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PRESENTATION

Operator

Greetings, and welcome to the Reynolds Consumer Products Third Quarter 2023 Earnings Conference Call. (Operator Instructions) As a reminder, this conference is being recorded.

It is now my pleasure to introduce your host, Mark Swartzberg, Vice President of Investor Relations. Thank you, sir. You may begin.

Mark David Swartzberg - *Reynolds Consumer Products Inc. - VP of IR*

Thank you, operator. Good morning, everyone, and thank you for joining us on Reynolds Consumer Products' Third Quarter 2023 Earnings Conference Call. Please note that this call is being recorded and webcast on the Investor Relations section of our corporate website at reynoldsconsumerproducts.com. Our earnings press release and accompanying presentation slides are also available.

With me on the call today are Lance Mitchell, our President and Chief Executive Officer; Michael Graham, our Chief Financial Officer; and Scott Huckins, who recently joined RCP and becomes Chief Financial Officer on November 13. For our call, Lance will discuss our results, the macroeconomic environment and our category performance. Mike will provide additional detail on the third quarter, our guide and capital allocation. Following prepared remarks, we will open the call for questions.

Before we begin, I would like to provide a couple of reminders. First, this morning's discussion may contain forward-looking statements based on current expectations and beliefs. These statements are subject to risks, uncertainties and changes in circumstances that could cause actual results and outcomes to differ materially from those described today. Please refer to our Risk Factors section in our SEC filings, including in our annual report on Form 10-K and our quarterly report on Form 10-Q. Please note that the company does not intend to update or alter these forward-looking statements to reflect events or circumstances arising after the call.

Second, during today's call, we will refer to certain non-GAAP or adjusted financial measures. Reconciliations of these GAAP to non-GAAP financial measures are available in our earnings press release, investor presentation deck and Form 10-Q. Copies of which can be found on the Investor Relations section of our site.

Now I'd like to turn the call over to Lance.

Lance Mitchell - *Reynolds Consumer Products Inc. - CEO, President & Director*

Thank you, Mark, and good morning, everyone. Please join me in welcoming Scott Huckins. Scott comes to RCP at a great moment in our history of our company when our brands, our market position and financial profile are strong and getting stronger. He is with us on the call today as part of the transition plan. I'll begin by discussing our results, then I will turn to the macroeconomic environment, our performance in our largest categories and what we're doing to improve the volume trends in disposable tableware. After that, I'll turn the call over to Michael to provide more detail on the quarter and our guide.

The RCP team continues to perform very effectively in a dynamic challenging economic environment, and I'm extremely proud of all that we've accomplished. We've delivered net revenues and earnings at the upper end of our expectations for the quarter. We expanded EBITDA margin more than 500 basis points in each of our businesses, reflecting effective execution of our plans to increase share across RCP, continued disciplined investments in our business and additional successful implementation of the Reynolds Cooking & Baking recovery plan. We converted higher earnings into significant cash flow resulting in our deleveraging more quickly than previously anticipated.

We introduced the Hefty brand in press-to-close food bag category and increased loyalty with Gen Z and millennials. And following quarter end, we acquired a company that is a research-driven business, which will allow us to accelerate production and commercialization of affordable high-quality sustainable products and material blends.

As you know, U.S. households are facing significant economic challenges, including inflation and rising interest rates and other headwinds, which have impacted sales volume across consumer staples. We continue to respond to these challenges by adapting and innovating to meet consumers' needs, leveraging our unique business model, including brands and store brands, executing planned increases in promotion and advertising and continuing strong management of cost and manufacturing productivity.

As a result, our retail sales volume is stably growing in our 3 largest categories, and we are implementing actions to improve disposable tableware trends. We are also benefiting from continued consumer shifts to untracked channels. As a reminder, a large portion of our business is not tracked.

I will now review our performance by business segment. The Reynolds Cooking & Baking team has done an outstanding job executing the Reynolds Recovery Plan, while also increasing market share. Volume, operational and gross profit objectives set at the start of the year were met for the third quarter in a row. Our primary foil production facility located in Louisville, has stabilized at historical production rates and extensive work continues to further increase efficiencies to expand margins.

