the art of boring™

EP 122 | The art of discount rates

Disclaimer (00:22):

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Rob Campbell (00:39):

Samir Taghiyev is one of our Canadian Small Cap portfolio managers. And Samir, let's dive right in because we've got a lot to cover today on what might seem like a pretty simple question, which is "what's the right way to figure out what something is worth?" Presumably you spend a good chunk of your day thinking about this.

Samir Taghiyev (00:56):

Yes, a lot.

Rob Campbell (00:57):

Cool. I was thinking of this in a couple different ways. There seem to be three basic problems when it comes to what a company might be worth. The first was, well, how do we know what the future holds? How do we know what cash flows the company will be able to generate? The second problem being, well, how do we decide what those cash flows are worth today? And then the third problem being, well, how do we know that we're right? How do we know that other people will agree with our assessment? Is that kind of the basic problem involved?

Samir Taghiyev (01:23):

That's a very good way of looking at things. If I would translate that into our internal lingo, it would be looking at the discounted cash flows, so, valuation—and you mentioned the cash flows that we will get in the future, which forecasting that is a challenge of itself. Coming up with the ranges of that is a challenge of itself that [when] discounting it, what discount rate should you get it at? And the third we would look at it from, do we have an edge internally versus the market? What are we missing here? Because if you do everything right, and it's very easy for others to do that right as well, then probably you will get a very fairly valued security and so all of this is for nothing. So yeah, I totally agree with you.

Rob Campbell (02:06):

Certainly we're going to spend a lot of time today talking about discounted cash flows, specifically in the environment that we have today about just what the appropriate discount rate is, but it's worth acknowledging that there are other ways to look at the value of what that thing might be and I'm just wondering if you can talk through just briefly some of those other methodologies, why they work, and then maybe why we've chosen to ignore them in terms of our process.

Samir Taghiyev (02:27):

Yeah, that's a good question. So, most people out there look at multiples, there being a very huge range in terms of multiples as well. There's P multiples that we look at, which can be useful at times, but they have their own problems. People look at EV/EBITDA multiples, which I would argue has the most amount of potential problems involved in them (and people get very creative on those as well). But if we concentrate on P/E for, example, it kind of makes sense—you get a price which is very observable and you get earnings and it's typically either current earnings or your projected earnings for the next four months. It might make sense, but there are problems involved with that. Price is observable, but the earnings themselves…you make an assumption that the current earnings are a good proxy for the very future earnings that you'll be getting in the future. That might not be true.

And there's a couple of problems with that: the current earnings might be inflated; there might be a lot of growth coming in; there might be a lot of capital expenditures that you would need to finance all of that growth. And none of that gets incorporated within the multiples. So, we've seen that there's actually quite a bit [of] divergence in terms of the answers our DCFs would give us whether a company is undervalued, overvalued, or fairly valued and the P/Es that the rest of the people would look at.

Rob Campbell (03:55):

Price to earnings multiples, price to cash flow multiples…those things are quick shortcuts. They're useful from that perspective. But I think like you said, miss out on a lot of the actual fundamentals of the business, whether it's improving or deteriorating—those things are missed.

Samir Taghiyev (04:09):

I would like to give one example, it being one that stands out in my mind is we initiated in two specialty insurance companies, one being in the [Canadian small cap strategy] and one being in [the U.S. mid cap strategy]: Trisura and Kinsale. Well, looking at the insurance companies, most of them trade at 9 to 12 times earnings. But the thing is, these businesses are different from your typical insurance companies and they were trading at 25 to 35 times earnings. There is a huge divergence. You would say that this is a very overvalued operations, but actually once you do the business analysis, management analysis, and only after try to put it all into the discounted cash flow models, you realize that there's a lot of growth potential for these businesses, but also the quality of the earnings that you would get are higher. These are specialized insurance businesses that are not as commoditized as other participants in the PNC space and the management teams are doing a really good job for capital allocation as well.

Samir Taghiyev (05:12):

So, it shows up in the qualitative assessment of the business, but also in the future that it just does not boil down really well into very simplistic multiples that people would use. In fact, we've seen where companies that would be high in multiples, people shy away from it, but actually the multiple may not be as high enough to justify for the broad prospects or the qualitative aspects of the business. And there might be businesses that trade at 9, 10 times earnings that look optically very cheap, but the cash flow—you're not really going to get it. It's going to be misallocated as a result. It's not even worth that much, it should be way lower. So, DCF gives us a very good picture inside out of the business of what it actually should be worth.

