Joe Ritchie: Hi, everybody. And welcome to the afternoon session of day two of the Industrials and Materials Goldman Sachs conference. We're really excited to have Carolina Dybeck Happe, the CFO of General Electric here with us today. Carolina, thanks for being here with us. I know that you have some opening remarks, so I'm going to turn it over to you and then we'll kick off Q&A afterwards.

Carolina Dybeck...: Hi, Joe. Thanks for having me. Good to be here with you. It's hard to believe we're actually almost halfway through the second quarter. Right? It's been busy, but exciting, and I thought just before we get to the Q&A, I'll just share some insights on where we are right now and where our efforts are concentrated.

Carolina Dybeck...: So, I'll start by saying that our journey to become a more focused, simpler, and stronger industrial company is accelerating. With the air [inaudible] combination that we announced in March, we're focusing, GE, on our core industrial businesses and we're really capturing the opportunities that [inaudible] energy transition, precision health, and the future of flight. Upon close, it will also drastically simplify our reporting structure. We'll go from three columns to one column financials, and it will serve as another catalyst to significant reduce our debt by more than 70 billion over three years. In particular, our finance team is instrumental in making this happen. At the same time, we're fortifying our foundation and our [inaudible] progress is key. As we scale in, we're working to deliver safety, quality, delivery and cost improvements, in that order, as well as high quality growth. So [inaudible], coupled with our significant decentralization efforts, is enabling this work and really maximizing our impact close to the customers. And right now we're really going through all our operating reviews. So I'll touch briefly on each of the business.

Carolina Dybeck...: So we met with our power team two weeks ago, and it was really good to see the progress, especially at gas powered services. So last year, as you may

remember, we put a new organizational structure in place, and this is really landing and we're starting to see attractions as you could see by of our service growth in the first quarter. Specifically, the [inaudible] team is working with the transactional team to ensure we're maximizing the opportunity here. So we're increasing customer satisfaction ,while improving profitability across our services portfolio. And equipment was down year-over-year, as expected, since we're more selective on the turnkey projects. So we're really transitioning to more equipment projects, which is a better risk [inaudible] over time.

Carolina Dybeck...: At renewables, we're focused on building a profitable growth business. In onshore wind, we're expecting the US market to slightly decrease this year when we expect to see good growth abroad. In offshore wind, the strong market trends are expected to continue through the decade. We have some strong interest in our [inaudible] with over five gigawatts of customer commitments, and we're excited to announce the strategic partnership with Toshiba yesterday to localize, I would say critical phases of manufacturing in Japan. And grid is gaining momentum, broadly speaking, as the energy transition accelerates and government investment increases. Taken together, that really drove the strong first quarter or the growth that we saw in onshore, offshore, and grid. So we're confident that this continued improvement in operational excellence and cost productivity will lead to better margins this year.

Carolina Dybeck...: And we met with aviation last week, clearly still the most challenged market. Our GE [inaudible] departures were down 40% year-over-year, but we're encouraged by the improvement in March and April despite some regional pressures. As we shared at earnings, our shop visit inductions were off to a slower start this year, and it's really a result of the lower January and February departure trends. So this will impact the timing and potentially scope of our shop visit profile in the second quarter versus the second half of the year. That's it. We're really focused on improving services with Russell spearheading our efforts, and we're staying close to our customers to understand their needs while we're implementing standard work and changes to improve engine on time delivery in our overhaul shops. So we're planning for some recovery in the second half and we're ready.

Carolina Dybeck...: Our aviation business is comprised of the largest and youngest engine platforms, and we have more than 37,000 commercial engines. And more than 60% of our fleet has not yet had the second shop visit. So our platform is well positioned to generate value for decades to come.

Carolina Dybeck...: Our healthcare business. I literally came back yesterday evening. It's been a real standout and we're seeing improved market fundamentals. In the first quarter, global procedure volumes were up double digits and elective procedures are bouncing back even reaching pre-pandemic levels. Yet many customers are running at reduced capacity with longer waiting times for patients and we're working hard to support them. In the first quarter, we delivered revenue growth with impressive margin expansion. Notably, orders growth at our diagnostic and

imaging businesses was above 20%. And this does not come at the expense of investments as we position ourselves to lead the position health revolution. And just last week, we announced a bolt on technology acquisition, similar to prismatic, it's called [inaudible], and it will be part of our PDX business. So, a solid start to the year and across all of our businesses, services remain a core strength. Despite some near term pressures, service orders were up 6% organically in the first quarter, excluding aviation. And longer-term with more than half of our revenue and services, this is a tremendous growth opportunity for us.

