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Earnings Call

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Call Participants

EXECUTIVES

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Co-CEO & Director

Diane P. Weidner
Vice President of Investor & Media Relations

Stephen Craig Lindner
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Michael David Zaremski
BMO Capital Markets Equity Research

Unknown Analyst

Presentation

Operator

Good day, and thank you for standing by. Welcome to the American Financial Group Third Quarter 2023 Results Conference Call.

[Operator Instructions]

Please be advised, today's conference is being recorded. I would now like to hand the conference over to your speaker today, Diane Weidner, Vice President, Investor Relations. Please go ahead.

Diane P. Weidner
Vice President of Investor & Media Relations

Good morning, and welcome to American Financial Group's Third Quarter 2023 Results -- Earnings Results Conference Call. We released our 2023 third quarter results yesterday afternoon.

Our press release, investor supplement and webcast presentation are posted on AFG's website under the Investor Relations section. These materials will be referenced during portions of today's call.

I'm joined this morning by Carl Lindner III; and Craig Lindner, Co-CEOs of American Financial Group; and Brian Hertzman, AFG's CFO. Before I turn the discussion over to Carl, I would like to draw your attention to the notes on Slide 2 of our webcast. Some of the matters to be discussed today are forward-looking. These forward-looking statements involve certain risks and uncertainties that could cause our actual results and/or our financial condition to differ materially from these statements.

A detailed description of these risks and uncertainties can be found in AFG's filings with the Securities and Exchange Commission, which are also available on our website. We may include references to core net operating earnings, a non-GAAP financial measure, in our remarks or responses to questions. A reconciliation of net earnings attributable to shareholders to core net operating earnings is included in our earnings release. If you are reading a transcript of this call, please note that it may not be authorized or reviewed for accuracy.

And as a result, it may contain factual or transcription errors that could materially alter the intent or meaning of our statements.

Now I'm pleased to turn the call over to Carl Lindner III to discuss our results.

Carl Henry Lindner
Co-CEO & Director

Good morning. I'll begin my remarks by sharing a few highlights from AFG's 2023 third quarter, after which Craig and I will walk through more details. We'll then open it up for Q&A, where Craig, Brian and I will respond to your questions.

I am pleased to report strong underwriting results during the quarter despite elevated catastrophe losses. Higher interest rates contributed to meaningfully higher year-over-year investment income, culminating in a very strong annualized third quarter core operating return on equity of 18.3%. Our entrepreneurial opportunistic culture and disciplined operating philosophy continue to serve us well in a favorable property and casualty market and a dynamic economic environment.

These factors, coupled with a commitment to effective capital management, enable us to continue to create long-term value for our shareholders. Craig and I thank God, our talented management team and our great employees for helping us to achieve these results.

I'll now turn to the discussion over to Craig to walk us through AFG's third quarter results, investment performance and to discuss our overall financial position at September 30.

Stephen Craig Lindner

Co-CEO & Director

Thanks, Carl. Please turn to Slides 3 and 4 for a summary of earnings information for the quarter. AFG reported core net operating earnings of $2.45 per share in the 2023 third quarter, higher year-over-year net investment income was partially offset by lower underwriting profit in our Specialty Property and Casualty insurance operations.

Now I'd like to turn to an overview of AFG's investment performance, financial position and share a few comments about AFG's capital and liquidity.

The details surrounding our $14.8 billion investment portfolio are presented on Slides 5 and 6. The higher interest rate environment contributed to significantly higher year-over-year investment income.

Looking at results for the third quarter, Property and Casualty net investment income was 17% higher than the comparable 2022 period. Excluding the impact of alternative investments, net investment income in our P&C insurance operations for the 3 months ended September 30, 2023, increased 33% year-over-year. As you'll see on Slide 6, approximately 68% of our portfolio is invested in fixed maturities.

In the current interest rate environment, we're able to invest in high-quality, medium-duration fixed maturity securities at yields of approximately 6%. Current reinvestment rates compare favorably to the 4.68% yield earned on fixed maturities at our P&C portfolio during the third quarter of 2023 and 3.63% earned for the full year in 2022.

We have a long-standing commitment to quality, with 93% of this portfolio rated investment grade and 96% of the P&C portfolio rated NAIC 1 or 2, and have strategically managed duration to take advantage of market opportunities. We expect the yield earned on our P&C fixed maturity portfolio to increase by about 10 basis points in the fourth quarter of 2023 compared to the 4.68% earned in the third quarter of 2023.