Rob Campbell (06:02):

The way you described that it makes me think that if multiples are sort of very myopic because you're just looking at current earnings or earnings for the next year, you're missing out a lot of context as to how that business might have evolved historically or I think more importantly, how it might evolve going forward.

So, let's move to discounted cash flows. I think I'm most interested in just the actual discount rate, but I do want to give a complete view of our approach to them. So maybe just start there—how does that process start? What are we actually doing when we build out a discounted cash flow model?

Samir Taghiyev (06:31):

I want to start out with actually not DCFs, but before that. So even doing DCFs we would do qualitative assessment of the company and that is the first filter. For many competitors of ours, I've seen the first filter typically is valuation. And what you end up with after that sieve, you end up with undervalued on P/E, but [they] might be low quality businesses. So, the first sieve for us is the business quality and management quality. And only after that, only after we get comfort around our ability on projecting future cash flows—which is not an easy task, there's a lot of probabilistic thinking that the world might go in very different ways—but the companies with high-quality, business quality, as well as management quality…it handicaps your future cash flow scenarios. It's still a very uncertain future, but you get that huge range of cash flows that might happen.

And then the second question becomes, "what the discount rate is/should be," which I'm sure we'll talk about. DCF in itself is not just one piece giving us an answer that, oh, this stock should be worth $20, maybe $50, maybe to maximum $150 per share. The answer is not in the range alone. That is helpful—to get a rough sense of the valuation of the ranges. A lot of the value comes from getting a sense of the sensitivities, on actually opening up the model and looking [at] what moves the valuation. What scenarios are priced in and are there scenarios that may not be incorporated in an analyst or PM's work? So, this is why in our weekly meetings when we're discussing finished work, when someone came up with an idea and did their research, brought it up as well as did the model—we're not only just reading their reports and discussing the quality of aspects, we actually open up the model as well and play[ing] with it together as a team trying to stress test different assumptions and to get a feel of the valuation, if this is undervalued/overvalued-ish, and also get a better sense of the business in itself.

Rob Campbell (08:44):

I think that's really interesting—that concept—because the very simplistic way that I've thought about it is, you do a lot of the fundamental qualitative work on the competitive advantages, the management team, and that provides you with context for filling out your discounted cash flow model and forecasting what you think revenue growth or margins might look like going forward. But if I'm understanding you right, it actually goes both ways: the modelling can actually help you better understand the business too.

Samir Taghiyev (09:08):

It can help us understand drivers of the business. So, one example that comes to mind most recently is we looked at our commercial real estate brokerage businesses that we hold again, in Canadian small cap we own Colliers and in U.S. mid cap we own CBRE. Both of those two are very large players in the commercial real estate broker space. There's a moat involved in the scale of those businesses and the management teams are two best management teams we could find in that industry. So, there's a lot of interesting parts, a lot of attractive parts involved with these companies, but one caveat being this is a cyclical business. And the amount of activity in the commercial real estate business space is going to impact their cash flows. So, it was really helpful to open, for example, Colliers' model and look at how much cyclicality is priced in into the company? And look at the historical trends as well.

One of the learnings that came out of that was that according to the model, according to the wide range of scenarios, the current price probably does not incorporate what can come in terms of the draw downs in the real estate market, in terms of the activity in that market. But also the model…it was harder to incorporate the future acquisitions, and the management team is very well-versed in capital allocation and has historically made a lot of value for shareholders through acquisitions.

So, it gives you a good picture of what needs to appear in this business. There's the cyclicality side that probably there's a risk involved in the model not capturing it as much. So we tweaked that a little bit, but also we tried to tweak it with acquisitions and they kind of cancelled out. But it gave us a good picture; it's about the cyclicality but also it is about the acquisitions. So going forward, these are the two areas that we need to monitor and ask management teams about.

Rob Campbell (11:10):

Got it—those are things that are important. The second part of the framework I talked to at the beginning is just what are future cash flows worth today?

The discount rate, I think, is really top of mind for a lot of our clients, a lot of investors today just given what's happened with inflation, interest rates…I think a good case can be made that a lot of the correction that we've seen in markets so far this year is really just the mathematical impact of higher discount rates.

