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THE WALL STREET TRANSCRIPT
Connecting Market Leaders with Investors

European Companies Dive Into Digitalization, Green Transition

DAVID MARCUS is Co-Founder, Chief Executive Officer and Chief Investment Officer of Evermore Global Advisors, LLC. He co-founded the firm in 2009. Mr. Marcus is portfolio manager of the Evermore Global Value Fund and the separate account portfolios. Beginning his career in 1988 at Mutual Series Fund, he was mentored by value investor Michael Price. Mr. Marcus managed the Mutual European Fund and co-managed the Mutual Shares and Mutual Discovery Funds, representing over $14 billion in assets. He also was director of European investments for Franklin Mutual Advisers, LLC. In 2000, he founded Marcstone Capital Management, LP, a long/short Europe-focused equity manager, largely funded by Swedish financier Jan Stenbeck. Mr. Marcus later founded and was Managing Partner of MarCap Investors LP. He graduated from Northeastern University in 1988 with a B.S. degree in business administration and a concentration in finance.

SECTOR — GENERAL INVESTING

TWST: Could you tell me about Evermore?

Mr. Marcus: Sure. We've been around since 2009. We started putting the idea for the business together during the tail end of the financial crisis. We manage a mutual fund, the Evermore Global Value Fund. And then we also have a variety of managed accounts. The mutual fund is for individuals and wealth management firms. And then the separate accounts are for some family offices and university endowments and other institutional investors.

TWST: Is there an overarching investment philosophy at the firm?

Mr. Marcus: There is. Maybe we're part of a dying breed. We are value investors. Value has a lot of definitions. There are all kinds of value investors out there, amongst the value investors that are left who will admit they are value investors. And for Evermore, it's about finding companies that we think are mispriced, undervalued in some way, but importantly, where there are catalysts. So we really focus on spinoffs, breakups, restructurings of all kinds, management changes.

Our view is always, "OK, it might be undervalued, it might be cheap, but who cares? What's going to make it less cheap? What's going to make it go up?" That's why we look at these catalysts and things that can get the value, I would say, from the stock to the shareholder. How do you get the value to us as owners of those shares? And we are fixated on that.

We also have a long-term affinity for companies that are family controlled, or tightly held, where you might have a family or a couple of individuals that control a publicly traded company. And they're investing for the long term. And we can tag along with them, as they continue to create shareholder value over time. Those can be really good compounders.

TWST: And could you tell me about the mutual fund?

Mr. Marcus: Sure. We launched the fund in the beginning of 2010. We're a global fund. We can go anywhere in the world. However, we historically have invested more in Europe than anywhere else. We have about 70% of the portfolio invested in Europe today. We have about 20% here in the U.S., we have a small percentage in Asia, and then we have some cash.

I've been investing in Europe for almost 25 years now. Generally, we have found very interesting opportunities in Europe at more compelling valuations than here in the U.S. We really don't want more than about 40 positions. We'll generally have between 30 and 40 positions in the portfolio.

TWST: And why do you pick on Europe as the focus?

Mr. Marcus: It really goes back to me starting in the business. I grew up in a house where my dad and my uncle owned a small stock brokerage firm. It was a two-man show. They were forever talking about stocks. I knew this was the business I wanted to be in.

While I was in college, I did an internship for a mutual fund, and that was run by Michael Price. Michael is a well-known legendary value investor. I was lucky that in 1987, I was an intern answering the phones before, during and after the crash of 1987. And he invited me to come back after I graduated from college. I went back. I was really a grunt. I worked on the trading desk for him as an assistant. And I just wanted to get out there and pick stocks.

Everybody in the firm basically just worked for one guy. And what I found was that whenever somebody pitched an idea, if it was in the U.S., Michael had an opinion on it. But when the only person doing the non-U.S. investing left the firm, I realized that Michael had really not focused as much on the European side or the non-U.S. side. So I said, I'm going to put my effort there, because I thought there was a lower barrier to get airtime with him and pitch an idea.

And what I found was that in the early 1990s, the Nordic region, especially Sweden, was going through a devastating financial crisis. And what I learned early on was that in a crisis, investors generally go home. The Americans go back home. If they're in Europe, they go back to America, the British back to the U.K., the Germans to Germany and so on.

