Ampco-Pittsburgh Corporation

Fourth Quarter 2018 Earnings Results Conference Call

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CORPORATE PARTICIPANTS

Brett McBrayer, *Chief Executive Officer*

Michael McAuley, *Senior Vice President, Chief Financial Officer and Treasurer*

Melanie Sprowson, *Director, Investor Relations*

PRESENTATION

Operator
Good morning and welcome to the Ampco-Pittsburgh Corporation Fourth Quarter 2018 Earnings Results Conference Call. All participants will be in a listen-only mode. Should you need assistance, please signal a conference specialist by pressing the star key followed by zero. After today's presentation, there will be an opportunity to ask questions. To ask a question, you may press star, then 1 on your telephone keypad. Please note this event is being recorded.

I would now like to turn the conference over to Melanie Sprowson, Director of Investor Relations. Please go ahead.

Melanie Sprowson
Thank you, Chad, and good morning to everyone joining us on today's fourth quarter conference call. I'm joined today by Brett McBrayer, our Chief Executive Officer, and Mike McAuley, Senior Vice President, Chief Financial Officer, and Treasurer.

Before we begin, I would like to remind everyone that participants on this call may make statements or comments that are forward-looking and may include financial projections or other statements of the Corporation's plans, objectives, expectations, or intentions. These matters involve certain risks and uncertainties, many of which are outside of the Corporation's control. The Corporation's actual results may differ significantly from those projected or suggested in any forward-looking statement due to a variety of factors, including those in the Corporation's most recently filed Form 10-K and subsequent filings with the Securities and Exchange Commission. We do not undertake any obligation to update or otherwise release publicly any revision to our forward-looking statements.

A replay of this call will be posted on our website later today and remain available for two weeks following the conclusion of the call. To access the earnings release or the webcast replay, please consult the Investor section of our website at ampcopgh.com.

With that, I'll turn the call over to Brett McBrayer, Ampco-Pittsburgh's CEO.

Brett McBrayer
Good morning and welcome to our call. I want to start with updating our investors on the actions we are taking to restructure the Corporation and return it to profitability.

First, in October of 2018, the Board of Directors of the Corporation approved a plan to sell our Canadian subsidiary, ASW Steel Inc. Loss of significant U.S. business due to a combination of tariffs imposed by the United States on imports of primary steel products and the loss of a key customer due to plant closure have resulted in significant losses in 2018. ASW's been accounted for as a discontinued operation in our Q4 and 2018 full-year financial statements, and we've recorded a related $15 million impairment charge to write the business down to its currently estimated fair value. Moving forward, we will continue to participate in the forged engineered products market, yet without the risk of a back- integrated, asset-ownership position.

Second, we are pursuing additional footprint-reduction actions. We will announce these forthcoming changes to our business as the actions move closer to completion. Our objective is to right-size our capacity and simplify our operating structure.

Third, we've embarked on multiple cost reduction initiatives. In December, we offered an early retirement incentive to the employees of our U.S. operations, and in February of this year, we completed Phase 1 of our overhead reduction plan. This Phase 1 action is expected to deliver roughly $2.5 million per year in pre-tax savings. Our next steps in the consolidation of our assets are expected to facilitate further overhead reductions for our businesses.

And, finally, we are aggressively simplifying our manufacturing flow path. This simplification will deliver a step change in operational performance and free up working capital investment. The immediate need for change has been embraced by our employees. Their skills and talents are our greatest asset, their dedication to our success has really been incredible, and we're moving forward with a speed and sense of urgency and with high expectations for our future. In 2018, we began to lay the foundation for the future of Ampco-Pittsburgh. 2019 is about execution.

Now, a review of 2018. Despite an approximate 9 percent increase in total revenues from continuing operations, 2018 was a challenging year for the Corporation. Our Forged and Cast Engineered Products segment generated record sales to the oil and gas industry but experienced a significant contraction in the second half of the year due to inventory corrections in the frac block supply chain. In addition, results from continuing operations in 2018 reflected several negative factors that impacted the segment, including higher costs of raw materials and other key production materials, certain equipment-reliability issues resulting in shipment delays and high maintenance costs, and idle capacity of one of our cast roll plants.