Our third quarter 2023 P&C net investment income includes an annualized return on alternative investments of 4.2% compared to a 7.1% return for the 2022 third quarter. Third quarter 2023 alternative investment returns were lower in both the multifamily and private equity components of this portfolio. The average annual return on AFG's alternative investments over the 5 years ended December 31, 2022, was approximately 14%. Our guidance for 2023 continues to reflect a return of approximately 9% at our $2.4 billion portfolio of alternative investments.

Please turn to Slide 7, where you'll find a summary of AFG's financial position at September 30, 2023. Our excess capital was approximately $660 million at the end of the third quarter. This number included parent company cash and investments of approximately $364 million. During the quarter, we returned $138 million to our shareholders through the payment of a regular $0.63 per share quarterly dividend and $86 million in share repurchases.

As part of our earnings release, we declared a special cash dividend of $1.50 per share payable on November 22, 2023, to shareholders of record on November 13, 2023. The aggregate amount of this special dividend will be approximately $126 million. This special dividend is in addition to the company's regular quarterly cash dividend of $0.71 per share, which was recently increased to 12.5% over the previously declared rate and paid on October 25, 2023. With this special dividend, the company has declared $5.50 per share in special dividends in 2023.

Looking at longer-term horizon, AFG has declared $43.50 per share in special dividends since the end of 2020, representing $3.7 billion returned to shareholders. Carl and I consider these special dividends an important component of total shareholder return. In addition, we paid nearly $600 million in regular dividends and repurchased approximately $500 million in common shares over this period. We expect our operations to continue to generate significant excess capital throughout the remainder of 2022 -- '23, and into 2024, which provides ample opportunity for additional share repurchases or special dividends over the next year.

For the 3 months ended September 30, 2023, AFG's growth in book value per share plus dividends was 1.9%, and year-to-date, growth in book value per share plus dividends was 11.9%. Excluding unrealized losses related to fixed maturities, we achieved growth in adjusted book value per share plus dividends of 3.1% during the third quarter and 11.3% year-to-date.

I'll now turn the call back over to Carl to discuss the results of our P&C operations and our expectations for the remainder of 2023.

Carl Henry Lindner
Co-CEO & Director

Thanks, Craig. Please turn to Slides 8 and 9 of the webcast, which include an overview of our third quarter results. As you'll see on Slide 8, third quarter 2023 Property and Casualty operating earnings increased 3% year-over-year. Underwriting margins continue to be strong and are generating desired returns in nearly all of our Specialty Property and Casualty businesses. And we're growing our Specialty Property and Casualty businesses through increasing exposures, new opportunities and a continued favorable pricing environment.

The Specialty Property and Casualty insurance operations generated an underwriting profit of $143 million compared to $158 million in the third quarter of 2022, a 9% decrease. Higher year-over-year underwriting profit in our Property and Transportation and Specialty Financial groups was more than offset by lower underwriting profit in our Specialty Casualty Group. The third quarter 2023 combined ratio was a strong 92.2%, 1.1 points higher than the 91.1% reported in the comparable prior year period.

Results for the 2023 third quarter include 3 points in catastrophe losses, a 0.5 point higher than last year's third quarter, and 2.3 points of favorable prior year reserve development, 0.8 lower than the comparable period. Gross written premiums were flat, and net written premiums were up 4% when compared to the third quarter of 2022. As we discussed last quarter, earlier plantings of corn and soybeans pushed some crop insurance premium into 2023 second quarter versus third. Our 2023 crop premiums also reflect the impact of less favorable spring commodity futures pricing and related volatility in 2023 compared to 2022. Excluding the crop business, gross and net written premiums grew by a healthy 7% and 10%, respectively, when compared to the prior year period.

Average renewal pricing across our Property & Casualty Group, excluding workers' comp, was up approximately 7% for the quarter, 2 points higher than the previous quarter. Including workers' comp, renewal rates were up approximately 5%, or 1 point higher than renewal increases reported in the prior quarter. This is our 29th consecutive quarter to report overall renewal rate increases, and we're achieving renewal rate increases in excess of prospective loss ratio trends to meet or exceed targeted returns.

