

CBIZ, Inc.(Q2 2025 Earnings)

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Corporate Speakers:

- Lori Novickis; CBIZ, Inc.; Director of Corporate Relations
- Jerry Grisko; CBIZ, Inc.; President and Chief Executive Officer
- Brad Lakhia; CBIZ, Inc.; Chief Financial Officer

Participants:

- Andrew Nicholas; William Blair; Analyst
- Christopher Moore; CJS Securities; Analyst
- Marc Riddick; Sidoti; Analyst

PRESENTATION

Operator^ Good day. And welcome to the CBIZ Second Quarter 2025 Results Conference Call. (Operator Instructions) Please note this even is being recorded. I would like -- I would now like to turn the conference over to Lori Novickis, Director of Corporate Relations. Please go ahead.

Lori Novickis^ Good afternoon, everyone. And thank you for joining us for today's conference call to discuss CBIZ's second quarter and first half 2025 results.

As a reminder, this call is being webcast and a link to the live webcast, along with today's press release and investor presentation can be found on the Investor Relations page of our website, cbiz.com. An archived replay and transcript will also be made available following the call.

Before we begin we would like to remind you that during the call management may discuss certain non-GAAP financial measures. Reconciliations of these measures can be found in the financial tables of today's press release and investor presentation.

Today's call may also include forward-looking statements regarding our business, financial condition, results of operations, cash flows, strategies and prospects. Forward-looking statements represent only our expectations, estimates, and projections as of this date of this call and are not intended to give any assurance of future results.

Because forward-looking statements relate to matters that have not yet occurred, these statements are inherently subject to risks and uncertainties. Many factors could cause future results to differ materially and CBIZ's assumes no obligation to update these statements except as required by law. A more detailed description of such factors can be found in today's press release and in our financial filings with the Securities and Exchange Commission.

Joining us for today's call are Jerry Grisko, President and Chief Executive Officer; and Brad Lakhia, Chief Financial Officer. I will now turn the call over to Jerry Grisko for his opening remarks. Jerry?

Jerry Grisko^ Thank you, Lori. And good afternoon, everyone. I'm pleased to report that our second quarter results reflect the resiliency of our core and recurring essential business, though the current economic climate continued to impact our more market-sensitive areas.

Today, in addition to talking about the second quarter and first half results, I'll address the proactive measures we are taking to drive revenue and control expenses in response to these market conditions.

And I will also discuss why we think the Marcum acquisition is one of the most important and value-creating strategic decisions in our history. I'll provide an update on integration and our continued excitement about the strength of our combined team and the opportunities ahead for accelerated growth and profitability.

Year-to-date, organic revenue for our core services within our Benefits and Insurance segment and our core accounting attest services grew by low single digits, and our national practice segment grew by 13%.

Likewise, year-to-date adjusted EBITDA more than doubled compared to last year, reflecting both the strength of our business model as well as the accretive nature of the Marcum acquisition. The second quarter business climate was largely unchanged from the first quarter, with continued uncertainty around tariffs, geopolitical unrest and government funding cuts.

Our middle market clients rely on us for essential services like our accounting, tax, benefits and insurance in all economic environments, but they often wait for more stable conditions before investing in discretionary project-based services. The first half of 2025 has been anything but stable and certain.

Our second quarter sentiment analysis with responses from nearly 1,400 clients and client-facing professionals substantiated these trends. Nearly 60% expressed a neutral outlook, citing higher operational costs, mixed economic forecasts and challenging tariff and trade policies as top concerns.

As a result, overall revenue for the nonrecurring project-based portions of our business, when excluding our SEC-related practice, is down low single digits year-over-year.

Industry reports and discussions indicate that growth in these areas has been particularly challenging for our competitors as well this year. For the first time in years, we're also seeing pressure on rate increases.

Over the past several years, we've achieved net rate increase in the mid- to high single digits. And for the first six months, we billed clients accordingly. However, in Q2, we saw increased client pushback aligning with our survey data that clients are prioritizing cost controls.

Year-to-date, our rate increases averaged about 4%, which is 200 to 300 basis points below our expectations going into the year and is expected to create a headwind of about \$75 million for the full year. Given the current and anticipated economic client, we've accelerated several significant revenue and cost control initiatives.

