26-Oct-2023

IDEX Corp. (IEX)

Q3 2023 Earnings Call

Copyright © 2001-2023 FactSet CallStreet, LLC

CORPORATE PARTICIPANTS

Allison S. Lausas
Chief Accounting Officer & Vice President, IDEX Corp.

Eric D. Ashleman
President, Chief Executive Officer & Director, IDEX Corp.

OTHER PARTICIPANTS

Deane Dray
Analyst, RBC Capital Markets LLC

Michael Patrick Halloran
Analyst, Robert W. Baird & Co., Inc.

Nathan Jones
Analyst, Stifel, Nicolaus & Co., Inc.

Allison Poliniak-Cusic
Analyst, Wells Fargo Securities LLC

Vladimir Bystricky
Analyst, Citigroup Global Markets, Inc.

Rob Wertheimer
Analyst, Melius Research LLC

Andrew Buscaglia
Analyst, BNP Paribas Securities Corp.

Brett Linzey
Analyst, Mizuho Securities USA LLC

Joseph Giordano
Analyst, TD Cowen

MANAGEMENT DISCUSSION SECTION

Operator: Greetings and welcome to IDEX Corporation's Third Quarter 2023 Earnings Conference Call. At this time, all participants are in a listen-only mode. A question-and-answer session will follow the formal presentation. [Operator Instructions] As a reminder, this conference is being recorded.

I would now like to turn the conference over to your host, Alison Lausas. Thank you, you may begin.

Allison S. Lausas

Chief Accounting Officer & Vice President, IDEX Corp.

Good morning, everyone. This is Allison Lausas, Interim Chief Financial Officer and Chief Accounting Officer for IDEX Corporation. Thank you for joining us for our discussion of the IDEX third quarter 2023 financial highlights. Last night, we issued a press release outlining our company's financial and operating performance for the three months ending September 30, 2023. The press release, along with the presentation slides to be used during today's webcast, can be accessed on our company website at idexcorp.com.

Joining me today is Eric Ashleman, our Chief Executive Officer and President. Today, we will begin with Eric providing an overview of the state of IDEX's business. I will then discuss IDEX third quarter financial results and update on segment performance in the markets we serve and our outlook for the fourth quarter and full year 2023. Following our prepared remarks, we will open the call for your questions.

Copyright © 2001-2023 FactSet CallStreet, LLC

If you should need to exit the call for any reason, you may access a complete replay, beginning approximately 2 hours after the call concludes by dialing the toll free number 877-660-6853 and entering conference ID 13734464. Or simply log on to our company homepage for the webcast replay.

Before we begin, a brief reminder. This call may contain certain forward-looking statements that are subject to the Safe Harbor language in last night's press release and in IDEX's filings with the Securities and Exchange Commission.

With that, I'll now turn this call over to our CEO and President, Eric Ashleman.

Eric D. Ashleman

President, Chief Executive Officer & Director, IDEX Corp.

Thanks, Allison, and good morning, everyone. I have some important news on slide 5. Before turning to our results and outlook, I'd like to introduce Allison Lausas, who is serving as our Interim CFO. Allison has been with us for over two years, serving as our Vice President and Chief Accounting Officer. She also leads our Investor Relations and Financial Planning and Analysis functions. During her tenure at IDEX, Allison has done an outstanding job serving as a strong partner to our former CFO, Bill Grogan and myself. Thank you, Allison, for all you're doing in your expanded interim role. And I'd also like to thank Bill for his many years of service at IDEX.

Also, as you saw in our release yesterday, we are pleased to announce that Abhi Khandelwal is joining IDEX in November as our next CFO. Abhi joins us from Multi-Color Corporation, a global packaging services and label solutions provider where he served as CFO. Prior to that, he served as Senior Vice President and CFO of CIRCOR International. He previously worked at IDEX for over 10 years, serving as my financial partner during most of my term as COO. We're thrilled to have him back with us, and I consider us very fortunate to have leaders like Abhi and Allison at the top of our finance organization.

With that, I'll turn to our Q3 performance. I'm on slide 7. IDEX delivered strong results in the third quarter, delivering robust profitability in an environment where volumes are stabilizing at lower levels. We also generated excellent cash flows as we continued to execute on our cost containment and inventory reduction plans. I'd like to thank our IDEX teams around the globe for their contributions in driving these outstanding results. This was very solid execution in a difficult environment.

Recall that we expected our industrial and municipal markets within FMT and FSDP to reach the end of an elongated and moderate destocking cycle within the third quarter. That played out as expected. Our analytical instrumentation, life sciences, pharma, and semicon markets with an HST largely held at equilibrium in Q3 and bounced along the bottom after an unprecedented rapid destocking cycle in the first half of the year. Taken together, this moves IDEX into a very natural position with lead times, backlogs, and next quarter visibility all aligned with typical pre-pandemic profiles.

Looking forward, we continue to see divergence between end market prospects. There are discrete, attractive opportunities within each of our segments, many of which are tied to transformational catalyst within environmental sustainability or critical infrastructure. Examples include water analytics, space broadband and battery production. These sit within a broader framework of uncertainty driven by macro concerns that include higher interest rates and expanding geopolitical risk. Most specifically, demand rebounds for our most pressured HST businesses appear to have moved out a bit into 2024.

We continue to believe that organizational agility, speed of decision making, outstanding business quality and a strong culture serve us well to navigate the twists and turns ahead. We can both dynamically assign capital and

Copyright © 2001-2023 FactSet CallStreet, LLC

resources to our best near-term opportunities while we stay focused on our long term strategy of profitable growth outperformance.

In terms of capital deployment, M&A continues to be a top focus. Within our funnel builds, we are aggressively following complementary threads between our most growth advantaged businesses and technologies as we seek to build our breakthrough competitive advantage. We did this recently with our Nexsight acquisition, expanding our reach within water analytics through enhanced hardware and software capabilities. Our Iridian acquisition earlier this year boosted integrated capabilities within thin film optics.

