Business Better (Season 3, Episode 16): Supporting Middle Market Manufacturing – A Conversation with Torque Capital Group

Speakers: Jeff Fickes and Jonathan Saltzman

Steve Burkhart:
Welcome to Business Better, a podcast designed to help businesses navigate the new normal. I'm your host, Steve Burkhart. After a long career at global consumer products company BIC – where I served as Vice President of Administration, General Counsel, and Secretary – I'm now Special Counsel in the Litigation Department at Ballard Spahr, a law firm with clients across industries and throughout the country.

In today's episode, we're joined by Jonathan Saltzman, Managing Partner at Torque Capital Group; a private equity firm that invests in lower middle market manufacturing firms. Torque brings decades of experience is sourcing, executing, and managing transactions, going beyond only financing companies in order to provide operational and strategic resources. Leading this discussion is my Ballard Spahr colleague, Jeffrey Fickes, Co-Leader of the Private Equity Group. So now let's turn the conversation over to Jeff.

Jeff Fickes:

Hi, this is Jeff. Jonathan, thank you so much for joining me today. I really appreciate your time.

Jonathan Saltzman:

Good morning, Jeff. Thanks for having me.

Jeff Fickes:

Well, let's jump right in. Tell me a little bit about yourself, Jonathan, and your role with Torque Capital.

Jonathan Saltzman:

Sure. I started Torque Capital Group in 2010, it was just after the Great Recession, and I was working in private equity for a group called The Cypress Group in New York. And as it became clear when the recession hit, The Cypress Group's portfolio was as rocky and turbulent as many portfolios were that we weren't going to raise another fund as Cypress. My then boss and Torque partner, and I started Torque Capital to invest in lower middle market manufacturing firms that we felt had good platforms, good management teams, and great prospects, but were otherwise hampered by an overburdened balance sheet, needed some operational restructuring, needed some organizational restructuring or could otherwise benefit from the resources and experiences that we bring to the table in our larger cap private equity experience. And so, we started Torque Capital and we invested in a few things from building products to aerospace, to medical device, and ultimately landed on what's today our specialization, which is lower middle market manufacturers in automotive and transportation verticals.

Jeff Fickes:

That is so interesting. So many private equity sponsors that I know are adverse to this specific segment that you are most interested in. Tell me how you landed there, if you don't mind.

Jonathan Saltzman:

Sure. I'm aware auto is a four letter word, but automotive is not, and mobility is not, neither is transportation and there's lots of other sub-sectors and segments in and around transportation and new mobility that we really love because of the market dynamics and because there are so many great players within the space. But just starting with automotive, there are really a lot of different parts of the automotive market that have different profile characteristics and dynamics. Automotive really can be separated into two primary categories, there's aftermarket and OEM. So OEM is really any part that is being shipped to a plant on which a new car is being built and being added to that new car or truck. Whereas aftermarket are parts that are being added to the vehicle after it's been produced by the installer, by the service station, by even the dealer or by the vehicle owner themselves.

And so, today in North America, most people would be surprised to know that the average age of a vehicle in our car park is about 12 years. And so, certainly in my garage, we've got cars, we're a leasing family just because we're a growing family with young kids, we don't know what our needs are going to be in three years, and a lot of times where I live in the northeast, certainly in other parts near large cities there's newer cars in garages, but in most of the country, vehicles therefore are older than 12 years, and so that means they might be on their third and fourth owner depending on what the replacement cycle is for a part, tires, wiper blades, brakes all get replaced very frequently, as you'll know if you do own a car for a period of time.

And then there are some parts that get replaced less frequently but get replaced nevertheless, transmissions, engines, steering columns, etc. So there's a lot of value in automotive parts manufacturing that can be provided by a manufacturer all across the lifecycle of that vehicle. So, there's definitely different dynamics to automotive OEM. I think that's probably the place where you'll get a visceral reaction from some investors because of the cyclicality of the OEM market, which is based on new car builds and obviously also based on, as we're seeing today, the economic environment, on interest rates and as we've seen over the last couple of years and supply chain chips, etc. However, the aftermarket is not based on any of that, the drivers for the aftermarket are really vehicles in the car park, miles driven, gas prices, weather, it's very regionally what the wear and tear is like on vehicles in those regions.

