

**2025 Third-Quarter Conference Call****October 21, 2025****Operator:**

Thank you for standing by. My name is Greg and I will be your conference operator today. At this time, I would like to welcome everyone to today's GATX Corporation 2025 Third-Quarter Earnings call. (Operator Instructions). I would now like to turn the call over to Shari Hellerman, Head of Investor Relations. Shari.

Shari Hellerman:

Thank you, Greg. Good morning and thank you for joining GATX's 2025 Third-Quarter Earnings call. I'm joined today by Bob Lyons, President and Chief Executive Officer; Tom Ellman, Executive Vice President and Chief Financial Officer; and Paul Titterton, Executive Vice President and President of Rail North America.

As a reminder, some of the information you'll hear during our discussion today will consist of forward-looking statements. Actual results or trends could differ materially from those statements or forecasts. For more information, please refer to the risk factors included in our earnings release, and those discussed in GATX's Form 10-K for 2024 and our other filings with the SEC. GATX assumes no obligation to update or revise any forward-looking statements to reflect subsequent events or circumstances.

Earlier today, GATX reported 2025 third-quarter net income of \$82.2 million, or \$2.25 per diluted share. This compares to 2024 third-quarter net income of \$89 million, or \$2.43 per diluted share. The 2025 third-quarter results include a net positive impact of \$5.3 million, or \$0.15 per diluted share, from Tax Adjustments and Other Items. The 2024 third-quarter results include a net negative impact of \$2.5 million, or \$0.07 per diluted share, from Tax Adjustments and Other Items.

Year-to-date 2025, net income was \$236.3 million, or \$6.46 per diluted share. This compares to \$207.7 million, or \$5.68 per diluted share for the same period in 2024. The 2025 year-to-date results include a net positive impact of \$5.3 million, or \$0.15 per diluted share, from Tax Adjustments and Other Items. The 2024 year-to-date results include a net negative impact of \$9.9

million, or \$0.27 per diluted share from Tax Adjustments and Other Items. These items are detailed in the Supplemental Information section of our earnings release.

I'll briefly address each of our business segments. After that, we'll open the call up for questions.

In North America, demand for our existing fleet remains stable. GATX Rail North America's fleet utilization remained high at 98.9% at quarter end and our renewal success rate reached 87.1%. Our commercial team continues to successfully increase renewal lease rates while extending lease terms. The renewal rate change of GATX's Lease Price Index was positive 22.8% for the quarter, and the average renewal term was 60 months.

While tariffs and macro uncertainties have affected customers who use the most economically sensitive car types, demand for the large majority of car types in our fleet is holding up well.

An encouraging sign in the North American market is the continued strength of the secondary market. As we offer select packages for sale, we're seeing very strong demand for GATX assets from a diverse and deep buyer pool. We generated over \$16 million in remarketing income during the quarter, bringing the year-to-date total to approximately \$81 million, and we expect that we'll finish the year with a strong fourth quarter.

Regarding the pending acquisition of Wells Fargo's rail operating lease assets, we continue to expect closing to occur in the first quarter of 2026 or sooner.

Turning to Rail International, GATX Rail Europe fleet utilization was 93.7% at the end of the quarter, reflecting ongoing market challenges in Europe. Despite these conditions, we continue to renew leases for many car types at rates higher than those of expiring leases, demonstrating the market's resilience.

In September, we announced an agreement to acquire approximately 6,000 railcars from DB Cargo, a major European rail freight operator, through a sale-leaseback transaction. Closing is

expected by the end of 2025, subject to customary regulatory approvals.

In India, rail freight volume remains robust, and demand for railcars is very strong despite trade uncertainties. During the quarter, GATX Rail India took delivery of 600 new cars and placed them with customers. Fleet utilization was maintained at 100% at quarter end.

Engine leasing performed very well this quarter driven by continued high demand for aircraft spare engines. This demand is manifesting itself in high utilization, attractive lease rates and opportunities to sell engines at a compelling valuation. At the same time, we identified attractive opportunities to increase our direct investment in aircraft spare engines, acquiring seven additional engines for \$147.1 million during the quarter.

The RRPf affiliates also continue to expand their portfolio with total investment already exceeding \$1 billion year to date.

