

Alight, Inc.

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Stephan Scholl: Here we go if you'd like to start it.

Alex Smigelski: Good morning, everybody.

Katie Rooney: Good morning.

Alex: Morning everyone. Thanks for joining us this morning. I'm Alex Smigelski with the J.P. Morgan Equity Capital Markets team. Joining us today from the Alight management team, we have Stephan Scholl, the CEO, and Katie Rooney, the CFO. Guys, thanks for being here.

Stephan: Great. Thanks for having us. Nice to be here.

Alex: We're going to do this as a fireside chat. I'll ask some questions here. Happy to open it up to the room at the end, if you guys have anything you want to ask.

I want to just jump right into it and keep it topical with what's probably on everyone's mind right now. What makes Alight a good investment in front of a likely or potential global recession?

Stephan: Yeah, sure. I'll start with that one. When you think about the landscape that we're in, there's no question. The CFOs of most of the companies that we're talking to are finding ways to recession-proof themselves going into next year.

We've also been very clear, in the last two years, of our strategy around the people-based systems, that these fragmented systems, it's finally time to integrate them, take cost out, consolidate, simplify, all the same playbooks that have been done over the last 20, 25 years around client-facing systems.

For us, it's a great opportunity to step into a void over the last couple of years, where customers are looking, after years of spending a lot of money on people-based systems, especially during COVID.

When you think about the spend of these well-being programs, we've come in and spent a lot of money on value engineering and sales capability to go into clients and say, "Listen, you spent all this money. You're getting between one and eight percent engagement rate. You're paying PEPM," which is per employee per month-type fees.

We can help consolidate because our approach and vision as a company is to be that platform. Worklife, which is the investments we've made in the last couple years, is to be that aggregator, that enterprise platform where all the content of our administrative systems get relegated in, but also third-party systems.

I think that's the exciting thing, is that our strategy is perfect timing to work with clients on helping take costs out, simplify, provide a personalized platform for each and individual employee. It's best of both worlds, provide better service for employees and get better value out of these consolidation opportunities.

What happens? When you consolidate, you simplify, you provide one place for one individual to go, to keep them healthy and financially secure, that actually drives up engagement. That's the whole intent of what is important here. That helps recession-proof a lot of companies on the people-based system side, going into next year.

Alex: Maybe dig into that more, talk about just durability of the business model, even more given 83 percent recurring revenue. Talk about with rising unemployment, any impact on your P&L, how might that impact sales cycles, etc.?

Katie: The good thing about this business is, as you said, the subscription base. 83 percent recurring revenue, three-to-five year contracts, it's very stable in this environment. We've 97 percent retention rates, which I think was your second stat.

A couple of things. First, when you think about...Stephan mentioned the model. Even though we get paid per employee per month, you think about somebody going through layoff. They go into COBRA for instance, which we continue to cover for them on the healthcare side.

They stay in their 401(k) plan until they move to another employer. You don't see a lot of volatility on that base, which gives you good visibility into the following year. Right now, we already have 2.5 billion of revenue under contract for next year. That gives us good visibility to manage the business through those cycles.

Then the second piece from an inflationary perspective, we don't have a perfect hedge. At the same time, we do have clauses in our contracts around ECI or Employment Cost Index, which in essence, we cover the first three percent of that cost.

Right now, at the end of September, the ECI was 5.2 percent. We pass on that difference. That 2.2 percent, we would pass on to our clients who have contracts that renew at the start of the year that have that provision in there. That gives us some hedge against some of the pressure we see from inflationary perspective.

Alex: Maybe to go into a few of the different segments, talk about cyclicality of professional services, rehash the importance of that segment to your business?

Stephan: People ask me all the time, why do we have this professional services component? If you go back to the vision and strategy of the company around platform. What I mean by that is, the whole playbook for us is to own the participant relationship in keeping them healthy and financially secure.

That's the number one business strategy for our company. To win that race, you have to have a lot of great content. We already have the content, that's been the history of Alight. What we do today is mission critical and core to every employee in keeping them healthy and financially secure.

The platform is taking all that great content and putting it into one place so that we can help you make better decisions. As we all know, all of us in this room, every one of you have to go through multiple different places to understand an HSA account, a 401(k) account.