Our inorganic pipeline is robust and of high quality, allowing us to engage in M&A with discipline and strong strategic intent. And our balance sheet has ample capacity to continue to execute on our best opportunities. Finally, we divested our Micropump business during the quarter and repaid $150 million on our term note facility. As we continue to focus on long term growth, occasional portfolio realignment will occur. We expect this transfer of ownership will better position Micropump as it joins the collection of like-minded businesses focused on similar technologies and customers. I would like to express my appreciation for all the Micropump team has done since joining IDEX in 1995.

With that, I'll turn it over to Allison to discuss our financial results.

Allison S. Lausas

Chief Accounting Officer & Vice President, IDEX Corp.

Thanks, Eric. Moving on to our third quarter consolidated financial results on slide 9. All comparisons are against the third quarter of 2022 unless otherwise stated. Orders of $712 million were down 9% overall and down 11% organically. We experienced an organic decrease within our HST and FMT segments and organic growth in FSD. Sales of $793 million were down 4% overall and down 6% organically. We experienced a 15% organic decrease in HST and a 1% decrease in FMT.

FSD revenues grew organically by 3%. Gross margin of 44.1% decreased by 220 basis points compared with last year. Adjusted gross margin decreased 90 basis points, primarily due to lower volume leverage and unfavorable mix, which was partially offset by strong operational productivity and price cost. Adjusted EBITDA margin was 28.4%, down 30 basis points. I will discuss the drivers of adjusted EBITDA on the next slide.

On a GAAP basis, our Q3 effective tax rate of 20.2% was lower than our effective rate in the third quarter 2022 of 21.8%. The rate was driven down by both the finalization of research expenditure capitalization treatment that serves to increase tax benefits on foreign sourced income and a tax selection related to the Muon acquisition that reduced our minimum tax on foreign earnings. These favorable rate items were partly offset by tax recorded on the gain from the Micropump divestiture and are not expected to have a significant impact on our fourth quarter rate.

Net income was $209 million, which resulted in GAAP EPS of $2.75. Adjusted net income was $161 million, with adjusted EPS of $2.12, which is down $0.02 or 1%. The lower tax rate contributed $0.11 of adjusted EPS favorability in the current quarter compared to both the prior year and the midpoint of our third quarter guidance. Finally, cash from operations of $227 million was up 14%, primarily due to lower working capital driven by inventory reductions.

Free cash flow for the quarter was $207 million, up 14% versus last year, and achieved a conversion rate of 129% of adjusted net income. We drove over $25 million of inventory out of the business in the third quarter through our targeted reduction efforts. And we saw inventory turns remain consistent with last quarter due to lower sales.

Copyright © 2001-2023 FactSet CallStreet, LLC

Moving on to slide 10, which details the drivers of our third quarter adjusted EBITDA. Adjusted EBITDA decreased by $6 million compared to the third quarter 2022. Our 6% organic sales reduction unfavorably impacted adjusted EBITDA by $37 million flowing through at our prior year adjusted gross margin rate. Price-cost was accretive to margins and we drove operational productivity that offset employee related inflation.

Mix was unfavorable by $6 million, mainly centered in HST due to continued volume declines in our analytical instrumentation, life science, and semiconductor components. Resource and discretionary spending was favorable versus last year as we continue to execute on our cost containment plan, given the top line pressure we are experiencing. Reductions in variable compensation expense contributed $8 million of benefit in the quarter.

These results yielded a negative 31% organic flow through. Overall, our team's focus on cost containment and resource reallocation has effectively managed our revenue decline. Ensuring continuity of our most valuable resources has IDEX well positioned to recover and grow back stronger than before when market dynamics turn favorable.

Muon and Iridian acquisitions, net of Knight and Micropump divestitures and FX, contributed an additional $9 million of adjusted EBITDA. With that, I'll provide a deeper look at our segment performance.

I'm on page 11. In our Fluid & Metering Technologies segment, orders decreased by 5% organically, mainly due to an expected slowdown in our industrial businesses and continued customers destocking in our agriculture business. Sales decreased by 1% organically, driven by this destocking impact, partly offset by favorable energy, chemical, and water performance.

We began to see our industrial order day rates decline in the second quarter of this year and they remain steady at that level throughout the third quarter. Although our customers continue to exercise caution due to recession concerns and lower energy prices, we see tailwinds tied to domestic infrastructure initiatives and within mining.

Within agriculture, we continue to experience the impact of distribution destocking exacerbated by declining net farm income and crop prices. Our delivery continues to outperform our competitors and we are focused on targeted share gain to offset this pressure. Additionally, the acquisition of KZValve and the adoption of its automated actuation technology is delivering strong results.

On the energy side, we continue to execute well, driving down backlogs and lead times. Underlying market demand remains steady, but we expect to see revenue declines versus third quarter as our backlog position normalizes.

In the chemical market, we continue to see positive results across the US, Europe, and Asia with pharma and battery applications providing opportunities for growth.

Our water business continues to exhibit growth. Our opportunity funnels are increasing and we see no signs of municipal project funding delays as we approach 2024. Adjusted EBITDA margin expanded 50 basis points compared to last year, primarily due to strong price-cost and favorable operational productivity more than offsetting lower volume leverage.

Moving to the HST segment, we experienced a 24% organic orders decrease and a 15% organic sales decrease, mainly due to pressure across the life sciences, analytical instrumentation, and semiconductor markets, as well as industrial market performance similar to that within FMT. Adjusted EBITDA margins contracted by 410 basis

Copyright © 2001-2023 FactSet CallStreet, LLC

points, primarily due to lower volume leverage and unfavorable mix, partially offset by strong price-cost and favorable operational productivity.

Our analytical instrumentation business continues to experience customers destocking, which remains driven by China softness, lower pharma, biopharma spending, and overall caution around the global economy. We expect that performance will remain stable at this level in the fourth quarter with improvement in 2024. We see a similar trend within our life science business.

Semiconductor continues to experience softness with the expectation that the market has reached bottom in the third quarter. We anticipate a broader market will begin to recover at some point in 2024. We continue to see positive results stemming from our space, broadband, laser communication initiatives, which are bolstered by Iridian's technological capabilities.

