PCYO - Q1 2025 Earnings Call-20250109_144024-Meeting Recording

0:20
Go ahead.

0:22
Good morning.

0:23
I'd like to welcome you all to Pure Cycle Corporation's earnings presentation for the three months ended November 30th, 2024.

0:34
We're doing a little bit different format for this particular call through our teams meeting.

0:39
And what we wanted to do was allow us to go ahead and and have all of you participate.

0:45
And then as we go through the presentation, there's a slide deck for this.

0:49
For those of you who have dialed in and are not on the call through our teams through the website, you can see this presentation deck.

0:58
If you log into purecyclewater.com and you go to the opening page there, there will be a link that'll allow you to join us and see both the slide deck for this.

1:10
And then we will have a camera that we'll turn on after the presentation.

1:15
And then we'll handle that through a visual format through AQ and a session.

1:19
So it'll allow us to have a little bit more interactive presentation with you for this earnings call.

1:25
With me today is our controllers, Rita Finnigan, who make sure that all these numbers get presented accurately and fairly.

1:32
And also with me is Mark Bezali, who's our CFO.

1:37
And then joining us will be also Dan Kozlowski, who is a Director and one of our shareholders.

1:44
And as we did with our annual presentation for a year end presentation, we had kind of more of an interactive format for that and we'd like to carry that forward, got a lot of good feedback from shareholders about that format.

1:58
So we'd like to carry that forward and and be a little bit more interactive in the presentation with that.

2:04
So with that, I'll go ahead and start the presentation.

2:09
We do have our forward-looking statement that incorporates statements by reference that are forward-looking statements within the meaning of the Securities in the Exchange Act.

2:19
You're all familiar with forward-looking statements on that.

2:22
So I'll move forward and get the lawyers out of the room.

2:25
I want to continue to acknowledge our leadership team.

2:28
It's my pleasure to get to work with an outstanding team of professionals that really are executing our business model with great success.

2:37
It's really a privilege to work with these professionals who have industry experience that are, you know, decades long and they they bring that experience to the work environment every day.

2:48
So the true success of the company is really by the employees and the people that make it happen each day.

2:56
Also want to acknowledge our Board of directors, we continue to punch above our weights on an outstanding board who provide just terrific leadership for the company.

3:07
And, and each of them have industry experience where they've spent their careers doing the key

elements of what it is that we're doing, whether it's inland development, whether it's in water rights, whether it's in, in corporate governance and, and, and just SEC experience.

3:24
So pleasure to work with a great team of professionals.

3:29
So I want to dive right into the financials on this.

3:33
We'll we'll talk about the the quarterly performance and again we're continuing the momentum that we had with the fiscal year end 2024 and and doing just a a terrific execution of our business model.

3:45
So we had record revenues again for our first quarter, so revenues about 5.7 million gross profits.

3:53
Looking at an outstanding gross margin on these assets.

3:56
We've got sort of these legacy assets that we purchased and really have seen a tremendous increase in value on that and they're really driving revenue from a number of operating business segments.

4:09
So we're we're really having a great execution on all this stuff and seeing these great gross margins.

4:16
So maybe about $3.67 million to 64% gross margin.

4:22
We had an outstanding quarter in terms of royalty income and and So what that is, I'll give a particular call out here on these numbers because we earned about 2.6 million in oil and gas royalties.

4:34
So we do have mineral interests that was associated with some of the land interests that we acquired.

4:39
So our mineral interests for the the oil play that we have at Sky Ranch.

4:46
And so we had an additional 6 wells drilled in that formation that were pooled with some other mineral interests in that.

4:54
So those are starting to produce revenue royalties there and that that really is aiding in in our our gross margins and then also our our quarterly income on that.

5:04
And then you know great net income for the quarter, almost $4 million or $0.16 per share, excuse me.

5:14
Continuing on with kind of the revenue picture, really comparing this quarter over quarter, our revenues are up almost 7 percent, $5.7 million gross profits up almost 10% from quarter over quarter from 2024.

5:29
Our momentum continues to carry that forward in all metrics.

5:32
So we're really pleased with how that's executing quarter over quarter and year over year.

5:39
Drilling down into some of the other metrics here, the the taking a look at where am I at here, net income, sorry, quarter over quarter on net income Q1 for 25 / 24, we almost doubled those performance numbers taking a look at that.

6:00
So gangbuster increase in net income as well as earnings per share.

6:05
So we had about 78% increase in earnings per share when you take a look at that on a period over.

6:11
Basis.

6:11
And then you know, really taking a look at this on a 12 month rolling average basis, we're really again hitting some some key drivers here where we're putting up record revenue year over year, 12 month rolling average over 12 month rolling average.

6:30
Taking a look at sort of how we gave guidance in this rolling that forward.

6:35
So our 2024 results compared to our guidance for 2025, we are on pace to continue to perform on that guidance.

6:43
So what you're going to see is our positive performance on that and and really continue to roll that forward.

6:50
We gave guidance right around 31 million in total revenue.

6:54
So we got about 5.8 million in that for the first quarter gross profit right around that 20 million so or 23 million.

7:04
So we'll we'll continue to demonstrate that and keep you guys appraised on a quarterly basis as to how we want to meet those metrics for our fiscal year end.

7:16
Those performance metrics for net income and earnings per share.

7:19
Again, we had a record year 48 cents a share last year.

7:23
We forecast out $0.52 a share and 16 cents in the first quarter gets us off a great start on that for continuing to execute and deliver that for our fiscal year end.

7:34
So it gives you a perspective of how that compares to previous year as well as how that compares to our guidance.

7:43
Want to break it down a little bit in terms of each of the individual segments.

7:47
So this is an analysis of our water utility segment and and we've got a little bit weaker here, but I think we're our guidance for the water segments will still be very strong on that.

7:59
That's primarily attributable to a trade off between monetizing tap fees, which are the continued growth of Sky Ranch and and adding new connections to that.

8:10
So as as we've talked about, we've got 33 phases at Sky Ranch under development and and then the oil and gas revenues.

8:18
And so when you take a look at the oil and gas revenues, we're a little bit weaker on that, which is what we anticipated.

8:24
We did forecast that a little bit weaker this year.

8:27
That's primarily because the our oil and gas operators are really expanding their coverage and they've

been working on the next set of permits and they've got, you know, a tremendous number of permits that got about 180 wells permitted on the Lowry Ranch, which they're expanding their infrastructure to getting pad sites structured over there.

8:50
And so you're going to see a little bit more of that activity in late 2025 and into 2026 through 2030.

8:57
So that was kind of a forecasted area.

