Trane Technologies
Wolfe Research Global Transportation & Industrials Conference
May 20, 2026 / 9:15 AM

Nigel Coe: Okay. Great. So we're going to wrap up this trio of industrial fireside chats with Trane and very pleased to welcome back to the Wolfe Conference Chris Kuehn, CFO of Trane and Donny Simmons, who's the President of the Americas for Trane Technologies.

But great to have you both here. Thanks for taking the time. Chris, I think maybe spend a minute or so setting the scene and then we'll get into Q&A.

Christopher J. Kuehn: Yeah, Nigel. Thanks for having Donny and me and Pat here at the conference. Good to be back in New York. We know it's going to be a very warm day in New York and maybe a warm couple of days this week. So, look, company had a strong start to the year. Maybe a highlight in the first quarter for us were bookings were up 24%. Think of that in Donny's space. Commercial HVAC bookings were up 40% in the first quarter. Applied bookings were up over 160%. So we had a really good start to the year. Backlog reached $10.7 billion at the end of the first quarter. That's up nearly $3 billion from the start of the year. And think of that as two-thirds organic and about one-third from acquisitions. And of the acquisitions, about $1 billion of backlog came from Stellar Energy, which we're really excited about and we'll probably talk about here this morning on modular chiller solutions that are in the data center vertical today. Services had a very strong start to the year, up low-double digits. It's had a low-double digit CAGR for the last five plus years and a strong start in the first quarter. And we ultimately raised our guidance on the top line and the bottom line for the year based on the start of the year. We do expect strong acceleration into the second half of the year, led by our Commercial HVAC businesses. Think of that as the timing of backlog converting to revenue and when customers want products on their job site, request on job dates.

Christopher J. Kuehn: And that's what we reaffirmed kind of in the end of April was that acceleration we expect in the second half of the year in Commercial and easier comps in residential and transport as well. So we're expecting strong growth as we go into the second half of the year. And with that, I'll turn it back over to you, Nigel.

Nigel Coe: Thanks, Chris. And of course being 95 degrees today in New York is good for business, right? So you must be quite pleased to hit streets and feel that hot air and finally it's...

Donald Simmons: We were certainly sweating on the way over here this morning.

Nigel Coe: That's good. That's good. So you mentioned the second half acceleration, and I think that makes a lot of sense in terms of the moving pieces. Couple of points. I mean, in terms of the 5% on the mid-single digits you are calling out for 2Q, any moving pieces you can call out for that?

Christopher J. Kuehn: Sure.

Donald Simmons: Overall, I mean, we expect the continued progress in our Commercial HVAC business and continued strength there. I mean, we think about — we talked about our transport markets being a bit stronger in the first quarter. But we're holding essentially what we expect here in the first half and for the full year in transport. And then residential, residential, we are — we had a first quarter that was stronger than what we had expected. We did increase our guide for the full year in residential. And we do feel like our inventories have normalized, and we talked about that in the first quarter. So we're cautiously optimistic there that with residential now expected to be flattish for the full year, we're in a good spot. And Commercial HVAC continues to be strong. So we had a very strong first quarter and we expect the first half and the second half to continue to strengthen.

Nigel Coe: And the commercial is, as you mentioned, Chris, very back-half loaded in terms of the growth profile. That's something we're seeing from a lot of your competitors as well, that this back half loading of the growth profile. Maybe just talk about what's causing that back half — first half, second half mid-teens plus type organic growth in Commercial.

Donald Simmons: Sure. Look, I mean, first off, I think with Commercial, we have talked about both sides of the business. We talked about our services business being half the business, and we've had low double-digit growth for the last five, six years in services. So automatically we get that. We've also talked about the fact that we see the unitary markets as being flattish for the full year. So that continued — that scale up and growth comes from our applied business as well as our services business. And so that first half versus back half and getting to that mid-teens is just meeting the customer requirements and what the customer delivery requirements are throughout the year. That's really what's driving that change.

Christopher J. Kuehn: It's similar for me as well. You think about the second half order growth profile last year, we just really inflected upwards in Europe Commercial HVAC, in Americas Commercial HVAC, and that timeline just suggests deliveries more in the second half of this year.

Nigel Coe: Yeah. And do you find the — I think you talked to this on the last earnings call, the project timelines for the data center segment is extending. So backlog conversions are a little bit longer than it has been historically.