When I went to Sweden, which was the first country I ever visited outside the United States, I had the place to myself as a foreign investor. I saw nothing but opportunity. All kinds of companies were restructuring, spinning off assets. You had all these families that control businesses. I just started coming back every six or seven weeks. I just immersed myself there. And I found that there were a lot of bargains.

And then I went from Sweden to Denmark, to Finland, to Norway, to France, to Germany. I saw that there were these families that controlled companies. I needed to get to know them. I wanted to know what the main shareholders thought. I started calling on all these families. Many of them had really never talked to investors before. And I just would keep calling until I got a meeting. And I built this great network of individuals and families that control companies all over Europe. I eventually expanded it into Asia, but I really spent my time mostly in Europe, just because that's where so much opportunity was.

They were so far behind the U.S., generally speaking, in modernization and restructuring and how businesses were managed from a corporate governance standpoint. I felt that these dislocations and valuations were so compelling that I should just focus there first and foremost. And so that's really what drove me to invest in Europe in the early years. And I kind of just kept with that over time.

I was always going to look at the U.S. or Asia, but I just kept going back to Europe, because I just always found more interesting opportunities that I thought we could take advantage of as they were evolving. Those companies that I invested in, in the early 1990s in Sweden, became some of the biggest banks in the world. They were some of the greatest investments I made. Because they were coming off of such a low base. And today, I look at what's going on out there. Europe has gone through a lot of changes. I invested pre-euro. The euro didn't even exist back then.

And now all these years later, you're seeing somewhat a more aggressive approach from Europe. They are late to embarking on economic stimulus during the pandemic. They're playing catch up aggressively. They're spending trillions across the EU and then in the other countries on economic and social stimulus programs. But it's kind of different than here in the U.S.

They're earmarking critical sectors like renewables. They say that's happening here as well, but in the U.S., the word "green" is sometimes viewed negatively for some reason. Because I guess people think, "Well, that's going to put a lot of people out of jobs." With the whole renewables and green business in Europe, there's a plan to phase old energy out over many years, and they have plans to phase new energy up at a faster pace.

Then they have money earmarked for digitalization programs. They have a lot of old industries that are analog style, in an old-fashioned way. So there are billions of euros available for transformative digitalization to adopt all kinds of new technology and to aggressively run forward with other green-related initiatives.

Norway is a great example of a country where they discovered oil but have not completely transformed. Norway became one of the richest countries on earth. They have a trillion-plus government-controlled oil fund, which was created from taxes on oil. And over the years, a lot of families became very wealthy servicing the oil and gas industry, be it through oil services, building the rigs and deploying the rigs, the boats, the drills, etc. Now, in many cases, they have repudiated what made them successful.

They're using that cash and capital to be at the forefront of technology for the tomorrow opportunity — carbon capture, clean hydrogen, offshore wind farms, etc. It's interesting you can find companies where you are paying sort of the valuation of the old businesses but getting the tomorrow opportunity.

Highlights

David Marcus discusses the Evermore Global Value Fund which focuses on undervalued companies where there are catalysts, such as spinoffs, breakups, restructurings or management changes. He says the fund invests primarily in Europe, where there is currently a great deal of M&A activity and conglomerates that are breaking up or refocusing into tighter verticals. He adds that they also have an affinity for family-controlled companies that are investing for the long term. According to Mr. Marcus, trillions are being spent across the EU right now, especially on sectors like renewables and digitalization programs, as they play catchup on stimulus programs. He notes that global businesses based in Europe generally trade at a lower multiple than their U.S. counterparts, but believes that will change.