And so, when you deconstruct the different sub-segments of automotive, there are lots of places where there are some very attractive market sub-segments and there are certainly ways where you can understand, assess, mitigate, and manage risks around OEM auto with, for instance, cyclicality, strikes and unions, which we're certainly dealing with in a couple of our portfolio companies today. Supply chain dynamics, a big part of what we do is help our management teams with supply chains, whether it's owning manufacturing here in the US, in Mexico or elsewhere, managing supply chains, Asia and elsewhere, or simply building more and managing and optimizing processes here in the US. So it's all very sub-segment specific, but automotive, especially on the OE side is certainly not for everyone, and that's part of the reason that there's opportunities for folks like us that do have an appetite for those types of environments.

Jeff Fickes:

That's fantastic. You are certainly exhibiting a lot of operating knowledge about the industry. Drill down a little bit, if you don't mind, about when you say you're interested in lower middle market manufacturing companies in automotive OEM and aftermarket, tell me more about your investment thesis, size, location, specific products to the extent you have the thesis around those categories.

Jonathan Saltzman:

Sure. The businesses where we find ourselves best positioned to become owners are businesses that are probably in the $50 million to $200 million or $250 million sales range. The reasons for that are a couple, one, much above that, frankly, there's competition relative to private equity investment dollars from committed funds. Those companies are typically seeking investment or acquisition through a middle market investment banker in a process that becomes ultra competitive. And typically, we're chosen as buyers by sellers, by management teams and by intermediaries. Not always because we're the top bidder, but often because we're the best partner and owner going forward. And so a lot of times we bring the most value to businesses in that $50 million to $100 million, $150 million range where they've done a good job of growing their business, they've gotten over that initial hump of being a small manufacturer with maybe a couple of big customers, maybe one plant and a niche product to at the point where they've built a portfolio of products, they've got a more diverse set of customers, they've probably got some growth opportunities that are tangential to what they do.

Maybe they've got some diversification available into other end markets, whether different parts of the automotive sector, maybe it's doing something in heavy duty truck or agriculture or power sports or marine, all places where we play. So that size business is typically the size business where we can be most value added through leveraging our resources, our operating partners, our existing portfolio companies, our experiences, and of course capital that we bring to the table for growth.

And then below that size range, it's really probably typically better to be a privately held business or maybe it's an add-on to one of our portfolio companies. So we'll certainly look at businesses with $25 million and sometimes $10 million and less of revenue, but that's typically exclusively on an add-on basis to one of our existing platforms. Or if we don't have a platform, maybe that's to put a few things together that really belong together, but that business owners either didn't have the wherewithal, the appetite, the foresight or the resources to put together themselves, and that's where we kind of come to the table and help them into that next chapter.

Oftentimes the other reason that that's an appropriate size for us is there's often a succession issue where owners and founders don't have a succession plan and yet they want to make sure that their employees are taken care of, they want to make sure their legacies, their brands and so forth are left with good stewards, and we often are able to fill that role versus a larger private equity fund that might be seen as a little less entrepreneurial, a little less personal in their approach than we at Torque Capital will typically take.

Jeff Fickes:

I love your operational background and experiences coming out of the Great Recession with some large tiered suppliers in the automotive sector, and we'll get to more of your resources and operational expertise in just a second. But back up just a little bit, tell me about Torque Capital, and I've heard this word from you about being patient capital and how you're differentiated from some other bidder in an auction process.

Jonathan Saltzman:

Yeah. Torque Capital, we've had the opportunity over the 13 years that we've existed as Torque Capital to raise a fund and to manage some committed capital, but we've opted to this point not to, and that's because we love that the profile of our investment dollars, of our investor base is very patient. It's typically family office capital and/or strategic capital and potentially some smaller institutional capital, but in all cases, there's very little pressure, if any, from limited partners to put money to work, there's very little pressure to exit investments. We're not looking to close a fund, we're not looking to raise another fund, we're not looking to sell something just to put a win on the board. So we're very much in this to build businesses, that's what we're passionate about, that's what we like to do. We're small. Torque Capital today is three full-time investment professionals.

We've got operating partners certainly that we work with on all of our deals to help us look at deals and manage portfolio companies, but we're a lean team. We've got three wholly owned portfolio companies, and we've got two other minority and joint venture investments all in and around automotive and transportation. And the reason we're that size and we're that size by design is because we feel like that's around between three and four wholly owned portfolio companies is around the size that we can dedicate all the time, commitment, passion and energy that we need to help improve and manage businesses and to help execute on strategic initiatives.