The Air and Liquid Processing segment performed well in 2018, increasing its revenue by approximately 2.3 percent. We recorded a significant asbestos charge for this segment, representing the estimated costs for pending and future asbestos litigation, net of additional insurance recoveries, through the anticipated date by which the Corporation expects to have resolved all asbestos-related claims. The asbestos charge captures our estimated total future exposure. Other than the asbestos charge, this segment generated solid operating income performance.

From a liquidity standpoint, net cash flows from operating activities of continuing operations reversed its negative trend in 2018. We also executed two key actions in 2018, including the divestiture of our Vertical Seal service business in the fourth quarter and the closing of the sale-and-leaseback transaction relating to a select portion of our real estate properties. These actions strengthen our liquidity and position us well to successfully pay off the promissory notes, which we did earlier this month. The asset sale also marked the beginning of the process of realigning our manufacturing footprint, which, as I described, is a key element of our turnaround plan.

In addition to our restructuring activities, we have worked to mitigate equipment-reliability issues which adversely affected performance in the second half of 2018. With these significant items behind us, the integration of new leadership, the progression to a LEAN-based production system, and further restructuring initiatives currently in process, we are forming the foundation for future sustainable profitability for Ampco-Pittsburgh.

The global Short Range Outlook published by the World Steel Association in October of last year, indicates the demand for steel in 2019 is expected to remain positive. Our order backlog for 2019 supports this outlook. Our markets remain challenging, however, and worldwide steel demand could face an uncertain future in the current global economic environment due to growing trade tensions and unstable currency movements. Therefore, our plan is to prepare Ampco-Pittsburgh for sustainable future profitability in both higher- and lower-demand environments.

I will now turn the call over to our CFO, Mike McAuley, to review our financial results for the quarter. Mike?

Mike McAuley
Thank you, Brett, and good morning, everyone. I want to start today by reiterating a few points Brett described which had a significant impact on our financial statements for Q4 and total-year 2018.

First, pursuant to a plan approved in October 2018, by the Corporation's Board of Directors, to divest our Canadian subsidiary, ASW Steel, we have recorded ASW as an asset held for sale and as a discontinued operation for financial reporting purposes. Accordingly, we recognized a $15 million impairment charge to record the assets of ASW to their estimated fair value, net of costs to dispose.

Second, included in our Q4 and total-year 2018 financial results, is a charge of $32.9 million, representing the estimated costs for pending and future asbestos litigation, net of additional insurance recoveries through 2052, the anticipated date by which the Corporation expects to have resolved all asbestos-related claims. This asbestos charge impacts the reported Air and Liquid Processing segment results. Both the impairment charge and the asbestos charge we recorded are non-cash items in the fourth quarter and full-year 2018.

I will focus my discussion on our Q4 2018 financial results from continuing operations compared to prior year, and I refer you to this morning's press release for more commentary on discontinued operations and total-year results.

Ampco's net sales for continuing operations for the fourth quarter of 2018 were $95.8 million. This compares to net sales from continuing operations for the fourth quarter of 2017 of $103.6 million. Net sales in the Forged and Cast Engineered Products segment decreased approximately 8 percent compared to prior year, due to lower volume of shipments of forged engineered products for the oil and gas industry as well as a lower volume of shipments of forged rolls, caused in part by certain key equipment downtime issues which carried over from the third quarter. Net sales for the Air and Liquid Processing segment for the fourth quarter of 2018 were approximately comparable to prior year, and I will comment more on the segment results in a moment.

Gross profit as a percentage of net sales was 13.0 percent for the fourth quarter of 2018 versus 17.9 percent for the fourth quarter of 2017. The deterioration is principally attributable to the Forged and Cast Engineered Products segment which experienced lower production levels, offset in part by a higher volume of shipments and improved product pricing.

Selling and administrative expenses were $14.9 million, or 15.6 percent of net sales, for the fourth quarter of 2018 compared to $16.4 million, or 15.8 percent of net sales, for the fourth quarter of 2017.

Depreciation and amortization expense of $5 million for the fourth quarter of 2018 was comparable to the $5.1 million for the fourth quarter of 2017.

Loss from continuing operations for the fourth quarter of 2018 was $40.1 million. This compares to a loss from operations in the prior-year quarter of $3.3 million, the decline being driven primarily by the $32.9 million charge for asbestos litigation, but I will expand on changes in operating results in my segment-level discussion momentarily.