Donald Simmons: Yeah, we have. I mean, if you look over the last couple of years, that's certainly changed. I don't think it's anything drastic in terms of — I think about it as the customers are giving us more visibility into what they're — and so that they can secure the supply chain that they need. So it's now moved to 12 to 18 months instead of 9 to 12 months, and so it has extended out overall. But that's more of a visibility for the supply base more than anything else. And so for us, it's helpful. And for our supply chain, it's helpful because the more visibility that we have, so when we're getting orders that are coming in past our lead times, the lead times for this equipment is 6 to 9 — it could be 6 months, it could be less. And so, when we're getting orders 12 months to 18 months in advance, it gives us a lot of ability to plan accordingly and make sure that we're able to meet those delivery requirements.

Nigel Coe: Yeah. See a lot of inflation is emerging and has been in place, and I'm sure that continues. When you got longer backlogs, how do you protect margins? I'm assuming you price the contract, but what protections do you have against spikes in inflation?

Donald Simmons: Yeah, we — I mean, as part of our business operating system, and we've been doing this for a long time, we've had multi-year agreements with customers for a long period of time and we're always building escalations in to make sure that we're protected throughout. And then for the majority of those contracts, we also have things like tariff protection, if something were to change abruptly that we weren't anticipating that we're able to — make sure we're able to recover that as part of that process in the contract.

Christopher J. Kuehn: Yeah. On the cost side, we continue to hedge base metals, and we'll go out 12 to 18 months for copper and aluminum, and that will get adjusted for volumes as we see volumes grow into the future. But at least for us, it just smooths that inflationary curve and it gives us better insight on what the cost is going to be. So then on Donny's side, if you're delivering product a year or 18 months out with a cost escalator, we just get a more precise view of what that cost will be with that hedging strategy. And on steel, it's about a six-month hedge, right? You're locking in steel consumption, you've got a 6- month lock on price. And then after that, you're a little bit more exposed. But then that just kind of keeps rolling on a 6-month basis for steel.

Nigel Coe: Has the hedging strategy changed over the last several years? Because I've always felt there's like 12-month hedges, but now it seems like...

Christopher J. Kuehn: A little bit further out on copper and aluminum. And so think of it as — you're right, Nigel, it's going from 12 to maybe in that range of anywhere, 15 to 18 months. And it really comes down to the forecastability of what we think for volumes. But we're generally — if you're a year to 18 months out, you're probably hedging 20%, 30% of the expected buy, and the closer in, you're probably 75%, 80% of the buy. But we'll just keep executing through that strategy and smooth the ups and the downs.

Nigel Coe: Okay. I'm going to shock you. I do want to what data center analyst. So touch on data center a little bit. Before that, residential is a real hot topic. Maybe just give us a little bit of color in terms of what you see in real time, because 1Q was very encouraging. Still very early days in the season. But just give us a little bit of color in terms of the conversations with your contractors and distribution partners, and do you lean more optimistic or pessimistic based on what you've seen so far?

Donald Simmons: Look, we lean more optimistic, especially with what we saw in the first quarter. We expected the first quarter to be much lower than what we came in. We were down low-single digits. But if you think about that in terms of a year-over-year compare from last year, that's actually a significant improvement if you look at it on a two-year basis. And so last year we had a lot of challenges in the first half of the year and we had really three major factors. We had a refrigerant transition that was a challenge, we had shortage in like canisters, and part of that process that really impacted the market in the second quarter of last year, and we had really weather delays, which were kind of a shorter season last year, which was also an impact. And that — and we had at least maybe one, maybe even two pre-buys as the way we talk about it last year, one associated with refrigerant, the other associated with the pricing associated with that change as well as the tariff impact. So there were multiple dynamics that hurt last year that makes this year, at least seeing what we saw in the first quarter as a positive trend, and that's why we did raise our overall guide for the residential market. Now, we're saying flattish for the year.

That gets a lot easier in the second half of the year for us, just from a compare standpoint, because the second half of last year was very challenging for the overall market, based on the inventory build. We do feel like the inventory has normalized in terms of our channel and what that looks like. And so overall, we're optimistic in terms of the market.

Christopher J. Kuehn: It was an aggressive plan in the fourth quarter to take production days out that Donny and his team said, let's go ahead and kind of "take that medicine here as soon as we could." So we took about a third of the production days out in the fourth quarter. We felt at the end of 2025, inventory in the channel was at a good level. We reaffirmed that — on that at the end of the first quarter. And to Donny's point on the flattish guide for the year, implies volumes will still be a bit negative. There'll be some positive price. But again, first quarter is maybe the least important quarter of the year in terms of residential. We know it's getting warm out there and we'll see how the year plays out.