On revenue, each of our nearly 1,000 managing directors has been tasked with identifying new target clients, scheduling meetings to introduce our expanded services, conducting stewardship meetings with top clients and participating in industry groups charged with pursuing top opportunities.

On the cost side, we've expedited a number of integration-related decisions including workforce integration. With nearly 450 fewer full-time equivalent employees in our core businesses compared to last year, we're seeing enhanced team utilization and improved compensation expenses.

Looking ahead, we expect continued steady demand for our core recurring essential businesses to provide line of sight to the lower end of our revenue guidance, even as nonrecurring services face ongoing headwinds.

We believe our revenue and cost initiatives will partially offset these pressures and support the achievement of our adjusted EBITDA and EPS guidance. Let me reiterate the strategic rationale for the Marcum transaction.

We're even more excited about the strength of the team that joined us, the client fit and the opportunities for growth and profitability, neither firm could have achieved on their own. Marcum's business closely resembles CBIZ's legacy core accounting and tax business. They serve middle market clients, maintain deep client relationships, achieve high retention rates and generate strong -- strong cash flow.

They also share a successful track record of organic and inorganic growth and bring operational excellence and complementary capabilities in technology, industry practices and offshore. Marcum also strengthened our presence in key U.S. markets like New York, where we are now the largest accounting service provider outside the Big four as well as in New England, the Mid-Atlantic, South Florida and Southern California.

The acquisition expanded our client base and opened new cross-serving opportunities to deliver an even broader array of services and depth of expertise to our combined clients.

Our increased size and scale as the largest professional service adviser of our kind to middle market clients including as the nation's seventh largest accounting firm, strengthens our position as an employer of choice for exceptional talent, allows us to

pursue larger and more complex client engagement, enhancing our ability to reach total addressable market that extends to roughly 200,000 middle-market U.S. businesses that collectively generate over \$10 trillion in annual revenue and employ approximately 48 million people, and it supports substantial investments in critical areas including AI and other advanced technologies, offshoring, automation and branding, all while leveraging our collective infrastructure to expand margins and enhance profitability.

On integration, as previously shared, we delayed client-facing changes during busy season, instead focusing on back-office opportunities. That work is now in full swing and on schedule. Early results are positive, and when we have faced challenges, we've acted quickly with our primary focus being supporting our team and our clients. With that, I'll turn it over to Brad for some details.

Brad Lakhia^ Thank you, Jerry. And good afternoon, everyone. With two full quarters of the Marcum acquisition now reflected in our results, we're seeing the benefits of being stronger together.

Our results reflect the benefits of greater scale, the resiliency of our business model, and the advantage of our unique breadth and depth of services, all of which is delivered by our exceptionally talented team.

On a consolidated basis, second quarter revenue was \$684 million, and first half revenue was \$1.5 billion, a 63% and 66% increase, respectively, largely driven by the acquisition.

For the quarter, adjusted EBITDA increased by 128% or \$66 million and more than doubled to \$356 million in the first half. Adjusted EBITDA margin was 17% in the quarter, and 23% year-to-date, an increase of nearly 500 basis points versus last year.

Lower incentive compensation expense in the quarter and year-to-date contributed to approximately 400 and 300 basis points of margin improvement, respectively. In addition, in the face of uncertainty, we remain disciplined managing other discretionary spending.

So normalizing for lower incentive compensation and discretionary expense items, we believe margin expansion was fairly consistent with our historical performance as we begin to realize the benefits of greater scale and the accretive attributes of the acquisition.

Our annual target of 20 to 50 basis points of margin improvement remains intact. Second quarter adjusted diluted earnings per share increased by 64% to \$0.95 per share. And first half adjusted diluted earnings per share increased by 47% to \$3.26 per share.

Second quarter interest expense was higher by \$22 million compared to last year and \$43 million higher year-to-date driven by higher outstanding debt associated with the acquisition.

Second quarter tax expense was \$7 million higher than last year, primarily due to the \$30 million increase in pretax income.

Our effective tax rate for the second quarter was lower by approximately 240 basis points compared to last year due to lower nondeductible expenses and lower state income tax expense.

First half tax expense was \$30 million higher than last year due to an increase of approximately \$100 million in pretax income. Our first half effective tax rate was approximately 170 basis points higher primarily due to lower tax benefits related to stock-based compensation.