Our material processing technology business continues to experience softness across pharma markets, but are seeing some early signs of improvement within biopharma, food, and nutrition, as well as tailwinds connected to leveraging our technology in battery production application. Industrial markets in HST slowed in the quarter in line with FMT's results.

Finally, turning to our Fire & Safety/Diversified Products segment. Organic orders grew by 2% versus third quarter last year, and organic sales grew 3% with strong fire and safety results more than offsetting destocking at BAND-IT. Adjusted EBITDA margins expanded by 150 basis points, primarily due to strong price cost and favorable operational productivity, partially offset by unfavorable mix and lower volume leverage.

The paint market remains mixed. The uncertain global macro environment is driving consumer confidence lower, while at the same time the construction market in North America remains strong. Within our fire business, we do not see any significant changes to North America fire OEM production capacity. We continue to win through value add integrated systems and technology and standardized offerings that enable higher OEM throughput.

Our Europe and Asia businesses remain steady. Rescue performance remains steady as well, although we are seeing some signs of North American budget delays and inventory reductions due to high borrowing costs. BAND-IT continues to outperform a relatively flat US auto market due to having content on high priority vehicles. There is some pressure on the energy side, driven by lower oil prices, and we experienced some destocking within aviation.

With that, I would like to provide an update on our outlook for the fourth quarter and full year 2023. I'm on slide 12. In Q4, we are projecting GAAP EPS to range from $1.50 to $1.55, and adjusted EPS to range from $1.74 to $1.79. Organic revenue is expected to decline 8% to 9% and adjusted EBITDA margins are expected to be about 26%. We expect that our HST revenues will be slightly unfavorable versus our previous guide, offset by FMT volumes landing better than expected.

Equally, our strong execution in the third quarter allowed us to work through our backlog faster than expected. This is driving an equal and offsetting $0.05 of impact to third quarter results and fourth quarter expectations.

Turning to the full year 2023. We are maintaining our full year organic revenue guidance of down 1% to 2%. At the midpoint, we have raised our EPS guidance by $0.20 with approximately $0.11 driven by lower third quarter effective tax rate and the remainder coming from third quarter operational outperformance, partly offset by $0.05 of revenue timing due to accelerated backlog burn in the third quarter.

Copyright © 2001-2023 FactSet CallStreet, LLC

In summary, we estimate full year organic revenue contraction of 1% to 2%, to yield GAAP EPS of $7.91 to $7.96 and adjusted EPS of $8.13 to $8.18. Adjusted EBITDA margin is expected to be approximately 27.5%. Capital expenditures are anticipated to be about $80 million, and free cash flow is expected to be 100-plus percent of adjusted net income.

With that, I'll turn it over to the operator for your question.

QUESTION AND ANSWER SECTION

Operator: Thank you. At this time, we will be conducting a question-and-answer session. [Operator Instructions] Our first question comes from Deane Dray with RBC Capital Markets. Please proceed with your question.

Deane Dray
Analyst, RBC Capital Markets LLC

Q

Thank you. Good morning, everyone.

Eric D. Ashleman
President, Chief Executive Officer & Director, IDEX Corp.

A

Hey, Dean.

Deane Dray
Analyst, RBC Capital Markets LLC

Q

First, start with congratulations on the CFO news. We've heard from a couple of former IDEX executives who are seeing obvious praises. So that's fabulous. You got him to rejoin. And then can I add my thanks to Allison for all her help in her role as interim CFO?

Eric D. Ashleman
President, Chief Executive Officer & Director, IDEX Corp.

A

Thanks for both comments.

Allison S. Lausas
Chief Accounting Officer & Vice President, IDEX Corp.

A

Thanks, Dean.

Deane Dray
Analyst, RBC Capital Markets LLC

Q

You're very welcome. So maybe, Eric, for some big picture questions, macro. You're great at kind of synthesizing all the different inputs here and heaven knows that macro is giving us a lot of mixed signals. But maybe just click through like the day rates, that started to slow in the second quarter. What's your take on that, lead times and anything from that your leading businesses like BAND-IT and Warren Rupp that suggest how things are going to play out over the near term.

Eric D. Ashleman
President, Chief Executive Officer & Director, IDEX Corp.

A

Copyright © 2001-2023 FactSet CallStreet, LLC

Yeah. Well, I mean, we often refer to those as the kind of canaries in our coal mine. And we discretely track about five of those businesses and keep an eye on weekly order rates and do it at the sort of, small order flow day to day stuff level. We parse out projects. What can see in there is, frankly, between the second and the third quarter, they're almost dead on flat. So that kind of moderate destocking cycle that we predicted at the beginning of the year, I think largely played out through the first half of the year and frankly moderated. Even quarter -- month-to-month within the quarter we didn't see a lot of changes there.

So, what that says is kind of our distributors, because there's a lot in that world. Our end users, all of us, we're kind of back to the right inventory position based on our quick replenishment, our fast lead times. And now I think, it goes into the question of in sort of an uncertain environment, when does it start to flex upward? Those would be the businesses, of course, we would watch to see early indications of that.

So, for right now it's flattened out. It's holding. There's decent activity out there. There's certainly opportunities here and there, but not signaling any further trouble and waiting to see if it brings forth some more encouraging signs.

Deane Dray
Analyst, RBC Capital Markets LLC

Q

All right. Appreciate all that color. And then the second question is in HST and the analytical instruments, life sciences, and I'll preface this with no one has gotten this right so far. The -- whether it's the Thermo and Danaher and that whole group, it's been pretty fluid. And so I wanted to see your degree of confidence that, we're bottoming here because there's some suggestion that it's not just destocking, but there might be some end market demand here. And there's equipment, the analytical instrument side, some demand falling off. So it seems to have gotten worse in October. So just your degree of confidence, how does this calibrate the first half of 2024 for this business for you?

Eric D. Ashleman
President, Chief Executive Officer & Director, IDEX Corp.