Finally, as we noted in the earnings release, we continue to expect 2025 full-year earnings guidance to be in the range of \$8.50 to \$8.90 per diluted share. This guidance excludes any impact from Tax Adjustments and Other Items and also excludes any impact from the Wells Fargo transaction.

And those are our prepared remarks. I'll hand it back to the operator so we can open it up for Q&A.

QUESTION AND ANSWER

Operator:

Thanks, Shari. (Operator Instructions) And our first question comes from the line of Ben Mohr with Citigroup. Ben, please go ahead.

Ben Mohr:

Hi, good morning. Thanks for taking our question. To get to your midpoint of your guide, you would need 4Q EPS at \$2.39 versus consensus at \$2.25. Can you discuss how you plan to close that gap on both revenue and margin drivers, please?

Bob Lyons:

Sure. Good morning, Ben, thanks for your question. This is Bob. I'll take that one. So as indicated, the full year -- just to kind of take a step back, has largely played out as we anticipated.

Certainly, some puts and takes on various line items, which is not unusual. But the overall -- our results in the overall environment are very consistent with what we thought coming into the year and we would expect that to continue into the fourth quarter.

As Shari noted in her opening comments, we have a very strong pipeline of assets that we have for sale in the secondary market. We're seeing really strong demand. So we would expect really solid remarketing income in the fourth quarter, and that will be largely the biggest driver in Q4, relative to Q3.

Ben Mohr:

Great, appreciate that. Maybe just as a follow-up on the remarketing you mentioned the -- looking into the next couple of years, longer term, would you still expect sort of elevated remarketing levels at the roughly \$100 million to \$110 million through 2027, maybe kind of driven by inflation from the U.S. administration's policies and also more freight car mix from your Brookfield JV versus the roughly \$50 million level that we saw back in the pre-COVID levels?

Bob Lyons:

Yeah, well, it's a bit difficult to predict many years out into the future. But based on everything we're seeing today, there's no reason to believe, or no reason for us to feel, that the secondary market is going to adjust materially downward. Demand is really strong and very encouraged by just the sheer number of buyers and their appetite for the assets that GATX has on lease. So we see a really positive market, an environment for remarketing income in the years ahead.

I think also supporting that is what we've talked about frequently over the last couple of years. The supply side thesis that new car supply capacity, manufacturing capacity in North

America, is more in line with true underlying demand for new cars. So, as investors and current competitors in this market look for ways to grow and to build their fleets, the secondary market becomes a very, very good alternative, and we're seeing that.

Ben Mohr:

Great. I really appreciate the time and insights. Thanks.

Operator:

Thanks, Ben. And our next question comes from the line of Bascome Majors with Susquehanna. Bascome, please go ahead.

Bascome Majors:

Thanks for taking our questions here. To the GATX and Wells Fargo deal, you've talked about that being modestly accretive in the first full year. When we go through the pro forma historic financials you filed recently, it's indicating some modest dilution on a look-back, adjusted for financing and other items. Can you help us square where we get to accretion under your ownership versus this historic look-back and where those just wouldn't add up similarly to what you're seeing on a go-forward basis? Thank you.

Tom Ellman:

Yeah. So, Bascome, first of all, it's important to know what we issued. So that 8-K is looking at what happened if the transaction for income statement purposes closed in 1/1/2024, and then for balance sheet purposes, closed June 30, 2025. So obviously, it didn't close either of those dates. The other thing that it does is that it takes the actual results of both companies and then kind of puts them together.

So, two things it does not do is it doesn't make allowances for the fact that the combined SG&A of the two companies is going to be a bigger number than what the SG&A would be for GATX on a consolidated basis. The other thing it ignores is any kind of management fee. And there's a variety of other items just because of the nature of how those statements come together that

don't find their way in, but those are two big things that would take you from the dilutive numbers that you saw in that -- those reportings versus the modestly accretive numbers that we've talked about several times.

Bob Lyons:

Yeah. And Bascome, I would just add to Tom's two key points. There's no SG&A synergy in there. That's an easy one you can pick right off of the financial statement that was filed with the 8-K. You can see what the SG&A is for Wells Fargo Rail and then for the combined entity, and there's no benefit given to synergies. There's no management fee.

We haven't broken that out yet. When the transaction closes and we provide guidance going forward, we'll give you some more clarity on the management fee, but that's not an immaterial number, and that's not reflected in the financial numbers and then -- nor is any other type of synergy that GATX may generate from the combined entity. So, it's really just a financial roll-up, not a snapshot of the go-forward scenario.