And I have to confess, I run experiments sometimes on my children [laughs]. I've got three of them, they're two, four, and six and I ran this case where I said, "Hey, I can give you a cookie, but if you don't touch it for five minutes, you can actually have two cookies." And my two-year-old said, forget it—he just ate the cookie. The six-year-old, he waited patiently for the five minutes and he got his two cookies. And the middle guy really struggled [laughs]. He made it five minutes, but man was it hard for him to keep up.

Rob Campbell (11:59):

And it just got me thinking about this idea that the discount rate that you choose really matters. So, can you talk about that? Because at least from my perspective, if you've got a very high-quality business, you probably have decent visibility into projecting cash flows and margins, but when it comes to the discount rate, that seems to bump around a lot more and it just seems a little bit fuzzier in terms of how you actually end up with the value of the company.

I don't know if that's the right framework, but maybe just start there. How do you figure out what the right discount rate is?

Samir Taghiyev (12:27):

That is a good question. And by the way, I love that you are teaching the interest rate effects to your children from this early age. There's a lot of different ways of doing things. The way I was taught in schools and the way it is taught in schools is through this CAPM model, which would be capital asset pricing model. The answer on discount rates in there from that model is that we should look at the risk-free rate, and we should include some equity risk premium and multiply it by our beta of the stock, with the core assumption being that stock volatility is a good proxy for the risks of those cash flows that you'll get in the future.

Which is a weird assumption to make—that the stock market volatility is going to have some impact or is going to calculate the future volatility of the cash flows. It works sometimes, but one thing that I'll point out as well [is] that a lot of times it is the companies where the stock is volatile but there's a divergence between the stock and the actual underlying quality of the business. And if you get comfortable around that you have a better knowledge or better understanding of the cash flows and low risks involved...well, that's an opportunity. While CAPM becomes a very almost self-inflicted one where the stock price being more volatile undervalues the business potentially as well.

Rob Campbell (13:56):

That's what I remember too going through the CFA program, very much the CAPM model. But there were other ways of building up discount rates as well and I think we've fallen out in a different camp.

Samir Taghiyev (14:06):

Some people also look at fixed rates. You can discount your cash flows taking very fixed rates. There are problems with that as well, especially with the interest rates out there moving. How does that impact your valuation? And this is not just a theoretical concept, but practically as well. Even if I, as a portfolio manager—in equities specifically—would not have an opportunity to invest in a government bond or other kinds of bonds. Well, for asset allocators out there as well as general capital out there in the world, equities is just one venue to allocate capital into.

We need to have a good sense of the price for capital in general, which a good proxy for that would be the sovereign yields, especially in the U.S. which would be considered more risk free. Well, that gives you a good picture of what the price for capital is and what should be your benchmark for your return expectations.

Rob Campbell (15:09):

All right, that makes sense to me: you start with a risk-free rate. I mean, if you're investing in Canada or in the U.S. that might be your [inaudible] yield curve or call it the 10-year treasury yield. But we're trying to figure out what to discount in the future, and different businesses might be more or less risky—either based on their business model, based on where they operate, different parts of the world, how trustworthy their management teams are, I suppose. Can you talk about how we layer on these additional considerations in terms of the discount rate?

Samir Taghiyev (15:34):

We would start with the risk-free rate, which would be the sovereign rate for that particular business. And if the business is global, we would look at the weighted rates to where this business operates. We would look at the debt risk premium to calculate the cost of debt and equity risk premium that you would overlay on top of the risk-free rate and to come up with the cost of equity. And it's your very textbook exercise of looking at the weighted average cost of capital for a business.

There are a lot of nuances involved in there. For example, what should be the equity risk premium that needs to be added for the business? Well, that's a very huge nuance and one thing that is taught in schools but breaks down when you face the reality, is that things cannot be quantified as easily. You cannot just take data of a stock and use this as a good risk premium. A lot of things start breaking down.

It becomes more of an art rather than science. It's only after going through tens or hundreds of different companies do you get the sense of the risk involved with the business and what should be a good risk premium. But I would say that in general, it would be about 300 to 600 basis points. So, 3% to 6% on top of the risk-free rates that we would use internally, 3% being for the highest of quality businesses. It comes up pragmatically very rarely. And then there's businesses that I have personally applied 10% additional risk premium just because I'm very aware of the risks involved into this business. There's some attractive things involved with this business, but I don't want to undervalue risk either.