A

I want to take a little time here because I think I got to set our context in relation to those comments and the environment you described. And first of all, as I said in the prepared remarks, I mean, we're talking about four buckets of business primarily that kind of fall into this category, analytical instruments, life science, of course, that's the larger piece of it. But pharma exposure as well as semicon, that's about half of HST. And that's the piece that we're describing when we walk through this.

Then I want to back up and say, if you think about time line, you actually have to go back. We're almost a year into this for us. Because of the short cycle nature, we actually saw some of this noise in Q4 of last year. And as you said, we and others, I think I have to get our heads around the fact that it's actually been a series of additive components that has played out here over the course of that year. Initially, we thought it was just, simply aggressive demand turning to something more moderate. And of course, we felt that in our businesses in Q4.

Then it was a reexamination of inventory positions and just frankly seeing way too much of it at many points. And of course that destocking played out. I think here in the second and third quarter, it's been, kind of a second or third inning, if you will, of some concerns about some macro forces. Probably the most significant being China's contribution or lack thereof, as we're going forward relative to what it has been in earlier periods.

So kind of three things have played out. What I think that's done for us is, of course, we felt that pretty aggressively in the earlier piece, [ph] served (00:24:11) a lot of businesses, because of the component nature of the products we make. And here more moderately in the last quarter. And I can see that our backlog position, our

Copyright © 2001-2023 FactSet CallStreet, LLC

visibility within the quarter, our kind of inventory position in factories where we supply, that's in equilibrium. So I don't see any more external forces or things that would come in there simply trying to unwind the past.

That does mean, frankly, that we're kind of open to the recovery loop, that's ahead of us and the uncertainty of when it will occur and how it might play out. And again, Deane, I back up a little bit and say we're hitting that from four different levels. So while, there could be some things that fall off in other places as people kind of think about demand and where they may go, maybe some of those are in the life science arenas. We're going to have some other things that are going to potentially be working against that that may wash that out in the interim. So equilibrium is a little bit more of a variable term for us. But I think those abnormal shocks to the system that we saw play out over the last year or so, we're essentially seeing that those are behind us.

And now, like everybody else, we can lean forward, go on and kind of poke at the customer level and take a look at what people are doing in innovation streams and start to plan our course from here.

Deane Dray Q
Analyst, RBC Capital Markets LLC

That's all very helpful context, Eric. Thank you.

Eric D. Ashleman A
President, Chief Executive Officer & Director, IDEX Corp.

Thanks, Deane.

Operator: Our next question is from Mike Halloran with Robert W. Baird. Please proceed with your question.

Michael Patrick Halloran Q
Analyst, Robert W. Baird & Co., Inc.

Hey, good morning, everyone.

Eric D. Ashleman A
President, Chief Executive Officer & Director, IDEX Corp.

Hi, Mike.

Michael Patrick Halloran Q
Analyst, Robert W. Baird & Co., Inc.

So I want to follow up to both those questions Deane asked. So just to make sure I'm clear on what you're saying on the life science, analytical instrumentation side. You're not necessarily saying that you're expecting the end market to recover from here in some sort of linear fashion or anything like that. You're just saying sell-in is at the point where it's unmatching with sell-out or am I misinterpreting that?

Eric D. Ashleman A
President, Chief Executive Officer & Director, IDEX Corp.

No, I think that's a good, you probably summarized it a little better than I did, but I was trying to make sure people can understand that context for us. Again, we're – what's really important to recognize here, we're inside the life science instrument and a component level or inside the lithography instrument. So these are critical items, very fast replenishment. And so, yes, I was describing us kind of unwinding a series of unnatural patterns, but we are now in sync. And we're in sync and essentially open to the same variability that that end market is at this point.

Copyright © 2001-2023 FactSet CallStreet, LLC

Michael Patrick Halloran
Analyst, Robert W. Baird & Co., Inc.

Q

Exactly. And so as you get into next year, that's where the variability hits. But at least the comps are easy, starting from call it mid-4Q onward type range?

Eric D. Ashleman
President, Chief Executive Officer & Director, IDEX Corp.

A

Well, yeah. Certainly as the year progresses, the comps get increasingly easier.

Michael Patrick Halloran
Analyst, Robert W. Baird & Co., Inc.

Q

Got it. And then you talked about the short cycle side of things from a destock perspective that makes a lot of sense. Maybe higher level, how are you thinking about the economically sensitive parts of your business as we head into 2024, the risk profile as you're seeing it? Doesn't sound like the day rates you're saying that there's much worsening going on, but maybe some of that's been clouded by the destock. So just some help as we [ph] pick out 2024 (00:27:29).

Eric D. Ashleman
President, Chief Executive Officer & Director, IDEX Corp.

A

Yeah. I mean, it is interesting. I think the industrial system is still performing at a pretty high level. I mean, the day rates that we're talking about here, that flatness that I described in those canary levels, that's pretty healthy business that suggests people are working, factories are producing things and putting it to work. Certainly around it, though, discussions around longer term commitments or things that are going to happen in the spring of next year. I mean, they're just – they're harder conversations to have because of all the uncertainty that people are feeling to pick anything from the higher interest rate position or the increasing geopolitical risk that's out there, consequences of a major election in the US next year.

So I see a lot of people on the one side continuing to kind of pour gas on the things that are happening day to day. But kind of backing up with a wait and see approach at a higher level just because of uncertainties for anything that's sort of past the horizon.

Michael Patrick Halloran
Analyst, Robert W. Baird & Co., Inc.

Q

Yeah, it makes sense. One quick follow-up, clarification for Allison. Did you say that $0.05 shifted from 4Q into 3Q? I just want to clarify what that statement was, Allison.

Allison S. Lausas
Chief Accounting Officer & Vice President, IDEX Corp.

A

That's correct, Mike.

Michael Patrick Halloran
Analyst, Robert W. Baird & Co., Inc.

Q

Okay. Great.

Copyright © 2001-2023 FactSet CallStreet, LLC

Allison S. Lausas
Chief Accounting Officer & Vice President, IDEX Corp.
A

So [ph] we defined our aggressive (00:28:47) backlog pull down in third quarter. So it's just a shift of timing within the back half of the year.