Bascome Majors:

Thank you for that. And to the DB deal in Europe, any thoughts on whether that will be needle moving in next year from a financial standpoint? Or is that really more of a long-term investment in growing the European fleet? Thank you.

Bob Lyons:

Yeah, it's Bob again, Bascome. It's more of a long term -- like from an accretion dilution standpoint. It's not material, one way or the other in the year -- the first year of ownership. It is a longer-term investment, but one that we're very excited about to be able to do a transaction like this.

It starts out as a net lease, likely will convert over time to full-service leases as those initial leases roll over. Also likely to convert at some level to full-service leases versus the net, as mentioned. The DB is a very good example of what we're seeing begin to form in Europe. They have a fleet of 70,000 wagons themselves. Like other railroads in Europe, DB is looking for ways to enhance their cash flow. They don't necessarily

need to own all of their rolling stock and so we think there may be opportunities elsewhere across Europe for similar type transactions. And we're certainly out in the marketplace looking for those opportunities, as well.

Bascome Majors:

And lastly, you've already commented on the secondary market in North American rail and really seeing no need or driver for that to change from the favorable situation has been in for the last couple of years. Can you speak a little bit to the sequential performance in lease rates, certainly, the LPI is still very positive. You had a slight tick down in utilization in North America. LPI is a little lower than where it was in recent quarters. Just -- I mean is there any sequential just gradual weakening going along? And any thoughts on just the market here and now versus 6, 9, 12 months ago? Thank you.

Paul Titterton:

Sure, Bascome, this is Paul, and I'll be happy to take that one. So -- what I would say, overall, despite all the macro uncertainty, the North American railcar market is holding up pretty well. And so when we look across the fleet, in general, lease rates remain at healthy levels, and that continues to be the case. We've seen sequentially quarter-over-quarter rates across most car types flat to perhaps down very, very slightly. But in general, Bob alluded to the sort of supply-led market thesis that we've had for quite some time that has really proven itself out.

And I think that's where this period of macro uncertainty from a lease rate standpoint is really quite different from past periods. If you think about for example, the lead up to The Great Recession or the lead up to the COVID recession, and I'm not comparing, necessarily, this period to those periods, but those were periods where we started to see macro uncertainty, and there was a very large negative market response from a lease rate standpoint. We really don't see that here. And again, that's really because the market hasn't been overbuilt. And so fleets remain fairly highly utilized.

And so again, a little bit of quarter-to-quarter deterioration. But overall, across the fleet, for the most part, rates holding up well.

Bob Lyons:

And I'll add to that, Bascome, too. I think Paul can elaborate on this, but one of the additional drivers to that, we're seeing scrap rates are holding up really well and with the market largely in balance, any temporary imbalance in a specific car type appears to be rectifying itself very quickly from a scrapping standpoint. So, supply demand -- and supply and demand are not getting out of balance for any extended period of time in any car type.

Bascome Majors:

Thank you, all.

Operator:

Thank you, Bascome. And our next question comes from the line of Andrzej Tomczyk with Goldman Sachs. Andrzej, please go ahead.

Andrzej Tomczyk:

Hi, everybody. Thanks for taking my questions. I just wanted to touch a little bit about on the maintenance expense within North America. I know that jumped up a little bit sequentially, and we've been talking about increasing maintenance expenses in North America. So I'm just curious on a go-forward basis, is that sort of a good dollar level to sort of be at in terms of North American maintenance or should we continue to expect increases from here there?

Paul Titterton:

So, this is Paul speaking. I'll just contextualize it before I get directly to your question. So, fundamentally, as you know, for the last, really, five to seven years, we've made tremendous investments in our owned maintenance capability, and that's because we have a very substantial marginal cost advantaged working cars in our own network versus in the contract network and really, that's been borne out over time. This year, from a mix standpoint, we do a great deal of work to try to forecast the mix of

work coming into our facilities. This was a mix that really filled up our shops at a higher clip than we had forecast.

And as a result, we had to put more work into the contract network, which is more expensive. We're not going to guide for '26 yet because, obviously, traditionally with GATX, we don't do that until the next earnings call. So, I can't really comment specifically on '26. But what I can say is over the long run, we are on track with our objective of continuing to put more work into our own shops and control our costs. And we remain of the view that we can achieve that going forward.