Other expense net increased for the fourth quarter of 2018 when compared to prior year quarter, due primarily to higher interest expense and foreign exchange transaction losses in the current year versus FX gains in the prior year.

The income tax benefit for the current-year quarter is driven primarily by the state tax benefit on the asbestos charge taken in the fourth quarter of 2018.

As a result, the Corporation reported a net loss from continuing operations of $41.0 million, or $3.28 per common share, for the fourth quarter of 2018 compared to a net loss of $4.2 million, or 34 cents per common share, for the fourth quarter of 2017. The Corporation also reported a net loss from discontinued operations, reflecting the operations of ASW of $18.7 million, or $1.49 per common share, for the fourth quarter of 2018. This compares to net income of $1.2 million, or 10 cents per common share, for the fourth quarter of 2017. The net loss from discontinued operations for the fourth quarter of 2018 includes the $15 million impairment charge I previously described.

Now, here's a bit more color on our business segment results. As I mentioned earlier, net sales from the Forged and Cast Engineered Products segment for the fourth quarter of 2018 decreased approximately 8 percent compared to prior year. A lower volume of shipments of the forged engineered products for the oil and gas industry and lower shipment volumes of forged rolls caused in part by equipment downtime issues, were the primarily drivers.

The segment's operating income for the fourth quarter of 2018 declined versus prior year as a result of a lower volume of shipments and higher operating costs, including reduced absorption due to lower production levels and higher equipment maintenance costs.

Net sales for the Air and Liquid Processing segment were approximately comparable for the fourth quarter of 2018 versus prior year. The segment recorded an operating loss for the quarter ended December 31, 2018, driven by the $32.9 million asbestos charge. Otherwise, results for the segment were generally comparable to prior year.

Backlog at December 31, 2018, approximated $343 million, an increase of approximately 6 percent from the $325 million in backlog at December 31, 2017. The backlog increase compared to December 31, 2017, reflects improved demand, particularly for mill rolls, both forged and cast, and higher order intake for each of the product lines within the Air and Liquid Processing segment. Approximately $126 million of this current backlog is expected to ship after 2019.

Now I'll review some cash-related items. Please note that this discussion excludes discontinued operations. Accounts receivable at December 31, 2018, decreased by $12 million compared to December 31, 2017, driven principally by lower sales in the current-year period, the sale of the Vertical Seal Division, and by improved collections performance compared to a year ago.

Inventories at December 31, 2018, were slightly higher than at December 31, 2017, as higher cast roll, heat-exchange coil, and custom air handling production activity more than offset reductions in inventory associated with the lower level of frac block production activity in the current year period compared to prior year.

Accounts payable at December 31, 2018, increased by $3.5 million compared to the December 31, 2017 balance, reflecting a better balance and duration as part of our working capital management effort.

Capital expenditures for the fourth quarter of 2018 were $900,000 and for the full-year 2019 — 2018, rather — were $9.7 million from continuing operations.

As Brett had indicated, net cash flow from operating activities was positive for 2018. Cash and cash equivalents of continuing operations of $19.7 million at December 31, 2018, increased slightly compared to the December 31, 2017, balance of $18.7 million.

Drawings on the Ampco revolving credit facility were $14.3 million at December 31, 2018, which reflects a decrease compared to the $20.3 million at December 31, 2017. At December 31, 2018, in addition to the cash balance, the Corporation also had remaining availability on the revolver of approximately $35 million, which is net of an availability reserve associated with the proceeds from the sale-and-leaseback financing transaction and the divestiture of our Vertical Seal Division in 2018, which is specified for the settlement of the promissory notes and interest due in March 2019. We have, in fact, successfully settled that maturity earlier this month using our revolver as we had planned.

I will now turn the call back over to Brett for some closing remarks.

Brett McBrayer
Thanks, Mike. We're making major shifts in the direction of our business. This change in direction involves asset restructuring and consolidation, cost reduction, debt reduction, and some basic blocking and tackling. Over the years, we've unintentionally created a complexity in our manufacturing processes. Due to simplification of our manufacturing footprint, we'll improve efficiencies in our business and our operations.

This is an exciting time for Ampco-Pittsburgh as we tackle the current challenges and opportunities that are ahead of us. In 2019, we'll drive momentum and execution across our businesses to move Ampco-Pittsburgh to a more profitable future. In doing so, we'll remain focused on investing back into the areas of our business that drive bottom-line improvements. We've been focused on our actions to address these challenges, and I strongly believe that we are well positioned to deliver on our 2019 priorities.