Nigel Coe: Yeah, no question. But your guide doesn't seem down like low-single digit, midsingle digit volumes this year. Your take?

Christopher J. Kuehn: Yeah.

Nigel Coe: Flattish or thereabouts. It feels like — again, just extrapolating from the most insignificant quarter of the year, 1Q, does feel like we could be up modestly on volumes this year. Is that fair, Donny? Do you think we could be up on volumes?

Donald Simmons: I think we'll see. It's a little too early to tell. Through the first quarter, certainly that came in better than what we expected and we feel like we've guided appropriately for what we can see at this point in time.

Christopher J. Kuehn: If it is, we're ready, right? Donny's team has level loaded production this year, which is something different than what we would typically do. The industry typically ramps in the first quarter, second quarter, building inventory, being ready for the season. We've intentionally level loaded the factories. So what that means is first half, it's a little bit of a headwind. When you think about absorption in the factories, there's less absorption in the first half. That's a tailwind in the second half of the year. So in addition to the easier comps, based on what we saw in the industry in the second half of last year, there's also a tailwind coming through in terms of absorption, level-loading factories.

Nigel Coe: Was there anything in 1Q, though, Donny, that could have accounted for just a little bit better with shippers getting ahead of price increases or concerns around the impact of tariffs?...

Donald Simmons: I mean, we didn't see any pre-buy in the first quarter. We did announce a price increase in the first quarter for April, but we didn't see anything significant from that in terms of the change. So certainly, I don't feel like there's any dynamics there that would have caused anything to be different. I believe really what happened is that our impact that we took in the fourth quarter of last year, we've taken production days out, really getting aggressive on the inventory. We also changed our production strategy where we went into this year with a mindset of having a flat production for the full year, where in the past we would ramp up production, we would do a lot to kind of build inventory in the channel and then let that bleed off at the end of the year. This year, we approached it very differently and said, we're going to go in and be more productive. We're going to drive a flat production strategy and manage the inventory throughout that process. And I think that the benefits of that probably were — we just didn't take into account in the first quarter. Question — Nigel Coe: Yeah. That's great. Have you announced — I mean, maybe as of earnings call, you haven't announced a price increase for resi. Maybe just bring us up to speed in terms of that. And then — but I do want to talk about the fact that Trane, I think you called out, has one plant in Mexico...

Donald Simmons: Right.

Nigel Coe: ...out of the, what, 19 or so...

Donald Simmons: 20, yeah.

Nigel Coe: ...20. Very different footprint to some of your competitors. So just wondering how that competitive advantage in a world of tariffs Section 232 tariffs, how you monetize that advantage?

Donald Simmons: Yeah, certainly. So to answer your first part of your question, pricing, we announced up to a 5% price increase in April, which we announced in the first quarter and we expect to get 2% realized from that throughout the year. From a manufacturing strategy, we've always had an inregion, for region manufacturing strategy. And so certainly Mexico is part of the region, but our footprint is predominantly in the United States. And so, we have one factory in Mexico, we have 21 factories, and then growing in the United States. And so there certainly is a different impact when you think about Section 232 on our business. Our residential product, the majority of our residential product is manufactured in the US between Texas, Georgia and New Jersey. And so we're well positioned from that standpoint.

Nigel Coe: But I guess your competitors have to — are forced to go out with much more aggressive price increases. I think some of the competitors have gone out with high-single digit price increases, a plan to realize 5%. So it feels like there's a price divergence in the market, Trane at the low end, some of the competitors at the high end. Do you think that causes some elasticity and some share shifts this year?

Christopher J. Kuehn: Well, what I'll say is when Donny talked about the price increase in the first quarter, it was effective April 1. And we know that there's new intelligence that came out in terms of tariffs and inflation, and that's also inclusive of raw materials and base metals. So we'll run our business operating system and ultimately evaluate what those cost inputs are. And we'll evaluate first, how do we mitigate those costs?