Andrzej Tomczyk:

Understood. And just maybe a little bit on the combined nature of the Wells Fargo deal as we move forward if that goes through. I know you mentioned the SG&A synergies, the management fees as well. But should we be thinking of longer-term synergies on other line items like maintenance as well?

Bob Lyons:

I'll take that one, Andrzej. Thank you for the question. Yes, is the short answer to that question. There will be synergies in other line items as well. Maintenance is one area that we have talked about a little bit more publicly because Wells Fargo, as a bank, is not allowed to own maintenance facilities directly. They do all of their work through third-party shops.

As Paul mentioned, we are at full capacity in our shops today. So, when this transaction closes, it's not an immediate opportunity to bring work on those cars into the GATX shops. We'll continue using the third-party network that Wells has effectively established over the years. But longer term, absolutely, we will look for opportunities to bring more of that work in-house at GATX.

Andrzej Tomczyk:

Understood, appreciate the context. Maybe just shifting a little bit to the spare engine leasing side of the business. It seemed like a good strong quarter there again. I'm just curious if you could share the breakout between the gains in the core

EBIT this quarter and maybe how you expect to trend into year end?

Tom Ellman:

Sure. So, for the quarter, the operating income was about 85% of the total, and remarketing was about 15%. So, year to date, we're at about three quarters, one quarter. Much like Paul's commentary about 2026, we usually don't try to get too specific on individual quarters because that's -- it's challenging, particularly given the lumpy nature of the way remarketing comes in, whether it's aircraft engines or railcars. But the three quarters, one quarter is a little higher on the operating income side than we've historically been.

So if history is a guideline, you would see a little bit more on the gain side, on the remarketing, but there's no guarantee of that.

Andrzej Tomczyk:

Understood. And then lastly for me, I did notice that the renewal success rate in North America jumped up to 87% from 84% last quarter and 82% last year. I'm just curious like sequentially, if that increase is anything to read into, relative to the certainty around tariffs. Is there any increased certainty from your customers? And is that leading to increased renewal success rates? Thanks.

Paul Titterton:

I would say I wouldn't so much characterize that as driven by increased certainty by our customers, but much more just -- as we mentioned earlier, the fleet overall remains fairly tight. And obviously, it's in our interest and the customer's interest to renew, it reduces cost for both of us to the extent that demand is still there. So, in a relatively tight fleet, as long as lessor and lessee are acting rationally and we price to the market, we should have a very high renewal success rate. So -- but I wouldn't necessarily read into that number anything from a macro standpoint.

Andrzej Tomczyk:

Appreciate it.

Operator:

Thank you for the questions. And our next question comes from the line of Brendan McCarthy with Sidoti. Brendan, please go ahead.

Brendan McCarthy:

Great. Good morning, everybody. Thanks for taking my question here. I wanted to circle back to a point on the supply side dynamics. I think you mentioned the market remains in balance, really supported by some of the higher scrapping rates. I guess do you see any room or capacity for new car builds just stemming from any different economic variables that may shift in the future, such as a lower interest rate environment?

Paul Titterton:

Fundamentally, I would say the answer is no. We don't foresee a big uptick in build absent some spike in demand that we can't predict. What I will say is it's not just a question of financing costs. The builders have really rationalized capacity right now. And so if we think back to the crude boom, which is the last big boom and railcar production, the builders were producing at an 80,000-car a year clip, they couldn't ramp up to anything close to that number right now without a Herculean effort.

So fundamentally, I think the supply side has rightsized quite a bit. And so I think a dip in financing cost is unlikely to have a hugely material impact on new car production.

Brendan McCarthy:

Got it, that's helpful. And really absent any factors driving overbuilding on the car build side. I guess do you see any reason why lease rates can't continue to remain above the 20% threshold?

Bob Lyons:

Well, eventually, you will work your way through that pool of cars that were priced at much lower rates. So, over the longer term, you will get to a point where you're renewing more cars, more and more cars that are put on at today's market rate, but we're still a ways off from that.

Brendan McCarthy:

That makes sense. And given the idea of, I guess, how far along in the future that may be, whether it be two, three years or perhaps longer?

Bob Lyons:

Yeah, we're -- Tom, go ahead.

Tom Ellman:

Yeah, so as Paul mentioned earlier, we'll give more guidance next quarter. But order of magnitude, we're probably about halfway through remarketing those.