Now I'd like to turn to Slide 9 to review a few highlights from each of our Specialty Property and Casualty business groups. Improved underwriting results in our Property and Transportation group were the result of higher underwriting profit in our Transportation, Property and Inland Marine and Ocean Marine businesses, which was partially offset by lower profitability in our Agricultural business. Third quarter 2023 gross and net written premiums in this group were 8% and 6% lower, respectively, than the comparable prior year period because of the earlier plantings of corn and soybeans and the impact of spring commodity futures pricing and related volatility on premiums in our crop insurance business, as I discussed earlier. Excluding our crop business, gross and net written premiums grew by 2% and 4%, respectively, when compared to the 2022 quarter -- third quarter.

Most of the remaining businesses in this group reported growth in gross and net written premiums during the quarter as a result of higher rates, new business opportunities and organic growth. We continue to stay focused on rate adequacy, particularly in our Property business. Just as important as rate, we're closely monitoring insured values to ensure that premiums appropriately reflect inflationary considerations.

Overall renewal rates in this group increased 6% on average in the third quarter of 2023, consistent with the pricing achieved in this group for the second quarter of 2023. I'm pleased we're continuing to achieve rate increases in niches like commercial auto liability, which are in the high single digits.

The month of October is the discovery period for the majority of our corn and all of our soybean business. Harvest pricing for corn and soybeans settled 17% and 7% lower than spring discovery prices, respectively. Crop maturity is ahead of last year, and the harvest is underway with approximately 71% and 85% of corn and soybean crops harvested, respectively.

Both are ahead of 5-year averages. Yield variability will be important to our final results. Based on what we know about harvest pricing, coupled with the impact from hail damage throughout the Western Corn Belt over the past couple of months that impacted our private products, we're now expecting a below-average crop year.

Specialty Casualty Group reported lower year-over-year underwriting profit, reflecting lower levels of favorable prior year reserve development in our workers' comp businesses, higher catastrophe losses and lower underwriting profit in our targeted markets business, which was impacted by a large property loss in our programs business. The businesses in the Specialty Casualty Group achieved a strong 89.4% calendar year combined ratio overall in the third quarter, 6.8 points higher than the exceptionally strong results achieved in the comparable prior year period. Underwriting margins at this level produced returns in the mid-20s for this group, and we continue to be very pleased with these results.

Third quarter 2023 gross and net written premiums increased 4% and 7%, respectively, when compared to the same prior year period. Factors contributing to the year-over-year growth included payroll growth in our workers' comp businesses, along with new business opportunities, strong policy retention and rate increases in several of our targeted market businesses as well as new opportunities and higher policy renewals in our excess and surplus wines business. This growth was partially offset by lower year-over-year premiums in our mergers and acquisitions liability and executive liability businesses.

Renewal pricing for this group, excluding our workers' comp businesses, was up approximately 8% in the third quarter. Rates were up 5%, including workers' comp. Both measures reflect a 2-point improvement over the renewal pricing in the previous quarter. I'm especially pleased with continued strong rate increases achieved in our public entity, excess liability and social services businesses.

Now the Specialty Financial Group reported higher year-over-year underwriting profit in the third quarter, primarily the result of lower catastrophe losses within our Financial Institutions business. This group reported a strong combined ratio of 87.6% for the third quarter of 2023, an improvement of 3.7 points over the prior year period. Third quarter 2023 gross and net written premiums were up 39% and 48%, respectively, when compared to the prior year period.

While nearly all businesses in this group reported year-over-year growth, our Financial Institutions business was the primary driver of the higher premiums, which resulted from growth in the mortgage protection and Residential Investor businesses. Growth in this business is an example of where we're acting on opportunities presented by the tightening property market and improving policy terms. Overall, renewal rates in this group were up about 5% for the third quarter.

Turning to our A&E reserves during the third quarter of 2023, we completed our annual ground-up review of our asbestos and environmental exposures related to the runoff operations within the Property and Casualty Group. No new trends were identified, and claims activity was generally consistent with our expectations. As a result, there was no net change to the Property and Casualty Group's A&E reserves. We continue to enjoy robust survival ratios which are well above the industry averages and which are one measure of the strength of our A&E reserves.

We also assess the adequacy of our asbestos environmental reserves for our historic railroad and manufacturing operations. As a result of the study, AFG recorded a special non-core A&E charge to increase its liabilities for environmental exposures by $15 million or $12 million after tax due to the change -- primarily to the changes in the scope and cost of investigation and an increase in estimated remediation costs at a number of sites.