Carolina Dybeck...: Underpinning our business improvement is the significant progress on solidifying our financial position. So following our outlook in first quarter calls, we received questions related to factoring. First as requested by many investors, we've provided these quarterly data points for 2020 on our website today. Now, I want to take some time though to provide a little bit more color while we're talking about this. So as a reminder, since the beginning of '19, we've already reduced our factoring balance by eight billion. And this includes the 800 million in the first quarter, bringing the balance down to about six billion at quarter end. Effective as of April 1st, we discontinued the majority of our factoring programs. And this decision was made along with the aircraft transaction as we went down the active business at capital and better focus GE on our industrial court. So therefore, starting the second quarter, we'll exclude the cashflow impact of the discontinued factoring going forward. And as we've shared, we expect this to be between three and a half and four billion, primarily felt in the second quarter. And at the end of this process, our factoring balance will really be around two billion. Right? And that will be in our continued of [inaudible] programs. And I would say that that represents a level of factory, which we believe is effective and efficient really to support our industrial businesses.

Carolina Dybeck...: Now, how does this decision impact the free cashflow bridge from '20 to '20? The one we shattered outlook, right? So, at the outlook we provided a work that starts with a rebased 2020 free cashflow number about breakeven, including BioPharma and the COVID related volume. So if you want an apples to apples construct, excluding the discontinued factoring, then the 2020 free cashflow was 2.4 billion. So two ways to think about 2021. On a reported basis, we remain at the two and a half to four and a half billion, but that includes the first quarter discontinued factoring impact of about 800 million. On a comparable basis to the 2.4 billion in 2020, you'd have to add back the same 800 million in the first quarter. So broadly speaking, the majority of our year-over-year cash improvements comes from earnings, and this is an important point. But in addition to that, we continue to see working capital improvements.

Carolina Dybeck...: And then as you think about 2022, there's no discontinuing factoring impact to adjust. And I would say, as we reduce our reliance on factoring, our businesses will continue to dip in their operational improvements around billing and collections. So for example, what I shared at the first quarter that our peak quarterly cash needs decreased by more than four billion year-over-year.

Obviously a significant improvement. And that came on the back of reducing factoring, managing working capital and cash better. Stepping back, this decision will really enable the businesses to focus on what matters, running the business better. Including operational cash drivers that improve working capital, increasing the frequency of our operating rhythms, and a more linear cashflow generation throughout the quarters and the year. And those are our current finance priorities that together will help lead to more sustainable cashflow over time.

Carolina Dybeck...: So in summary, we're making measurable and sustainable progress

Carolina Dybeck...: ... and we're set up well to deliver on our 2021 commitments that we shared with you in March. And we're confident that there's upside potential across our businesses and that that will lead us to our high single-digit free cash flow generation. And reflecting on my one year plus with GE, I'm really happy to be a part of the team at this critical point in our transformation. So thanks for letting me share those thoughts. And Joe, over to you.

Joe Ritchie: Yeah, Carolina. Thank you very much. That was helpful. It was clear. And it is crazy to think that it's been over a year since you've been at GE. Time does fly. Hoping that next year we can do this in-person as opposed to virtually. But I'm curious as you think about the past year and as you think about the path forward, talk a little bit about your priorities as the finance leader of the organization and the change you're trying to affect as that leader.

Carolina Dybeck...: Yeah. What I think is important is that finance is here really to support the business and the transformation of GE. So what we talk about is, how can we best support? And the first part of it is really making sure that the way the businesses are looking at the numbers is the best possible way to drive insights and also actions. And that's why we talk about more operational P&L and a working capital definition that fits GE in a good way, so put focus on that. Then on top of that, it's also the frequency. With what frequency do you get data? How often do you get actuals to faster be able to take decisions? We talk about daily management and monthly closings. So faster or higher frequency of data.

Carolina Dybeck...: The third part is really about decentralization and our part in that. So we go from five P&Ls to 30 P&Ls. So clearly that's a difference. So we need to make sure that we can provide that kind of insight and numbers package on a P&L level. And then on top of that, an area we have talked a lot about and also shared with you is linearity and how we can improve our non-linearity. And the reality is that it's really an end-to-end work where you start with the commercial, sort of the whole operations, and then also finance involved, because it's about looking at how can we deliver our services in a much more linear way. And that also drives billings sort of earlier in the quarter, which also drives collections. So the improvement of linearity in the company also drives improved linearity in cash flow and overall a better free cash flow generation.