Reynolds Wrap continued to drive the household foil category, our second largest category, retaining the first half significant share gains and increasing share of nearly 300 basis points in the quarter. We increased household penetration for Reynolds Wrap among all major demographics while also raising aided and unaided awareness for Reynolds foil and parchment among millennials. And we expanded distribution of Reynolds Kitchens air fryer liners in the U.S. and Canada, while increasing distribution of Reynolds Kitchen stay flat parchment paper with Smart Grid nationally. Reynolds now surpasses $1 billion in annual retail sales, and we have the capabilities, share strength and plans to grow Reynolds Cooking & Baking volume and margins.

Our waste and food bag businesses are also performing well, driven by the Hefty brand and our integrated brand and store brand model. Hefty retail sales are growing and continue to climb towards $2 billion, led by sales of waste bags, our largest category. Hefty acquired additional waste bag share in the quarter driven by innovation. Our largest innovation over the last 3 years, Hefty Fabuloso was recently recognized by Circana previously known as IRI as the #3 pacesetter brand for 2023 and ACV for both Fabuloso scents, Lavender and Lemon continue to increase.

Our Presto business gained additional share of store brand food bags, our third largest category, and Hefty introduced Hefty-branded press-to-close food bags during the quarter. Hefty press-to-close food bags come in multiple sizes and offer consumers the features and reliability of the Hefty brand. Hefty Renew, Our community-based program to aid curbside recycling and harder recycled plastics, expanded to the Greater Cincinnati's market in October. And we broke a major pickup in social media impressions with Hefty Cinema and Pumpkin Spice waste bags available for a limited time this fall and the reintroduction of Hefty Zoo Pals disposable plates in August. Zoo Pals online-only launch drove more than 3 billion social media impressions for the Hefty brand, and we plan to extend the relaunch to other major channels in 2024.

Turning now to our disposable tableware segment. The Hefty Tableware team has done an exceptional job recovering profitability and the Hefty brand is holding share in the category. In recent months, the team has also done extensive research to identify opportunities to improve tableware volume trends in response to elasticity pressures, which are impacting the entire category. As a result, we have begun implementing comprehensive plans to improve tableware's top line performance, drawing on proprietary consumer insights and extensive experience aligning with our retail partners on pack sizes and promotions that hit key retail price points.

Here are some of the highlights of those plans. We've increased advertising at Hefty Party Cups and disposable plates to bring in lapsed and lost users, reminding them we'll do the dishes in addition to showcasing the party cups used for crafting and other nonfood occasions. We're modifying features and displays based on very encouraging results from a new feature we recently trialed. We are adjusting counts while still providing consumers the value they seek from large pack sizes.

Disposable plates, for example, we can make small reductions to pack counts and plate size, allowing for reductions in everyday retail pricing. And we are adjusting key pack sizes, promoted price points. It will take time to realize an improvement in disposable tableware volume trends. We have a high level of confidence in that improvement based on the advantages of our brand and store brand model, our experience managing our categories together with our retail partners and our previous implementation of improvement plans to drive product growth.

We began in 2023 committed to driving our categories, expanding margins and increasing cash flow in a challenging macroeconomic environment, and we've been very successful doing that. We recovered margins across RCP and anticipate further margin expansion. We're paying down debt faster than initially expected. We are increasing share in the vast majority of our business, and we are implementing improvement plans to improve trends in disposable tableware. All this adds up to being very well positioned for further deleveraging and for sustaining volume and earnings growth beyond 2023.

Now before I hand the call over to Michael, I would like to remind you that Michael will remain in an advisory role to the company after Scott become CFO and until Michael's retirement early next year. I'd also like to stress my gratitude to Michael for his many years of service to the company. We've accomplished a lot together, including the growth of Reynolds Consumer Products, the introduction and expansion of our Reyvolution program of business transformation initiatives, the successful listing as a publicly traded company and steady financial management through a period of unprecedented macroeconomic volatility. Michael, you're a trusted friend. And I know that I speak for all of us at RCP, would I tell you that he will be missed as our business partner. Over to you.

Michael Graham - *Reynolds Consumer Products Inc. - CFO*

Thank you, Lance. I really appreciate the kind words, and good morning, everyone. I'll start by reviewing third quarter results and then turn to our guide.

Net revenues were at the upper end of our guide, reflecting a 1% increase in pricing and volume consistent with our expectations. Execution and consistency were strong as each business generated over 500 basis points of EBITDA margin improvement. We demonstrated strong balance sheet discipline, including reductions in working capital, primarily driven by strong inventory management. As a result, we grew operating cash flow by nearly $200 million by comparison to the third quarter of 2022 and improved leverage. The net debt to tolling 12-month adjusted EBITDA decreased from 3.8x at the end of 2022 to 3.1x at the end of September, and we made an additional voluntary debt payment of $100 million subsequent to the quarter end.