I want to thank you for joining us today, and we will now take your questions.

QUESTIONS AND ANSWERS

Operator
Thank you. We will now begin the question-and-answer session. To ask a question, you may press star, then 1 on your telephone keypad. If you are using a speakerphone, please pick up your handset before pressing the keys. To withdraw your question, please press star, then 2. We please ask that you limit yourself to one question and one follow-up. If you have additional questions, you may re-enter the question queue. At this time, we will pause momentarily to assemble our roster.

The first question comes from Robert Strugo with RAS Investments. Please go ahead.

Robert Strugo
I'm just a little surprised that you're selling your Canadian division. I know you were waiting for something coming from Trump to lift those tariffs, and our stock has really been a horrible performer over the years. Today we're down to $3.80. We were once $25.00, and you guys are

talking optimistically about the future. You don't see mergers in the steel industry, but you've got some substantial assets, and our market cap today is only $48 million for the whole company. What do you have to say about that, I mean, as far as the past has been a horror show? The future doesn't look that bright, except you guys are saying it will be, but the market doesn't seem to believe it today.

Mike McAuley
Hi, this is Mike McAuley. Just to respond, I think the way we're looking at this, we've got a turnaround plan, and while, as Brett described, we're announcing some steps in that turnaround plan, and we currently think as we look at our share price, we're thinking that we're undervalued today. You're right, we have significant assets, and we have challenges in the industry that we're serving, particularly the steel industry, as you point out, but, as you started off with your question about your surprise at selling the ASW Division, we don't know what the future holds for the trade regulation and where that's going to be going, but we do know that we don't have to be basic in the metal to participate in the forging industry for the products that we're manufacturing today. So, this is a strategic move to exit, and I think it's in the company's really best interest to proceed, and so that's the story behind that.

Are there any other particular questions you'd like to ask?

Robert Strugo
Well, our high of the stock is $11 for the year, and we're not too far from the low, you're selling it in a difficult market there in Canada, with the outlook being uncertain. So I don't know what kind of price you're getting for that unit, but it seems to me like a bargain-basket type of a price that somebody may be paying for it now, and I think you might regret it later on. But that's a call for the Board.

Brett McBrayer
Yeah, this is Brett McBrayer, just a couple of comments. I think it's important to note as we're looking at our assets and our footprint structure, that it's important that we right-size our business, and not only to handle the peaks from a demand perspective but also, we know that when the market does drop in certain segments, we've got to be able to respond positive to that and have the flexibility within our structure to remain profitable in those down periods. If you look at our current structure today, we are not nimble and not able to move and respond appropriately, and so this whole process we're going through is simply to right-size our business and give ourselves the capacity to adjust as needed based on where the market goes.

I think the other thing that I noted earlier in my comments was the complexity we've added to our manufacturing process. Now, if you go through the flow paths, in which we do both for the cast and forged rolls and the Engineered Products segment, we have created a high cost structure in the way in which we manufacture, and through some simplification in this process, we're going to see some benefits that are going to improve our ability to respond, not just from a customer perspective but also from a profit perspective.

Robert Strugo
Okay, we look forward to next year, to hearing that and to seeing it in fruition. Thank you.

Operator
Our next question will be from John Walthausen with Walthausen & Co. Please go ahead.

John Walthausen

Yes, good morning. I think this is probably for you, Brett, because you referred to it several times in your commentary and again in this question about the complexity that has been built into the manufacturing system in the forged and cast rolls, et cetera, business. I realize there is a lot of complexity in that, but can you give us an example or two of some of the things that you think can be changed advantageously to address that issue? And then talk about the timeframe to making these fairly complex changes that I understand that you're contemplating.

Brett McBrayer
Our intention is to progress aggressively through 2019 with a significant portion of these changes. I have to be careful in what I say as, obviously, there's portions of our business that will be impacted with changes moving forward, but it's simply through the way in which we move product through our business in a segment, the multiple transportation points which we go through. In some cases, the repetition of activities in the process have added costs into our system that are not important or not needed or not "necessary," is the best word to say.