Brendan McCarthy:

Okay, okay. I wanted to transition to the engine leasing business -- a really strong quarter there. Are you seeing any hesitancy from customers on the engine leasing side or anything within Rolls-Royce affiliates? Just resulting from uncertainty around tariffs or anything like that?

Tom Ellman:

So again, the short answer is no. The recovery in post-COVID and aviation has been great, and we continue to see very high demand for the engines and don't expect any changes there. Of course, tariffs or general macroeconomic activity -- certainly, we'll keep an eye on that for possible signs of what it might do to demand. But to date, in the near term here, we expect that business to continue to be very strong.

Bob Lyons:

And we've been encouraged by the investment volume and opportunities that we've seen, particularly within the joint venture itself. RRP, the team there -- we came into the year expecting around \$800 million roughly in total investment volume. And through the third quarter, we've already gone north -- just north of \$1 billion. So they're having an outstanding year in terms of putting capital to work at really attractive returns.

Brendan McCarthy:

Great, that's helpful. And then on the internal portfolio, GEL looks like, I believe I saw seven engines were purchased in the quarter. Is there anything to comment on related to the purchasing pattern there? I know there were no engines purchased in the first half of the year. Was there any outsize read through there for this quarter?

Bob Lyons:

No, nothing in particular. What I will comment on, I think it might be helpful to kind of take a look back when we first started doing direct investments in engines, it was during the depth of the COVID downturn. And at that point in time, Rolls-Royce's financial results were pretty stressed and the capital markets in general were really in a state of flux, and there was not a lot of capital flowing into aerospace, whether it be aircraft, in terms of airframes or engine. So that presented GATX with a really unique opportunity to step in and buy engines directly, support Rolls-Royce in doing so, and invest in some very attractive assets for GATX for the long term. We now have over \$1 billion of direct investment in engines and they will pay dividends for years to come.

We also knew at the same time that Rolls-Royce's financial performance would strengthen their credit profile -- would strengthen and more capital would flow back in to aerospace, investments, as it always does. It's the epitome of capital flowing in and out depending on cycles. But it certainly has flowed back in and Rolls -- we knew would always look at their most effective way to sell engines, whether it be into the JV or GATX directly. The fact of the matter is they have a lot more options available to them today. We knew that. And so I think our investments going forward will be -- directly will be much more opportunistic than they are programmatic.

Brendan McCarthy:

Understood. I appreciate the detail. That's all from me.

Operator:

Thank you, Brendan. And our next question comes from the line of Justin Bergner with Gabelli Funds. Justin, please go ahead.

Justin Bergner:

Good morning, Bob. Good morning, Tom. Good morning, Shari.

All:

Good morning.

Justin Bergner:

A few questions here. I just wanted to make sure I heard correctly on the mix of operating and remarketing income within the Rolls-Royce JV. It seems like the JV income stepped up from \$33 million in 1Q, then dipped to \$22 million in 2Q and \$53 million in 3Q. But I think you indicated that the share of remarketing income was less than the year to date?

Tom Ellman:

Yeah, that's -- yes, Justin, that's correct. And part of the reason for that is one of the items that we called out was the insurance recovery. What that insurance recovery is, is back in 2022, we had an impairment for that JV for some engines that were in Russia as the Russian/Ukrainian conflict got going, and we did not anticipate being able to get those engines out, and there were some uncertainty about what would happen from an insurance standpoint. As it turned out, this year, we had a recovery of insurance proceeds, and that shows up in the operating income line. So that's part of the reason for that relatively higher number in Q3.

Justin Bergner:

Okay, that's helpful. And I see an \$8.2 million adjustment, net of taxes for the affiliate income, does that correspond to the \$55 million or do I need to gross that up on a pre-tax, if I'm going to ...

Tom Ellman:

So yeah, I'm not totally sure where you're getting the \$55 million, but that is an after-tax number.

Bob Lyons:

And that relates to the insurance directly -- to the insurance proceeds that Tom just mentioned. So, we normalized for that.

Justin Bergner:

Sorry, it was \$53.4 million but the \$8.2 million is apples to apples on a tax basis with the \$53.4 million, I need to gross it up to be pre-tax ...

Bob Lyons:

Where specifically, Justin, are you picking up the \$53.4 million number? I just want to make sure we're looking, also apples to apples.