Michael Patrick Halloran
Analyst, Robert W. Baird & Co., Inc.
Q

Great. I was just making sure I had the direction correct. Appreciate it. Thanks, everyone.

Allison S. Lausas
Chief Accounting Officer & Vice President, IDEX Corp.
A

Yeah.

Eric D. Ashleman
President, Chief Executive Officer & Director, IDEX Corp.
A

Thanks, Mike.

Operator: Our next question comes from Nathan Jones with Stifel. Please proceed with your question.

Nathan Jones
Analyst, Stifel, Nicolaus & Co., Inc.
Q

Good morning, everyone.

Eric D. Ashleman
President, Chief Executive Officer & Director, IDEX Corp.
A

Hey, Nathan.

Nathan Jones
Analyst, Stifel, Nicolaus & Co., Inc.
Q

I guess, I'll ask a question about the order rates here. The order rates in FMT, the actual dollars of orders a bit lower in 3Q than in 2Q, and orders in HST in 3Q a bit lower than 2Q. Is it possible for you to kind of separate out what you think is decline in customer backlogs versus what's actual declined in end market demand?

And I guess what I'm trying to get at here is, if you're talking about inventory correction having happened and we move to sell in more towards sell through, wouldn't that imply then that you should see sequential improvement in the actual dollars of orders in both of those businesses as we move into the fourth quarter?

Eric D. Ashleman
President, Chief Executive Officer & Director, IDEX Corp.
A

Yeah, but – well, look, again, I put a lot of weight on the predictive abilities of those early indicator businesses that we have to talk a lot about sort of day to day how the system is operating. So I think that again, that stability means a lot. In this environment, order patterns do change a little bit. Remember in earlier comment I had there for Mike, I mean, I think you're seeing people moving to shorter increments of order patterns. They know now companies like, certainly IDEX, we can deliver with faster replenishment. Our customer satisfaction metrics are really good.

Copyright © 2001-2023 FactSet CallStreet, LLC

So if you feel any uncertainty, you don't have to give us nearly the same kind of visibility in your order requirements that you had to two quarters ago or a year ago. So I think you do see a piece of that that changes in the order profiling more of a order it as you go. And so, and again, we ate into some pretty aggressive backlog along the way. And any time lead times keep coming down, I mean, that does tend to influence order patterns for folks on the other side.

So, I think it's things like that playing out by and large around a pretty stable base, especially on the industrial side. But to me says, I think this is a stable environment, but one that's looking for the next catalyst.

Nathan Jones
Analyst, Stifel, Nicolaus & Co., Inc.

Q

Then, I guess my follow-up question, I know you guys don't do a lot of large projects, but you have stuff that goes into larger projects. And I think investors are being concerned that rising interest rates, persistent inflation are changing these dynamics, changing the ROI for customers on those investments. Can you talk about what you're seeing on customers willingness to let out these larger capital projects? I know historically you've seen people hesitate in these kinds of environments. So just any color you can give us on what you're seeing there?

Eric D. Ashleman
President, Chief Executive Officer & Director, IDEX Corp.

A

Yeah. That's probably a piece of the answer to your last question as well. I mean, the certainty around projects like is not very good. And you've got some people that are, they're still talking about them, but they start to move that time horizon. We're getting closer to 2024 like a magnet. And so it becomes a reference point. And at a point on the calendar where people are pointing to where things might come to fruition in that side of it. Again, contextually, for us, that's not all of our businesses, but we'll see it as part of a plan expansion commitment or something like that for food or something related to infrastructure.

So those kind of discrete things that require a lot of capital will come together, a lot of planning. I think there is a lot more uncertainty around them. And it's instead, it's kind of running the current system faster and a little bit longer before you rebuild it due to that same level of uncertainty.

Nathan Jones
Analyst, Stifel, Nicolaus & Co., Inc.

Q

Great. Thanks for taking my questions.

Eric D. Ashleman
President, Chief Executive Officer & Director, IDEX Corp.

A

Thanks, Nathan.

Operator: Our next question comes from Allison Poliniak with Wells Fargo. Please proceed with your question.

Allison Poliniak-Cusic
Analyst, Wells Fargo Securities LLC

Q

Hi, good morning. So Eric, I just want to go back to HST. One of the things IDEX has been known for it is investing through the cycle. Could you maybe talk to the new product development cycle in analytical

Copyright © 2001-2023 FactSet CallStreet, LLC

instrumentation, life sciences, or maybe even how you're thinking about that investment? Has it slowed at all or should we expect maybe a slower organic coming out of this? Just any thoughts there.

Eric D. Ashleman
President, Chief Executive Officer & Director, IDEX Corp.

A

Well, actually I'm glad you mention that, because in many ways, at ground level in those businesses, you kind of see two realities sitting side by side, and they're actually quite different. One is the near term reactive reality of, what's happened over here in the last year, and where order levels are and what daily requirements are. Lots of cost containment and being super crisp around productivity and just getting the product out.

But even at the customer level, I mean, I think you see that entire world is spending a lot of time thinking through, okay, what do we need to do to innovate to get ahead of the game in the next cycle? Because I can't find anybody that doesn't see that there's going to be something more positive coming out of the same megatrends that have been driving that sector forever are not very far out ahead of us and will occur again. But when they do, we're seeing at the customer level and within our businesses a real step up in terms of innovative steps to get after it. I was talking to [ph] Terry Theresa (00:34:33), who runs our businesses there, and she's describing some of the projects that we're working on in conjunction with, really significant customers.

And it's some of the highest degrees of innovation jumps that I've frankly seen in the last few years. So I think there's actually a very purposeful, collaborative arrangement here to talk about where this industry is going to go. And as it comes out, this is one of the reasons I think we try to stay as fast, nimble as we can so we can put capital and resources to those best opportunities and frankly, overfeed them in times like this. So that, you've actually called it exactly how we see it at ground level.