9:00
We did see a, a, a significant uptick in the number of new connections and that's because of the Sky Ratch.

9:07
So our tap fees are up about 150% in that area and and then continuing growth in our recurring customer base with about 12% increase in customer revenues on that.

9:23
Just a little bit of a highlight on the oil and gas.

9:26
You know we did anticipate that to be a bit weaker, but the outlook for 26 through 30 continue to look very strong because they've got a tremendous amount of pedal that they're looking to continue to develop this a very proven field.

9:40
So they have a very optimistic runway for continued drilling and continue tracking right within our service area where we're very efficient on delivering those water supplies for that well field enhancement.

9:59
A little bit more on sector performance.

10:00
This is carry forward from our year end presentation.

10:03
And one of the things we liked it we wanted to do is, is kind of give you guys a a perspective of how we are executing on each of these business models compared to our peers in this.

10:13
And so when you take a look at this, this really describes how each of our segments perform compared to, you know, what can be considered best in class performers on that.

10:22
And we're very competitive to our much larger peers in each of these business segments.

10:26
So this shows you our deliveries of gross margins and return on assets in our water segment.

10:31
And, and you can see, you know, we're really in that category of of delivering good margins with the the assets that we have.

10:41
So we continue to do that.

10:42
You know the the biggest call out in the water utility sector is really just the utilization.

10:47
We're just still getting started.

10:49
We're really only utilizing about 5% of our assets.

10:52
So we've got tremendous opportunity to continue to grow this segment, not only serving land areas that we're developing, but other land areas in and around our area as well as our service area.

11:01
So we're really excited about that opportunity.

11:06
Taking a look at our land development, if you want to take a look at call outs there, as we mentioned, we've got 33 phases currently under development.

11:14
So we've got phase two which is about a total of 800 and 90 units and and that really is in four sub phases.

11:22
The first phase 2A is fully completed and we've got homes constructed and they're all sold and occupied.

11:30
Phase 2B we delivered last end of last summer.

11:34
And So what you will be able to see is kind of vertical construction on that.

11:39
And so we've probably got about 35 homes vertical in Phase 2B.

11:45
Phase 2C is what we're most active on.

11:48
So we finished the grading on Phase 2C.

11:51
We're about 70% complete on the utilities.

11:55
And then we're we'll move from utilities to the pavement, curb and gutter on that and then be able to deliver those homes for building permits.

12:04
On Phase 2C, that's another 200 lots where we've got about 190 of those lots that are going to be for sale.

12:12
And about a real strengthening of our single family rental segment in there where we've got 40 units that we've reserved for us to go vertical on that base.

12:21
And then Phase 2D which we are currently grading.

12:25
So we've got we're about halfway through the grading of that segment as well.

12:32
This is a comparison of taking a look at how we stack up to some of the peer performers in land development.

12:39
And so again, tremendous execution.

12:42
Really this is a testament to the high equity value that we have in the land.

12:47
So just because of the strategic acquisition and execution of our horizontal construction, you know, we're very we're very efficient and and pleased that we're delivering these lots at that entry level price point, which is really our most competitive advantage in the master plan community here in the Denver area, which it is no different than most other major metropolitan areas.

13:09
It does, it does challenge itself through affordability and we're probably one of the most affordable

master plan communities in the Denver metropolitan area where we're actually delivering lots and you can buy a home sub 500,000.

13:26
And then in some cases on the, on the, the duplexes in the paired product and and townhomes, some of those products you can deliver sub 400,000.

13:35
So very, very advantageous for us in this market segment.

13:42
And then also taking a look at continued growth in our single family rental segment, we can we continue to improve those.

13:49
We've got rental incomes up about 14%.

13:51
And so you know that's that's a combination of strengthening in the rents as well as bringing on new units.

13:59
And then this segment's also very attractive for us because not only does it provide that recurring revenue for us, it also has asset growth from the portfolio.

14:09
So we have a strong equity position in there because we're we're keeping the equity value of the land that we have as well as the horizontal development of the community.

14:21
And so those are are rolling forward on the appreciation of each individual home as well as the ability to continue to rent those out.

14:30
And so we've got higher than a 90% renewal rate of our lessees on that.

14:36
So we have a a a great customer experience for the single family rental.

14:41
And again this is a a carry forward from our year end presentation which compares us on this particular segment to kind of the the larger operating groups that are in this space.

14:55
And so as you can see we have a very favorable comparisons to some of those that are best in class.

15:02

So that kind of gives you a great summary of really how the quarter went and again another record quarter for us, a great experience for delivery of these asset values.

15:12
Maybe what I want to do is for those of you that are are just learning about the company or just getting familiar with this, really take this up a few feet and give you kind of an overview of really the company's strategic positioning here.

15:26
You know, we operate in three different business segments.

15:28
We have the water and wastewater utility segment, which allows us to own water rights in a water short area and really be able to participate not only in the appreciation value of water, but also what water does.

15:44
You know that water allows us to be able to bring service to land that could not otherwise develop and be able to change the composition of that land.

15:55
And so we look at participating on a vertical scale on all elements of that.

15:59
And so that led to our entry into the land development segment.

16:03
We've been in this segment for probably five years.

16:06
I think we've done a very good job really entering the marketplace.

16:12
We're in the right set sub market of the segmentation of that as you know an affordable product out here where we're developing land, we're delivering that to our home builder partners at very competitive rates.

16:24
Our home builder partners are able to execute and and really compress their timeline from when their money comes in to when they're able to go vertical on a house.

16:34
And so that's very important for them.

16:37
And really this partnership is really on on delivering things just in time where we're not over burdening them on inventory of some of that horizontal infrastructure.

16:48
We're able to carry forward the strategic acquisition costs of our land opportunities and be able to carry that into the model where they can be competitive and and have a lot of absorption and some velocity of sales.

17:02
That's one of the key metrics for them.

17:05
And then the the most recent segment is our single family rental segment where we're holding back some of those lots and we're partnering with our home builder partners to go vertical on those and be able to deliver those lots.

17:16
And again, when we're doing that, we're seeing each individual home that we're bringing to market, we're carrying forward as much as $150,000 of equity value in each of those homes and we're able to rent those out at fair market value.

17:30
You know, brand new homes where, where renters are coming in.

17:34
These are, you know, we, we, we see a very strong qualifying marketplace for those, the, the folks that are, are applying for rent on this are choosing to rent for various reasons.

17:46
And, and so we've got a, a very strong portfolio of that and we're continuing to grow that.