We're certainly operationally-focused and we roll up our sleeves, but we also know what we don't know. We really see ourselves as sounding boards for management teams, we see ourselves very much as our jobs, as very much getting the right team on the field and making sure that they have the right tools to succeed and the right resources. And we don't step in and operate, but rather we have incredibly strong relationships with our CEOs and CFOs and other managers in our businesses, we're with them physically pretty much almost on a weekly basis with one of our portfolio companies or another, and certainly talking on the phone or on Zooms or team meetings with them several days per week. And that's because that's what we think is required for us to help manage these businesses.

Jeff Fickes:

That's fantastic. What you're describing is you and your team, your partner and your other team member, highly educated. On the other hand, the way you're talking, you're talking more like a business owner, a business operator as opposed to a New York financier who comes in. You remind me of someone who would be comfortable walking a factory floor and talking to assembly line workers at a small factory in, say, small town Ohio, for instance. Is that the case? I mean, is that something that sets you apart when you meet with these business owners that they see you as one of them?

Jonathan Saltzman:

Yeah. So our approach is very different from most traditional private equity firm approaches. And we've worked at those firms and obviously we see them all the time bumping up against them, and whether we're dealing with them with our portfolio companies as we go to exit them, if and when we do or we're in other processes where we're interested in acquiring businesses. And you're right, all the businesses that we typically look at are Midwest-based businesses with operating plants and tens and hundreds of plant floor team members.

And I joked this weekend when I was at a charity function on Saturday night, the only time I put on my suit jacket these days is for weddings, bar mitzvahs and funerals and a conference here and there, but never for work because we're wearing golf shirts and khakis and sneakers or work boots because that's the environment that we work in. A, it's what's appropriate, but, B, when we go to these companies and we acquire a business, the first thing I'll typically do, because there's lots of rumors and uncertainty and talk amongst the plant floor workers is we'll get in front of group of 100 or 200 folks and I'll introduce myself and we'll talk about the firm and we'll do just that. And we'll differentiate ourselves from typical "private equity firms", including for some of these folks, just what they've seen in the movies, whether it's been Michael Douglas or Richard Gere in their fine portrayals of private equity executives, but rather we're entrepreneurs and we're operators, we operate with a people orientation.

And what I'll say is, and it's absolutely true, right now these are just words, but what I can tell you is what we care about is building businesses, we're going to bring jobs, we're going to bring capabilities, we're going to bring customers, we're going to bring energy, enthusiasm, and excitement to the business. We're in this for the right reasons and you can't really believe me because you're just meeting me for the first time and I know what your preconceived notion of private equity might be, but I'm going to stand up here in a year and I'm going to ask you to tell me, have I lived up to what I said and have we at Torque operated in a way that we said we were going to, which is with thinking about people first, and that includes you, the employees, that includes the way we deal with our customers, the way we deal with our suppliers, the way we deal with our board and our investors.

And if we do that, of course we want to operate efficiently of course, we want to generate a profit, but if we do that, we're going to have success. We're not focused on cutting our way to profitability, we're not focused on making changes for the sake of making changes, we're focused on understanding what works and amplifying it, and we're focused on bringing to the tables things that have worked for us and other portfolio companies and other experiences and seeing whether or not those can be leveraged within this business, and we're focused on bringing growth. And typically those messages resonate, but yes, it's important that I'll walk the plant every time I'm there for a board meeting, I'll stop and I'll talk with associates on the plant floor. It's important to me that we work with CEOs that know everybody's name on the plant floor, that know something about their husbands, their wives, their kids, etc.

Those are the types of operators that operate with a people orientation that we believe ultimately are the most successful. We think you can operate, you can be firm, you can be tough, you can be demanding, but you can also be kind and understanding while you're doing it. And that's how we operate and that's how we expect our executives to operate, and that's what we've found to be successful. And so far that's resonated in our successes over the last 13 years as Torque Capital. We've created a lot of value at some of the portfolio companies that we've ultimately exited some after seven or eight years, some after this last one in January after 13 years. And in the existing portfolio companies that we've got today, we've got great executives leading them, we've got great workforces.

As contrast to what you read in the news about the UAW strikes, we ourselves had a great renegotiation renewal of our UAW union contract in one of our facilities, and that's a testament to the relationship with our employee group at the one facility where that union exists. And so, it is all about those relationships. We are not looking to claw and scrape every penny and every dollar from every business relationship, but we are looking to build human capital and relationship capital with every business transaction and relationship. And we think that long-term is how we're going to build businesses, how we're going to build and manage a great portfolio at Torque Capital and how we're ultimately going to perpetuate the success at Torque Capital.