Companies discussed: Vivendi SE (OTCMKTS:VIVHY); Bollore SE (OTCMKTS:BOIVF); Universal Music Group NV (OTCMKTS:UMGNF); Telecom Italia Spa (ADR) (OTCMKTS:TIIAY); KKR & Co (NYSE:KKR); Tencent Holdings ADR (OTCMKTS:TCEHY); Aker ASA (OTCMKTS:AKAAF); Philly Shipyard ASA (OTCMKTS:AKRRF); Aker BP ASA (OTCMKTS:DETNF); Aker Horizons ASA (FRA:7QF); Aker Carbon Capture ASA (OTCMKTS:AKCCF); Aker Clean Hydrogen AS (FRA:52N); Aker Solutions ASA (ADR) (OTCMKTS:AKRYY); IAC/Interactivecorp (NASDAQ:IAC); Match Group (NASDAQ:MTCH); Vimeo (NASDAQ:VMEO); MGM Resorts International (NYSE:MGM); Expedia Group (NASDAQ:EXPE); TripAdvisor (NASDAQ:TRIP); Live Nation Entertainment (NYSE:LYV); Angi (NASDAQ:ANGI); ZIM Integrated Shipping Services Ltd. (NYSE:ZIM); Walmart (NYSE:WMT) and BP plc (NYSE:BP).

It's not just Norway, I'm just using that as a key example. But we're seeing it across the region. People historically have said that you don't have a lot of entrepreneurialism in Europe. That's BS. France, Germany, U.K., Italy, we're seeing entrepreneurs and innovators bubbling up everywhere. There's a vibrant private equity and venture capital market.

Europe is chock full of conglomerates, and they're breaking up in many cases. And where they're staying conglomerate, they'll refocus into a tighter vertical, and spin off or sell off non-core assets. Some other company will buy those assets and they'll tighten up their verticals.

And so, you have more M&A activity than perhaps we've ever seen in Europe. And there's a lot of capital out there. But a lot of U.S. investors that are global generally invest in the U.S., Asia and do a very small amount in Europe. I believe Europe is very underrepresented. And I think that the opportunity is extremely compelling around the EU as well.

TWST: And any specific companies that come to mind that might be of interest to investors in the coming year?

Mr. Marcus: Sure. So, for example, we own a company called **Vivendi** (OTCMKTS:VIVHY). **Vivendi** is a telecom and media conglomerate. Ultimately, it's controlled by a family in France, the Bollore family. They own a large stake through their family holding company called **Bollore Group** (OTCMKTS:BOIVF). We own a stake of that company as well. They're transitioning to the seventh generation of the family now to run the family's group. About eight or nine years ago, they identified a very distressed conglomerate in France, which was **Vivendi**. They slowly amassed the largest stake in the company, and today they control the board. One of their family members is the chairman.

And we saw this and we said, "This is an incredible opportunity because it's a conglomerate." And at the time it had a lot of debt when they took control of it, but it had wonderful assets. We viewed old **Vivendi** as one of the most undermanaged groups we had seen. Well, buried inside this conglomerate was an incredible gem called **Universal Music Group** (OTCMKTS:UMGNF), which is the largest music company in the world, which is a U.S. company. But it was 100% owned by this French conglomerate. Our view was when we did the analysis, you're basically buying **Universal Music** and you're getting everything else for free.

What do they have today? They own 25% of **Telecom Italia** (OTCMKTS:TIIAY), the biggest phone company in Italy with broadband and related technology. Just recently, **KKR** (NYSE:KKR) announced it is making an aggressive bid to acquire all of **Telecom Italia**. So we'll see how that plays out. **Vivendi** owns **Havas**, which is the fifth largest advertising agency in the world. They own 100% of it. They have a variety of mobile gaming businesses and they own **Canal+**, a large pay TV business in Europe. They really have a whole slew of businesses in this conglomerate.

1-Year Daily Chart of Vivendi SE

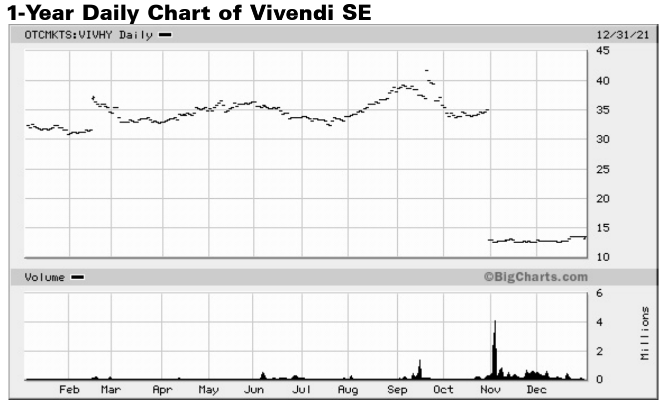

Chart provided by www.BigCharts.com

"And so, you have more M&A activity than perhaps we've ever seen in Europe. And there's a lot of capital out there. But a lot of U.S. investors that are global generally invest in the U.S., Asia and do a very small amount in Europe. I believe Europe is very underrepresented. And I think that the opportunity is extremely compelling around the EU as well."