Turning to our Financial Services segment. Second quarter revenue was \$570 million, up \$261 million or approximately 84%. Financial Services adjusted EBITDA more than doubled to \$111 million, a margin of 20%, 250 basis points higher than last year.

As expected, revenue growth was primarily driven by the acquisition. And as Jerry highlighted, we continue to see meaningful growth in the Financial Services core accounting and tax service lines, which served to mitigate headwinds in our SEC business and the relatively flat performance in our advisory business.

In addition, year-to-date, the Financial Services segment has realized rate increases in the mid-single digits which is approximately 200 to 300 basis points lower than what we expected coming into the year and also approximately 200 to 300 basis points lower than what we've realized over the past several years.

Our Benefits and Insurance, or B&I segment, delivered revenue of \$102 million in the second quarter, up nearly \$5 million or approximately 5% compared to last year. B&I adjusted EBITDA was \$20 million, up \$3 million or 21%. B&I adjusted EBITDA margin for the quarter was 20%, up 260 basis points compared to last year.

The revenue and profitability improvements in B&I were driven by nearly all service lines. And the team is engaging aggressively to pursue a strong pipeline of cross-serving opportunities, including those related to the acquisition. Turning to capital allocation and the balance sheet. Our longer-term capital allocation priorities remain unchanged.

We will prioritize allocating free cash flow to fund high return, organic and inorganic growth investments while opportunistically returning capital to shareholders. However, as we've discussed, our near-term priority remains focused on de-levering to 2.5x or below on a 2026 exit rate basis.

In addition, over the near term, we will maintain a financially disciplined and prudent approach to minimizing the impact of the acquisition-related shares. And as an acquirer of choice, we will continue to pursue appropriate strategic opportunities. Therefore, our path to de-levering may not be linear.

However, the strength of our business model and our ability to generate meaningful free cash flow provide us confidence we can invest and achieve our target leverage simultaneously.

Our net debt ended the quarter at approximately \$1.6 billion, representing 3.7x leverage or 0.2 lower than the end of the first quarter.

We ended the quarter with approximately \$400 million of available liquidity under the revolver. In the second quarter, we repurchased approximately 1 million shares at a value of approximately \$71 million.

As I mentioned on our first quarter call on May 1, nearly 4.4 million shares became eligible for sale by our legacy Marcum partners, and we retain a contractual first right to purchase these shares.

Therefore, our second quarter repurchase activity reflects decisions we exercised under the contractual rate and also reflects our commitment to the prudent financially disciplined principles I mentioned earlier. Normalizing for the \$71 million in share repurchases, our leverage would have ended approximately -- at approximately 3.5x, which is slightly better than our expectations.

Turning to guidance. We are maintaining our revenue and earnings guidance. As Jerry discussed, we now expect the market conditions experienced in the first half to persist for the remainder of the year and therefore, anticipate our revenue for the year to be at the low end of our guidance of \$2.8 billion to \$2.95 billion.

This compares to 2024 pro forma revenue of \$2.79 billion reported in our 2024 10-K, which, for our internal purposes, we adjust downward by approximately \$75 million for the items that we have previously described as known items, which include acquisition-related client conflicts, declines in the SEC related business including SPAC related revenue and the impact of business divestitures. Our guidance and modeling support is included on Page 21 of our investor presentation.

Please note on Page Nine, we have updated our estimated recurring and nonrecurring revenue mix to now include our SEC practice in nonrecurring, given its market-dependent attributes. We now estimate a recurring and nonrecurring mix of 72% and 28%, respectively.

Finally, on Page 20, we have included some new analysis summarizing the value of the cash tax benefit associated with the acquisition-related goodwill amortization. With that, I'll turn the call over to the operator for questions.

QUESTIONS AND ANSWERS

Operator^ (Operator Instructions) Our first question comes from Andrew Nicholas of William Blair.

Andrew Nicholas^ Hi. Good afternoon. Thanks for taking my question. First, I wanted to talk on the advisory business. Obviously it was part of the reason for the guide down last quarter. It sounds like things haven't really changed a whole lot.

But if you could speak a little bit more to kind of what you saw throughout the quarter, did May and June look any better than April? And then tied to that, when you talk about being at the low end of the guidance is the assumption embedded in there that there is no improvement from here? I just want to make sure that's clear.