Rob Campbell (17:21):

Your comment on the art versus the science, I think this is the thing that interests me the most—is now that interest rates are higher, discount rate really matters just because those future cash flows are worth so much less today than they were, say, a year ago. And even as you described the various ways in which we build it up—so sovereign curve, plus the credit premium, plus the equity risk premium—I see problems with each of those [laughs] just so curious how you tackle them.

For example, on sovereign yields…like okay, that makes sense to me in the U.S., but what do you do about sovereign yields in some sort of emerging market or higher risk country where inflation might be higher or currency might bounce around a lot more? Or even in countries that would be considered more developed but where there's been massive central bank intervention in terms of yield curve manipulation? How do we get around that with respect to that part of the discount rate?

Samir Taghiyev (18:10):

Well, that's where it becomes more fascinating, more interesting.

Rob Campbell (18:14):

That's why we're here! [Laughs]

Samir Taghiyev (18:15):

Because if it was that easy just to pull the numbers up, we would hire a lot of mathematicians instead of, really, business analysts. You're right, for the countries outside of U.S., Canada, the ones we're most used to, the ones that we feel comfortable as business owners, as capitalists to be in, there's more risk involved.

In my mind, four primary risks that come in for looking at those companies. It would be political risk. Well, are you sure that as a business owner your property rights are protected? There's inflation risk. A lot of the countries do struggle with a lot of inflation. And currency risk as well. We're really fortunate to live in countries where currencies are very stable, but there are a lot of countries out there where currency devaluation is just a norm of life. So, what sovereign rates do you use? One school of thought would be well, use the sovereign rates of the countries where this business operates.

The thinking being that sovereign rates of another country should involve the very risk-free rate for the international investor. That being probably U.S. risk-free rates, U.S. government bonds plus at premium to compensate you for all of those risks and credit default risk of that country as well. Well, that is all great, that can work, but there's also a lot of problems in there. This issue actually came up in our internal discussions. We were looking at one of the companies, it being a Japanese as well as a Taiwanese company—well, a 10-year yield in Japan is 0.9% [and] a 10-year yield for a Taiwanese government bond is 2%. If you think about Taiwan, I would argue—even though it's a stable country right now—there's this looming potential risk of war with China. Do you really want to give your money to the Taiwanese government for 10 years at 2%?

Rob Campbell (20:18):

On a day that we're recording, which the 10-year in the U.S. is at 4.25%.

Samir Taghiyev (20:24):

Exactly. There's something else that is going on in there. So, our decision to use the Taiwanese sovereign rates to evaluate the Taiwanese company, for example, may not be the best. And this is where the judgment of a person comes in. Perhaps we should look at incorporating some other sovereign yield, for example, the U.S. sovereign yield. Perhaps we should compensate for that by controlling our risk premium better.

Rob Campbell (20:54):

It's a sum of three numbers basically, you move it from one part to the other. If you feel it's—

Samir Taghiyev (20:57):

—If one side was shuffled well, you can compensate by increasing another number.

Rob Campbell (21:02):

Can you talk just a little bit more about how inflation impacts this whole process? So, presumably that gets reflected in sovereign rates, although I think we just talked about maybe not fully—what other challenges does inflation cause you to your job in valuing companies?

Samir Taghiyev (21:20):

And this is fascinating because three years ago this may not have been as much of a top-of-mind topic to talk about. We've been used to the 2% or less inflation rates for such a long time and they've been stable for such a long period of time, that our way of doing things has been to look primarily at the nominal interest rates because inflation is going to stay about the same. Things might be changing now with the volatility increasing both for the interest rates but also the current inflation rates, the inflation expectations going forward. At times it was helpful to look at business from the real dollar perspective. The whole model building or the whole exercise becomes the exercise of not thinking about the nominal dollars, but what is the current dollar that you are getting on this business as a profit? And instead of your growth rate being for example, 4%, don't think of it as 4%, think of it as your inflation rate going forward and plus or minus how much more inflation or deflation is this business going to get?

If it's a very competitive business, they may not have much pricing power to drive that growth above the inflation rate. So instead of looking at 4% and our inflation expectations just for the sake of a number being 3%, then the real growth expectation that was baked in was only 1%. And that might be the better way of looking at things because, well, if the interest rates are going to move and inflation expectations tomorrow are going to move to 4%, well you model things from real dollars. So, your 1% expectation is still going to be the same. If only your business quality, business runway, management quality assessments change, you would impact it on the real dollars. On the real premium I guess, for the growth as well.