Jeff Fickes:

That's great to hear. In connection with some of your portfolio companies existing or past, do you mind sharing some examples of where you've partnered with the management team and helped them with organic growth, with operating partners or other parts of your playbook that you brought to bear for them that they would not have been able to do or decided hadn't done on their own?

Jonathan Saltzman:

Sure. Just the last two platform investments would be two good examples, there's several across the years, but in 2021, we acquired a business called Cable Manufacturing & Assembly, CMA. Very small deal for us, it was only about $25 million in sales and $2 million of EBITDA, which as you'll note, is lower than the threshold we talked about earlier as being our threshold for our platform investment, but part of the reason we invested in this business was I had a great relationship and a firm belief in the executive that was running that business that still runs that business today. He had direct dialogues and active dialogues with a few potential M&A targets that were incredibly good fits with the business. Those targets were an important part of our investment thesis and strategy. Of course, lots of execution was required, there was no certainty around actually being able to acquire those businesses.

But of the three targets that we wanted to buy, we actually executed on two of them within the first six months of acquiring CMA. So, what was a small platform led by a great executive and a great management team, we ultimately acquired two things, the second of which was bigger than the platform. So today, the business is about $65 million in sales, about $8 million in EBITDA. We've upgraded and augmented our management team and we've got two more M&A deals under LOI. So it's an example of, again, great platform, great executive team, but playing in a smaller scale and with a business owner who did a great job in building his business to the point that it was but was really not at the point where he wanted to invest in some value enhancing M&A, but clearly believed in it because the seller of the business, first, he rolled equity with us and with Torque Capital in the existing platform and we sold it.

And then when we came to all of our shareholders with an equity need for the new acquisitions, he doubled down and he said, "Hey, this is something that I always thought was a great idea, I just never was able to execute on it or never had the wherewithal to do that." And he's happy that he did as with the rest of our shareholders since we've generated equity value by adding scale, by diversifying the business from an end market perspective, it started out as 40% auto, now it's 16% auto with the rest being heavy duty truck, agriculture, power sports, marine. And then on the organic side, when we bought one of the businesses, it had a five-year non-compete having sold an aerospace piece of its business that ended up expiring about a year into our ownership, and so now, we've got a full court press on aero business.

And so now we've got some great organic growth within aerospace, we're supporting it with capital, we're supporting it with human resources, we're supporting it with relationships. And the organic growth that's coming from aerospace is going to be our biggest growth engine, even including some of these small M&A add-ons. So without getting too far ahead of ourselves, by the time we get these deals done and get some of the organic growth, this will be a $12 million to $15 million EBITDA business that we bought two years ago and it was doing too. So really nice story, but again, it all comes down to the people aligning and incentivizing those people from the executive team to the ownership group, to our lending partners, to our middle management and employees, and having a great platform that's scalable, leverageable even if it starts fall. And so, that's one great example.

And then a second example is another business that we bought a platform that we closed last year, December of '22, so it's still very new, less than a year old for us, a business called NETFORM, we rebranded it NETFORM that makes highly engineered, powertrain and propulsion components. So serving the automotive OEMs that are either typically the domestic OEMs for GM are our biggest customers either directly or through their suppliers, guys like Dana and Linamar and other tier one suppliers. So very much dependent on new car builds by Ford and GM, and in fact, this business being in the transmission, 100% of what they make today goes into ICE engine, internal combustion engines. And so, the first question you'll get of course is, what about the trend towards EV? And there's clearly a trend, it's probably happening a little bit slower than most people believe it's happening, and most people even maybe want it to happen. I think a lot of that has to do with infrastructure, I think, but nevertheless, one of our key initiatives is to acquire this business.

And we did so at an automotive OEM ICE engine type price or multiple and transform it to be a manufacturer of at least a quarter or a third of its parts to be EV parts over time. Well, we just landed one and are in the process of landing our second EV part in our first year of ownership. These things go into development and then we have to buy capital equipment to manufacture them, and then they go onto platforms and programs that'll run for 10, 15 plus years, so they pay themselves off pretty quickly. But these are long sales cycles, these are long development cycles, but then once you've got the business, you're expecting, you're sole sourced and they're very long production cycles. So here's a case where it's simply the previous owner wasn't prepared to make that investment of money, of time, of R&D, of engineering to become more of an EV parts supplier.