But what's exciting now, and why this is interesting for us as we look forward to 2022 — it's simple. They started to prepare **Universal Music Group** to list it on the market a couple of years ago. They started by selling 20% of it to **Tencent** (OTCMKTS:TCEHY), the Chinese mega conglomerate. **Tencent** is in gaming, telecom and media. When you look at what **Tencent** paid for that 20%, the implied value is the whole of **Universal Music** and higher than the whole market cap of **Vivendi**. And then **Vivendi** decided to list **Universal Music**, which they did a few months ago. It trades in the Netherlands. It does not trade here in the U.S. yet. We do believe that ultimately, it will be listed here.

Universal Music is a global business that is based in Los Angeles. They have every successful artist that you could think of — from Taylor Swift to so many others. They also have a catalog with part of the Rolling Stones and many other groups. And it's just now that they have a public currency at **Universal** in the form of a standalone stock. It's really a compelling opportunity for them to grow. Well, even though **Vivendi** spun us off to shareholders, they kept 10% of it. They kept 10% of **Universal Music** on top of all these other assets that they have. We think that this is just the first step in the rationalization and cleanup of this **Vivendi** conglomerate.

Frankly, we think **Vivendi** is worth maybe even 50-plus percent more than where it's trading today. Conglomerates generally can trade at a discount, but as they kind of restructure it and refocus it, the company should continue to be revalued. **Vivendi** has no debt, it's very well managed and they're cleaning up some of these other legacy assets that they have. So next year should be chock full of news flow from **Vivendi**.

And so that's a stock that we have owned for a number of years. We expect to continue to own it for quite a number of years. And it's been a very healthy dividend-payer as well. Because since the Bollore family is the largest shareholder — they own close to 30% of it — every time these guys pay out a dividend, the family's holding companies get 30% of that dividend. They're very geared up towards thinking about how to get returns to the shareholders since they are the biggest one.

So **Vivendi** is one that we really like a lot. And I think even their 10% stake in **Universal Music** will continue to perform well. And as we're coming out of the pandemic, hopefully, groups like **Havas**, the advertising group, should do extremely well as we get into the new year.

TWST: What about another company?

Mr. Marcus: Sure. Along the lines of the conversation I mentioned a little earlier, you can buy something that's sort of from the old fossil fuel days and you're getting the tomorrow opportunity. In Norway, you have a company called **Aker ASA** (OTCMKTS:AKAAF). **Aker** is a holding company that has spun off or IPO'd a number of businesses over time.

1-Year Daily Chart of Universal Music Group NV

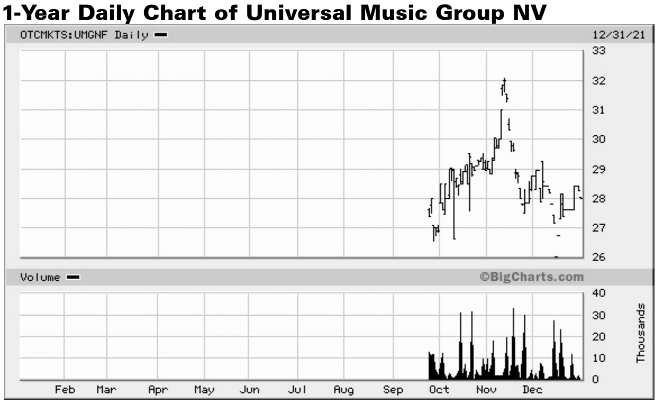

Chart provided by www.BigCharts.com

If you look at the website for **Aker Horizons**, it's just incredible. The floating wind farms, the carbon capture businesses. And what's nice is because **Aker**, at the parent level, their customers are a lot of these old oil and carbon generators. All of those firms need to transform and transition to green. They almost have a built-in network of potential customers for all of these new businesses that they have.