Joe Ritchie: Well, that makes a lot of sense. So that was a good segue into free cash flow. And you know it's going to be a topic of conversation. So perhaps maybe we can just start with the near-term. So helpful to get the factoring adjustments on a quarterly basis. So thank you for that. But as you think about your second quarter number, you talked about an improvement of 1.7 billion, and I know consensus is somewhere in that minus 400 to minus 800 number for 2Q. How are you thinking about the working capital puts and takes for 2Q? And what kind of drives us maybe above the better part of that range or towards the low end?

Carolina Dybeck...: Yeah. So Joe, I get so excited when I talk about working capital. I just want to start with the most important part, that for the second quarter, a big part of the improvement is that we expect better cash earnings, really driven by the cost out actions we did, as well as the recovery and especially in healthcare, since it's high margin business. On working capital, so we are working to improve the processes to improve the underlying efficiency. And we've talked about receivables and inventory as two big important areas. What we do see specifically for the second quarter though is that you have to look compared to where we were last year. And last year we had this big non-repeat payables pressure from the COVID hitting us. And we won't have that this year. So that's obviously a positive for us.

Carolina Dybeck...: On the other hand, we had the military progress that we received last year, which we don't expect to happen again this year. So those are sort of two anomalies. And then on top of that, this year in the second quarter, we also expect headwind from ADNA in a good way, because it means that our customers are delivering to their customers. But that has a negative impact on our free cash flow and the working capital overall.

Joe Ritchie: Okay. No, that's helpful. And then maybe just kind of stepping through the guidance for the year, the two and a half to four and a half billion. Look, I loved that you guys reset the 2020 number to baseline, really a 2.4 billion when you exclude the factoring component. I guess as you're thinking about factoring specifically, why not discontinue the entire program? Is it economically viable for you to keep it at two billion? And then of course, as we think about 2022 and beyond, how should we be thinking about the rebasing the free cash flow going forward?

Carolina Dybeck...: So, Joe, it's a really important point for us. So basically when you take away the noise from factoring last year and this year, basically the majority of the improvement in free cash flow in 2021 comes from earnings. And that's an important point, because we talk about how to get. It's an important proof point on our way to the high single-digit returns. I would say when you're down to two billion of factoring, an off-book, then you're on a level which is an effective way for us to use it and then you're less than 3% of revenue. So I see that as a reasonably good level for us to keep. And when you talk about sort of how you get into 2022, you talked about as well, right?

Joe Ritchie: Mm-hmm (affirmative).

Carolina Dybeck...: So I would say 2022 is obviously a step on the way to that high single-digit free margins. So we expect the majority of the improvement, again, to come from earnings growth. And then we'll continue to improve the underlying processes of working capital and offset some of the pressure you get from the volume as we grow with aviation specifically coming back in 2022. And-

Joe Ritchie: Go it. No. That makes sense. Go ahead.

Carolina Dybeck...: Yeah. We just said that you know the jumping off point. So when you look at sort of where 2021 ends, you do need to sort of mentally adjust for those 800 million as well in the 2021 numbers.

Joe Ritchie: That's a nice tailwind already for 2022. But I guess maybe let's talk about the jumping off point for one second. So if you think about the first half improvement, let's assume the negative 400 is the right number for the second quarter, the improvement that you'll see in the first half of the year alone is over $3 billion versus what you saw last year from free cash flow. I guess based on what you know today, what precludes you from tracking at least towards the higher end of your free cash flow guide for 2021?

Carolina Dybeck...: I would say we have a range, that we're sticking to that range. So we still expect to be within that range. If we look at where we started the year, so the first quarter you know, good start on free cash flow. We talked about the second quarter improvement in line with that. So to your math then, all sticks together. If I looked [inaudible] specifically the second half, so of course, we expect to see sort of operational improvements basically improving earnings and working capital, but there are also a couple of headwinds that we need to remember basically. So I'm taking you back to the second half of 2020 now. So we have the Boeing 737 MAX payments. That was about 500 million. It's going to be headwind this year.