17:53
If you want to take a look at each of these in, in some of the real specifics, if you take a look at our water segment here, these are just some of the metrics on that.

18:00
You know, we've got tremendous value in our water segment.

18:04
You know, you take a look at the asset value here and, and what we're generating in revenues.

18:10
And, and there's, there's, there seems to be a disconnect, right.

18:12
You can, you can imagine, you say, how does a company that has, you know, $65 million of total water assets start to generate, you know, 1012, $15 million a year, year over year revenue from this water segment.

18:26
And it's really because of the low basis that we have in that we've acquired these assets some 30 years ago.

18:33
These assets have appreciated significantly in the market.

18:36
You know, we can serve about 60,000 connections here and we get 2 revenues from that.

18:41
We get a tap fee from that, which is a system development charge and that's about $40,000 combined water, sewer.

18:49
And so when you connect that over to 60,000 connections, that's a that's a very large top line revenue that's, you know that's almost 2 1/2 billion dollars worth of revenue and that's about a 50% margin business for us.

19:01
And then we have the continuing water revenues on that, right.

19:05
We have a perpetual customer there where we're delivering monthly water and wastewater service fees.

19:10
Those fees are around $1500 per connections and and and you know that's about a 50% margin business on the water utility side.

19:20
So very attractive business segment for us and it's really driven by you know the early recognition of the value of water a number of years ago.

19:30
A particular note in this particular segment is also percent utilization.

19:35
So we're still very early on in that as you can see you know our capacity that we're delivering, we have about I'd say another 50% capacity.

19:46
This shows that you know the acre foot of production for the year end.

19:49
And this shows a very you know, we we use about 25% for the first quarter.

19:55
But you know, we do have excess capacity in here which we continue to deliver to our oil and gas customers on that excess capacity.

20:03
And it's a good partnering relationship where you know their utilization of water does not come at the expense of our other customer base.

20:12
And then when they're done using that water, we have existing capacity to reallocate to our our permanent customers.

20:20
So there's a a very good relationship for us continue to expand and invest in our system for a current customer and then have the utility value of that investment in perpetuity delivering that system capacity to our residential customers as those come online at Sky Ranch and other places really highlighting our land development segment.

20:44
So historically, this is really an opportunity where the company saw a strategic opportunity back in the the real the depths of the recession.

20:54
We were able to act and, and strategically purchase a a particular piece of property which we could deliver water service to.

21:04
You know, our bases in the land is very, very low.

21:07
We have a land basis that is less than $1000 a lot and then we're able to carry that forward with bringing utilities to it and then getting into executing on the land development, the horizontal infrastructure where we're delivering a finished lot.

21:23
And that's very rare what you're seeing in the marketplaces that it's because of the complexity of land development and the investment in both water utilities here locally in the Denver area as well as just all the other phases of that.

21:39
That is very difficult to manage all of those investments, who carries that inventory.

21:44
And so you know the, the relationship that we have with our home builder partners is, is outstanding mostly because we're one of the few that actually do do that work in this market segment.

21:54
So you know we've seen almost $80 million in lot sales to date.

21:58
We've got great gross margins in there.

22:00
So we're executing on all aspects of how we're delivering that both on a real time basis so that the home builders don't carry too much inventory and then we don't have to carry that inventory as well.

22:14
So both of those are working very well for us.

22:18
This is a little bit of of how we're executing.

22:20
So we typically are looking at you know about 250 lots per phase.

22:26
And so this will really show you that annual delivery capacity.

22:31
And what we've seen is, you know, the strengthening of the entry level market and the opportunity on the entry level market is it's really because of our land basis and because we're controlling the investment in the utilities on a real time basis so that we're able to do that together with our home builder partners.

22:57
And so this could give you a progress of that.

22:59
You know, we've got that phase 2A which we talked about is fully, fully built out and occupied Phase 2B, some of the vertical going on there.

23:09
And, and, and you know, we've had a a fairly mild winter so far.

23:14
So the builders are out there continuing to to pour foundations and and go vertical on phase 2B.

23:20
We're, you know, finishing up the utility side of that Phase 2C and then the grading of Phase 2D.

23:27

So it really does give a good inventory of both existing opportunities as well as continuing to sell through all of those phases for our home builders.

23:40
And this would kind of give you a little bit of sort of the capacity of that.

23:44
You know when you take a look at Sky Ranch, a fairly big project, it was started out as 1000 acres originally and a total of about 5000 single family units.

23:53
It'll be about 3200 residential units and then some commercial.

23:58
We're very, we're, we're privileged to be able to have the, the land located in really the most active sub market of the Denver metropolitan area, which is along the I-70 corridor.

24:09
We have an interchange right at our property.

24:13
We're improving that interchange and so we'll have about 1800 to 2000 really lots and, and and water utility connections attributable to that commercial, which is yet to start.

24:26
We're about 22% done with the residential side.

24:29
And when you add that over to the total 18% done with the project as a whole.

24:34
And so, you know, we're, we're, we still got 4/5 of this to go and, and really looking at a very favorable climate because we've got most of the hard off site infrastructure built.

24:47
So expanding that is a lot easier than coming out of the ground.

24:53
Lastly, if we really drill down a little bit on the single family rentals, you know, this really is an opportunity for us to maximize our land development opportunities where we're carrying forward all the hard work to, to build a great community, bring good schools out there.

25:10
We've got a great school partner with National Heritage Academy on a charter school out at Sky Ranch and and carrying forward the parks, the open space and then ultimately the commercial.

25:22

So that you know, we're we're bringing that retail commercial opportunity to not only the residents that live at Sky Ranch, but also in the regional area.

25:33
And, and it really allows us to leverage some of that market demand on those.

25:37
So good, good return on investment through single family rental segments.

25:42
If you take a look at the numbers on that, you know we've got about $5,000,000 worth of of homes that are constructed and when you that that's what it cost us to build those homes.

25:54
And then when you look at the equity value on that, we really have about another 50% margin in there in the equity.

26:00
So that, that fair market value, we're seeing that $7.6 million continue to rise just because of the value that we're that we're creating within the community itself.

26:13
And then you know what it's generating to us on monthly recurring revenues on that.

26:18
So very good segment for us and continued execution on that.

26:22
This will kind of give you a foreshadow of really how we look at phasing this thing out.

26:27
You know, we started out with phase one on a proof of concept with just 4 units.

26:31
And then when Phase 2 rolls in, we're going to add nearly another, you know, 95 units to that.

26:38
So that, that model has proven out very well.

26:41
And we've been able to partner with our home builder partners to execute on that so that they, you know, we're not competing with them and we're actually giving them a sold product before they even start.