Allison Poliniak-Cusic
Analyst, Wells Fargo Securities LLC

Q

That's great color. Thank you. And then, a small divestiture, as you think of the portfolio, they have obviously a very unusual cycle up here. Was this sort of just a one-off or is this something that you think we might see more of as we go forward here? Just any thoughts.

Eric D. Ashleman
President, Chief Executive Officer & Director, IDEX Corp.

A

Well, I think, it's a nice little business. I think as we looked at it, we just don't have a lot of technology that's similar. We didn't see necessarily an ability to scale it and larger scale versions of it, tend to be in markets that are not as attractive for us. So I do think that level of thinking is something that we do constantly and you could see it play out that way from time to time. But I wouldn't view it just as this one isn't as a massive transformational shift in portfolio for IDEX. But as we increasingly think about, look, what we're trying to do here is drive growth outperformance, little tighter integrative ability between the pieces of IDEX. I referenced that in the opening comments, things that kind of standalone that don't have that ability to scale. We're going to take a look at, assess that carefully and then if it feels like the right decision as a potential different owner, then we'll continue to make those choices.

But I wouldn't sum it up to something more aggressive than that.

Allison Poliniak-Cusic
Analyst, Wells Fargo Securities LLC

Q

Great. Thank you.

Copyright © 2001-2023 FactSet CallStreet, LLC

Eric D. Ashleman
President, Chief Executive Officer & Director, IDEX Corp.
A

Thanks, Allison.

Operator: Our next question comes from Vlad Bystricky with Citigroup. Please proceed with your question.

Vladimir Bystricky
Analyst, Citigroup Global Markets, Inc.
Q

Good morning. Thanks for taking my call.

Eric D. Ashleman
President, Chief Executive Officer & Director, IDEX Corp.
A

Hey, Vlad.

Vladimir Bystricky
Analyst, Citigroup Global Markets, Inc.
Q

So maybe just one more on HST. I know you previously talked about an expectation for semicon markets to stabilize during 3Q with recovery, I think beginning in 4Q. And I don't know if I missed it, but maybe you can give us more color on how semicon markets specifically are trending versus your prior expectations and your views on the likely trajectory of semicon related demand going forward?

Eric D. Ashleman
President, Chief Executive Officer & Director, IDEX Corp.
A

Yeah. Again, it's an important but a small part of IDEX, less than 10%. But I think that one is pushed further into 2024. I mean, it's stable here. And we're certainly -- and we hit it from a variety of levels. We're in fabs, we're in metrology instruments, we're in memory, we're in sophisticated sides of it. And so we see it from a whole bunch of different spots. But I think all of it suggests the recovery of that sector is a little bit further out into 2024.

We're certainly close to those customers. We're critical. They can't do much with our parts and components. So we'll get that intelligence, but I suspect the order ramp will start somewhere out into 2024.

Vladimir Bystricky
Analyst, Citigroup Global Markets, Inc.
Q

Okay. That's helpful. And then maybe just shifting to FSDP. Again, on the orders at FSDP took a step down sequentially. So I guess just any color on, is there something seasonal there? Or just how you're thinking about FSDP orders, evolving into 4Q and going forward?

Allison S. Lausas
Chief Accounting Officer & Vice President, IDEX Corp.
A

Sure, Vlad. No, I can take that. That's really the step down due to dispensing as that replenishment cycle did come to an end there. So you see that pull down in third quarter. You'll see it also a bit into fourth, but also in fourth quarter, we've got a bit of seasonality in Fire and Rescue, fewer production days.

Vladimir Bystricky
Analyst, Citigroup Global Markets, Inc.
Q

Copyright © 2001-2023 FactSet CallStreet, LLC

Okay. That's helpful. Thanks, Allison. [ph] I'll leave the queue (00:38:58).

Allison S. Lausas
Chief Accounting Officer & Vice President, IDEX Corp.
A

Yes.

Operator: Our next question is from Rob Wertheimer with Melius Research. Please proceed with your question.

Rob Wertheimer
Analyst, Melius Research LLC
Q

Thank you. [ph] I find (00:39:09) on the conversation and the education on life sciences and HST, it's obviously been a bit more volatile than many expected. And I wonder if you could do almost like a 101 what normalization looks like? With a simple question is what drives customer purchasing? Is it your customers, customer's volumes? Is it innovation cycles, is it CapEx cycles, and confidence cycles?

Eric D. Ashleman
President, Chief Executive Officer & Director, IDEX Corp.
A

Yeah.

Rob Wertheimer
Analyst, Melius Research LLC
Q

Just how your products flow through that life cycle?

Eric D. Ashleman
President, Chief Executive Officer & Director, IDEX Corp.
A

Well, so I appreciate it, Rob. So look, this is a -- first of all, it's a super direct business. So we're talking with a relatively concentrated customer set of leading OEMs. So it's quite different from many other parts of IDEX in that respect. Up until the pandemic and some of the forces that we've seen here in the last three or four years, it's not typically been a very cyclical kind of industry. It's generally stayed at that kind of mid to high single digits depending on where we sort of jump in. With the exception of the semi portion, of course.

In all cases, you can think of this as these are platform-centric businesses. So an innovation stream comes in, somebody is looking to move to the next level. And it's either their instrument or their lithography machine or their device is moving up well ahead of that. Our engineers are in there on the design cycle and working on the spec points and you secure the spec. So essentially it's pretty classic platform business. Once you're in on a platform, you run the duration of it and you're concurrently always working on different iterations of things in either early gestation or late.

So it's very, very classically aligned that way. So you do have good visibility into plans for programs, plans for program launches. The variable that you run into, of course, is the adoption that run out of those devices. The take up, the inventory positions on them all the things that we've talked about as we've kind of gone through the last year here.

Rob Wertheimer
Analyst, Melius Research LLC
Q

Copyright © 2001-2023 FactSet CallStreet, LLC

Perfect. Thank you. And if I know there's a lot on that topic, but I appreciate it. And then if I can just go a little bit further afield, just in the general acquisition market. You've seen cost of capital rising for private equity perhaps faster than when you guys have pretty good cash flow, getting easier to win. Or any general characterization of that market, and I'll stop there?