As a reminder, our term loan is a floating rate facility we have hedged approximately 55% of the floating rate risk affording us flexibility to delever without penalty while providing protection and predictability in this volatile interest rate environment.

Turning to our guide. We've raised our full year earnings expectations to the upper end of our previous range, reflecting better-than-expected third quarter results and unchanged earnings expectations for the fourth quarter. Our net revenue estimate for the year is now 2% lower than prior year net revenues, consisting of 2% higher pricing, which is unchanged at 4% lower volume. Consolidated retail volume for the year is estimated to be 2% below consolidated retail volume in the prior year. .

In the fourth quarter, we expect stable to growing retail volume in aluminum foil, waste bags and food bags and lower disposable tableware volume, resulting in a consolidated retail volume decline of 2% to 4%. Our fourth quarter earnings estimates are unchanged in spite of the lower fourth quarter revenue estimates. This is due to our mix improvement, and we are executing a newly identified revenue and cost savings. Other considerations regarding our annual guide consists of the following: commodity rates remain broadly consistent with our expectations when reporting second quarter results. Reyvolution cost savings are now estimated to be slightly in excess of our prior estimate of 200 basis points of incremental margin. .

Gross profit is expected to be approximately $935 million at the midpoint of our guide, representing an increase on our previous estimate. There are no significant changes to the annual depreciation and amortization, interest expense, effective tax rate and capital spending estimates that we provided in our last earnings call.

Turning to our capital allocation, we are deleveraging faster than anticipated in reporting second quarter results and expect net debt of $1.8 billion at year-end compared to a range of $1.8 billion to $1.9 billion previously shared. This equates to an estimated 2.9x net debt to trailing 12 months adjusted EBITDA ratio representing an [improvement] in end of Q3 and year-end. And our capital allocation priorities are unchanged: invest with discipline in automation, continued margin expansion and growth, returning cash to our shareholders by maintaining our current dividend and further deleveraging to a target of 2 to 2.5x adjusted EBITDA and pursue bolt-on acquisitions consistent with our marketplace position and core competencies.

Overall, our business is strong and getting stronger. Our volumes stable to growing in our 3 largest categories, and we are implementing plans to improve top line performance in our tableware business. We have additional opportunities to expand margins and our cash flows are strong, giving us the opportunity to accelerate deleverage while investing in the future of our company.

Now before I turn the call back over to the operator, I would like to acknowledge that this will be my last earnings call with you. It's truly been a pleasure working with the incredible team here at Reynolds Consumer Products and I'm immensely proud of the remarkable progress we've achieved together over the years. In addition, a special thank you to the analysts and investor community for the trust and confidence you have shown to our team. Finally, I'm confident that Scott and the entire RCP team will be very effective guiding Reynolds to the company's next phase of growth. As we turn to our Q&A, we ask that you direct your questions to Lance and me as Scott remains in an advisory role to the company. With that, operator, please open the call for questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Our first question comes from Peter Grom with UBS.

Peter K. Grom - *UBS Investment Bank, Research Division - Director of Equity Research & Analyst*

Michael, I wish you the best of luck moving forward and thank you for all the help over the years. And Scott, congratulations and looking forward to working with you. So I wanted to ask about the 4Q revenue guidance, which was a bit weaker than expected, especially on the retail volume front. I think last quarter, there's always an expectation for non-retail sales to have an impact in the fourth quarter. But I may be mistaken, but I think the expectation was for retail volume to return to growth. Can you maybe just talk about what's changed versus August? And while I wouldn't expect any official commentary on '24 just now, but I do think it would be helpful to understand how you see volume performance evolving kind of given the weaker exit rate?

Lance Mitchell - *Reynolds Consumer Products Inc. - CEO, President & Director*

I'll start, and I'll let Michael add to my comments. The change in the revenue guide is primarily the tableware business and non-retail. In the retail -- in the tableware business, we are seeing volumes decline. However, it's worth reminding everyone that we're seeing an 800 basis point increase in the EBITDA margins in that business. Tableware is a more discretionary item than our other categories, and we've taken the most pricing up in that category than we have other categories, up over 30% on a 4-year basis versus high teens in our other businesses. And we started and completed those increases later than we did in our other categories. So we've now crossed some key elasticity thresholds knowing that we may have to address the volume impact. And we're going to use the same playbook we've used with Reynolds Wrap, get the right price points, get the promoted activity right and drive the overall category growth. .