26:52
So as they go into each of these phases, you know each they are able to to demonstrate to the market that they've got sold units contracted with us to be able to deliver these rental units.

27:05
Lastly, what I want to do is continue to highlight the stewardship of the company and we got a great balance sheet, very strong liquidity that allows us to really execute on some of these business models.

27:17
And what we're really doing with some of that liquidity really on A2 phase, well, all all phase fronts is we're continuing to grow the business through acquisitions.

27:25
We're continuing to accelerate the development of Sky Ranch and have the ability to do what others cannot, which is we can deliver the finish lot to our home builders.

27:38
And then we're able to, you know, continue to, to, to transfer shareholder value by repurchasing shares and, and, and using some of that liquidity to help really optimize what the market may not be fully appreciating yet.

27:55
So we continue to add to that balance sheet and, and, and be good stewards of that invested capital that you've allowed us to have a little bit on some of the outlook.

28:06
Again, this will be a little bit of the carry forward how we look at kind of the business model over the short term.

28:12
And then really where does this look like through Sky Ranch build out?

28:16
You know we have customer growth about 2500 counts into that short term period where we'll continue to add accounts at Sky Ranch, Wild Point and then other areas.

28:29
Our tapping increases are very modest.

28:31
You know we have those built in on a yearly basis.

28:34
So those are increasing at 3% and then you take a look at the long term build out of that Sky Ranch, you know there's 5000 total connections between the residential and the commercial and and we're seeing continued growth in the value of that not only on the residential lots, but also the continuing value of what we look to see and monetize through the commercial opportunities.

28:59

Taking a look at the land development, you know, we'll see steady lot sales over the next five years with the completion of Sky Ranch.

29:07
You know, we, we, we, we don't expect build out, build out might be in that five to seven-year range, but it's certainly within a, a foreseeable future.

29:17
And so when you look at what's already baked into the balance sheet, we've got Sky Ranch generating tremendous revenue for us there.

29:24
There's more than probably twice of what our market cap is.

29:28
There's looking at maybe $600 million worth of, of revenue potential at Sky Ranch alone through build out.

29:35
So continue we want to really keep our focus on that opportunity and continue to deliver shareholder value there.

29:43
And then the single family rentals, you know we look to get to somewhere between 2 and 300 homes for that.

29:48
And and again that's going to be somewhere around 100 to $125 million of of asset value.

29:56
And then again, you know that recurring revenue on that we're we're generating somewhere close to $30,000 a year in excess of that per unit.

30:07
And so that's again a tremendous up driver for recurring revenue for the company.

30:13
This was kind of translated into kind of a, a, a more tangible picture of how that growth looks like, not only on what we're doing for our fiscal 2025 compared to 2024.

30:28
So this shows kind of a it'll give you a three-year comparison from the growth potential in 23 through 25 and then also that short term projection growing that up into where we think we're going to be in 2028 time frame.

30:42

So that'll give you a continued acceleration of that moving from, you know, very modest revenues in 23 up to strong performance of over $60 million in the short term.

30:56
And then how that translates into recurring revenue both in terms of the short term and then ultimate build out of Sky Ranch.

31:03
So this kind of gives you a flavor for the built in value that we have within our project and and really what's within our own control here.

31:12
So looking at that asset growth, you know, we're, we're looking at, you know, almost 2 1/2 times our current market cap just from what the company's currently got in its portfolio.

31:25
Again, you know, we continue to be in the market continuing to purchase shares.

31:30
So you're going to see us continue to be in there on the disconnect between what we believe the company's value is and then also, you know, the opportunity to continue to deliver shareholder value by reducing the the denominator in our share count.

31:49
OK.

31:49
So with that, what we'd like to do is kind of open it up into AQ and A and then really kind of show that more collaborative format with, with maybe some some observations from our director and and then a shareholder to give you a perspective.

32:05
You know, he's got a a great career as an equity analyst with a number of institutions, most recently Janus, where he retired from Janus and is really managing an independent portfolio.

32:18
But you know, we'll, we'll open it up for questions and let me stop sharing this and see if we can get it converted over to our team's presentation where you can see our smiling faces in the conference room.

32:35
Great, that worked out.

32:37
So with that, if you want to describe this one, now begin the Q&A of our presentation.

32:45

So as you know, we're using Teams this quarter to kind of have a more interactive experience with the investor base.

32:52
So if you do have a question, we've opened up our camera and our mic.

32:55
And if you want to raise your hand by selecting the Raise Hand button icon at the top of your screen, we can call on you and open up your line.

33:20
TJ, I think you might, your mic might be muted.

33:24
TJ, there you go.

33:27
Hey, can you hear me?

33:29
Yeah, great.

33:30
Good morning.

33:31
Good morning.

33:32
Welcome.

33:33
Question on one of those, the latter slides, I think it was slide 27 where you showed the projected asset value.

33:42
I guess I was curious a little more detail on how do you arrive and sort of what are the what does that represent?

33:52
So yeah, we'll say 26 and we show that or actually, you know, it might have been 30, it might have been 37.

34:01
OK, yeah, I was going to say that might have been just the land of Ellen.

34:03
But yeah, when you take a look at 37 and that's an ASIC Rd., you know what that shows is from each of the segments whether that was gonna be the land development opportunities on selling lots and the number of lots that we have still remaining in inventory.

34:20
And we're making, you know, between what we're the, the, what we make from our home builders, which is fairly modest, you know, on, on, on actually the sale of the lot to the home builders.

34:32
And then the reimbursables as you see in our balance sheet, we have a, a continued growth of the reimbursables on the balance sheet.

34:38
And that's really we get paid back for, for all the public improvements that we do with that.

34:43
And we get paid back from the tax receipts on that.

34:47
And so periodically we'll go forward and we'll bond the continued growth of homes.

34:54
And so each phase gets a new set of homes and then that adds to the assessed value, which is the value of the home times the tax base on that.

35:04
And then that's how we get that money back together with the water tap fees and then the single family homes.

35:10
So that's really just a core mathematic computation of Sky Ranch and only Sky Ranch.

35:18
It does not take into account all of the 60,000 connections that we have in inventory available to serve other land interests or serve development within our service area at the Lowry Ranch or any other of those opportunities.

35:34
This is just what's on the balance sheet on things that we own.

35:40
Got it.

35:40
OK, thank you.

35:42
Yep.

35:44
All right.

35:44
We'll take our next question is from a caller with the area code 201.

35:51
So your line is open and you're muted.

36:05
Yeah, if you were, if you had your hand up ending in 7586, you're muted.