Christopher J. Kuehn: Again, having the majority of our factory and assembly manufacturing operations in the US. We'll continue to keep moving that in-region, for-region strategy for suppliers, but then we'll look at pricing as an option if we need to. So we don't want to get in front of our businesses in terms of anything they may be doing. I'm aware that some competitors have announced maybe some price increases more recently, but at this point, we're going to run it through our business operating system, see what we can do to mitigate, and then we'll evaluate anything further.

Nigel Coe: Let's move on to data center. And I'd be really curious, first of all, before we get into the kind of any views on pipelines, et cetera, how is Trane's strategy evolving? Because I think at the very basic level, the view is that Trane and your competitors have shipped chillers into the data center, but you've made some pretty smart acquisitions, Stellar, could be a Stellar acquisition.

Donald Simmons: Exactly. Yeah.

Christopher J. Kuehn: Very excited. Yeah.

Nigel Coe: How does that — what are the kind of the Lego pieces you're building here to put together a more integrated offering?

Donald Simmons: And so I'll start with we always approach our customers from a system perspective. And so, we're working with our customers on the system and how to make that system more efficient. And so the innovation pipeline that we have in the data center space is rapidly growing and it's rapidly changing. So where typically we would have a new product that would launch, say, historically in a two to three-year timeframe, we're now doing that in 12 months. So we're working on concepts with our customers and then developing those. And then when you look at how we've grown the portfolio when we've moved kind of downstream into the Stellar acquisition, think about modular chiller plants where we're, it's part of the system, but we're also able to make our customers more efficient because of labor constraints. We're able to produce a better product for them in terms of a modular chiller plant that has production quality in a factory as opposed to stick built in the field. So that adds productivity to our customers. It and helps them with the challenges that they have from a — from an overall supply chain standpoint.

Donald Simmons: And then you look further downstream and LiquidStack and the capability for us to enhance our capabilities from a total system standpoint when you get into liquid cooling and the expertise that we acquired when we acquired LiquidStack, we're really proud of. And a very robust innovation pipeline there that continues to help make sure that we're positioned well to have that system conversation with our customers.

Nigel Coe: So we met with your team at the recent conference in DC, and one of the things that they were highlighting was the reference designs that you have...

Donald Simmons: Yeah.

Nigel Coe: ... factories. How important is that in terms of driving share?

Donald Simmons: Look, it's an extremely important aspect of our business is to make sure that we're working on those reference designs. And we're not the only ones creating reference designs, right, but it is extremely important because it gives a roadmap point of view in terms of what that — the design of that factory should be. And it gives a third-party validation of what that should look like. And so it's not just Trane saying here's a reference design, it's — in that case, it's NVIDIA as well, saying this is the appropriate design for this system.

Nigel Coe: Do you find that customers are coming to you still very much on a product basis? So chiller, CRAH, CDU separate or...

Donald Simmons: No.

Nigel Coe: ... the system approach?

Donald Simmons: No. It's a system approach and that's really what these reference designs are all about is to make sure we're approaching it from a system point of view so that we can drive efficiency in the total system. And we're not having individual conversations; we're talking about the complete system. It doesn't mean that we don't have customers that only buy chillers or only buy CRAH. Certainly, we have that. But predominantly, when you're looking at our approach to the market, our approach is that system approach.

Christopher J. Kuehn: What they're also talking about is the ability not only to build out the product and the timeframe that they want, but also tell us about your commissioning capabilities, tell us about your service capabilities after the product's installed. And so, we've made some significant investments within our service fleet, which we had for years. And our service technicians, we have about 7,000 globally and 4,500 in the Americas where they are direct serving really the applied markets, and one of the verticals being data centers. We just opened up a new service technician training center in Davidson, North Carolina. It's a state-ofthe-art service technician training center. And we've actually brought customers through it who are concerned about commissioning in the field, given the labor shortages. And they've come back and said, we're comfortable, Trane, that you've got the right technology or the right people. They think about the order even more broadly than just the equipment, the readiness for commissioning. And we've been able to show that we've got, I think, the best people on the street for that.

Nigel Coe: Yeah. Okay.. Maybe just remind us, Donny, on the deal map for Stellar. I mean, what is it coming in at in terms of revenues and a margin profile and where do you see that? Because I think the backlog was quite high.

Donald Simmons: Yeah, we brought in $1 billion of backlog with the business. Think about that as this year, we're going to have $500 million in revenue from that business. And eventually we see that business getting to a mid-teens EBITDA level. So we're very positive in terms of what that brings us overall.