Jerry Grisko^ Yes, Andrew. Thank you. It's Jerry. Let me answer the second part of that question first, which is the guidance for the rest of the year suggests that the second half will look much like the first half. And you're right, the first half, while we're very pleased with relatively flat performance within that business kind of coming off of high watermarks in '24 and in the years before that. So we're really happy to be able to maintain that.

In this environment, as you continue to see across the middle market, clients are really kind of sitting on the sideline and in many times, in many instances, just waiting for more stability before they move forward with anything that's discretionary.

So all the headlines say that our competitors continue to experience that anecdotally when we speak with them, and that's what we're seeing too.

But all in all, pleased again that we're able to maintain at least the level of performance that we've seen over the past couple of years. It's just been hard to grow on top of that in this environment.

Brad Lakhia^ Andrew, just to add to that, I think you might recall when we discussed Q1 results and we updated the guidance.

We -- I think we spoke of them as somewhat unknown things or unknown items that occurred or that came our way in Q1 that we really fully didn't expect, and we quantified that as around \$20 million. And I believe I kind of reflected that the low end of the guidance at that point in time in part was established, assuming that, that Q1 run rate of \$21 million would persist for the rest of the year. So it just supports what Jerry says, it's reflected in our remarks.

Andrew Nicholas^ Got it. Thank you. Next question I have is just on the pricing commentary. I guess multipart question again, if you don't mind.

I guess, is there a particular part of the business where that pushed back on pricing is more pronounced. Do you have any sense of or opinion as to how much of that is cyclical versus maybe having reached some sort of structural limit?

And lastly, does it change your optimism or maybe you could speak to your optimism on potential pricing improvements in the Marcum business.

Jerry Grisko^ Yes. Those are all great questions. So let me address the structural change first. I don't think we've reached the limits of what we're going to be able to do in pricing. I think what we've experienced year-to-date is really market-driven.

As I stated in the comments, we were really pleased over the past several years to really be able to see kind of high single-digit rate increases year-over-year-over-year. And we continue to push for those things.

We went into this year expecting that we'd see similar pricing. It wasn't until we set those bills in and started to receive kind of comments back and push back from the clients that we made the realization adjustments.

But even at a 4% price increase or kind of mid-single digits, low to mid-single digits in this environment, we're pleased that we're able to get that. And again, it's a testament to the value that we bring to the client relationship. So that's what we're seeing.

I think when the market improves, we will be able to resume the same levels of pricing that we've historically seen. The other opportunity and the one that you raised is that our pricing discipline, the tools that we have, the reporting we have, the training that we put around it really is not reflected in the market numbers.

And so we're just beginning that today. Now with that said, historically, they've just been intuitively good at it. Their pricing has historically reflected very similar trends to ours as far as we can see.

But we think that they'll be able to do even better when we bring the reporting, the tools and training the methodology to it. So I think very bullish looking forward, what we're seeing in the first six months is just a reflection of market conditions.

Andrew Nicholas^ Makes sense. And then maybe my last question for me is just sounds like you're pulling back on some spending to manage the bottom line, which is obviously a great part of the model. Just wondering how much of that could be attributed to Marcum synergies? Or are those \$25 million plus or more still mostly a '26, '27 event? Thank you.

Brad Lakhia^ Yes, Andrew, I'll take that question. So I think I'll say a couple of things. I'll just reiterate what I said in my remarks.

The -- if you look at our margin, our EBITDA margins that we reported, I commented on the fact that about 400, let's call it, 400 for a year-to-date and about 300 basis points in the quarter of that year-over-year margin improvement is driven by kind of the management of incentive compensation as well as other discretionary items. Most of that is incentive compensation just to give you a little bit more insight into that.

The discretionary items as we're bringing these organizations together, it becomes a little bit more difficult to kind of narrow in on where we're going to land with those ultimately.

But Jerry did mention, we're operating with nearly 450 folks on a combined basis, lower year-over-year. So as a result of that, the non-personnel-related costs that come with that, we expect to be able to continue to capture the benefits of that.

On the synergy part of your question, I will just say we're not in a position where we're ready to update our outlook on synergies, but we are gaining more and more line of sight to not only the '25, but really clearly surpassing that. And when the time is right, we look forward to providing you and the others in our investment community an update on that.

But we're very confident in terms of where we're at with '25 and we're realizing those sooner than 2026 at this point. So that's helping us mitigate some of the headwinds we're seeing in our business as well.