If you need clinical support, if an accident happens, another different system. Your benefits system is different. Your payroll system is different. They're all, as I said earlier, in different spots. Putting them into platform, the services piece is about data. At the end of the day, what we're all about is unlocking the data across, not only our systems, but the Workday or SAP systems.

As you know, in your base HR position management world, the train has left the station. Every company in Fortune 500 and Fortune 5,000 have made a decision between Oracle, SAP, or Workday when it comes to their base HR systems. The power of that data which I implement, I know the data architecture from the Workday systems because I implemented it.

I take that and add it to the rest of our data sets to help drive better information, better

consolidation in the platform plate. That's why we're in the services business.

It's a great lead generator. A lot of our clients as we all know in the last decade have implemented these products. They've made mistakes, they've over customized the data architecture around the hierarchy of an employee.

You need the right data set around employees, especially large clients who have made a lot of mistakes. We go in and actually clean some of that up, and then we add and extend the rest of the footprint of Alight, plus also third-party content into that one architecture. Services is important.

We're not doing as much anymore out there selling a lot, just our own project-based consulting services for project services' sake.

Having said that, the last thing I'll say is our services business is turning around on its own. We are still seeing a lot of demand from clients now looking to us to play a bigger role in just some of the implementation services.

Alex: Maybe because you mentioned data there, jump in to just, your peers are focusing more on employee and data. I want to talk about just how your data is advantaged versus your peers', and how you guys use it to continue to win share.

Stephan: Do you want to start a little bit?

Katie: Yeah. When you think about the data side, some of it comes back to the power of the breath of data of what we're trying to drive. Being able to help someone if you think about the one-platform strategy, get them to the right doctor, we need to see a lot of their history.

Look at the life cycle of an employee, someone who potentially just had a life event, they're pregnant, they might have a different requirement or a need from somebody who, for instance, just graduated from college, just started their first job. Having those insights to help provide personalized recommendations to that universe to let them make better decisions is really important.

I think first piece is we come at it more holistically. It's not just about your health data, just about your payroll data, or just about your retirement data. It's pulling that all together so we can help people make decisions across that base, versus again, if I think about some of our competitors,

it's a little bit more siloed.

The second piece is, it's having that underlying data, but then it's obviously also how we get to those customers. They're going to engage with us more frequently because they need to check their paycheck, they need to check at their balance, they need to find a doctor. Some of it too is again having a higher level of engagement so that we can get them to make a different decision.

Stephan: I think what I would add is, if you listen to the earnings calls, I'm very intentional on those calls with Katie to articulate the success stories. There's been dozens of them throughout the last year that we've announced on our calls of recent new winds.

On the last call, we talked about different companies using our platform for different things, whether it be three Fortune 15 companies that saved $50 million in Q3 on claims spend because they engage our platform with their employees to get to better outcomes along what Katie just said on the clinical side.

Becton Dickinson engaging their employees went from 10 percent engagement rate with their employees, up to 90 percent. In some of their employee populations on the lower income side, saving $580 per household is a significant amount of money in terms of savings rates. I think that's powerful.

You look at the Boeing story. It's finally exciting. What's old is new again. It used to be neat as an engineer to graduate and say I'm going to go work for Boeing for the rest of my life. Well, in the 2000s, engineers said, no I'm going to go work three, four, five times in different places.

COVID hit, there's a lot more in these younger folks that are waking up, they're all in touch with their mortality more. They're all realizing that, you know what? I do want to find one place, but I want to make a decision on my career on somebody who's going to take care of me during my lifetime around keeping me healthy and financially secure.

If you go to Boeing's website and you apply, it's all on our Worklife platform. This total rewards notion of student reimbursement, the total being of keeping you healthy and financially secure is now becoming a recruiting engine.

Not just keeping your employees happy, but actually getting some of the best engineers to say, "I am going to go to Boeing now for the next 20, 25 years because they will take care of the whole person, and my family, and my future children, and so on." I think that's a powerful story.

Alex: Awesome to highlight the importance of Worklife there. Maybe just one more on segments, talk about BPaaS and the importance of that, and how those offerings differ from just your legacy offerings?

Katie: It starts with where we just ended, those three examples. Historically, if you thought about this company, the history, an old [indecipherable] business, it was part of Aon, it was carved out in '17 to Blackstone, went public over the last year via SPAC. That's great, right?