1-Year Daily Chart of Aker ASA

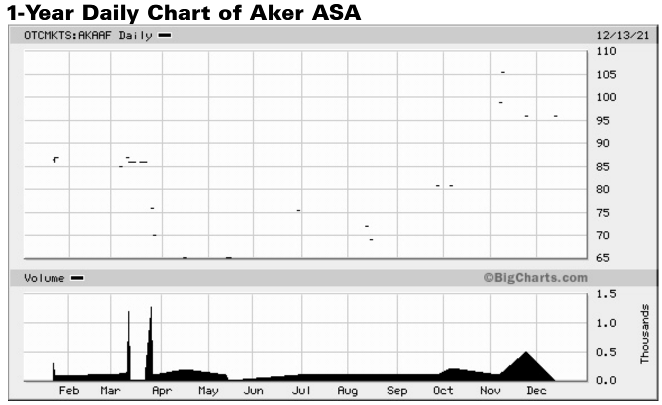

Chart provided by www.BigCharts.com

They're not one of these green companies that talks about opportunities in 2025 and 2030 and beyond. They talk about opportunities now. And it's not a household name here in the U.S. But this is an incredible group that really has shown that they can transition as the world evolves.

Look, we're not a green fund, but more and more we realize we can have more investments that are very ESG-focused, more companies that are taking advantage of this transition to a cleaner world and how it impacts the world and the environment. And we can get them pretty cheap. So **Aker Horizons** is something that we like a lot in Europe.

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It's a vast conglomerate. They even own the Philadelphia Shipyards. It's called the **Aker Shipyards** (OTCMKTS:AKRRF). They bought that a long time ago. You have **Aker BP** (OTCMKTS:DETNF), which is the joint venture with **BP** (NYSE:BP). You have **Aker Horizons** (FRA:7QF), which is their subsidiary that only invests in renewable and green-related assets. They IPO'd some of the divisions within **Aker Horizons**, including **Aker Carbon Capture** (OTCMKTS:AKCCF), **Aker Clean Hydrogen** (FRA:52N), **Aker Solutions** (OTCMKTS:AKRYY).

There are all kinds of **Aker** businesses. But all the way at the top of the holding company, it's just **Aker ASA**. And that holding company, we don't own it currently. We are always waiting for the stock to dip, but it doesn't dip long enough for us to own it. But I really love the fact that this is a transitioning business — you're paying for how they built their empire, and you're getting all the new stuff. So we bought a piece of their business. We bought a stake in the **Aker Horizons** business. That stake gives us holdings in all of these other renewable and clean energy businesses. We wanted to start there, and then we're kind of working our way up the chain to buy the parent, ultimately.

TWST: Any other companies?

Mr. Marcus: If I was going to throw out one more name, I would say a U.S. company. This is maybe an easier one for people to get their arms around: **IAC/InterActive Corp** (NASDAQ:IAC). That's the company controlled by Barry Diller. **IAC** is, perhaps, I would call it, one of the great money machines from a shareholder perspective. We've owned it for a few years. But what IAC does is absolutely so incredible. Basically, Barry Diller and the CEO here, his name is Joey Levin, they find companies that are, let's say, interesting from a scalability standpoint. Maybe they're an internet-related business, for example, **Match.com** (NASDAQ:MTCH), the dating site.

In the late 1990s, they bought control of **Match**. They don't generally start businesses from scratch. They find other ones that are managed well, or even undermanaged, where they can really add a lot of value. So they bought **Match** over 20 years ago. They did their thing, which is they nurture it, they invest in it, they grow it, they scale it up, they market it, and then eventually they spin it off to shareholders.