We're doing it, and so far successfully. And he'll benefit of course because with his rollover, and again, you'll notice his theme there, A, that's important to us that a seller rolls over some equity because it shows his belief or her belief in the business, B, it fills in the capital structure. But with his equity, he'll generate hopefully over time a very significant return from that as well. So just a couple of examples of how we partner with management teams bring resources to do something different from what the previous ownership had done or could do or wanted to do and do something we feel is different from what some other private equity and in some cases, what some other strategic owners might otherwise do.

Jeff Fickes:

That's fantastic. It seems that a lot of business owners, privately owned business owners, whether they're founders or otherwise, time is their most precious commodity. Some of the things that you bring to bear, they lack the information, they lack the time to consider. Can you give me just a couple of examples of your relationships with your network of operating partners, the operating partners capabilities, an example of how you've introduced an operating partner into a portfolio company, and how that operating partner has worked with the management team to move the needle? Because it's not just you, it's not just Jonathan.

Jonathan Saltzman:

Absolutely. We've got multiple examples. We've got operating partners that we've developed relationships with over the years, all have different strengths, skills and abilities and different disciplines. So just a few examples. In the NETFORM business, which we just acquired in December, the leader of that business was running a division of the business. He's an engineer by trade, he's incredibly visionary person, and he's strategic, he's creative, and he's very personable, and he's got lots of skills and strengths including some operational. And one of the things that he reached out to us needing was some real business development, door opening, deal closing type abilities. And one of the operating partners we have a relationship with had led a couple of OEM businesses and divisions, including in Europe, had a lot of relationships and dealings with Asian automotive suppliers and is really a business development guy, he's a sales guy, he's a senior executive, but that's his skill and strength.

And we brought him to the table, we introduced these guys, we never do force anyone upon any executive, any business or any situation, but they hit it off, they felt like that they could work well together, and they've got offices near one another, they've developed a really good relationship division of responsibilities. It took a little bit of time for them to gel, it took a little bit of time for them to take the right approach relative to customers and discussions because it's certainly in this business of powertrain components, it is a very engineering-based sale and discussion, but it does require some door opening. And lo and behold, one of those two major EV parts that I just mentioned that will be transformational to this business is one of those Asian suppliers, it's Hyundai, with which this operating partner had an existing relationship, made some inroads and helped with the sale. So, that's on the sales side.

There's a few other cases where we've got an operationally-focused partner. He's a gentleman who was running our exited brake parts business, BPI, as we called it, Brake Parts Inc. Was the largest of our portfolio companies at Torque Capital Group. We bought it in 2013, we sold it in 2020 when it was doing about $70 million in EBITDA. And the gentleman that was running that business, the CEO of that business, he's an operating partner who sits on the boards of multiple of our companies and he's an incredible operator. He helps management teams and CEOs think through operational and organizational footprints and org charts, people issues, process issues, plant issues, supply chain issues. So very much serving in an advisory capacity.

But even then, when we had one of our executives in one of our portfolio companies leave us, this operating partner dropped in and he's currently running the business. It's a short-term solution, but we've basically got a Hall of Famer running a small business for us in the short-term, which we're not certainly complaining about and can help us find the right person to transition leadership to.

So just a couple of examples. But again, we know what we know at Torque Capital Group, we know what we don't know, and we believe we know what resonates with management teams and with businesses. And more times than not, it's folks who've done it before, it's operators who have run businesses, dealt with people, been through cycles, managed P&Ls, dealt with customers, been through adversity, been through challenges, and come at the other side and frankly dealt with private equity. And it helps some of these first time CEO, private equity CEOs understand some of the dynamics and demands of dealing with folks like us who are dated guys, who are a number of guys, who are ambitious and energetic guys, and who have a specific way of operating. So, operating partners are an incredibly important tool in our arsenal.

Jeff Fickes:

Well, you're definitely more than just bringing capital to the table, but capital is an important component of being successful in growing the value of any company. Tell me your philosophy, you guys are highly sophisticated, highly educated, you are financiers by training. Tell me a little bit about your philosophy of the capital stack post acquisition, how you manage that, what resources you bring to bear to your portfolio companies through your third-party relationships with capital providers.

Jonathan Saltzman:

Sure. We'll typically create a capital structure that has a prudent amount of debt. It used to be that we were on average levering companies at about three and a half times. That's in the recent years come down to by about a half a turn. So I would say typically it's three times total debt depending on obviously what multiples we're paying for businesses. That often means around half of the capital is equity, just assuming a six times multiple and for a second ignoring fees and expenses, etc. But that's reasonably typical, I think. Of course sometimes you've got to pay more for a business, other times you're able to pay less for a business, but that's a pretty good straw-man structure.