Operator^ The next question comes from Christopher Moore of CJS Securities.

Christopher Moore^ Hey good afternoon guys and thanks for taking a couple. So maybe we talk about the integration costs. I know that you're targeting \$75 million for the year. I think first half was 34.8 or something like that. Just trying to understand the bigger buckets or certain pieces of this done already. Or just any more granularity you could give on those costs would be helpful.

Brad Lakhia^ Yes. So we will -- I would say, Chris, just to say what you said, we still have in our outlook or in our guidance reflected the \$75 million on a full year basis. So we remain confident that we'll be at that or below.

In terms of year-to-date, the nature of most of what you -- what we are reflecting in integration expenses is really twofold. There's really the bringing together of the organization and kind of the people-related costs that come with that.

And then the second piece would largely be adviser-related costs that we experienced, largely more in the first part of the year or the first quarter of the year. So that's really the two broader buckets of what's coming through there.

Christopher Moore^ Got it. And are there additional integration costs likely for '26?

Brad Lakhia^ Yes. There will be. We'll continue to expect further integration costs next year. We'll give you when the time is right as we roll out guidance for 2026, we'll give you an update on that. But at this point in time we would estimate them to be about the same levels as what we're experiencing this year.

In other words, the \$75 million. I can give you more context on that as we're ready to kind of cross that bridge. But that's our guidance. And I think that's pretty consistent with what we laid out when we published the proxy and announced the transaction.

Christopher Moore^ Got it. I appreciate that. In terms of just a little granularity, maybe on free cash flow for '25. Can you give a sense as to -- I know you're talking about trying to get to 2.5x leverage by the end of '26. Just not sure if it's pretty smooth between '25 and '26, if it's back half loaded, just -- any thoughts on free cash flow?

Brad Lakhia^ Yes. I mean Chris, as you know our business model, we have a pretty notable use of working capital, particularly in the first quarter, the first -- really the first four months of the year. Two drivers of that. One, we end up paying incentive compensation in the first quarter. That can be pretty lumpy, in most years.

So there's that. And then as we get into busy season, obviously we're accumulating pretty significant work in process and accounts receivable. And then we collect on that really the balance of the year.

We have a little bit of a second busy season, call it in Q3, but that really isn't as notable as what we experienced in Q1. So I would say, overall, the profile of our cash flows that you've seen and have been accustomed to under legacy CBIZ would be similar going forward.

Obviously you need -- what you have, you have updated for the higher levels of interest expense and then the update in terms of our effective tax rate and what we expect there as well as cash taxes. So those would be the updates versus our historical.

Christopher Moore^ Got it. Maybe just the last one for me, a little more qualitative. I mean you closed the Marcum deal, I don't know eight or nine months ago. Biggest surprises, positive or negative, to this point.

Jerry Grisko^ Yes. Chris, it's funny. We talk a lot about this internally. I would say, without question, the most pleasant surprise we have is the quality of the team, just exceptionally talented people, exceptionally talented leadership, great clients, great collaboration. Really, you bring two organizations together, and you never know how well those teams are going to fit together.

But to a person, we form these industry groups. We brought people from both organizations together to lead them and to take them forward. And all of that has been really much better than expected.

We always have bumps along the way, some friction in some of our processes and how they translate into client experiences or team member experiences, we've been quick to identify those and get on those and knock those things down. And I think that's also been very positive and very well received by the team.

So all in all, very good. But listen, we're not taking anything for granted. We're out in these markets all the time making sure that we understand how this is translating into the team member experience and the client experience. We're really pleased to date, but we're going to stay at it.

Operator^ (Operator Instructions) Our next question comes from Marc Riddick of Sidoti.

Marc Riddick^ Hi. Good evening. I wonder if you could talk a little bit about another quarter in now on the integration. I was wondering if you'd talk a little bit about additional learnings or maybe some of the things that you may have picked up as far as client feedback on the transaction, maybe what you're hearing from them that might be separate from the macro type situation, but maybe you could sort of give a bit of an update as to what you're learning from them and what their feedback on the transaction has been?

Jerry Grisko^ Yes. Let me start here, Marc. As we said, we really did very little to really impact client as best we could, client experience kind of through the busy season. We wanted that -- our teams to be unencumbered. We wanted our clients to have an exceptional experience.