36:11
But you're allowed to talk if you have still have a question.

36:16
And if there's anybody else who has a question, please raise your hand.

36:29
OK.

36:29
While we're still sort of queuing up some of the questions on that, maybe what we can do is turn it over and and, you know, open it up to Dan and and, and have you give maybe a little bit of perspective both in terms of a board perspective as well as kind of someone on the outside looking at valuations as to, you know, not only what you've seen since your participation on the board, but kind of how you see this thing maturing quarter over quarter year over year?

36:57
Yeah, thanks Mark.

36:59
Good to be on the call again today.

37:01
We got pretty good feedback from the call last the kind of the year end call.

37:08
So we decided to do it again.

37:10
It's, it was not something a lot of people have seen, but I, but I, both Mark and I and Mark received

phone calls saying it was interesting to hear from a board member, you know, working collaboratively with the management team as well as a large shareholder.

37:26
So as you all know, I'm, I'm fully vested in this, you know, we own over 10% of the company and you know, we've been, you know, pretty active.

37:37
And so I, I want to say that was a pretty good quarter.

37:40
Again, you followed up with you know more earnings power and a typical sleepy Q1, but the resource base allowed us to you know stack some more EPS on the books.

37:56
So as I look at it, you know, I think coming into today you know based on year end numbers we have done $0.48.

38:03
Now the rolling 12 month or rolling you know fast four quarters is a 55 cent earnings run rate.

38:10
So that's an all time record.

38:12
If we look back historically accurately, I think a couple years ago there was a one time accounting true up for the reimbursables, you know, I think spiked an EPS number in one particular quarter, but that was kind of a catch up.

38:28
So really, if you look at it on a, you know, sort of like for like apples to apples comparison, this is, you know, we continue to progress to new, you know, at least for now record earnings rolling, rolling forward and and futures Mark has sort of softly guided just given direction for next year, you know, continues to to point, you know, up and to the right.

38:54
So Mark, any, any comment on on that?

38:57
You know, just how you feel about about hitting the, you know, higher run rates of earnings and and the sustainability over the next, you know, 1824 months.

39:06
Yeah.

39:07

You know, and then I think it's really the, the, the proof in the pudding here is that we're able to get all these segments producing at the same time.

39:16
You know, we made strategic investments in each of them individually.

39:20
And so you know, the water assets that we've acquired, we've grown these water assets, we've made investments in that.

39:26
And you see that how we not only make the investments year over year basis, but then you know where we're getting that money to invest from.

39:35
We're taking some of that oil and gas fracking revenue money and investing that into the system.

39:41
That's excess capacity within our system.

39:43
And then you see that being able to transfer over into the land development segment because as we add new connections to the accounts, that investment's already amortized.

39:53
And so it improves the margins in the land development segment.

39:57
And then we continue and invest in the land development segment, the parks, the schools, the open space, which we get that revenue back, right.

40:04
We get that that's an investment in that public infrastructure, which adds to the community value and it increases the land value.

40:11
But we're seeing that monetize itself.

40:13
Into the single family rental segments where that equity is continuing to appreciate, we get that recurring revenue from the rentals coming in from the individual homes that we've gotten.

40:23
So, and then finally, you know what one of the biggest surprises this quarter was, you know, we knew that we had new wells that were coming online and, and that, that royalty income is another key surprise.

40:36
You know, we were strategic in acquiring Sky Ranch when we did and, and have remade that back just on oil revenues, just the royalty revenue from the oils, let alone what we're doing on monetizing it from the water utilities, the land utilities, the single family revenue.

40:52
So all these assets really are driving into the company all at once.

40:56
And, and it's, it's thrilling.

40:57
It it, it's great that we're able to do that.

41:00
It's great that we're able to do that on, you know, an experiential basis so that we're partnering with, you know, national home builders who want us to expand beyond Sky Ranch, right?

41:11
They're like, look, do this, you know, in this market, in that market, you know, and we, we we love that enthusiasm.

41:17
We're looking at expanding that net to continue to reinvest in them.

41:22
Let's try a couple questions.

41:24
Let me pause you for a second and get the get this interaction with Tucker Anderson.

41:31
Your line is open.

41:32
If you want to unmute your computer, I can see you here right now.

41:41
I can hear you and I can see you.

41:43
Welcome.

41:44
Good, fantastic.

41:46
Once I learn how to do this and get up to speed, well, you know, you know, I've been with you for a long time, Mark.

41:52
So I told you I was a long time long term investor.

41:56
I have a couple questions.

41:59
First, on the oil and gas, what is the, what is the outlook going forward?

42:04
Are there potential for more wells and more fracking to be done?

42:08
Are we now on a gradual decline curve on the wells or obviously royalties are partially dependent on the price of oil and gas?

42:15
But excluding that, how do we look for continuing royalties?

42:20
It's a, it's a good question, you know, and, and really kind of two different avenues there.

42:26
Let me speak to the royalty first.

42:28
So, you know, we have 6 new wells that were drilled in Sky Ranch and, and, and typically you get those royalties coming in upfront, right?

42:36
The, the shale oil play delivers very, very high returns very early on and they have pretty steep decline curves.

42:44
So what I would say is you, you're likely to see a continued high performance through this fiscal year and then a little bit of a decline.

42:55
We, we, we still get about $50,000 a month and, and, and have been getting that for years, for four or five years as the initial development of wells went in and now you know, we're looking and that was a really an initial 2 wells.

43:12
And so that, that is probably a good tale for say a longer term trend.

43:18
But when you get these wells coming online, they do have a big pop on those first side.

43:23
When you take a look at the frac revenue and the opportunity for us to continue to support our oil and gas partners in new wells that they're bringing online that we don't have the mineral interest in, that trend looks very favorable for the next 5 years.

43:39
They've got hundreds, hundreds of wells that they have been permitting and working on in and around our service area that will allow them continuing developing the field.

43:52
So that still looks like, you know that can that can be from years 26 through 30 and beyond that can be significant revenue to us.

44:02
We had a record year last year.

44:04
It's somewhere around close to $6 million of revenue from oil and gas water sales.

44:10
And I think that can even grow from there in that period of time and and for a period of time 5 to 10 years in that segment.

44:18
So those outlooks look very favorable.

44:22
Thanks.

44:23
The the, the second question is most home builders that I listen to their calls 'cause I'm investing several of them at this level of interest rates to continue to get the sales or having to do mortgage buy downs.

44:38
Could you talk specifically about the Denver area and what's happening there and what sort of incentives your builders may have be having to give to continue to get the sales level?