Carolina Dybeck...: We also had significant progress payments from renewables orders coming in the end of 2020. We know it's really lumpy by nature, very hard to predict, but we know that they were there in end of 2020. And we also had some impact from the care sector and the different payroll taxes. So those were sort of the big ones in end 2020. And now if you think about so what about the end 2021 or second half? So it's still a lot to go in the year. And I would say it's a mixed business story here. So if you just take the majority of the range or the reason for the range, clearly that has to do with the timing of the recovery in aviation and what that does to our numbers. And on top of that, we're also watching those lumpy payment in renewables not knowing exactly when they would happen. And then on the other hand, we have healthcare, which continues to really show, go from strength to strength. So that's how you get sort of the range and remembering what happened end of last year.

Joe Ritchie: Got it. That's clear. I guess as you move on to 2022, 2023, and everyone's trying to figure out what 2023 is going to look like [inaudible], it sounds from what we're hearing like a lot of it is going to be earnings based from 2021 on. But I'm

curious when you think about the working capital component, you just mentioned being excited about it, is there a tailwind from working capital that we should expect at least for the next couple of years as well?

Carolina Dybeck...: I

Carolina Dybeck...: I look at it like this. So let's start with what we talk about. We talk about getting to high single-digit free cash flow margin. Okay. So high single-digit, where are we? So let's assume the midpoint of that's 8%. And if you just base that on, let's say, the sales that we had in '19, so before COVID, 85, 90 billion. So the math on that is 7 billion of free cash flow. And looking at what that would comprise of, I would really say that the big, big part is earnings based. And it's earnings that comes from healthy organic growth [inaudible] expansion, both by improving the mix, driving towards more services, and cost out, both fixed costs and restructuring, as well as productivity cost outright. And then on top of that, we also have... Well, obviously going forward, we expect to have lower restructuring costs, legal costs, pension and sort of seeing them fading over time.

Carolina Dybeck...: And then the third bucket is really the working capital part. And here, I think it's important to remember that it's sort of... You have two parts here. One is depending on how much organic growth and where we have it, that will create working capital needs, and then we are working to offset those needs by improving the processes underlying. So it's going to build basically dependent on where the growth is versus how effective we are on the working capital part. But we do see that, especially as receivables and inventory, just looking at where we are. We talked about two and a half turns. Talked about [inaudible] days. There is room to improve there. It's not a quick fix though, and it takes some time, but it's really... There's more we can do there, and we're working on that.

Joe Ritchie: Okay. No, no. That makes sense, Carolina. I think maybe it makes sense at this point to shift into the segments and the earnings performance. So perhaps starting off with aviation, the performance this quarter from a decremental margin perspective was pretty outstanding. And we know that there was some benefit from contract margin reviews that impacted the quarter as well and benefited the quarter. But we should be talking about hopefully incremental margins now instead of decremental margins in the business going forward. So just talk to us about how we should be thinking about the trajectory of that business from an incremental margin standpoint from here on out.

Carolina Dybeck...: Yeah. Joe, I totally agree with you, I have to say. When you do the earnings, you often... Well, you compare year over year. So of course, it was a tough quarter to compare to for aviation. But if we look sequentially, aviation improved the margins. And if you look at the decremental specifically, we went from 48% decrementals in Q4 to only 19 in the first quarter, and that, well, on the 28% top line drop. So that was definitely a good... We were very happy with that. Business remains challenged though. And the market recovery, well, it's to be

continued, I would say, and we will have to see that. I would say the drivers in the first quarter on the margin clearly from the cost actions, significant cost actions taking a hold there, but also some to your point on the CSA margins reviews that were positive.

Carolina Dybeck...: So if I look going forward now, so I think you have to remember that we do those reviews ongoing and we continue to work with our customers to see what their expectations are, [inaudible] and the fleet assumptions there, but I think we can expect some quarterly volatility still because we're still in COVID. Obviously, we don't expect it to be of the magnitude that it was last year because Q1 and Q2 were clearly impacted by the marks we took then. Looking at the margin, excluding that part, so it since the cash comes from utilization and the billings is one thing, but the margin really comes if you talk about the services side. You have the margin. It depends on when we see the shop visits, because that's when we [inaudible] that's when you see it in the P&L.

Carolina Dybeck...: So for us, it's going to be important to sort of see what will the mix be of shop visits and what scope will they have, so basically what engines will come into the shop, how much work will they do. And then we have the external MROs and there, it's about what inventory do they have versus what they need, as in what will they buy from us? So I would say there's still a lot of uncertainty and that's why we're holding the low double-digit margin for the year. So we need to set the departures, shop visits and customer behaviors really play out.