Again, I want to be careful about how much I say in response to your question, but there's some simplicity in not only what we do in the facilities but how we do it between facilities that we can improve on relatively in short order through some of the restructuring that I've mentioned beforehand. And so that has been a focus that we're engaged in. We're also questioning some of the things we had been doing that we believe is really a truly non-value add to our customers, and we want to make sure that we're delivering what they need but making sure we're doing it in a fashion, if you will, that satisfies them without doing extras that at the end of the day do not add value to our business.

John Walthausen
Thank you. That's helpful. As I'm visualizing from what you're saying, this is going to involve changes in the workflow, perhaps moving equipment around, things of that nature, so it sounds like it's fairly disruptive. Should we anticipate that this is going to suppress gross margins through most of this year?

Mike McAuley
No, John, I don't think so. I think, what Brett's talking about here is there's a couple elements — listening to some of his comments earlier in the call — there's a couple of key pieces here. One is the implementation of a LEAN-based operating system at a very granular level, which will improve production flow paths and increase productivity and ultimately effectively increase capacity as well. That's one piece of it.

The other thing that he alluded to is restructuring our manufacturing footprint. That can be a little bit more on the disruptive side but not necessarily, depending on the plan of approach on that. That's the part that we're embarking on and that we don't have definitive things that we can share today on that, but that's more transformative, and I think those are the two key points to address your question.

John Walthausen
And the rate at which you think you can improve responsiveness to clients, do we expect to see demonstrable improvement during the year, or is that more as some of this is accomplished?

Brett McBrayer
I'm confident we'll see some improvements this year and more to come. Again, we have some very aggressive goals, the team. I believe they're all achievable, and I feel very confident on the

path we are to this point in time, so I think you'll see improvements as we move throughout 2019, and then I think 2020 and beyond is — we'll continue to progress in the right direction.

John Walthausen
Thank you.

Operator
One again, if you would like to ask a question, please press star, then 1.

The next question will be from Justin Bergner with G Research. Please go ahead.

Justin Bergner
Good morning.

Brett McBrayer
Good morning.

Mike McAuley
Good morning, Justin.

Justin Bergner
How are you, Brett? How are you, Mike?

Brett McBrayer
Very good.

Mike McAuley
Okay, very good.

Justin Bergner
A couple questions here. Just to follow up on the ASW question, two parts to it. First of all, so it looks like if I back out the impairment, you're looking on the order of 60 to 70 cents of losses for ASW over the course of '18. And that's a prelude to my second question, which is, any update on the timing of that sale process? Obviously, you didn't pay a lot for that asset, and was it the loss of this key customer that changed the calculus here in pushing you to sell, or was it mainly the tariffs?

Mike McAuley
Justin, hi. It's really, I think, threefold. I think the tariffs are a significant effect, because the impact on the business means that the U.S. trade sales, which were a significant piece of the business, have declined significantly. The loss of a key customer didn't help, but we've replaced most of that volume but for different applications, so margin's a factor.

And then the other part of it is the impact of contraction in the frac blocks supply chain, reducing internal demands. Putting a lower load on the facility, is a third element, and I think the perfect storm of a combination of all those factors has exposed not only the fact that we've got operating losses and we have uncertainty about what the future holds from a trade standpoint, but it also, it points out that the volatility in the earnings profile of the business is something that we don't necessarily have to be an owner of the business to still participate in the end market. So that led us to the conclusion that we should be moving in the direction that we're heading.

Justin Bergner
Okay, got it. And you'll wait to update us on any sort of progress of the sale effort. That's fine.

Just on the balance sheet, I just wanted to clarify a couple of things. You mentioned a meaningful change in the accounts receivable. If you could reiterate that. And then this reserve on the revolver, so that was used to pay the promissory notes. You still have that $35 million of unused capacity that you entered 2019 with. Is that the correct interpretation?

Mike McAuley
Yes.

Justin Bergner
Okay, got it. And then the accounts receivable change, how material was that?

Mike McAuley
Compared to a year ago, accounts receivable were down about $12 million.

Justin Bergner
Okay, could that be sustained or was that more of a one-time effort to harvest cash?

Mike McAuley
No, that goes hand in hand with the fact that we had lower sales in Q4 than a year ago and that the frac block business was down compared to where it was a year ago and also the fact that now one of our divisions, we did a divestiture of our Vertical Seal. It's no longer in the portfolio, so it's working capital, it just came out.

Justin Bergner
Oh, okay, so it wasn't all cash generation, because it was just [inaudible]?