44:49
And, and interesting you asked this because I had this very conversation with, with one of our builders

more recently and they really like Sky Ranch because the buy downs at Sky Ranch are significantly less than they have to do in other price points.

45:08
So if you, if you compare it, our entry level price point here is, is the high 4 hundreds, right?

45:13
So anything less than $500,000 is what they'll consider, you know, starter home market in, in Colorado, which is extraordinary.

45:22
I mean it, it just boggles the mind that, that, that, that that's considered entry level here in this market.

45:29
But we do have as as many major metropolitan markets are seeing, you know, an affordability problem.

45:37
And they're saying, you know, what we like about your price point and what it is that you're doing is they may be having an average incentive in the marketplace of $120,000 of, of buy down incentives.

45:54
And, and they may have $15,000 at Sky Ranch.

45:58
And so when you compare it on a relative basis, you know, if you're, if you're, if your price point is 708 hundred $1000 home, that incentive is, is gone, right?

46:10
They've liquefied their margins in that price point where they can hold their margins at that entry level price point.

46:16
So you know, they're sort of, they're sort of looking at that opportunity of Sky Ranch saying that's where the bulk of the buyer demand is.

46:25
You know, it's very difficult for a move up buyer right now because it's, it's hard to walk away from a 2.8% mortgage rate that that they locked in two years ago.

46:37
And so you're going to, you're going to see really the strength continue to be at that entry level and, and the incentives for the home builders being the smallest at that entry level.

46:51
So that's how I would that's how that's how that that that conversation LED us to, you know,

understand the importance of continuing to deliver this these lots in that in that price point in this interest rate market.

47:10
Thanks, that's very helpful.

47:11
The the last question is sort of a philosophical question that you and your other team members may want to comment on.

47:19
And as you for first, I'd like to, I'd like to congratulate you on the attempt to really lay out more of how your value creation works in the last few quarters and give us the extra charge and stuff like that.

47:31
But as you think about balancing what I would call value creation versus reported earnings, which may not always coincide as you pointed out the the appreciation you're getting on your rental homes and things like that.

47:46
How does the team think about that and how important that just just the ability to show continued progress and reported earnings which may not equate to value creation?

48:00
That's a great question and and one we struggle with, you know, because we see that, you're right, we see that not only in the in the rental segments and carrying forward the equity value there.

48:10
We see that in what we've done on on the land of element segment and we see that in the water assets, right.

48:16
So each of these assets have this tremendous equity value in it.

48:21
That's just not on the balance sheet.

48:23
And what we're hoping that we can continue to demonstrate that the market is how that translates into, you know, earnings per share, you know, the margins, the gross margins that we're going to be delivering year over year such that we can then take that gross margin and equate that out to the balance of the inventory.

48:42
And that's really what P JS question was earlier is how do you get to that $700 million asset value when your asset right now is only $100 million and it's really that equity value.

48:54
And and you're going to see that and you're going to see us start to just crush these year over year returns through that equity value.

49:02
I don't know, Dan, you've seen that a lot in your career.

49:06
You've seen how companies kind of express that and then really how they demonstrate that.

49:11
And that's when we talk about a lot at the board level.

49:13
Yeah, I mean, these assets were put on, you know, we talked about this last call a little bit.

49:19
Mark, what year was the water, whether it was the bulk of the water rights purchased?

49:25
You're gonna, you're gonna go back almost 30.

49:27
I've been, this is my 35th year.

49:29
So I, I think I bought it 32 years in so more than 30 years.

49:34
So more than 30 years.

49:35
And you know, we talk about water out here in Colorado and other places.

49:40
I mean, there's been a, you know, people who've come to the market, they get excited, they, they try to buy some water, they try to flip it to a municipality and you know, there's stories of that not working out perfectly, many stories.

49:55
And so, you know, buying marketed water and trying to do something key with it and flipping it, you know, is, is, is not an easy thing.

50:03
This is a very different situation.

50:05
This is 30 years of embedded appreciation effectively of the water rights that were purchased.

50:15
And so, you know, one way I I think about it and, and you're just trying to triangulate valuation, You know, we never know exactly what something's worth, but you know, what was the price paid for the bulk of the water to recall Mark the most, the more recent acquisitions?

50:32
No, the one long time ago, you know, our, our capital basis in that's about 15,000,000, so 15,000,000.

50:38
So, you know, in some ways this is another take on it, you know, 30 years of appreciation on 15,000,000 and, you know, pick your discount rate and, you know, if you use something smaller, you know, 789 percent, I mean, think about the compounding of that using the rule of 72 or breaking out your spreadsheet.

51:02
So that, you know, it's not to say that that's exactly what it's worth today, but that'd be a reasonable starting point to talk about it.

51:08
And, you know, the the State land board sold that effectively to, you know, at the end of the day to peer cycle.

51:14
And, you know, so in some ways, you know, they got a really good deal.

51:17
All right.

51:18
And continuing, you know, with the time values.

51:20
Yeah, with the time value of money.

51:21
So it kind of worked out.

51:22
But peer cycle didn't monetize that for 30 years.

51:28
So here we are.

51:29
And and Mike points out it's on the balance sheet at these historical levels.

51:34
You know, that's why the returns, you know, in today's dollar should be pretty good and increasing into the future, you know, could be quite an asset.

51:43
Again, we're not going to say that's, that's what it's worth today, but that'd be a reasonable assumption that water in the West is as as compounded or or has grown in value appreciated probably better than inflation over 30 years.

51:58
And it was starting point was over $13 million thirty years ago.

52:02
So that number is big, you know, kind of a bigger number than you think.

52:05
So that's one way, you know, I've thought about this and there's, you know, 5 or 6 different ways to think about it.

52:11
But that's one in terms of the, you know, I part of the question, Tucker, I think you asked was, you know, the, the, the tug, the tug of war sometimes between posting earnings and, and creating value long term.

52:29
And you know, I think that Mark, you know, did a great job creating value at peer cycle, you know, over the last five years.

52:35
And, and you could see looking back in the last three, three years ago, two years ago, we have quarters where, you know, we didn't, you know, put a lot of EPS on the board, but we were adding a lot of value to, you know, to the, to the portfolio or to the asset base and it didn't actually show up.

52:52
I think what we've gotten to now is the point where we're continuing to do all those things for the future, but the earnings power, you know, it can no longer really it's not, it's never, you know, is no longer suppressed by those investments.

53:07
And we're looking at opportunities and to build the water portfolio, we're looking for opportunities to build the land portfolio, you know, the single family rentals.