Justin Bergner:

If I'm reading correctly, share of affiliates' pre-tax earnings, \$53.4 million.

Shari Hellerman:

Yeah, Justin, that's the pre-tax number for the share of affiliates' earnings from RRP-- so that includes the -- sorry, that's the third quarter.

Tom Ellman:

Yes.

Shari Hellerman:

So that includes the insurance proceeds that Tom was alluding to. So you would need to use the pre-tax number to adjust for that \$53.4 million figure.

Justin Bergner:

Okay. I think -- is there a pretax number given, I think I only see the post-tax number of \$8.2 million.

Shari Hellerman:

It is. It's in the engine leasing section of the earnings release. It is \$10.9 million pre-tax and then \$8.2 million after-tax.

Justin Bergner:

Oh, thank you. Sorry about that confusion. With respect to your guidance for the year then, should I maybe infer that within the unchanged guidance, your engine leasing view is somewhat stronger, your gains on dispositions may be slightly stronger. And Rail North America ex-gains in Rail International, a touch lower?

Tom Ellman:

Yes. So, Justin, when we took up guidance in 2Q, we mentioned that it was primarily because of the outperformance in the engine business. If you look at where both Rail International and Rail North America are relative to the guidance we gave at the beginning of the year, they're kind of both within the range, but at the lower end of that range. So that was the case when we took guidance up and that's the case where we are right now. So really unchanged quarter to quarter.

Justin Bergner:

Great, thank you. One or two more, if I may. It looks like the gain per car on asset dispositions in Rail North America was a lot lower this quarter. Is that simply related to the mix of cars you sold? Or should I read anything into it about the strength of pricing in the secondary market?

Bob Lyons:

It's really the mix of cars, Justin, which changes quarter to quarter. It's not just the cars, but the underlying lease is also a big driver of the value ascribed to any particular car in the secondary market. So, if you're selling cars with Class 1 railroad with a 10-year lease stream attached to it, the secondary market's going to really value that highly. So given the volume of cars we sell in a given year, it moves all over the map.

Justin Bergner:

Gotcha. And then just lastly, to clarify, the increased maintenance expense, was that purely due to kind of volume of maintenance events and the need to outsource or was there anything in terms of operational execution in your own facilities that may have also weighed on the margin?

Paul Titterton:

It's really just volume and mix. Fundamentally, we -- as Bob said, we have filled up our network of work, and that is, of course, on the heels of the substantial investment and increased capacity we've had over the last few years. And whatever is left over that we can't fill has to go into the contract network.

Justin Bergner:

Gotcha. Was there any kind of lumpy nature of tank car re-qualifications this quarter that ...?

Paul Titterton:

Not noticeably so, no.

Justin Bergner:

Okay. Thanks so much for all the questions.

Bob Lyons:

Thank you.

Operator:

Thanks, Justin. And it looks like we have a follow-up question from Bascome Majors with Susquehanna. Bascome, please go ahead.

Bascome Majors:

Thanks, everyone. Just one more for me. As we get into next year, it sounds like you don't expect a lot of changes in the North American rail cyclical backdrop. But you are taking on a lot of new cars and customers via the JV and your management of that. Is there anything to tweak on the sales incentives to really drive the outcomes you want

to maximize value in the next year or two compared to this year?

Bob Lyons:

Yeah, that's a really good question, Bascome, because we do adjust our sales incentive plan in North American rail every year. And there are various toggles we use to kind of drive the performance and the outcomes that we want. So, we, of course, will be taking a very hard look at that here. We always do it in the fourth quarter as we set the plan for the year ahead. And assuming we close on the Wells transaction as expected, that will give us a really good new footprint in which to set those goals for the Sales team. But yeah, there will be some adjustments made. It's a 2x size fleet essentially, more opportunities, bigger customer opportunities. So will drive the sales force accordingly. It's a really good question.

Bascome Majors:

Thank you.

Operator:

Thanks, Bascome. And it looks like there are no further questions. So, I will now turn the call back over to Shari Hellerman for closing remarks. Shari?

Shari Hellerman:

I'd like to thank everyone for their participation on the call this morning. Please contact me with any follow-up questions. Have a great day. Thank you.

Operator:

Thanks, Shari. And again, ladies and gentlemen, that concludes today's call. Thank you for joining, and you may now disconnect.