Nonetheless, it's going to take some time to see the full benefit of those actions as it did with Reynolds Wrap, and we've gone through that previously. So that's the primary change in the revenue guidance on tableware.

Mark David Swartzberg - *Reynolds Consumer Products Inc. - VP of IR*

And Peter, this is Mark. I'll just add to what Lance said to remind you that our non-retail business is a very low-margin business. So while it's impacting the top line, it's not having any really very significant effect on our earnings expectations versus where we were a few months ago.

Peter K. Grom - *UBS Investment Bank, Research Division - Director of Equity Research & Analyst*

No, that's really helpful. And then maybe just a follow-up. I wanted to ask about Hefty Waste & Storage. You touched on the innovation and share performance, and it was nice to see. So the volume mix return to growth this quarter, but there's obviously been a lot of disruption in the category with your largest branded competitor. Did this impact your results at all in the quarter? And I am just really curious how do you kind of see this dynamic evolving as you look out to the fourth quarter?

Lance Mitchell - *Reynolds Consumer Products Inc. - CEO, President & Director*

Well, first, I want to start by saying I would never wish a cybersecurity incident on any company and particularly on a competitor. It's very disappointing to hear that happening to any business across our country. Hefty was, as you mentioned, was already driving volume and share in waste bags prior to Clorox's cybersecurity incident. There was some benefit in the latter part of Q3, which is continuing in the Q4 and that, along with a refresh of our category expectations across all of our businesses was factored into our Q4 guide.

Operator

Our next question comes from Mark Astrachan with Stifel.

Mark Stiefel Astrachan - *Stifel, Nicolaus & Company, Incorporated, Research Division - MD*

A couple of questions for me. One, just starting on M&A, not trying to make too much out of it, but it's kind of notable considering your history. What are you trying to get out of the acquisition? Is it commercialization technology, R&D know-how, et cetera, any signaling on more willingness for M&A? Or was it just opportunistic and partly because of Michael's comments on the deleveraging faster than anticipated? That's question one.

Lance Mitchell - *Reynolds Consumer Products Inc. - CEO, President & Director*

Mark, thanks. Yes. No, our capital allocation strategy has not changed. We saw a very unique opportunity with this acquisition. This company creates unique and novel raw materials that enhanced performance in postability. They manufacture reusable plant-based products and develop technologies and partnerships in a circular economy, which aligns with our Hefty renewed recycling program and our sustainable product development. So we saw this as a unique opportunity to enhance our research and development opportunities and sustainable products. And as I said, but that doesn't change. Our primary focus is on delevering.

Mark Stiefel Astrachan - *Stifel, Nicolaus & Company, Incorporated, Research Division - MD*

Got it. And maybe just a related question to that and then the second question. So is there any change in your thinking about how to think about that specific avenue, the sustainability of what you're selling? Or is it just part of the core sort of thing? And then the second real question is just how to think about the balance between gross margin expansion, obviously, very good in the quarter. It probably continues to be good, reinvestment, which was increased and just the flow-through to adjusted EBITDA.

Lance Mitchell - *Reynolds Consumer Products Inc. - CEO, President & Director*

I'll answer the first part of the question, I'll ask you to repeat the second one. So Michael can answer it. But our focus has always been on -- and if you look at our ESG scorecard on having sustainable product solutions across our product portfolios. We have a goal to ensure that consumers have a choice of a sustainable product across all of our categories by 2025, and we're well on our way to achieving that goal. So this is part of developing those sustainable product options for consumers. And could you repeat the second part of your question for Michael?

Mark Stiefel Astrachan - *Stifel, Nicolaus & Company, Incorporated, Research Division - MD*

Yes. It was basically just about thinking about the balance between gross margin expansion, reinvestment and then -- and adjusted EBITDA growth.

Michael Graham - *Reynolds Consumer Products Inc. - CFO*

Yes. So when you think about our gross margin expansion, we are expecting continued improvement into the future. We do expect additional gross margin expansion driven by the full year of Cooking & Baking improvements, additional mix and revolution cost savings. So that is our expectation going forward. So you should look to see continuation of our expansion (inaudible) understand. Can you again -- then the second part of that question was related specifically to what again, can you...