Now please to turn -- turn to Slide 10, where you'll see a full page summary of our 2023 outlook. Overall, we continue to expect an ongoing favorable Property and Casualty market with growth arising from new business opportunities, continued rate increases and increasing exposures. Based on the results reported in the first 9 months of the year and expectations for the remainder of the year, we continue to estimate AFG's 2023 core net operating earnings to be in the range of $10.15 to $11.15 per share. Our guidance reflects our updated expectations of a below-average crop year, offset by higher than previously expected net investment income. At the midpoint, our guidance suggests a strong full year 2023 core return on equity of about 20%.

As Craig noted, we continue to assume a return on alternative investments for the full year of 2023 of approximately 9% compared to 13.2% earned on these investments in 2022. We now expect a 2023 combined ratio for the Specialty Property and Casualty Group overall between 90% and 92%, revised upward 1 point at the midpoint from our previous guidance due to our updated expectation of a lower than average crop year. Our guidance for growth in the Specialty Property & Casualty's net written premiums is now estimated to be slightly higher and in the range of 6% to 8%. Excluding crop, we now expect 2023 year-over-year growth in the range of 7% to 10%.

Now looking at each subsegment. Based on our results through the third quarter and expectation of a below-average crop year, we now expect a combined ratio in the range of 92% to 95% in our Property and Transportation Group. We continue to expect net written premiums for this group to be in a range of flat to up 2%. As noted last quarter, growth for the year will be tempered by the nonrenewal of about $50 million in premiums related to underperforming transportation accounts and growth in our alternative risk transfer business, which has higher premium cessions, along with the lower crop premiums due to the impact of lower spring commodity prices and related volatility on crop rates. We continue to expect our Specialty Casualty Group to produce a combined ratio in the range of 85% to 88%.

Our guidance continues to assume strong profitability in our workers' comp businesses overall, but at a higher calendar year combined ratio when compared to the exceptional results reported in the prior year. We continue to expect net written premiums to be 5% to 9% higher than 2022 results. And we now estimate the Specialty Financial Group's combined ratio to be in the range of 88% to 91%, an improvement from the previous range of 89% to 93%. We've increased our guidance for growth in net written premiums for this group to be in the range of 28% to 32%, up 5 points from our previous guidance, primarily as a result of market opportunities in our Financial Institutions business.

Based on the results through the first 9 months of the year, we continue to expect renewal rates to increase between 3% and 5% overall. Excluding workers' comp, we now expect renewal rates increases to be in the range of 5% to 7%.
Craig and I are proud of our proven track record of long-term value creation. We believe that our strong balance sheet, financial flexibility position us very well as we close out 2023 and look forward to 2024. We'll now open the lines for the Q&A portion of today's call. And Craig and Brian and I will be happy to respond to your questions.

Question and Answer

Operator

[Operator Instructions]

Our first question comes from the line of Meyer Shields with KBW.

Unknown Analyst

It's [Bing] on for Meyer. My first question will be on -- just curious on the A&E reserve charge. Is that onetime only for this quarter?

Brian Scott Hertzman
Senior VP & CFO

This is Brian. On A&E, we monitor our A&E exposures, both in our Property and Casualty operations and in our runoff railroad and manufacturing operations every quarter. And then on an annual basis, we do an in-depth review of those reserves. So this charge in this quarter is related to that annual deep review of the exposures in the runoff railroad manufacturing operations. So it is the first charge of that size we had in a number of years, but we do monitor it all the time. So there's always the possibility of expense there, but this is coming out of that annual once-a-year deep review.

Unknown Analyst

Got you. So for next year, would it be like similar charges? Just curious.

Brian Scott Hertzman
Senior VP & CFO

We wouldn't -- I mean, we don't know of anything right now that's not recorded. But those can change over time. And we have had charges in other years. The reason we do the annual review is to sort of catch anything that might be out there, but it's impossible to predict what might happen in future periods.

Unknown Analyst

My second question is on the renewal pricing still trending up. Can you break down the way on rates and exposures?

Brian Scott Hertzman
Senior VP & CFO

This is Brian again. So when we talk about renewal pricing, we're giving you just the pricing increase, not the exposure increase. So the exposure increases would help to increase premium growth beyond what we're giving you just for rate. So what we're giving for rate is just the price component.