53:17

So we're doing all those things, but the reality is at the same time those prior investments, Sky Ranch, you know, namely investments in oil and gas, commercial water sales, those are just earning through now.

53:32
And so we're getting, we think we're doing both and we have the resources to do both.

53:37
It's just the earnings power is flowing through and you know, we continue to do what we do for the future.

53:42
Anything to add there?

53:43
No, I think that's great.

53:44
You know, I mean, yeah, well, as Dark knows, I, I, I don't go back quite as far as he does, but I go back a long ways, but way before Sky Ratchet, those sort of things.

53:57
And I would just make the comment that is a long term shareholder.

54:02
I am much happier for you to continue to build value and do things that make economic sense, including buying stock back, which clearly you're getting an excellent return on and sort of let the earnings fall where they may within a reasonable area.

54:19
And and sort of that way your stockholder base will be aligned with people who are interested in making very long term commitments to this company.

54:29
And I say that even though I'm a lot older than I used to be, what I was at.

54:33
Wow.

54:33
So just keep up the good work, Mark.

54:36
Thank you.

54:36
Thank you, Tucker.

54:39
So we'll take, we'll take #3 which is area code 919 ends in 1214.

54:46
So your line is open.

54:50
If you're on a computer and a phone, you'll have to unmute your phone because this is coming through on the phone number.

54:57
But if your phone number ends in 1214, your line is open.

55:03
Mark, can you hear me again?

55:06
Mark, this is Jeff Scott, how are you?

55:09
I'm great.

55:10
Nice to hear from you.

55:10
Jeff, are you, are you?

55:14
No, I, I'm in Telluride right now, but I, I drove through about 10 days ago and I continue to be amazed at the progress out there.

55:24
First, first question, when, when we started this the, the combined tap and waste fees were kind of in the low 20s and I think you said on the call that they're now 40.

55:39
Are you starting to get any competitive or political push back?

55:44
And if you're not yet kind of at what level would you expect to get some push back?

55:51
Great question.

55:53
And, and I, I didn't have that slide in this deck, but I do have it in the year end deck and it, and what we try to do is keep consistent with where the market is for these Tapis.

56:05
And so when you look at that, you know, we're right in the meat of the market.

56:09
You know, we take a look at, you know, our most regionally, you know, competitor, which is going to be the neighbor which is City of Aurora and our Tapis are you know, it's just slightly less than City of Aurora Tapis.

56:25
But when you look at the overall tap fees, there are there are water providers whose tap fees are you know reaching $60,000 a connection.

56:33
And so it really is a play between, you know, how, what would it cost you to develop that system, You know, what's your cost of capital and carrying those assets forward together with the market appreciation and the cost of the next incremental amount of water that needs to get developed in the system.

56:53
And so I would say we, we, we've been very good about keeping up with them the, the bulk of the market and you know, having that opportunity to continue to drive the investments that we're doing in oil and gas to be able to monetize that going forward.

57:13
So what I'm hearing is you're not, you're not seeing any pushback yet.

57:17
No, no, I think and, and, and intentionally, right, we, we want to stay in the meat of that, Mark, OK, on the commercial side, what are we looking at in terms of timing for kind of initial development?

57:33
Great question.

57:35
You know, we've, we, we continue to have those conversations with some of those end users, right.

57:40
We've got a lot of demand for, for our commercial, for sort of the people that develop commercial, right.

57:47
There's, there's a lot of folks that want to come in and they want to buy that commercial land and

then they want to, they want to either flip it to the end user or they want to participate in some of that development with the end user.

58:01
And I think our philosophy there is much like we've done with our residentials to vertically integrate ourselves.

58:07
And we're really looking not for a commercial developer, but for commercial users, right?

58:12
I'm looking for the Kroger, I'm looking for a Walmart, a Home Depot.

58:16
I'm looking for the folks that we can actually facilitate that role on delivering a pad site and then have them, you know, carry that forward.

58:25
And what they're looking for is probably around 1500 homes.

58:31
We have about 800 now and we have 700 under construction.

58:37
And so as we carry forward through 25, we're going to deliver, you know, another say 200 to 300 homes at our fiscal year end and then probably another 400 homes by our calendar year end.

58:52
That really puts us very close to that threshold of their number of rooftops where they like to see that, that economic opportunity.

59:01
And then, you know, the upgrades to the Interstate that the interchange that we're working on, we have been working with the county, with CDOT for the last three years on that.

59:10
You know, that looks to be a project where we'll start that construction in 2026, you know, using some of the mill levies that we've reserved for that to be able to bond that particular project.

59:22
So all those things are coming together here in that say the next 18 to 24 months and then you'll start to see a lot of that commercial activity.

59:33
So we're looking end of calendar 26 or 27 something like that.

59:38
I think that's a that's a good time frame.

59:40
We'll start to we'll really start to get some transactions codified in that 26 time frame.

59:46
And then you know a lot of that real monetization in the 27 time frame, which is what you kind of see a little bit in our forecast.

59:55
When I show a little bit of that forecast in that 2028 time frame is really just the entrance, just the start of the commercial in that.

1:00:06
OK, completely different question of your home builders.

1:00:12
Do you track the the metric of how many days on on the market each house is?

1:00:21
I, I don't, but I know they do.

1:00:24
I know they do.

1:00:26
Has it gone up at all?

1:00:29
It's a good question.

1:00:32
What we've seen at Sky Ranch is they pretty much, you know, they don't quite, they're not like it was when interest rates were at 2%, right?

1:00:42
They were taking pre-orders and, and they didn't, they didn't start a house until they sold it.

1:00:48
And, and So what they like to do is they, they like to have, they have a model home and they usually have 3 or 4 homes built so that they can, they can be in a real time basis.

1:01:01
If somebody walks in and says, I want a home today, here's your home today.

1:01:04
And then they have them at various stages of completion where they say I don't need a home today.

1:01:09
I need a home in three weeks or I need a home in three months.

1:01:12
And they have various phases of development.

1:01:16
So they say, OK, three months, that'll be this address.

1:01:19
Or you can pick from these three addresses at this particular unit.

1:01:23
If it's, oh, I need it in six months, OK, great.

1:01:26
Here's it.

1:01:26
Here's these addresses that'll be delivering in the six months.

1:01:30
So they, they're managing that inventory as close to real time as the people that walking in.

1:01:37
But I don't know what that number gaze is.

1:01:41
OK.

1:01:41
But there hasn't been any appreciable change over the last 12 months or so.

1:01:46
No, no, I think that that's their model, at least that's how they tried to phase it for us.

1:01:51
Now that depends on builders too.