So we really tried as best we can not to do anything that would really impact the client relationship. We're just early stages now. If you figure -- you start on that May 1, we're pretty early stages.

But all in all, I think we're off to a really good start. I think you could look at our business in the advisory side and say all is going very well, the tax side all going very well. On the attest side, that was kind of the reference I had before.

We took a couple of steps that early on, just well intended, but some of the processes we had in place caused some kind of friction in the client intake and client acceptance procedure, some methodology things. We course corrected all of that.

In fact, we've completely restructured along with our partners on the CBIZ CPA side, the way that we operate that business and our focus on really the experience, the team member experience and the client experience.

So I think we're in really good shape there, but you learn a lot along the way, and we continue to adjust as we hear those things.

Marc Riddick^ Great. And then I was wondering if you could shift a little bit back to the commentary around the discretionary spend trends and sort of what folks are holding back on around the headlines and the like.

So I wondering if you could talk a little bit about maybe some of the pockets there that are most notable.

I mean I would imagine some of the M&A-related type discretionary work might be part of that, but maybe you could share some of the thoughts on what you're seeing there that's maybe most notable.

Jerry Grisko^ Yes. I'm going to put it into two -- kind of two distinct buckets, right? Let's talk about the work that you're talking about, which is M&A related.

As you know the profile of CBIZ really today is no different than it was historically in that we have a very high-value outstanding service line with our -- with anything that's M&A related or TAS work and all the related work around that. Marcum brought a similar practice into us.

So very complementary that way. But the reality is that when there's a lot of activity in that space, we do more. And when the market is -- as we've seen it over the prior six months, there's just less activity there.

Our team has done an outstanding job of creating work. What we're seeing in that work is that the transaction sizes are smaller, but there's more volume of them, right?

So that's really what we're seeing. Like I said in my comments, we're really pleased to be holding at the size and with the baseline that we came into 2025, but it's really hard to grow on top of that exceptional kind of baseline in this environment with these market conditions. So pleased with what we're doing.

And listen, well positioned so that when the market begins to improve, we've got the team, and we've got the service lines to be able to continue to grow beyond this, but pleased with what we're seeing so far but not seeing as much growth as a result of market conditions.

I said two buckets. The other bucket is really the SEC attest-related practice that Marcum brought to us. That's an outstanding value proposition to CBIZ and to our clients and to the market.

But that, too, is also very market condition related, right? So when market conditions are favorable, they are one of the go-to firms for that type of work, but it is more transactional than we expected it to be. And we just haven't seen a lot of IPOs.

We haven't seen a lot of debt issuances. We haven't seen a lot of the type of work that we do to support our clients that are in need of those things, and again, market conditions.

So a great practice, one that we're committed to, one that we think brings high value to the market, high value to our clients. But compared to certainly, its peak, which was kind of mid-2023, that business is down pretty substantially.

Operator^ This concludes our question and answer session. I would like to turn the conference back over to Mr. Jerry Grisko for any closing remarks.

Jerry Grisko^ Thank you. I want to wrap up today with a couple of key takeaways. Despite the unfavorable market conditions through the first six months that have impacted portions of our business, we're very pleased to continue to deliver strong earnings in the second quarter and year-to-date, which is a testament to the strength of our business model.

As we continue to demonstrate with a higher proportion of essential recurring services, high client retention rates, strong cash flow and disciplined cost controls, we remain well positioned for continued growth and success in all business climates.

Further, the revenue initiatives discussed earlier, along with the benefits of the recently passed tax legislation, are expected to generate increased demand for our services through the remainder of 2025 and beyond.

Also notable is that tomorrow marks the first year anniversary of the announcement of the Marcum transaction. This has been a monumental time for our business, our clients, our industry and especially our team members.

The Marcum acquisition is one of the most important and value-creating strategic decisions in our history, and positions us for even long term, longer term to deliver top line growth, margin improvement and even greater stakeholder value than we could have achieved without that transaction.

In closing, I want to recognize the tremendous effort, commitment and resilience of our entire team. Everything that we've accomplished in such a very short period of time is made possible because of our people and their dedication and commitment to our clients.

So I offer a special thank you to each one of you who may be listening on the call today. And as I always do, I want to thank our shareholders and analysts for joining the call and for your continued support. With that said, I'll conclude the call. And thank you for joining us.

Operator^ The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.