Eric D. Ashleman
President, Chief Executive Officer & Director, IDEX Corp.
A

Yeah. Well, I mean, certainly and for -- I mean, we've tried here at the last two or three years to be very, very focused on, frankly, cultivating proprietary transactions. We're taking advantage a little bit of the environment where we're comfortable, we're planning components in nichey environments. We often see things and interact with people that maybe are not as well-known in the outside world. So we depend on multi-year relationships and conversations to try to get ourselves to a position where, frankly, there aren't a lot of competitors in line as we're looking at an asset.

That's not always possible to the extent it is. I would agree that, you've seen something quite different here with higher interest rates. There's obviously some levels people that need a lot of debt financing can only get to and can't pass. That will allow a property to probably stay out and play longer with strategics like us and others that might be taking a look at it. So you could view that as quite positive.

I would say on the other side though too, because of that environment, maybe here more recently, you see some others that are a little bit more reluctant to transact in that way because they want to wait for a recovery loop or better demand curves that would support higher valuations, in terminal values. So, I think it's probably a little bit of wash on that side, but in many ways, we've always considered this better for us if we're working it much more discreetly, a bit more in the weeds and ideally in a proprietary way.

Rob Wertheimer
Analyst, Melius Research LLC
Q

Great. Thank you.

Eric D. Ashleman
President, Chief Executive Officer & Director, IDEX Corp.
A

You bet.

Operator: Our next question comes from Andrew Buscaglia with BNP. Please proceed with your question.

Andrew Buscaglia
Analyst, BNP Paribas Securities Corp.
Q

Hey, guys. Looking into your FMT segment, your margins were still strong really on declining organic sales. I'm wondering, kind of tied to the question asked on HST is how do you invest from here with, your orders are moderating or declining into year end? How do you tie that to your margins in the context of protecting them? Or to your outlook, it sounds like everything is as expected, so do you continue to invest here. Just kind of seeing where your head's at with where that market's going and what it means for margins?

Eric D. Ashleman
President, Chief Executive Officer & Director, IDEX Corp.
A

Copyright © 2001-2023 FactSet CallStreet, LLC

Yeah. Well, a couple of things here. Well, first, I'm glad you noticed, I mean, the FMT segment in particular, I mean, has fantastic performance over the last couple of quarters, Q3 was really good. What you're seeing there is, look, reasonable cost containment. We run them those businesses pretty lean anyways. It's much easier to run them at a steady state than kind of the last few years have been. So that brings out our best. And frankly, our teams have recognized that they're doing their part from an IDEX side and really driving outstanding performance.

I would say from an investment profile, I mean, these are businesses, some of which are 80, 90, 100 years old. They are really, really well-positioned. They do very well in almost all versions of economic realities that are out there. So making sure that they stay innovative, well-positioned, with the right channel partners out in the right places. That's something we're always thoughtful of.

Typically the investments when we talk about growth investments, they're generally people-based and they're often discrete additive things that we'll do to go at certain things like battery production to support e-mobility economy or something like that. So we'll augment and make those investments or not, depending on how we view kind of the state of the outside world. But the base of the business, just the kind of core of the franchise, we are really, really careful of that to make sure that that domain expertise that supports all that positioning and differentiation and incredible margins is sound for any reality.

Andrew Buscaglia
Analyst, BNP Paribas Securities Corp.

Q

And so that kind of mid 30s EBITDA margins and well into the low 30s operating margins is really sustainable in your view, even if those order trends continue to go negative and organic sales just, yeah, weakens into 2024?

Eric D. Ashleman
President, Chief Executive Officer & Director, IDEX Corp.

A

I mean, there's a couple of things to keep in mind there, at any point, and we've seen it a couple of times over the last few years is that, that business gets kind of close to flat or negative, the deleveraging side of things is really tough. Because of the strong contribution margins and our commitment to kind of maintain the core. So, depending where things go, we always have to be aware of that.

We are also at probably the best point of the price cost cycle here now. The spread that we're at today is probably not going to continue out into the future. We've always been a company that gets price. Of course, it's been more aggressive here lately with inflation. We're now at a point where those prices are sticky. There's some moderation on the inputs. This is the best part of the cycle and this is the best part of the company that gets that pricing.

So there's a little bit of a piece on here. I'd be careful of assuming it's perpetual state. It's the good part of this part of the cycle.

Andrew Buscaglia
Analyst, BNP Paribas Securities Corp.

Q

Okay. All right. Makes sense. Thanks, Eric.

Eric D. Ashleman
President, Chief Executive Officer & Director, IDEX Corp.

A

Yeah.

Operator: Our next question comes from Brett Linzey with Mizuho. Please proceed with your question.

Copyright © 2001-2023 FactSet CallStreet, LLC

Brett Linzey
Analyst, Mizuho Securities USA LLC

Q

Hey, good morning. Yeah, thanks for taking the questions. Just one more on HST. So encouraging to see the stabilization and certainly the recovery path is going to take some time to play out and figure out. But just in terms of the profit recovery on the other side, should we think of the business is yielding a stronger than average incremental margin as they do or when they do recover? Or do you have -- you need some cost to come back, any way or dimension that?

Allison S. Lausas
Chief Accounting Officer & Vice President, IDEX Corp.

A

As we recover, they'll lever nicely. And so, a longer term expectation for the HST set of businesses is more in the EBITDA margins of 29% plus.

Brett Linzey
Analyst, Mizuho Securities USA LLC

Q

Okay, great. Thanks. And then just shifting over to the comments you made on water. It sounds like the opportunity funnel is increasing. Might be able to size that, and is it related to some of the fiscal stimulus or other independent factors driving that strength?

Eric D. Ashleman
President, Chief Executive Officer & Director, IDEX Corp.

A

Yeah, well, I mean, the water side of things has been steady throughout. I would say it's indirectly related, of course, to a lot of the focused efforts to invest in our infrastructure. Frankly, the state of our infrastructure has now gotten to the point where it's impossible to look away from as well. We've seen that on a major scale in major cities, certainly here in the US. I think those two things together are putting in -- I've always thought of it as a warm blanket, multi-year blanket. It's just -- it takes a long time to spend money in that sector. It's just these projects are just -- they take a long time to engineer, rollout and go out there. And so no matter how discrete the kind of pop on funding might be, it's always going to have a little bit of an elongated run out.