And two years ago, when they announced they were going to spin **Match** off, our view was that the value of **Match** alone was worth the value of their whole market cap. So you were getting everything else for free. You were getting **Vimeo** (NASDAQ:VMEO), you were getting a business called **Dotdash**. Eventually they bought control of **Care.com**. They bought a big stake in **MGM** (NYSE:MGM), the casino group, because their view was the **MGM** loyalty program, and the gaming business called **BetMGM** was, I'll say, undermanaged. And they could bring their digital expertise and to really help scale up and monetize the value of the business. **IAC** also took two board seats at **MGM**. That stock has done well.

But again, this whole idea of nurturing, developing, scaling up and spinning off — so in the two years, two and a half years, that we've owned it, we've received **Match** shares. We eventually sold them and put some of that money back into the parent **IAC**. We really like the machine there — as I say, the money machine.

Earlier this year, **IAC** spun off **Vimeo** to shareholders. Again, we decided to exit that and roll some of that back into **IAC**. If you look further back, they helped develop **Expedia** (NASDAQ:EXPE), **TripAdvisor** (NASDAQ:TRIP), **Home Shopping**, **Ticketmaster**, which is today **Live Nation** (NYSE:LYV). So their track record is incredible of cranking out huge total return to shareholders over time. And so today, where **IAC** is trading, let's say, it's the mid-$120s per share, we think the sum of the parts when I add all the pieces together, including **Angie's List** (NASDAQ:ANGI) and a few others and **MGM**, we think that the stock is worth north of $210 per share. It's trading at about $125. And the value of the underlying assets is generally growing, not shrinking.

But why is it a great story for 2022? Here's why. They recently closed on their largest acquisition. It's called **Meredith Corp**. They bought the digital side of **Meredith**. They bought *People* magazine, *Better Homes & Gardens*, and a whole slew of other publications. I would say **Meredith Corp.** was very good at managing subscription-based businesses. I wouldn't say they were the world's greatest managers of online businesses. The opportunity for **IAC** to transform People.com and *Better Homes*, and all of these other businesses and really scale them up and take advantage of all kinds of marketing and e-commerce and related businesses through these, it's barely scratched the surface. They just closed this transaction within the last month or so.

So this is truly a 2022 story for them, as they now just closed the deal, they can really get their arms into these assets. And really transform them and digitize and really embrace the way forward for media-related businesses like this. So that is why I see it as so compelling to us. Because it's controlled by Barry Diller, we look at this as a family-controlled company.

It's the kind of thing where you have one small group of people that really control it. **Aker**, I mentioned before, family controlled, and **Vivendi**, family controlled. As I say, we have this fixation on companies where there are great stewards of capital. I tell our investors all the time, we're not just buying horses, we're really buying jockeys. Businesses don't really run themselves. You need the right people at the top. Half of our work is that, judging the people, and I'd argue it is just as important as doing the numbers. Who are the people that we're betting on to create value here?

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TWST: Any other advice for investors as they look at 2022? This year we've heard a lot about risk for inflation in certain economies and some other risks?

Mr. Marcus: Yes. I think there's a lot of news out there, a lot of advice, a lot of commentary around inflation coming back. It's been surprising and shocking to people. And the numbers that have been announced recently, I think the Federal Reserve has changed its tone over the last few months. They're talking about rate increases more than ever before, to try to stomp down the inflation. Many people on Wall Street have grown up now with basically no inflation for the last, I don't know, 20 years. We are in a new phase now, it's changing. I mean, there's inflation. We all feel it. Go to the store, go buy whatever, you're seeing it, you're feeling it, it's happening. Not every business has the ability to pass through the incremental costs. Some can, some can't.

But this is where good management will come in. They can't always offset it. But can they cut their costs? Can they refocus some assets? Do they get rid of lower-margin businesses? It's not that investors have to do crazy amounts of homework when they're doing the work. You have to bring a lot of common sense into it, I always think. And so, when I look at a company for the first time, what I do is I really look at the CEO or the Chairman's letter, the annual report, and get it on the website, usually the letter to investors.

I'll actually go and print 10 or 12 years' worth of letters, pile them up. I still do it the old way, print them out, pile them up, I turn them upside down. I can start at the oldest one and work my way forward. And I binge read. I binge read all these letters. I'm trying to learn the story of this company. And if you do that, you're going to hear where the chairman said five years ago: "Oh, we have this new initiative," and that three years ago they killed that initiative off. You see how they navigated during a crisis, during a stressful period. What did they do well? What did they not?