Joe Ritchie: And I think when you reported earnings, I think you talked about commercial shop visits being up 25% in April. Has there been any change on the margin there? I know it's only been couple weeks, but just curious whether there's been anything that you guys have seen specifically.

Carolina Dybeck...: Well, what I would say is that we don't really see changes, but we continue to monitor it very thoroughly. And you need to sort of look at this regionally as well, because it's also different by regions. You have the US, doing pretty well. China, even pre-COVID level. But Europe, my old home turf, is not flying yet. So...

Joe Ritchie: So. Okay. Got it. That's helpful. Maybe switching gears a little bit into the renewable sector. So know that this sector is really about just the turnaround story, the profitability enhancement in the business. As I think about the key priorities there, you've got a grid business that you've talked about gaining some momentum, but historically we've thought of that business as being fairly unprofitable. Maybe we start there on what you're doing to improve the profitability of that business, then also how that business could potentially benefit from stimulus measures here in the US.

Carolina Dybeck...: Yeah. So I would say to your point in renewables, you really have to look at the different parts. We have the onshore, offshore, and then we have different turnaround businesses. And the big important part here is grid. And as we continue to restructure grid, we are taking cost out. And we're also working

through a pretty tough backlog, with legacy projects. So there's pressure on the margins as we continue to execute there. Also improving working capital management also in grid. So good progress on receivables and overdue specifically, but also on the inventory side. But overall, a lot of work going into the turnaround there and moving along as we were expecting.

Carolina Dybeck...: That said, in the energy transition, if you think about sort of the whole move towards renewables and the wind part, for that to really work, you need a grid that is adapted to that and a grid that can work in that new world. So what we see is sort of the [inaudible] super cycle basically with investments being made into the grid. And we are really well positioned there, because we have both the green [inaudible] automation business, but we also have the digital grid part. So an important part in the energy transition as well.

Joe Ritchie: [inaudible]. That's helpful. And you mentioned earlier offshore is a big opportunity that you've talked about. Clearly, you've made investments in the Haliade-X. It feels like that could be a pretty big swing factor as you start thinking about 2023, 2024, 2025 in terms of earnings and free cash flow. I guess what are your latest thoughts on the traction that the Haliade-X is getting on offshore projects and the momentum there?

Carolina Dybeck...: Yeah. So I would say to your point, this is a really interesting area for us over time, because people sometimes confuse it with the short-term. But if you just look at this sector, so we have... We see more than [inaudible] we're expecting more than 20% annual growth over the next decade. And you have the Biden Administration support. They're pushing for 30 gigawatts. And we've talked about our Vineyard Wind project as well. For us, we have a strong pipeline. We've talked about it being more than five gigawatts. I would say [inaudible] the profitable shares in the different projects. And to your point, yes, it would be a meaningful business. So we talked about this being a $3 billion business by 2024, and with a path to break even and positive free cash flow already in 2022. So I mean, Haliade-X is... It's impressive. It's basically the biggest offshore wind turbine built.

Carolina Dybeck...: We've talked about 12 megawatts, 30 megawatts. We're now going for certificate in 14 megawatts. And then I mentioned in my comments that we're working with Toshiba to localize in Japan as well. What I would say is that this has the typical signature of the wind part, that the orders are lumpy. They are big. We don't know exactly when they will come, but we do expect to book more orders in the second half already of this year, that would then come with progress.

Joe Ritchie: Got it. Yeah. That's great. No, it seems like a great opportunity for you guys. I think maybe shifting gears a little bit so that we touch on power as well.

Joe Ritchie: So I'll start by asking you, provide an update on... You mentioned gas power in your prepared comments, but I know that you're tracking to high single-digit

margins for 2021. So maybe provide a little bit more of an update on what you're seeing in that business specifically.

Carolina Dybeck...: Yeah. I think this is really exciting, and we have a lot of good momentum here. And the team is really fired up in gas as well, because they know that they are on track for the high single-digit margins this year. So the first quarter performance, great proof point. And the team sees this and we do have the path to get there. The path. I mean, it's a combination of a lot of good things. We have the fixed costs out. We talk about productivity. We're clearly pushing the focus overall in gas towards more services and we expect to see the low single-digit services growing this year. So I would say we're really on a good path here.

Joe Ritchie: How do you think about the free cash flow margins on this business? I know that there's an expectation beyond 2022 to get free cash flow conversion above 90%. But where's the kind of starting point today and the path to get there?