The big opportunity has been the transformation we've been driving around changing the way this market buys and the opportunity. Stephan said it so well around, one, the platform approach, the consolidation in the space, taking a different approach to the HCM market overall.

For us, that's moving from more of a pure services element, enrollment for enrollment's sake, to actually leveraging the platform to help somebody make a better decision. We want to drive utilization up for the employer and the employee. We want to provide a better experience, save them money, and go to everything from retention to cost savings.

The BPaaS strategy, business process as a service, it's less about the word. It's more about bringing that combination of services and technology so we can drive a different engagement model. You can do it all on your phone in one streamlined experience so that somebody's making a better decision around their financial well-being and health.

Stephan: We just won the North American Mental Institute award for the most progressive company in America in terms of providing a better support system.

You don't have to look very far to see, and the stats are staggering, despite all the money the governments and everybody have spent, and companies have spent during COVID, most employees can't retire when they want. Half feel they made the wrong decision on benefits, inflation is creating huge anxiety and depression.

Most companies view mental illness as a health crisis. You can look at the data around life events, whether it's divorce or a new family, the financial stress on people in this country and around the world is driving huge productivity challenges.

Anxiety and depression can be treated if you have a full view of the employee. A lot of corporations have money set aside for providing help for their employees. They don't get used

because employees don't know how to use them. Employees don't know where to go to get help.

That's aggregating all this set of information because it isn't just solving for in a health crisis. It's too late once it becomes a health crisis. Solving for before, when you can look at relevant data, when you can see somebody hasn't taken a holiday in six months, just got divorced, second 401(k) loan, you start looking at some of the datasets.

By the way, to get that information of what I just said is 7, 8, 9, 10 different systems. Most CEOs and CHROs don't have visibility to that whole being of that person so they can provide personalized support to that individual. That's the future of why we're so aggressive on the platform piece.

Then to the investment model, taking the transaction business, which is a strong mode. In a recessionary environment, you still have to pay people. Benefits will never go away no matter how challenging the recession ahead of us will be. 401(k) and pensions will always be here no matter what happens in the recession.

That strong mode of transaction revenue is a great lead generator as content to drive and win the race to own the platform piece, where we're driving outcomes-based pricing.

Analytics valuations, you've all seen companies on the analytics and data side, how valuable that TAM and valuation of those firms. Those are the dollars we're getting into in that platform piece. Best of both worlds is what BPaaS and Worklife is all about.

Alex: Maybe just to click on that little more, talk about margins in that segment versus the rest of the business, and then just how you're allocating resources and capital internally to keep driving momentum.

Katie: We've been intentional about our investment strategy. We spent $38 million this year between our commercial investments, so our value engineering team, building out our new logo team, mid-market technology and product around Worklife, and then as Stephan said, to get the contract to service the federal Thrift live.

We have been intentional about that, so our margins this year are relatively flat, but we think now you start driving operating leverage on those investments as we think about the productivity of the sales team, as we think about the roadmap on Worklife.

We use an example, now that we have gotten our clients on the front end -- on one common front end, not a custom-built by client, which was a huge undertaking -- we can start thinking differently about the delivery model and how we service them.

We get four million calls into our call center just asking you to check the status of a ticket. That's $40 million. We can now solve that holistically. We can send everyone a text and say, "Your transfer worked. [laughs] You don't have to call us."

We couldn't do that before. I do think those investments now are starting to get us into that roadmap which drives a different margin profile for the business.

Alex: With that, you guys also recently announced the launch of payment services, the digital wallet. Can you give us more color on that solution and when you might expect a contribution to revenue, material contribution?

Stephan: Again, when you think of the platform piece, adding more content continues to allow us to win the race on, why should I consolidate on Alight? Payment services, daily pay, you may know it as Earned Wage Access.

Who would have thought a couple of years ago, especially with contingent workers, if I work four days, I want to get paid for four days of work, would be a core element to somebody saying, "Then I'll go work for that person." And it is.

You can see most companies that have contingent workers would say to you, "If I don't have this offering, I can't recruit contingent workers." That's how important this topic has become.

It isn't about the revenue dollars that that provides. It's about the ability to actually recruit and retain talent and contingent workers as you go around the world.

Especially with a few years ago when you think in the UK, where it started with the rulings on Uber there, how that has transformed the world of bringing full-time employees and contingent workers into a much closer relationship where companies are providing well-being dollars.