Christopher J. Kuehn: Yeah, for this year with the $500 million, we said it's going to be marginally, modestly accretive on the bottom line. And the reason being because of all the investments we need to put in...

Donald Simmons: Yeah.

Christopher J. Kuehn: ...to scale it from a revenue business last year in 2025, was about a $350 million revenue business to even $500 million this year, that's a scale. And to Donny's point, we see this in two to three years being a $1 billion revenue business, mid-teens plus EBITDA. So scaling it to that regard not only means let's look at the current production facilities in Florida, but we're adding another production facility in Texas. It's kind of one of the reasons why we raised our CapEx guide from 1% to 2% to 2% to 3% of revenue for this year. Still very modest at the end of the day for investments. But that's where we are going to bring that business operating system to scale. And think about procurement, think about how to run lines. Donny has been doing this for years in terms of running businesses and understanding how to bring that business operating system in. At the same time, learn from what those teams have done well, procurement opportunities, how do we run lines at the space that we need to and then set up a brand new factory running the way that we need. That's going to be a really nice opportunity for us. But think of that investment this year, probably carrying over a bit into first part of next year to make sure that we've got the capacity we need to grow the business.

Donald Simmons: What's really exciting about that business for me as an operator in the business, like think about a modular chiller plant. It's like three times the size of this room from a footprint standpoint. Okay? One section is — think about that as three sections. One section is your chiller plant, one section is your electrical and one section is your mechanical, so piping. So you're making those in a production environment. In the field, those would typically be stick build. You'd build it up from the ground up. We're making in a production environment, flowing those through a factory in three sections and then putting together at the end and then fielding and then just modulate, connecting them in the — when we actually install them in the field. So it's a transformational change in the industry. We're the only ones that have factories that are flowing product like this down the factory floor, and we're starting another factory right now in Texas. So we'll have two very large factories producing these modular chiller plants. And what's exciting about that is beyond data center. Data center is one aspect, but we have chiller plants that are constructed for every vertical market you can think of. And we now have that capability to provide that same value to those customers in the other markets, the other vertical markets we talk about, healthcare, K through 12, office. I mean, any one of these verticals, industrial, we can apply that same capability to serve those markets as well.

Nigel Coe: So any questions from the audience? So please put your hand? No. We'll continue. So I guess the only problem you have in Commercial is the comps keep getting tougher, yet you keep on comping the comp. So the treadmill gets faster, you keep on running faster.

Donald Simmons: That's one way to look at it.

Nigel Coe: Yeah. Confidence in continuing to show double-digit order growth? I'm not talking about...

Donald Simmons: Look, we're...

Nigel Coe: ...quarter-by-quarter. I'm talking about just generally speaking, just comping that comp.

Donald Simmons: Look, I think for us, certainly the second half comps become more challenging for us, but we're really happy and excited about the pipeline of opportunities that we have. So there's no deterioration in our pipeline. And so we don't guide on our what we would expect from an order rate standpoint and the second half comps will be more challenging, but like I said, the pipeline is strong. So we have a lot of positive coming.

Christopher J. Kuehn: And we'll remind investors, the growth rates are important, look at absolute dollars as well, and then look at the revenue growth rates and tie them all out together. And again, we think about it going into each and every year, top quartile, top line growth, top quartile EPS growth, and then driving 100% of cash flow to operating earnings to net income. And keep with that philosophy, I think we'll be in good shape. That's how we see 2026 playing out.

Nigel Coe: So maybe not triple digit growth anymore, but very healthy double digits. Okay. But would you be surprised if — I mean, the question we get is at some point, do we start to consume backlog? It doesn't seem like that's on the cards, but just maybe I'm curious.

Christopher J. Kuehn: Yeah, I mean, let's see how it plays out. I mean, we've added, again as I said earlier, about $3 billion of backlog in the first quarter. We typically had a few $100 million. And again, two-thirds of that was organic and a third of that was from acquisition. But to Donny's point, the pipelines remain robust. On the data center side, those orders can be uneven in terms of size. We said in the first quarter we had roughly the same number of those larger orders, over $100 million, a couple of those in the first quarter, just like we did in the fourth quarter. So it can be uneven and with the timing of that, but what it does, it gives us a lot of visibility. And from that, we can make investments and have a lot of confidence in terms of we need to be ready for from customers. But just a reminder on the data center side, when you think about our direct salesforce, which is a common model we have in the Americas and in Europe and in Asia for Commercial HVAC, over 95% of our account managers do not call on data center customers. They call on the 13 other verticals that we serve that are largely served from applied and also unitary product. But it's a small group of folks that call on data center customers, the hyperscalers, the colos. It's, I don't know, 30, 40 customers, plus or minus off of that. And so think about our direct salesforce. After three years, they are commissioned sales agents for the company, direct to the company, they're calling on all those other verticals.