Mike McAuley
No.

Justin Bergner
Okay. Got it. And then any idea, given that there was some under-investment in the assets in the past, what capex needs will be in '19?

Mike McAuley
Yeah, we've talked before, we don't give earnings guidance per se, but we have before talked about capex in relation to a metric like our depreciation expense, which we have been on a maintenance capex spending. We've been spending less than our depreciation expense, and while maintenance capex is on a go-forward basis, likely to be a bit below total depreciation expense, we will also have some revenue-generating or productivity-improvement capex that should push it up to the depreciation level. So you can think of it like that for 2019.

Justin Bergner
Okay, [inaudible].

Brett McBrayer
This is, Brett, just one thing to note and to add to this is that, you know, we talked earlier about some of the changes in the complexity of our manufacturing flow path, and through that work, is obviously an analysis of the assets we have in our businesses and where I think you see if you

look inside of our businesses, we've invested in multiple pieces of equipment for somewhat similar applications, and we've created flow paths where they can go in multiple directions in our business. And we are keenly focused on declaring, for lack of a better term, the correct flow path for products in a single flow path for product, with, obviously, back-ups when you run into issues with the product, but instead of looking at the entire list of assets and coming up with one number in terms of what do we need to do on these three pieces of an asset, we've been able to narrow it down to fewer assets that really require the capital that we would traditionally deploy in – I think in a past case.

So, you know, this comment about critical key assets, we've narrowed the scope down to the range of what we need to be successful in the business, and our investment is focused on, I would say, a fewer set of pieces of equipment that are important for us, not just today, that, moving forward from a supply and expansion, as well as give us the flexibility that we'll need when we see downturns in certain segments.

Justin Bergner
Okay. Understood. Lastly, the asbestos charge, going out to 2052 when you expect to have all things resolved, is this a different process versus the every-two-year updating process you were doing before? It seems like it's designed to go out farther in time, and what prompted that, if my reading is correct?

Mike McAuley
Yeah, it's exactly right. That's a very good observation. We have a change in estimate for our future projected liability, and based on where we stand from a maturity standpoint as a defendant for this kind of product liability, the availability of improved information, but mostly the maturity and the experience that we now have under our belt since this first emerged, we now feel that we can project out to the end of time as far as the asbestos-liability life goes.

And towards that end, we have changed our estimate for the future liability to change from a moving ten-year horizon, which was our methodology up to this point in the last number of years, to a full-horizon look, which should reduce the volatility of any kind of adjustments going forward and also expresses to investors, clarity on when we think that this issue will be completely behind us. And I would point out that, and you know this very well, but just for other listeners on the call too, we have substantial insurance recovery, which is reflected as part of this. And we're talking about a net change here, so we've increased the insurance receivable assets on our reported balance sheet as well as the estimated liability based on taking it out to what we think will be that full-horizon look.

Justin Bergner
Got it. Now that you've done this, do you have any more flexibility in any parts of the business, or is this just the normal accounting protocol once you have visibility to the total time horizon? I'm just trying to understand just anything more significant than an estimation process here as it relates to the business?

Mike McAuley
I'd be thinking about more of the latter. What we do know is that while there is substantial, you know, insurance coverage for this, we're very fortunate in that regard. We have very good coverage. There's still a gap that we're funding on an out-of-pocket basis as a Corporation for the gaps in coverage that do exist, but they have been fairly easily manageable over the course of the last several years. And, going forward, we expect the same in the near-term kind of level of a cash impact to the Corporation, but then we do project that it will decline.

We know we're on the downside of the bell curve, and so for the next couple of years, we'll probably be in the same range, and I think going forward from there, looking at the actuarially-provided input from our specialists in this regard, we know that we expect it as part of this forward estimate, that we expect it to decline and become [unintelligible] to zero by 2052.

Justin Bergner
Okay, that's helpful. And just remind me sort of what the annual cash outlay is.

Mike McAuley
It has been fluctuating in a range of $4 [million] to $7 million kind of a thing over the last couple of years, including this year.

Justin Bergner
Okay. Thank you.

Mike McAuley
Yeah.

Operator
Ladies and gentlemen, this concludes our question-and-answer session, and this concludes today's call. Thank you for attending Ampco-Pittsburgh Corporation's Fourth Quarter 2018 Earnings Conference Call. You may now disconnect your lines.