Operator

Our next question comes from the line of Michael Zaremski with BMO.

Michael David Zaremski
BMO Capital Markets Equity Research

Just curious, I heard the commentary on workers' comp profitability won't be the -- likely won't be as profitable, but still very profitable as last year. Is that something new? Or is that just -- is that what you've been -- what you reminded us last quarter when I think you made some revisions? And maybe just on work comp is -- is pricing -- has anything changed pricing-wise since last quarter? Obviously, higher interest rates are a great tailwind to you all in that line. And some of your peers, too, a long-winded question, have said that they're not really seeing any change in medical trend, but keeping a close eye on it.

Carl Henry Lindner
Co-CEO & Director

Yes. I think my commentary is pretty consistent throughout the year in that as of the last quarter. This quarter is just a reminder that we have excellent workers' comp results. They're just not going to be at the same levels as 2022 in that lower prior year favorable development is the significant factor there.

On the loss ratio trend side, yes, I think we're seeing the same as others. There's not big changes there in that overall. They seem to be a reasonable perspective loss ratio trend. I mean, we still think that our overall prospective loss ratio trend is probably down with the exposure change of about 4% down, maybe 2% or so. So those seem to be reasonable.

Our California business is the -- Republic is the only business that's performing at an underwriting loss today in that. The other businesses, Summit, strategic comp, National Interstates, workers' comp business, all have excellent results in that. We feel good about our reserve position, and workers' comp remains a very competitive market with the results in the industry.

Pricing, not -- pricing is down about 4% year-to-date when you look at our overall workers' comp business. Not sure that's much different than any of the previous couple of quarters. I hope that's helpful.

Michael David Zaremski
BMO Capital Markets Equity Research

Yes. That's helpful. And maybe switching gears a little bit to casualty ex-workers' comp. I know -- I think it was last quarter, you talked about, right, and not just you, all others as well have been talking about a bit of a higher trend line in certain lawsuit inflationary lines like public entity, commercial auto. I know you changed your expectations there a bit. But I'm kind of just curious as -- I know it's only been 1 quarter, but has anything changed? I mean, we can see pricing seems to be actually moving in the right direction. I don't know if you want to call out if you guys been trying to add to your reserves or anything?

Carl Henry Lindner
Co-CEO & Director

Yes. I think the positive, say, it's a heavy public entity renewal period. And I think the good news is it reflects what I -- I think what I talked about on the last call about the changes that we've been putting into place on that particular business in that. And seeing the strong price increases was particularly strong, double-digit in the period in that. But that's as well as decreasing limits, raising retentions and being really appropriate and being involved in heavily on -- with mock trials and monitoring counsel and being heavily involved in active claims. So we're doing quite a few things. But yes, the third quarter is very pleased, in particular with the strong public entity price increase there and -- which drove the overall segment up.

Michael David Zaremski
BMO Capital Markets Equity Research

Okay. And just lastly, with the inclusion of the Crop acquisition, I know you've given guidance on it, too, but just curious now that you've maybe learned a little bit more, is -- when we think of not this year, but next year and outer years, is a normal crop year -- has that changed due to the acquisition or just maybe other variables?

Carl Henry Lindner
Co-CEO & Director

Well, yes, I mean, the dollar amount will change just because there's going to be a lot more business. But -- yes, the profit margins, I don't -- I think our criteria will probably be pretty much the same.

Operator

Our next question comes from the line of Andrew Andersen with Jefferies.

Andrew E. Andersen

Jefferies LLC, Research Division

Just looking at reserves in the quarter and reserve development, can you kind of help us think about how social inflation impacted movements this quarter? Has your view of social inflation changed?

Brian Scott Hertzman
Senior VP & CFO

This is Brian. So we're still being very mindful of social inflation and think that it is something that the industry as a whole is going to be monitoring for a long time. So when you look at our Casualty segment, the lower levels of all favorable development reflect 2 things.

One is the lower levels of favorable development coming out of workers' comp that we talked about earlier. And then also, we're not seeing favorable development in the social inflation expense business that we might have seen in previous periods.

So I would say, there's an absence of favorable development. There are ins and outs, where some units have had some unfavorable development. But overall, I would say, social inflation is reducing our favorable development as much as it would be increasing any adverse development.