So we sort of view that as a comfortable blanket for businesses like ours and others that are in this sector. We've seen that it's held up, held up again in this quarter as well. I mean, to dimensionalize it, you can look at the size of water in IDEX, and it's again, it's a nice piece of the portfolio. And we would see that it would stay at the upper end of the growth profile.

Brett Linzey
Analyst, Mizuho Securities USA LLC

Q

All right. Appreciate it. Great quarter.

Eric D. Ashleman
President, Chief Executive Officer & Director, IDEX Corp.

A

Thank you.

Operator: Our next question comes from Joe Giordano with TD Cowen. Please proceed with your question.

Copyright © 2001-2023 FactSet CallStreet, LLC

Joseph Giordano
Analyst, TD Cowen

Q

Hey, guys. Good morning.

Eric D. Ashleman
President, Chief Executive Officer & Director, IDEX Corp.

A

Hi, Joe.

Joseph Giordano
Analyst, TD Cowen

Q

I just want to clarify. I think a lot of the your customers and stuff in HST and the areas of weakness now have been kind of talking about October got worse. So I know that you were very clear that like the inventory situations and destocks have normalized. But what is your actual orders kind of look like in October relative to the rest of the quarter? Or like do you think HST orders, should we be thinking up in dollars versus the third quarter and the fourth quarter? Is that make sense?

Eric D. Ashleman
President, Chief Executive Officer & Director, IDEX Corp.

A

Well -- I'll let -- go ahead, Allison.

Allison S. Lausas
Chief Accounting Officer & Vice President, IDEX Corp.

A

Sure. No, I think on a pure dollars basis, we should expect to see some higher orders in the fourth quarter. But there is some blanket activity also that happens as we wrap the year.

Joseph Giordano
Analyst, TD Cowen

Q

Okay. So that maybe not necessarily a sign that things are improving. It's just kind of a seasonal order uptick.

Allison S. Lausas
Chief Accounting Officer & Vice President, IDEX Corp.

A

That's right. We'll need to be -- we'll need to keep close watch.

Joseph Giordano
Analyst, TD Cowen

Q

At what point, just extension of that, just given like the nature of that business and the fact that you're running kind of book to bill sub one there. So, like at what point can you get like a organic decline in HST kind of be like baked in for 2024? Like when do orders need to start to improve for that to be a positive number, theoretically?

Eric D. Ashleman
President, Chief Executive Officer & Director, IDEX Corp.

A

Well, look, I think we got to monitor this pretty -- and we obviously will through the balance of the fourth quarter. As always, everybody kind of does the same planning cycles at the same time. So, that's the best opportunity for us to get in front of customers, talk about programs, things that they're launching, their confidence in them. I think

Copyright © 2001-2023 FactSet CallStreet, LLC

we want to watch it quarter by quarter and stay super close to it. These are the most dynamic markets that we have in the whole place.

I just, I come back to kind of the comments I made. I think when Mike asked the question, he did such a good job summarizing it in the beginning. We're basically saying that we've taken all of the inventory related noise out of this. And that's essentially the echo of the past. I will say, to the extent, the industry heads in different directions here. We are in sync with it. We're a critical component supplier, folks that are making very sophisticated instruments and things for a variety of different markets and geographies. And we are somewhat dependent on -- we are completely dependent on their success, their call, the way that they're seeing that those markets are going to traverse.

What we can do from our side is provide, I think a timely and relevant diagnostic, mainly because of the fact we're so short cycle and we're going to feel and see those inflections sooner than almost anybody. And so with that in mind, we need to stay close to them. We'll understand all of those things. Again, it's four buckets of business for us. Occasionally move at slightly different rates and we can move resources around. So we'll see how it plays out as we go through 2024.

Joseph Giordano
Analyst, TD Cowen

Q

That's fair. And just lastly, with the accelerated kind of backlog burn that you had this quarter, are there targeted opportunities to do that again in the fourth quarter in parts of your business?

Eric D. Ashleman
President, Chief Executive Officer & Director, IDEX Corp.

A

We still have a couple of businesses that have longer backlogs. I mean, they're still working through generally because lingering issues in supply chains and elsewhere. We spoke of one in energy where we talked about, is pretty strong in the third quarter. A lot of that was us getting some more of that backlog out related to some consolidation stuff that we've done about a year ago. It's not many of them, but we do have a couple other pockets in here that we're trying to get back down to kind of all IDEX model.

Joseph Giordano
Analyst, TD Cowen

Q

Thanks, guys.

Operator: We have reached the end of the question-and-answer session. I'd now like to turn the call back over to Eric Ashleman for closing comments.

Eric D. Ashleman
President, Chief Executive Officer & Director, IDEX Corp.

Okay. Well, thanks for everybody for joining our call. And as I always do, I want to thank the members of the IDEX team that are on for a really, really strong execution and performance in the quarter. I just -- a few comments here. I think there's certainly -- there's a lot of uncertainty out there in the environment. I think it's going to require a certain amount of patience. But as I think about IDEX and the things that we can control, here's what I know.

I know our portfolio is in great shape. It's growing through M&A. It's well-positioned, certainly to support long term growth outperformance. I really think our flat and decentralized structure keeps us agile and nimble. We can move

Copyright © 2001-2023 FactSet CallStreet, LLC

things around and resource things probably faster than anybody. And we do that each and every day. And our teams and leaders are outstanding and frankly, they're going to be outstanding, plus one as Abhi joins us here in November.

So with that, when things break, we'll be all set up here I think to really support a nice extended run for IDEX as the world starts to dial in and responds to frankly the trends that we know are all coming. So with that, thanks for your support and have a great day.

Operator: This concludes today's conference. You may disconnect your lines at this time and we thank you for your participation.

Disclaimer
The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC. FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2023 CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.