And so, are inflation, interest rates going up? Yes, but these are just more data points to think about. It doesn't mean you have to run for the hills and get out of the market. It just means you have to be thoughtful about how you're investing and seek to have businesses that are resilient. Can they absorb price increases? Supply chain bottlenecks? They're not going to last forever, but that they will impact next year is still the expectation. How will the company do?

If it's an online-related business, like I described with **IAC**, supply chain issues are not going to impact them. If it's a music business like **Universal Music**, it's not going to impact them. If it's a company that's producing hard goods, or semiconductors, it's going to have some impact to them, absolutely. But just because they pay more for goods and services doesn't mean that they can't charge more. It doesn't necessarily mean they're not going to do well. The question is: Can they get the parts they need?

In any case, I think do the homework, understand what you own, and take a long-term view — we're really not traders in our firm, we are investors. If you look at our website, you'll see our tagline is: Invest Like Owners. We think like an owner of a business. We try to take a long-term view and a long-term approach.

But if you want to take advantage of the crisis of supply chain, and things of that nature, I would say people should look at **ZIM** (NYSE:ZIM), which is a shipping container business. It's an Israeli company. It only trades on the New York Stock Exchange. We own it in our portfolio. All kinds of containership companies are wonderful beneficiaries of these bottlenecks. You see it on the news every night when they talk about these ports with these ships backing up to get into the port to disembark or load cargo. It doesn't matter if they're anchored in the port or if it was going back and forth to China. They're getting paid every single day that they're loaded with goods.

And so, shipping-related businesses are in the sweetest spot that they have been in many, many years. But the containerships, especially, there is such a scarcity of supply of ships. You've even seen **Walmart** (NYSE:WMT) and other companies now buying their own ships. They don't want to be reliant on just the pool of ships out there.

But for investors, as we head to 2022, you want to be positioned with companies that you like for the long-term, where they're working for you every day, like some of the ones I've mentioned. **IAC**, especially. I believe that they just continuously are looking for ways to create value and they're so good at squeezing value out of existing, yet underperforming online and other digital assets. And they really are taking advantage of it in a big way.

And I think generally speaking, in Europe, which has been a tomorrow story for so many tomorrows, it's really leapfrogging when it comes to the green transition and renewables, digitalization. They're really jumping forward fast. And there's a lot of value to be had there. So investors should also think about expanding their horizons to more global portfolios.

China is going through a lot of changes. They're clamping down on how business is conducted. Europe really doesn't have to deal with a lot of that stuff. And so I think we're entering a good phase for European companies generally speaking. Maybe one of the best setups we've had for Europe in quite some time.

TWST: And anything we haven't talked about you care to bring up?

Mr. Marcus: Let's see, there's a lot of things happening these days. Here are a couple of additional highlights. Overall, markets have had such a movement forward since the depths of the pandemic and they're volatile more recently. I think that there's still a lot of really good businesses out there that are not valued appropriately. I don't mean because they're overvalued. They're undervalued, especially if they're based outside the U.S. Because the world shrunk over the last few years, and you're not competing with the guy down the street as your only competition anymore. You're competing with anybody in your industry anywhere. And so therefore, if you have global businesses that are based in Europe, they generally start the day at a lower multiple than the U.S. counterpart.

That's going to change. That's absolutely going to change because there's no reason why they can't deliver. And in fact, they'll probably be able to deliver at the same margins as the U.S. guy. Maybe not better, but they start off worse, and they're improving rapidly.

Because we've had incremental improvement in the U.S. for the last 200 years, the country has become more and more industrial and advanced so rapidly. I would say, in Europe, it's been fits and starts. The major dominance of the unions in Europe didn't always allow for change to happen at a more continuous path. If you evolve — and you're seeing it happen — and you're seeing companies finding new ways to close 30 plants and open one new plant that will produce more goods than all of the 30 plants combined and then some.

So, it's innovative thinking, and it's taking advantage of all these technological improvements. And I think that we're just in the early innings of that, especially across Europe's industrial businesses.

TWST: Thank you. (ES)

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