Christopher J. Kuehn: And I'll tell you, Donny spends a lot of time with our salesforce; me, less so, although the last two weeks I've been in the New York office and I've been in the Florida office, the West Palm Office with our direct salesforce. And I couldn't be more excited about the pipelines that they see around education, higher ed, hospitals and infrastructure that just needs to be upgraded. They're focused on that each and every day. So while data centers will be strong and we will — we've been strong in data centers for decades, we're also making sure that we're cultivating and growing in all the other verticals that are out there that can serve our products.

Nigel Coe: And the driver of those pipelines in those areas, because we don't see that strength really in the PIP data necessarily. Is it de-comp electrification? What are the drivers of that strength?

Donald Simmons: I mean, I think those are certainly components to it. I mean, the driver for us is a system view and how do we help save our customers' money? And we often talk about the fact that 30% of energy use in a building is wasted after the meter, so the buildings are operating inefficiently. So for us, focusing on that with our customers and how we can create a payback for them to reduce their overall operating costs is what drives the pipeline that we have.

Nigel Coe: Any leaky buckets in those 13 verticals?

Donald Simmons: Yeah, there are some leaky buckets. I mean they're spotty. I mean, you think about life sciences. K through 12 is slower, but really think about that in the context of the past few years where there was a lot of momentum and growth in K through 12. So we do see lodging is a bit slow as well. But overall, there's a lot of strength. We see strength in healthcare, we see strength in retail, we see strength in office. There's a lot of strength.

Christopher J. Kuehn: The government was strong...

Donald Simmons: Government.

Christopher J. Kuehn: ...in the first quarter.

Nigel Coe: Yeah. A question in the audience here. Can we get the mic please? Thank you.

Unidentified speaker: Thank you. You talked about the advantages you get from the Stellar acquisition. Could you also just spend a minute talking about the advantages of the LiquidStack acquisition, please?

Donald Simmons: Certainly. So LiquidStack gives us advantages in terms of our ability to participate in the liquid cooling aspects of the market and the expertise that we get from that team that was part of the acquisition and the innovation pipeline that they have that will enable us to just continue to advance our full capabilities in the system design for our customers.

Nigel Coe: Great. And then maybe my final question would be on transportation.

Donald Simmons: Yeah.

Nigel Coe: We're seeing a lot of momentum in freight rates. Seems like there could be a pretty powerful cycle forming there. Any views on that and...

Donald Simmons: Yeah.

Nigel Coe: ...are we seeing any evidence of that cycle forming?

Donald Simmons: Yeah. So, look, we've talked about the fact that the second half of the year we expect to see growth in the transport markets. All the underlying factors are going in the right direction. Spot rates are increasing, fleet utilization is increasing. Fuel prices actually help this market overall. So we certainly are excited about the fact that we've been in a four-year downturn of an 18- month downturn, like we're in year four when we talked about it last year. But we're even more confident now that we see that finally coming back.

Christopher J. Kuehn: Fleets are at their oldest they've ever been in 30, 40 years. So at some point that's where the excitement is. So I think we're aligned with the external data, where they think our production will be and we're aligned that there'll be growth in 2027. Maybe not to the same scale of growth that some of them are calling, but there's going to be growth in 2027, and let's see how this year plays out. But we're excited to have that part of the portfolio, the residential portfolio in the second half of the year growing and then to the continued growth in the Commercial HVAC portfolio. The exit rates in 2026 should be much stronger going into 2027.

Donald Simmons: Right. And I think on transport too, the last thing is we just have to be cautious. Like it'll take some time for the supply chain to be able to ramp up and meet the demand in the market, specifically trailers, like we said. So the trailer manufacturers' ability to ramp up and meet that requirement will impact how fast that — how steep that climb is as well.

Nigel Coe: Okay. Great. Well, thanks, Donny. Thanks, Chris. Great discussion, and thanks again for being here.

Donald Simmons: Yeah, thank you. Thanks, Nigel. Appreciate it. Thank you. Yeah. Thank you. Thanks, Nigel.