Rob Campbell (23:17):

Are there different types of companies where you might be more inclined to say, hey, we should look at this in real terms versus nominal terms?

Samir Taghiyev (23:24):

That's a good question because there's a lot of companies out there that have really high-quality cash flows but those are nominal cash flows. The ability of those businesses to increase their pricing might be very limited, which would be very counterintuitive compared to the thinking that we've been used to in the low inflation world. One example would being software businesses. Well, once you start getting into the inflation world the software businesses out there start splitting up into two camps. The ones that it'll be very hard to price the valuations of a lot of the business software that is actually sold to governments—they might [have a] lower ability to price through the pricing.

Rob Campbell (24:07):

Why is that? Just because the contract has already been established? They're large customers who can impose their bargaining power?

Samir Taghiyev (24:14):

Exactly. So, I've seen software companies where the contract is [a] five-year term or sometimes way longer and there's some CPI adjustment or there's a, call it, 2% inflation incorporated escalator included there. But 2% is not that helpful when, for example, you're facing inflation rates of today at 8%.

Rob Campbell (24:37):

Labor costs, all that yeah.

Samir Taghiyev (24:38):

Exactly. And then there's some software companies that would be able to do that. It's also very interesting—in the recent look at one of our real estate holdings for Mainstreet Equity, looking at what were our assumptions from three years ago, well inflation that we put in was 2% going forward. Well, real estate typically has done a very good job of capturing inflation, especially if it is in areas that are not as strictly regulated.

So, in Ontario where we reside, there's pricing regulations. You cannot really push rents more than 2%. While they're [Mainstreet] mostly in Alberta, and in Alberta there's pricing resets every year. And over the last year, the pricing for rents in Calgary has increased 30%. That just shows you even though it's a commoditized business, a very high inflationary protection ability of that [business]. So perhaps for that case it is better to look at it from the real cash flows and real interest rates perspective, rather than trying to predict nominal cash flows and we don't really know where inflation will end up in the future.

Rob Campbell (25:48):

Absolutely. Clearly, looking back, things have not gone the way that we would've thought they would and the way nobody thought they would with respect to inflation. That brings another question, which is time horizon. So inflation is very high today. I mean, there's a chance it could be this high for a long period of time, but presumably it'll start to come back down just given the base effects. How do you manage that in thinking of discounted cash models that are 10, 15 years in length?

Samir Taghiyev (26:13):

That is another, I guess, fascinating part of this exercise. You're right, they move a lot. And interestingly, they also impact the valuations by way more than you would expect. For some businesses we would, for example, toggle/change our premium assumptions by 50 basis points, by 100 basis points—sometimes even more—and see what the valuation impact is. And we did ask on every weekly meeting [when] discussing [the] company, getting a better sense of relative to other companies, what is the duration of this company? A duration of the cash flows that we'll be getting.

Rob Campbell (26:57):

How much your assessment of intrinsic value changes based on your discount rates.

Samir Taghiyev (27:00):

Exactly. It's not about getting things right right now, it's about having enough flexibility and enough headroom for a wide range of scenarios where things can change a lot. That will be the interest rates, it can be the business quality expectations, it can be some management capital allocation decisions over the future. We solve for that by I guess changing the numbers as a team and discussing it: "Is this possible? How likely is this? If that happens, how much is it going to impact, for example, the interest rate number or growth number or capital allocation, the outlays of the business?" And see how the valuation has changed and [that] gives us a better picture of what does the valuation hinge on and also gives us a better picture of [if] this model is telling us that this company is more likely overvalued, or vice versa.

Rob Campbell (27:59):

Samir, if I can summarize just for a while before we conclude: I see the value in discounted cash flow models. The work that you do to understand companies, their competitive advantages, the way their cash flows might evolve going forward—that can be reflected, as you are incorporating the quality of management and the business model into your assessment of cash flows. Sounds like a pretty sound model for discounting, which is a combination of sovereign curves, where the country operates, plus a credit risk premium, plus some equity risk premium reflecting risks specific to that particular company.

And importantly, I think we've mentioned this a few times, but trying to figure out what's important and testing scenarios. So, using Monte Carlo simulations in our models just to understand if the world evolves in different ways, what kind of sensitivities that we might have.