They're providing benefits-type dollars and providing marketplace opportunities to use those dollars to spend on benefits-type programs.

I think that's really interesting. Companies that are getting that right, you don't just have to treat

full-time employees right. You got to treat your part-time employees the right way. Earned Wage Access, marketplace, well-being spend through this Worklife platform.

By the way, the notion of going to the Apple Store and downloading Worklife as a contingent worker is a lot easier than going to HR and trying to become in their infrastructure and on their payroll. Downloading all that complexity is complicated. Worklife makes it easy to live in either one of those two worlds, and Earned Wage Access is a core part of it.

Alex: You guys talked about building the platform. How are you guys looking at the M&A landscape versus investing internally, growing current pieces of business? How are you guys looking at opportunities out there?

Katie: It's by build a partner. We have to look at all three, and we're pretty intentional from a return perspective on how we make those trade-offs.

For instance, we've built out, we call it program optimization because it was something we could do within the platform that impacts all of our clients to help...Honestly, think about it a little bit, is employer benchmarking.

Then we can do closed-loop reporting around it to show how people are utilizing the system; our providers, other providers. That's really important.

Versus partner -- we announced a partnership this week with Hinge Health and with a smoking cessation company because those are great content capabilities that we don't have to own, that we can leverage in a platform through the marketplace that we think drives an experience, or will buy.

I do think there have been some key areas we may not positioned last year in the clinical space. That is really critical. It would have taken us years to build that, but that's a key capability as you think about doctor recommendation, second opinions. That was really important to the overall offering.

We haven't made an acquisition this year. I'd say valuations are high. We're starting to see pockets of that change, but we've just been disciplined on how do we get the best of both through that strategy.

Alex: A few more questions from me, and then I'll open up to the room here. You guys are

coming into year three of your roadmap, and want to know what your biggest surprise has been as you continue to develop the company. Then, what are you going to focus on going forward? If you're going to build another three-year plan or roadmap?

Stephan: More of the same. The surprise would be how fast net new has worked for us. How many big corporations like the PWC announcements we made last year -- Shell, Navistar, the list of all the net new winds -- were at a faster pace than I had expected.

Meaning undoing 20, 25 years of buying cycles is not easy. You add Fortune 500 to that, makes it even more complicated because of the politics of different buying centers.

The willingness from the board and the CEO, and then therefore in the line of business, to consolidate and stop the normalized sale or buy of individual solutions in the name of something better for employees, to make enterprise type decisions, that's been a positive encouragement.

Having said that, it is a daily activity and battle. That's why we invested so much in commercial and value engineering. You're going to continue to see us, especially in these recessionary type times, we're doubling down on the value engineering capability.

We are, as all of you are seeing it, it's great you're a top five project, and the CFO says I have money for top three. We are in that top three with where you can go get money to find savings. The good news is we're in a category that is untouched for the last 20 years, largely, unlike client-facing systems.

Supply chain consolidation's been around for 20 years. ERPs and perpetual systems to cloud, which I was all a part of, trillions have been spent. There's not much left in client-facing systems.

Yet, when you think of a company spend, 70 cents of every dollar that any company spends -- whether you're a bank, whether you're an insurance company, whether you're a retailer, whether you're a manufacturer -- is people based.

It's fascinating when you sit here today, in my 25 years of doing this, how many opportunities there are in that people-based cost base to go in and simplify and consolidate. You're going to continue to see our playbook be platform, platform.

We have 36 million participants. When you think of some of the big names that are here today or in the marketplace, it is larger than theirs. It is one of the largest...It is the largest employee

platform in America when it comes to the notion of keeping employees healthy and financially secure. Nobody has that opportunity with 36 million participants.

So platform, continuing down on that, and driving outcomes, and breaking the back on traditional pricing models to go after outcomes-based, you're going to continue to see us.

Especially as we continue to go down-market. A lot of mid-market companies are saying, "I've just spent 100 million, I don't know what I'm doing. Can you just take it for me, and run this end-to-end for me, and help my employees? I don't know how to do this on my own." That's the opportunity for us on platform.

To win platform, you have to have great content. As you've seen, and as Katie talked about, we bought and build and partnered with some great content. You're going to see us live in both of those dimensions.

Alex: One more, you guys have been public for a little over a year now. What do you think the investor base, the public market investor base doesn't fully appreciate about how great your story is?