Carolina Dybeck...: I would say an important part is to focus on services, because fundamentally with the cash conversion as well. And we've talked about that you would expect a business like this overall to convert at least 90%. But let's get the margins up first. Let's get to the 90% step by step. And then [inaudible].

Joe Ritchie: Okay. Got it. And then I guess maybe just on... Since you have talked about the services growth in 1Q was up 13%. So kind of nice to see the uptick there. One of the questions that we get a lot is just a comparison to some of your peers in that business. How do you think GE differentiates on the services side of the business versus, say, the likes of the Siemens of the world?

Carolina Dybeck...: Well, if you think about services, you are servicing something, so you need to start with what's your equipment. And I would say we really have the best technology. And we've shown that. We've shown how reliable it is. And we really see sort of good commercial wins continuing to happen. So I would say with services... We talked about different types of services. You have this [inaudible]. You have transactional. So you have different types of services. And I mentioned that with the new organization, the teams are working much more together, but also very, very professional way of improving. I would basically start by saying servicing our own fleet. So focusing on penetration and scope of service of our own fleet, I would say that's the biggest focus right now.

Joe Ritchie: Okay. Okay. Fair enough. We got one question from the audience. So I'll read it to you, I guess. It's more around the framework for free cash flow, going back to free cash flow as we always tend to do. And so this is more of kind of like a near-term thing with specifically this person's asking about the ADA headwinds in the second quarter. So when we think about kind of positive free cash flow into the second half of the year, are there any other variables that can kind of push to positive free cash flow even earlier than the second half of the year just given some of the headwinds that you see in 2Q?

Carolina Dybeck...: I want just to say that the ADA is really about our customers delivering to the end customer, and then this is paid out. So that's a good thing. The timing of that is not up to us. The way it looks now with what our customers are saying, basically we expect to have a big negative in the second quarter from this, but not as much for the rest of the year. But I would say that could move a little bit depending on the customer schedules. Yeah. Apart from that, overall, I would say that for the rest of the year, I mean, it is really back to what I talked about, so [inaudible] recovery and [inaudible], as well as those lumpy payments for renewables on progress. That's probably the biggest uncertainties, but it's the timing issue but still, because you asked specifically about the quarters, right? So...

Joe Ritchie: Yep. Yep. That makes sense. It's just a couple of quick ones just to end here. So clearly one of the key positives kind of coming out of this quarter for us at least was just the pension now being funded through the end of the decade. So kudos. We've gotten some questions from investors around how you would break that up in terms of what impact of that, how much came from the American Rescue Plan Act, how much of it came from the investment portfolio performance, the funding that you did in 2020. Just any thoughts around what kind of got us to this, what seems like a really good outcome.

Carolina Dybeck...: Oh, it is. It is a really good outcome, at least a decade. So no, that's a really good outcome. And it's really all three. So we had the pre-funding in 2020, 2 and a half billion. We had really good investment returns on the portfolio. And then we have the Rescue Act. So all three contributed.

Joe Ritchie: Okay. Fair enough. Then again, last one. We didn't talk about the balance sheet. We're not going to go into all the specifics because I'm sure there's a lot to unpack there, but I guess the one question is, and we get this from a lot of folks, at what point do you think GE is going to be ready to start playing offense with their balance sheet? So maybe I'll leave it open-ended there for you. And any thoughts around that would ne helpful.

Carolina Dybeck...: You can see my smile through the Microsoft Teams screen probably. Well, when we talk about offense, I think we just need to start by saying that first we mean organic growth. And playing offense and growing organic, it's really about investing in R&D and the products and services, as well as commercial investments. And then we had just a couple of, feels like days ago at least, we talked about Zionexa acquisition. I think it's a perfect example of the bolt-on acquisition literally at the forefront of [inaudible] health. It's about personalizing diagnostics and treatment in a better way, and in this case, it's for stage four breast cancer patients. But that would be a typical acquisition that makes total sense for us to do. And I would say over time as we earn our right to do this, as our free cash flow improves, but also as the business sort of are still profitable and growing, then they're also really good takers of acquisitions and integrating them in a successful way. So a combination of that we expect to see deploying our capital smartly going forward across the businesses, I would say.

Joe Ritchie: With that, Carolina, thank you for spending time with us today. It was great, great spending the time with you and hope you have a great rest of your week.

Carolina Dybeck...: Thank you. You too. And thanks for having me.

Joe Ritchie: Right.