On the equity side, we often require, and I think take as a strong signal that it's a good deal to be doing rollover from sellers. And so that's part of the capital structure. We ourselves as to our capital principles are always writing significant equity checks into our deals in addition to rolling our fees into deals. We believe that's proven important to our equity capital partners. And then we complete the equity capital structure with equity partners for each deal that are passionate about that deal, that can be value added for that specific deal or segment, and that are simply the right fit of personality for that management team and for that deal.

And so, as an independent sponsor, we've got the luxury of being able to curate the equity group for each of our deals. We've certainly got some equity partners, largely family offices and strategics that have been successful with us, that have been great partners and loyal partners and supportive partners, but we're always looking to broaden the universe of potential capital partners to work with just because you never know, objectives change and liquidity needs change and allocations change. And so, we're always looking to diversify and broaden our network of equity capital partners.

On the debt side, we've typically whether it's an incumbent commercial bank or one of the commercial banking relationships that we bring to the table, we've typically been able to secure senior facilities for deals, we'll sometimes look at junior debt as well. Not always, but in the current environment, frankly, the spread between the cost of junior debt and senior debt has narrowed. Junior debt isn't that much more expensive anymore relative to bank senior debt. So, we are open-minded to different capital structures as a commercial bank debt becomes harder to obtain and/or more restrictive.

And lastly, the sellers we're seeing are now contributing a little bit more to the capital structure in some ways than ever before. And by that, I mean sellers are somewhat more open to earn-outs, sellers are somewhat more open to providing seller financing than we've seen in the past, just in recent years. It's actually a pretty good place, assuming they believe in the business and its credit worthiness, which I would hope that they do. It's actually a pretty good place to leave some capital for a couple of years and generate a return.

And lastly, we've, for the first time, really entertained things like sale leasebacks of buildings for sources of capital. It's not necessarily to lower an equity check, but it's really more that we're not experts in real estate and real estate portfolio management is not where, A, we can generate a bunch of value, and B, where we see a lot of return potential relative to that which we do on the operating side for each of our businesses. So, for those reasons, the capital structure we see kind of morphing typically in our deals to include some of these other elements that typically we prior to the last few years, hadn't really entertained or found that sellers hadn't really allowed us to entertain from a competitive perspective.

Jeff Fickes:

That's an excellent point. So, what I'm hearing is you're very creative, you've got great resources, you're highly sophisticated, but you're also willing to learn new things and you're people-oriented and you have skin in the game.

Jonathan Saltzman:

Yeah, 100%. I think in our world, flexibility is the name of the game. I think, if anything, we as independent sponsors, there's certainly some downside for not having a fund per se, but I think there are far more upsides, which include being able to be flexible, being able to be flexible to do whatever it takes to be able to satisfy sellers of businesses, to be able to align management teams, to be able to structure deals in a way that creates the most flexibility for businesses going forward and creates a real growth orientation for businesses going forward.

So flexibility is the name of the game. We always operate with a people orientation because in the end, that's what it's all about. We've learned both the hard way and the fun way that it is all about the people. 100 times out of 100, I would take an okay business with a fantastic manager or management team, then vice versa, and we've seen it both ways. And that's probably one of the key lessons I've learned over the years is that it is all about the people and relationship capital and human capital is far more valuable than financial capital. So it's not as quantifiable, but it's far more valuable.

Jeff Fickes:

That's a great mindset to have. I really want to thank you for taking the time to sit down and talk to me today. I've learned a lot. I could talk to you all day. On the other hand, I know you probably have to catch a plane to go somewhere for business, and even I have something else to do. Are there any parting thoughts that you'd want to convey to the audience?

Jonathan Saltzman:

No, I appreciate it, Jeff. I'm happy to share my approach and my perspective. Again, definitely won't profess that it's the right way, but it's certainly my way and it's the way that's been successful for us over the years, and we hope we'll continue to propel success for us moving forward. To the extent, any listeners out there or entertaining anything in and around the transportation related spaces, including automotive, but not just automotive, I'd be happy to be a sounding board or a resource. And so, email me, text or call me and you'll find my contact information associated with this podcast, and I'll be happy to make a new introduction and look forward to meeting folks out of this. So thanks, Jeff.

Jeff Fickes:

Thank you.

Steve Burkhart:

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