1:01:53
Some builders, you know, the bigger builders are just going to say, look, we just want, we want full inventory.

1:01:58
We're going to start our our 40 homes and we'll we'll be under construction with all 40 at once.

1:02:04
And some of them are saying, OK, I'm going to start, you know, each week I'm going to start 3-4 homes so that they're phasing that completion over a sales cycle.

1:02:16
OK.

1:02:18
Another completely different topic, the development of Lowry Ranch that requires a lot of of moving parts to come together.

1:02:28
Where do you see that in kind of a, a time scale?

1:02:33
That's a good question.

1:02:34
You know, I, I, I, I certainly the metropolitan area has grown out to it and the state is evaluating a number of different options on it.

1:02:44
So they're looking at, you know, what, what, what partners can they bring in it for development?

1:02:51
What partners can they bring in it from a lessor land use standpoint?

1:02:56
What partners can they bring in it from a conservation standpoint?

1:03:00
And, and sometimes when you look at all the options that you have, there's too many options that you have in it.

1:03:07
It makes it complicated and making some of those things come to fruition.

1:03:11
But certainly the road ahead is a lot shorter than what we've seen over the last 30 years since we've been involved just because of the growth in the maturation of the metropolitan area.

1:03:22
I, I, I, I can as many times as I've tried to give guidance as to what I think a third party's going to do.

1:03:30
I, I have an absolute perfect record of being wrong every time.

1:03:34
Well, we, we all have that.

1:03:36
Are we, are we talking about, are we talking about a decade or more or less or no, I, I, I put that in the two to five year time frame pretty close to the commercial.

1:03:49
So you're actually seeing some momentum in terms of, of willingness to make decisions.

1:03:55
That's a different question.

1:03:58
I'm just, I would say, I would say the market would love for them to be in the tour 2 year time frame and the land board might be in the five year time frame.

1:04:10
They still have a mandate for the school system, don't they?

1:04:13
Yeah, yeah, no, that, that, that they are and and they're very they're very cognizant of that, right.

1:04:18
You know, this is their single most valuable asset and you know the number of opportunities that they have to do great things with it for generating revenue to the school trust, for, you know, generating education opportunities on the ranch, for generating recurring revenue from lessees on the ranch.

1:04:39
You know, all of those are opportunities for them and and it really is all for the benefit of K through 12 public education.

1:04:48
OK, Mark, that's all I have.

1:04:50
Good luck to you.

1:04:51
Great, good to hear from you.

1:04:54
Thank you.

1:04:55
All right, we'll, we'll go back to the first caller.

1:04:59
Area code 20175 ends in 7586.

1:05:03
If you if you're able to unmute, your line is open.

1:05:12
While we're waiting, I'll leave your line open.

1:05:15
You might click unmute on your computer or on your phone depending on how you're connected.

1:05:20
But while we're waiting for that Mark, there was a question in the chat if you have any update on reoccurring revenue as a dividend.

1:05:27
Do we have any the common question every quarter?

1:05:29
Yeah, Nope.

1:05:30
That's a good, that's a good.

1:05:31
You know, we continue to monitor that, you know, both at the at the at the corporate level as well at the board level.

1:05:38
You know, we want our we want our recurring revenue those.

1:05:42
So that's growth in terms of the rental units as well as growth in our our water accounts to really meet that nut of our annual overhead.

1:05:54
And I, I see that happening sort of in this 2025 time frame where we're delivering another say 20 single family rental homes and then adding another 300 connections to that.

1:06:08
So that window continues to close.

1:06:11
You know, that conversation is more active at the board level at each board meeting.

1:06:17
And, and we continue to put up, you know, our metrics for the board to understand that.

1:06:22
And so it's very, it is at the forefront.

1:06:24
I know some of some of you that are are are, you know, really pressing that pedal are are a bit, you know, like to see it sooner rather than later and it's likely to be sooner rather than later.

1:06:40
Great.

1:06:40
There's no more questions right now.

1:06:41
So, OK.

1:06:43
Well, you know, if if any of you that were, you know, listening to this that didn't quite want to weigh in on the Q&A session or if you listen to this on a rebroadcast and something comes up, you know, don't hesitate to give us a call.

1:06:58
We're we're very accessible and happy to give you color on how this thing goes.

1:07:04
Dan, do you have any closing remarks?

1:07:07
No, I think we're just looking from a stock perspective.

1:07:12
We're looking for the equity to follow the the earnings progress that we've put up.

1:07:17
That's always the goal.

1:07:19
And you know the shares reacted well after the year end results and we've continued to follow through here into Q1.

1:07:27
I think Mark, you know, took a big step and inserted again providing direction for the, you know, rest of the year and and into next year.

1:07:37
And you know, so we think we continue to take the steps to really what we're trying to do is coordinate the, you know, put up the numbers and then hopefully that that's somewhat tied to the share price progress as well.

1:07:52
So we know a lot of a lot of shareholders have been in the equity, some for 20 years and you deserve to be rewarded and should be rewarded with these operating earnings that, you know, the team, the management team is has generated and has signalled that, you know, the future is very, very bright.

1:08:10
So we're everything's highly functional and and nice job, Mark and Mark, really great quarter and should be a great year.

1:08:21
So thank you.

1:08:22
And then and also, you know what I will kind of foreshadow is we're going to try and do a little a little more IR on this campaign and get out to various markets, get out to the New York market much like we did in the last year where we were able to coordinate a lunch at NASDAQ and then maybe do some one-on-one meetings either in office or or traveling through various markets.

1:08:49
So we'll be we'll be reaching out, we'll be sending out some notifications of some time periods that we're going to be in, in, in New York, in Chicago, in, in the West Coast as well.

1:09:00
And so that'll be an opportunity for y'all to kind of see us in, in, in your various hometown areas, as well as, you know, opportunities for you to say, hey, if you haven't heard of these guys are going to be in Dodge and you might want to carve out an hour and get to know what they're doing because it it's pretty exciting.

1:09:20
So be on the lookout for that.

1:09:22
And with that, I guess so I'll wish you all a great happy New Year.

1:09:27
I do want to, I meant to lead with this, but you know, I do want to acknowledge our day of recognition for President Carter and, and his contributions not only to the country, but to humanity as a whole.

1:09:40
So we did want, you have to structure these earnings calls over a period of time.

1:09:45
It was scheduled for that.

1:09:46
We didn't want to or sequencing when as such, but we do want to acknowledge and respect his contributions to all of us.

1:09:55
So we're better off for for his presence.

1:09:57
So with that, I'll close.

1:09:59
Thank you all and happy New Year.