Mark Stiefel Astrachan - *Stifel, Nicolaus & Company, Incorporated, Research Division - MD*

Yes. Just what do you do with that incremental gross profit? How do you think about reinvestment? How do you think about flow-through to EBITDA?

Michael Graham - *Reynolds Consumer Products Inc. - CFO*

Well, our priority continues to be delever and pay down debt. Anything beyond that would be dealt with on an opportunistic basis, but -- and we'll continue to invest in this business, but our priority is to pay down debt and delever as we indicated previously.

Operator

Our next question comes from Lauren Lieberman with Barclays.

Lauren Rae Lieberman - *Barclays Bank PLC, Research Division - MD & Senior Research Analyst*

One question I had on tableware. You walked through the plans for kind of resuscitating the business and using that the existing playbook that's worked. But I was wondering if there's an opportunity to reset profitability or business -- product mix within tableware as you're doing this? So there are segments of that business that are more profitable than others. Sort of is there like a broader kind of reset opportunity within that business as well as you're putting in this resuscitation plan?

Lance Mitchell - *Reynolds Consumer Products Inc. - CEO, President & Director*

Yes. Without getting into specific details beyond what I said in the prepared remarks, the answer to that question is yes. We have restored profitability across all of the products, which gives us the flexibility to invest in all those actions I talked about, which is features and displays, adjusting counts and increasing advertising and promotional activity.

Lauren Rae Lieberman - *Barclays Bank PLC, Research Division - MD & Senior Research Analyst*

Okay. And then if I shift to the Hefty food bag launch, and I apologize, I don't know if you covered this to a great extent in the prepared remarks. I'm sorry if you did because I was on another call. But I was just curious about just early reads from retailers on shelf space there, if it's incremental, if this is a replace slider bags with press-to-close, but just how that kind of fits into the product lineup and the decision to add this to the portfolio?

Lance Mitchell - *Reynolds Consumer Products Inc. - CEO, President & Director*

It is to add another brand to the press-to-close category. At this point in time, there's only one brand in the category and much likely we've successfully been in the food bag category with both brands and store brands. There's 3 brands in the slider category. So we saw an opportunity through our category management teams, insights and development to add a brand to the press-to-close category. We just launched it recently, and it's too early to get a read on the revenue success that we project. We'll have that when we put our 2024 plan together.

Lauren Rae Lieberman - *Barclays Bank PLC, Research Division - MD & Senior Research Analyst*

Okay. And then final thing, sorry, It was just -- at our conference, you had spoken to 2024 volumes kind of flattish as a good starting point for expectations. Now that we know about the pressure from -- in tableware and I guess, continued on the non-retail side of things. Just curious how much of that's driving that thought process on flattish volumes? Like should we think about Hefty and Reynolds Cooking & Baking is having like a sort of some growth and then they're began offset from tableware and non-retail?

Lance Mitchell - *Reynolds Consumer Products Inc. - CEO, President & Director*

Well, we are in the middle of our planning process for next year, and we'll have more share in our volume expectations when that's complete. We are -- certainly, we're operating in a very dynamic macroeconomic environment. And I'm pleased with our performance in our largest categories. As you heard in my prepared remarks, our retail volume is stable and growing in household foil, waste bags, and food bags. And that's better than many CPGs in their largest categories, driven by many factors, including our innovation, our leverage of our brand and store brand business model and successful category management with our retail partners. .

As commodities have and costs have stabilized, our tableware business has achieved levels of profitability, as I mentioned a moment ago on key items that gives us the flexibility to adjust retail prices and price packs together with our retail partners. And those actions will require time to drive improvement, and I'm confident they will, and that will be factored into our 2024 planning.

Operator

(Operator Instructions) Our next question comes from Jason English with Goldman Sachs.

Jason M. English - *Goldman Sachs Group, Inc., Research Division - VP*

I have to apologies in advance like Lauren, I'm stretching multiple directions. So I may ask questions that you've already addressed, if that's the case, well, my apologies. It's great to see the robust margin recovery on Reynolds Cooking & Baking. You, however, still are well below kind of the 20% level -- EBITDA level that you were hovering at plus/minus for quite a few years there. Is that a reasonable number to get back to or just because of the numerator denominator effect of how much price you put in the system, should we be looking to level off at a lower margin than that? And if so, what is that right margin? And when do you think you'd be able to get there?