[laughter]

Katie: Listen, it's been hard. It's been hard coming out of the SPAC. I think it was the right vehicle for us. We paid down a lot of debt because we were an LBO. We got a great partner in Bill Foley. It was the right avenue.

We've spent a lot of time getting coverage, getting the people to understand the story because there isn't one competitor for us that somebody can look and just clearly understand what we do. It is a more complicated story.

Honestly, we've been spending a lot of time getting to the right investor base because once they understand the story, I do you think it's compelling. Especially in this environment, when you think about the stability of the space with the upside of what we're trying to drive, it's pretty compelling.

Stephan: It was tough because we're an outlier. We're not trying to send people to the moon, build electric cars, and fantasy dreams. We are an industrialized company that serves a massive majority of the population with really defensive type solutions that are needed every single day. That gets lost in that world we were in.

I think what's also great is I remember the days in '14/15 when we went to market and said, we're the world's largest industry cloud company, and we're migrating from 90 percent gross margin perpetual dollars into SaaS. Revenue was going down, EBTDA was going down, but the promise of SaaS, everybody's like, what is this dynamic?

You could model it. You could see it. You could see the conversion rates, we are going to go from 1x to 2.4x. You could see the revenue streams from perpetual to ARR, gross margin expansions despite those declines in revenue, EBTDA. In those days, people could see it. It took a few years, and then everybody jumped on that bandwagon.

Here it's a little bit different where the model isn't as simple as that. Our story is not as simple to model as those days. That's why you see us being, I would say, very smart about it is not all about growth and top-line. It is about profitable growth. It is about making sure that the bookings to cash flow equation is clear and concise, funding our own transformation.

When you have that kind of a strategy across those components, and trying to tell it in three to five minutes to somebody, it's not easy. Given the environment, how busy everybody was last year with multitude of IPOs, people just didn't take the time to want to learn. I think this year, what's great is people are taking the time, digging in.

While it's encouraging, it's also a little bit sad sometimes when people say I had no idea that this is who you are. I think this year will help us a little bit in that regard.

Alex: Definitely. It's been great to see how the story's resonating. Congrats on recent secondary offering.

Katie: Thank you.

Stephan: Yeah, thank you.

Alex: With that, I want to see if there are any questions here in the room as we have just a few minutes left.

Stephan: Yes, sir.

Audience Member: That's [indecipherable] talk about what Bill Foley and the team has brought

to you guys and has changed your opinions or approach, or not, just what that relationship looks like now.

Stephan: It's just on a personal note getting to know somebody like him as I have over the years, there's very few people that you meet that understands what it means to operate a business, and then understand the world of investment, private equity, that side of it, capital markets. His purview is fascinating, hundreds of companies.

He understands this industry we're in. His lens is global. His experience is incredible in terms of what he's touched, the personal advice. He thinks long term. As you can see when we did what we did, investments, it's about paying down our debt and getting the right capital structure in place, investing for growth. We made the decisions last year to do what we did.

He was very supportive of that. It's a rare breed of personality in those different categories around thinking long-term, and he loves the transformation play.

Then of course, while he's very humble in terms of personality, his connections and opportunities, the doors he's opened for us as one of the most well-known businessman in America and around the world, has been also very helpful.

[off-mic speech]

Stephan: Go for it, yeah. Why not?

[laughter]

[off-mic speech]

Stephan: How what? Sorry?

[off-mic speech]

Stephan: That's why we're so aggressive on platform, especially with pricing. As you heard me say earlier that companies are coming to us and saying, I'm spending all this money, can I just give it to you, and can you manage it better? More outcomes-based type pricing, analytics pricing.

When you start thinking about that $50 million in savings I announced, we're taking a cut of that now. We're learning in that space. We didn't take enough of the cut, but those are high value opportunity to say, if we're going to save you 50, rather than getting 3, 4, or 5, maybe I can get 10.

We're testing those theories out, but it's not departing from that wonderful [indecipherable] model, which is a nice, as Katie said, two-and-a-half billion dollars of next year's revenue was already under contract. That's powerful.

That's a really strong base of business. On that piece, we're solid. It's shifting in the platform piece, outcomes, analytics. I don't know what you'd add to that.