So, it all sounds good in theory. We've talked about some of the problems involved or just some of the pitfalls in discounted cash flow modelling. I guess that's where I'd like to ask you in the end is, where do you come out of this? Given some of the challenges that we've talked through, is it worth spending as much time as people do on discounted cash flow models?

Samir Taghiyev (29:06):

Absolutely—with one caveat, remembering that DCFs are not just one answer. My colleague Jeff puts it real well in saying that "valuation is the bluntest tool in our disposal." Just being aware of the limitations of the tool that you use, not being blindly following in the models. And there's a lot of judgement involved. We don't need to know what are exact valuation parameters for this company. The answer is a greyer answer, which in what percentage of the scenarios will this company be a good investment and not? And by what percentage I don't mean a quantitative answer, but a feel for this company. And if you do that across all of your portfolio positions, it will give you a good answer on, "wait a minute, this company feels more overvalued while this other company seems more undervalued. Why?" And you need to overlay risks into understanding, well perhaps we shouldn't add more to this particular position because of the additional risks that we would be taking as a portfolio, but if we do have some ability, well perhaps we should.

Samir Taghiyev (30:00):

So, the valuation comes in as only one input into the decision-making; valuation is not just one input. There's also another element to this. Most of the businesses out there are castles built on sand. What I mean by that is there's no good moat around these businesses and the cash flows are very fragile. There's no good ability to understand why should this company keep on earning more cash flows, similar cash flows and growing cash flows deep in the future? It's only very few companies that are able to protect their excess returns on capital by competitive advantages. And that is why we always start with the question of business analysis and management analysis.

Rob Campbell (31:11):

What do you think that we as a company could do better from a valuation perspective? Put differently, where have you seen us make mistakes?

Samir Taghiyev (31:19):

Well by "we," I would actually look at it as us, not just one "we" but multiple "wes." As a team. And every team member is different. One potential aggressiveness that I see over and over in models is actually a very low range, very tight range for the valuations' outcomes, but also the inputs that could play out. It is very natural to people to underestimate the wide range of outcomes that can happen out there. So, I find this on myself as well—opening the models that I did four years ago, the world turned out very differently four years later.

Rob Campbell (32:01):

This is the idea that if you asked somebody 10 questions and you asked them to put in 90% confidence interval around the answers to those questions, chances are only five or six of their answers will fall within their 90% confidence interval.

Samir Taghiyev (32:13):

No, exactly! That's the foundation I guess, of our investment philosophy. That's why we look at the high-quality businesses—because most of the businesses out there are castles built on sand and it's only when you have some foundation that you can have some ability to predict. Otherwise, the human nature of over-analyzing [and] underestimating the range is going to take over.

Rob Campbell (32:42):

Well and to be fair, for a good chunk of the last 10 years, a low and stable interest rate environment did provide for pretty narrow ranges in terms of some of those variables, but clearly that's been turned over.

I got a different question for you, which is, you talked about things as "we"—recognizing that you and the rest of the people on our team are in spreadsheets, well, obviously speaking to management and doing the research, but then reflecting that in discounted cash flow models to get a sense of valuation— how do we ensure consistency? You talked about that example of the Taiwanese company, but who's to say that somebody else on the team wouldn't have a different approach to thinking about the discount rate and how do we ensure that internal consistency across companies that we're looking at?

Samir Taghiyev (33:22):

There's a lot of different potential answers in terms of how you can do things. And I think one thing that matters, no matter how differently you do things is just consistency, as you mentioned, across different holdings in the portfolio. If you're doing certain things in one way for a particular company, you should keep that in mind for the rest of the companies in the portfolio as well. That's where the consistency of method and logical consistency, I guess, within different models comes in. This is why we discuss things as a team. The theory being that that should compensate for potential quirks of every analyst and every portfolio manager where we try to bring down the overestimations, underestimations, or different ways of looking at things, meshing and playing with the numbers altogether and getting a general feel of the valuations.

Rob Campbell (34:17):

That rhymes with a lot of what we've talked about on other podcasts. It's great to have lots of different perspectives but the need to have a mechanism for that to be shared, and like you said, for that consistency to be applied. Listen, Samir, I found that a fascinating topic. I hope our listeners did too, and really appreciate your taking the time to talk us through discounted cash flow models today.

Samir Taghiyev (34:36):

Pleasure to be here.