Michael Graham - *Reynolds Consumer Products Inc. - CFO*

Yes, Jason, it's a great question. Look, we're still in the midst of working through our plan. I mean, so I think we're going to pause and give you an answer on that in a lot more detail in January.

Mark David Swartzberg - *Reynolds Consumer Products Inc. - VP of IR*

Jason, Mark here. And what I would add to what Michael said is that as you've seen, and really it's been a story all year in 2023, you've seen margin expansion in each of our businesses. And as Lance just mentioned, we're pleased with what we've achieved. As you know, our earnings expectations for the year have come up as we move through the year. So we think we're going into the planning cycle in a very good place to be starting that exercise.

Jason M. English - *Goldman Sachs Group, Inc., Research Division - VP*

I would absolutely agree with -- from the perspective of an outsider looking in. Turning to the waste and storage business. I think it was Mr. Astrachan earlier who asked the question around Clorox' disruption and the benefit that's accruing to. You mentioned you saw some benefit late in the third quarter. How long should we expect these benefits to continue? And said differently, I imagine some of that disruption is giving you an opportunity to secure some maybe a higher share of promotional merchandising programming than you otherwise would have had. Is that the case? And how far out have you been able to secure the higher share?

Lance Mitchell - *Reynolds Consumer Products Inc. - CEO, President & Director*

I think it would be premature for us to comment on that as we're developing our 2024 plan, how sticky these gains have been on a sustained basis. We'll wait and see, and we'll plan accordingly.

Operator

Our next question comes from Andrea Teixeira with JPMorgan.

Andrea Faria Teixeira - *JPMorgan Chase & Co, Research Division - MD*

Michael, I would like to congratulate you in the next steps of your life and thank you for all the patience along the way. And Scott, welcome, and looking forward to working with you. My question is on the balance between your branded and private label offerings. And I understand that you have -- and correct me if I'm wrong, you had alluded to that, I think, in the second quarter that you had a contractual price reduction in trash bags in the Q4 because of just the rising price flowing through.

So I wonder, number one, if that's correct? And number two, if you're looking to do any adjustments to the price of Hefty trash bags given that the price gap will likely widen and what your experience with tableware has been in terms of price elasticity or conversely, because you probably got more velocity given your competitors issues. Is there anything we should be thinking of? And again, thinking of how you've been able to recover your -- it was impressive, 80 basis points improvement in gross margin. If you wanted to reinvest a little bit more in promo or that is the level that you feel is appropriate in terms of price points and price gaps?

Lance Mitchell - *Reynolds Consumer Products Inc. - CEO, President & Director*

To your first point about the private label pricing and waste bags, it's been stable and has not changed. We didn't make any changes in private label pricing and waste bags. And resin has stabilized, but we haven't seen and nor do we expect significant decreases there. So our pricing strategy remains as it has been. We've restored the margins to a level that we're satisfied with. We believe that we can continue to grow from this point forward.

Andrea Faria Teixeira - *JPMorgan Chase & Co, Research Division - MD*

Go ahead.

Michael Graham - *Reynolds Consumer Products Inc. - CFO*

I was going to say, I think one of your questions was there about our path to continued gross margin expansion. I did speak on this earlier, but we do expect to see continued gross margin expansion as we get the benefit -- the full year benefits from the Reynolds Cooking & Baking improvements. And in additional, we do see mix being favorable. And obviously, we have Reyvolution cost savings that we're still working through. But we've demonstrated in the past that we managed Reyvolution projects pretty well, and you should expect to see that going forward.

Operator

There are no further questions at this time. I would now like to turn the floor back over to Lance Mitchell for closing comments.

Lance Mitchell - *Reynolds Consumer Products Inc. - CEO, President & Director*

Thank you, operator, and thank you, everyone, for your questions and your interest in our business. I'd also like to just say thank you again to Michael Graham for his contributions to our company. We're going to miss his business partnership. I also want to really extend a sincere thank you to everyone on the RCP team. They are the reason that we're doing and performing so well. And finally, I'd like you to all mark your calendars for Wednesday, March 20, 2024, we will be in New York City on that day for an Investor Day. I hope to see you all then. Thank you.

Operator

This concludes today's teleconference. You may disconnect your lines at this time. Thank you for your participation.

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