that we lead and drove the change in Canada, we're moving a whole lot more grain at a lower price. It saves the cost synergies for the customer. So they get savings, we get savings, we get efficiency. We turn our assets fewer crew starts, better capacity of the railroad, fewer train meets, longer trains, more grain per train, it's a beautiful model, but you have to have the business, to warrant it.

You’ve got to – you have to have the density -- well, you can imagine how much Ag product is getting shipped into Mexico, how much corn is going into Mexico, how much wheat is going into Mexico. And if you can create an ecosystem to move it more efficiently at a lower cost and it's good for the customer and it's good for you, it's going to drive conversations. So that's another bucket and that's part of you know, I'll give you this case in point.

Today we have three grain terminals on our network, CP network, they can load an 8500 per train, only three, but the math, the only way it works, is you’ve got to be able to launch them an land them. It's not just launch them and put a bunch of cars together and get them to the other end and delay them because you give away all the synergies, the asset turn synergies.

So you've got to have matched investment. We're in active conversations with not one party but multiple parties at looking at building additional terminals, both CP network to originate this Ag product, Mexico network, destine this product to. So that you can load and unload and turn it just like you do in Canada, so that's factored. And then the other piece, the big piece, you've got chemicals, you've got DRU. I haven't talked about that at all. You know, crude is, it's not, you know, the runaway story or the gold rush that it was years ago, but crude has became and will become a niche market for this company uniquely because of the DRU.

So the economics that drove crude, you know, having way too much capacity coming out of the ground and not enough pipeline to carry it away, that's fading away. The reality is that with the DRU, DRU takes out the diluent out of the pipeline that used to move the crude from the oil sands and gives you a pure bitumen product.

So there's been a significant investment that was a five or six year journey that just came to fruition last year, which happens to uniquely complement this transaction that's going to allow and is allowing today to displace what would have been normal bitumen crude moves with a pure bitumen non-hazmat. So the environment benefits. It's a non-hazardous material. It's not a placard, it is the tank car. If you have an unfortunate derailment, you're not creating an economic eye sore and a challenge for communities. So that's moving today, that DRU is online. That's going to expand. Today we're running this month, we'll be up at the advertised run rate. It's about 50,000 barrels a year, do the math on that it's about 25 trains a month, 25, 26 trains a month. But the facility has an ability to expand to double and maybe one and a half times.

So as we go forward, put the railroads together, the ability to be able to negotiate that next tranche that's uniquely fueled by all this investment we're making on that corridor to unlock this capacity, it's compelling. So literally, I can go across every business unit and say there's an opportunity. And it's not just thoughts, there are actions that backup those thoughts.

<Q – Brandon Oglenski>: And Keith, I wasn't questioning your integrity.

<A – Keith Creel>: Oh no.

<Q – Brandon Oglenski>: I think you've done…

<A – Keith Creel>: I'm just showing how I examine them. I wasn't…

<Q – Brandon Oglenski>: I think you are one of the most honest CEOs out there. And honestly, we could keep going. We're over time now. We didn't get to talk about culture and constructive tension, but I think you're bringing it to the KSU. So…

<A – Keith Creel>: It's done. Yes. It's two like-minded companies with the same operating model. We're in different chapters of the story, but I know from my interactions already, they're excited, we're excited. It's going to be a very good marriage, and we're going to take the game and continue to evolve it. We're going to make a whole lot of money and create a whole lot of value for all stakeholders. I'm super excited about it.

<Q – Brandon Oglenski>: All right. Well, thank you very much Keith and Chris. I appreciate you meeting down here.

<A – Keith Creel>: Thank you.