Katie: I think this space, we have 97 percent retention rates. It's hard to move. People aren't going to move for a dollar of price. It's trying to come at it differently, which is, where Stephan went, is but if you can have a different value discussion, and you can offer a different proposition to them, they want that.

Then it's worth that effort. It's maybe just more coming at the conversation differently in terms of what we can offer to get people on the platform.

Stephan: Maybe a piece I didn't get into well enough is, and the examples are maybe 10, but they're powerful and they're big clients, is while we have a competitive set in some of our areas like global payroll and wealth management, we have a few large clients that says, "We love your Worklife platform. We like their products.

" Maybe we'll consolidate those products on you one day, but in terms of helping the outcomes, in terms of giving one place for one employee to go, take Fidelity's data and relegate it to our platform." We're doing that today. Take ADPs data and relegate it through you. That is, in terms of pricing and value, a significant upside opportunity.

While we compete with them head-to-head in that what I would call niche area, we're really driving an incredible approach on owning the participant relationship.

Yes, we have our own content, but we've been very open. Which is, when you think of these large clients, it's a very heterogeneous environment, you have to be open as an architecture on your technology platform.

That's why I talked about services. That's why I talked about our API architecture, our closed-loop reporting, as Katie mentioned. You need all that to be able to say to a large client, even though it's a Virgin Pulse, or ADP, or somebody else, those aren't our content engines.

We can take the data, do closed-loop reporting, help make recommendations. There are a lot of companies that are seeing much more value out of those offerings because they're coming through us on Worklife. That gives a new monetary opportunity to drive better outcomes. Is that helpful? Yeah?

Yes, sir.

[off-mic speech]

Audience Member: We've seen some labor turnover come down over the past year and a half probably. Some of the background screeners, like your First Advantage is here today, they had some good growth a couple of years ago to do that turnover.

You mentioned Boeing, that example of people being more willing to stay at companies for longer. Does general turnover impact you guys much? Do you think there is some sort of potential [indecipherable] that we'll see in the financials next year as people maybe stay at companies longer?

Stephan: With our value engineering team, the math on attrition is astounding when you think of reeducation, rehiring, losing talent. What's happened in our world is the Boeing example versus being back office. Typically, here is the annual enrollment. I got to pick my benefits, 401(k). All those things were kind of more back office.

It is front of house now. The benefits or well-being platform is becoming a differentiator in stemming attrition and recruiting top talent. That would be the answer. There was a part B on that on attrition? If I heard it right.

Katie: Volume's not a huge driver for us overall, because again, to your point, because of who we serve, and oftentimes, when somebody leaves, they go to another one of our clients.

If you started seeing significant M&A or population growth, then you'd start to see more of an impact, but it's more where Stephan went in terms of actually being able to get paid more because you can deliver more value.

[off-mic speech]

Audience Member: also thinking the stock's a little underappreciated.

Stephan: What? Sorry.

Alex: Stocks underappreciated.

Audience Member: Yeah. Along the same lines of the stock being underappreciated, [indecipherable] debt profiled today with the rising interest rate environment, which we expect, the previously laid out target, I think it was around three to three and a half times or three to four times maybe, are you still comfortable with that?

Are you hearing from the equity investors to maybe make it more palatable the stock, to maybe lower your target?

Katie: Good news again about this business, we're an [indecipherable] where we sit today. Leverage is not what keeps me up at night. That being said, we're entering a different environment, so we're looking at that every day. In terms of capital allocation priorities, we're still comfortable at the three to four, given the subscription base, given the visibility I have.

We've hedged majority of our debts. 70 percent is fixed through '24, 50 percent through '25. We don't have near-term debt maturity. I feel good about where we sit today, but that's something we'll obviously always be evaluating versus other capital allocation priorities.

Stephan: If you think of every category of bookings to revenue cash flow, we've been very clear, Katie has been...If you look at our decks, you'll see in every category, we're making progress. In Q3, we announced our conversion from cash flow 50 million to 200 million year-over-year. Significant focus on that as well

[crosstalk]

Stephan: Which I think is important. We're focusing on all the pieces to make sure that that discussion doesn't become more than that. I think we're out of time, right?

Alex: Yeah.

Stephan: Thanks, everybody.

Alex: Well, Stephan and Katie, thank you for being here today. We appreciate it. Thanks, [indecipherable] .

Stephan: Appreciate your time, everybody. Thank you.

Katie: Thank you.