Andrew E. Andersen
Jefferies LLC, Research Division

Okay. And on the workers' comp business, can you kind of help us -- you mentioned the loss ratio trend and some of the pricing in the calendar year view, but how should we think about where you're booking workers' comp accident year picks compared to last year?

Brian Scott Hertzman
Senior VP & CFO

Sure. So a couple of things are going on there. One is, as Carl mentioned, there are rate decreases happening in workers' comp.

So that puts some pressure on the accident year. And then even though we haven't been experiencing medical cost inflation, we're mindful of that and being careful to consider that, as we said, current year accident pick. So the accident year loss ratio in workers' comp would be a little bit higher for those 2 things, but still producing those ROEs when you look at the business overall that Carl mentioned earlier.

Operator

Our next question comes from the line of Gregory Peters with Raymond James.

Charles Gregory Peters
Raymond James & Associates, Inc., Research Division

I thought I'd start with my first question, going back to Craig's presentation on the investment portfolio and the performance. And I think, Craig, you mentioned that the fixed income yields are now up to around 6%, which is a nice lift from where it was a year ago. Can you maybe step back and give us some perspective on how -- because of the higher yield environment, you might be altering allocations where you have new money going into whether it's industry group or sector type? And also as investments come up and mature, how you're allocating those inside the portfolio?

Stephen Craig Lindner
Co-CEO & Director

Sure, Greg. I wouldn't say that we are significantly altering our allocations. I'd say, certainly, fixed income is more attractive than it's been in a long time. So probably a bit heavier weighting to medium-term fixed maturity investments versus certain other asset classes. But I wouldn't expect us to change the allocations at a very significant way. We do think on the real estate side as an example, there are going to be some really interesting opportunities over the next couple of years.

And time will tell whether we're right on how things are going to evolve there. But we do think that there's going to be an opportunity to get some extraordinary returns in the real estate market. I don't think you should expect to see a significant change, though, in the allocation in the investment portfolio.

Charles Gregory Peters
Raymond James & Associates, Inc., Research Division

Okay. Fair enough. It makes sense. And then I guess, pivot back to Carl. And let's focus on the Property business -- Property and Transportation business ex-crop. I think you called out in your comments, an underperforming book of Transportation business, maybe it was $50 million that you're re-underwriting. Can you give us some perspective within your Property and Transportation business of how the competitive landscape is? Do you feel like there's more pressure from competition at this juncture? Or do you feel like it's status quo? Any updated perspective would be helpful.

Carl Henry Lindner
Co-CEO & Director

Are you asking me to focus on commercial auto in particular? Is that...

Charles Gregory Peters
Raymond James & Associates, Inc., Research Division

Well, yes, commercial auto would be 1 topic. But inside Property Transportation, there are other businesses on top of just commercial auto outside of crop. So just the -- I'm just focused on ex-crop business inside Property Transportation.

Carl Henry Lindner
Co-CEO & Director

Yes. I mean, there's a number of different businesses. Our Transportation business is a significant part. I think it's a mixed picture within the Transportation business. There are some parts of the business that seem to be more competitive, others that seem to be tightening. And with competitors -- some competitors like Nationwide and others leaving part of the space in that.

Our business continues to perform well and has for years. That said, on the commercial auto liability part, it's not where we want it to be. It's probably 101-ish or so and through 9 months. And for that reason, we're continuing to take strong commercial auto liability rate increases of about 10% year-to-date. We -- versus a prospective loss ratio trend of about 7% or so in that.

We have -- and when you put our businesses together in that space, mid-single-digit net written premium growth through 9 months in that. So that's kind of that part of the business -- parts of the business like our nonstandard aviation or Property Inland Marine or Ocean Marine, there seems to continue to be opportunities in those areas for growth. And we continue to have good results in those businesses in that. So I think that speaks to some of the larger businesses within the Property and Transportation, excluding comp.

Operator

[Operator Instructions]

Our next question comes from the line of Paul Newsome of Piper Sandler.

And I'm currently showing no other questions at this time. I'd like to turn the call back over to Diane Weidner for closing remarks.

Diane P. Weidner
Vice President of Investor & Media Relations

Thank you, and thank you all for joining us today as we've walked through our third quarter 2023 results. If you have any other questions, feel free to reach out to our IR department, and we look forward to talking with you next quarter. This concludes our call for today. Thank you.

Operator
This concludes today's conference call. Thank you for participating. You may now disconnect.