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Corporate Speakers
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Jerome Grisko CBIZ, Inc. - President & CEO
Ware Grove CBIZ, Inc. - CFO

Participants:
Chris Moore CJS Securities, Inc., Analyst
Andrew Nicholas William Blair & Company, Analyst
Marc Riddick Sidoti & Company, LLC, Analyst

PRESENTATION

Operator: Good day, and welcome to the CBIZ Full Year 2020 Results Conference Call.

(Operator Instructions)

Please note, this event is being recorded.

I would now like to turn the conference over to Lori Novickis, Director of Corporate Relations. Please go ahead.

Lori Novickis: Good morning, everyone, and thank you for joining us for the CBIZ Fourth Quarter and Full Year 2020 Results Conference Call. In connection with this call, today's press release has been posted to the Investor Relations page of our website, cbiz.com. This call is being webcast and a link to the live webcast as well as an archived replay and transcript can also be found on our website.

Before we begin our presentation, 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 or in the investor presentation on our website. Today's conference call may also include forward-looking statements, including statements regarding our business, financial condition, results of operations, cash flows, strategies and prospects.

Forward-looking statements represent only estimates on the date of this conference call and are not intended to give any assurance as to actual 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. A more detailed description of such factors can be found in our filings with the Securities and Exchange Commission. Please note that CBIZ assumes no obligation to update forward-looking statements.

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

Jerome Grisko: Thank you, Lori. Good morning, everyone. With the release of our results this morning, we were pleased to announce growth in total revenue, income from continuing operations and adjusted EBITDA for both the fourth quarter and full year of 2020. Throughout the past year, I emphasized the fundamental characteristics of our business that I believe enable us to continue to perform well in both favorable and less favorable business climates.

As I described on our second quarter call, these characteristics include that approximately 70% of our revenue is generated from essential services, including our tax services, insurance services, payroll services and a host of others that we provide to our clients regardless of economic conditions in the market. We generally retain approximately 90% of our clients from year-to-year. We have a broad geographic footprint. We serve a diverse client base in terms of size and industry. We enjoy strong and constant cash flow and have a substantial amount of variable expenses in our business.

Our ability to grow throughout the challenging business climate that was 2020 is a testament to those characteristics, the strength of our business model and the agility and resilience of our team. As expected and reflected in our results, some of our businesses perform better than others in more uncertain and volatile business environments. Generally, the essential services described earlier tend to continue to perform well even in more challenging business climates while certain, more discretionary services, are less predictable.

Many of our more discretionary services are in higher demand when our clients are pursuing or making decisions around growth, such as acquisitions or significant expansion plans. We saw much of this play out during 2020. Within our Financial Services group, we experienced strong performance from our core tax & accounting business and our litigation support business and continued steady performance from our government health care consulting business.

We also experienced a slowdown in the second and third quarters in demand for certain of our more discretionary project-oriented services, such as our valuation business and portions of our private equity advisory practice. However, demand for many of those services began to rebound in the fourth quarter, particularly for those services that are tied to supporting our clients' pursuit of acquisition opportunities.

One note on our government health care consulting practice. On our last call, we discussed how the rate of growth had temporarily slowed during COVID due to restrictions of access to client facilities and delays in receiving client information. In the fourth quarter, we were pleased to see the rate of growth for that business resume to more normal levels, and we expect demand for the services provided by that business to remain strong throughout 2021.

Turning to our Benefits and Insurance group. We had a similar experience to our Financial Services group, with strong performance from the essential services that we provide, including our employee benefits business, the commercial and personal lines portion of our property and casualty business, the advisory services we provide for our clients on the retirement plans and demand for our upmarket, more robust payroll platform.

From a consolidated view, the solid results that we experienced for those services were somewhat clouded by the softer results from a relatively small portion of our property and casualty business tied to the hospitality and adventure sports, a decline in the number of payrolls processed for some of our smaller clients, particularly those tied to the restaurant industry and a number of other more project-oriented service lines. The encouraging note here is that we expect the portions of that business that were negatively impacted by the soft economic conditions to return to more normal growth levels once the economy improves.

One last note as it relates to our Benefits and Insurance business. We have made substantial investments over the past several years in hiring, training and supporting new producers within this group. Those investments are essential to drive sustained long-term organic revenue growth. The early report card on those investments is very encouraging. And as a group, the new producers that we brought into this program are outperforming our projections. As a result, we are continuing to invest in our new producer program and to expand this program to other business lines.

Now looking forward, we enter into this year in a position of financial strength with a very strong balance sheet, low debt and ready access to capital. As we demonstrated in 2020, we also have a significant amount of variable expenses and considerable discretionary spending items that we can manage to preserve liquidity, if economic conditions are worse than currently anticipated. While much remains uncertain, we expect client demand for our core essential services to remain strong and for client interest in many of our more discretionary services to increase as business conditions continue to improve.

Based on our performance in 2020, the financial strength of the business, the cost control measures that we have at our command and our current view of the business climate for 2021, we have elected to reinstate guidance for this year. I want to caution that while we are comfortable issuing annual guidance, we do expect more volatility than we ordinarily experience when comparing a given quarter to the same period in the prior year. So we would caution against doing so.

Our decision to reinstate guidance is based on a couple of key assumptions that shape our outlook for 2021. These assumptions include the first 6 to 9 months of 2021 will be similar to what we experienced in the second half of 2020, and we expect continued recovery in the M&A market, which impacts many of our more project-based and private equity services. We saw improvement in the fourth quarter and expect this trend to continue throughout 2021.

At this point, I will turn it over to Ware Grove, our CFO, to provide more specific details on our financial performance for the fourth quarter and full year of 2020. Ware?

Ware Grove: Thank you, Jerry, and good morning, everyone. I want to take a few minutes to run through further details and the highlights of the numbers we released this morning. The total revenue growing by 1.6% for the full year and margin on pretax earnings from continuing operations increasing by 90 basis points. We were pleased to report earnings per share of $1.42 for the full year, up 11.8% over $1.27 reported a year ago.

To recap a few important points. As the impact of the COVID pandemic unfolded, there was considerable risk and uncertainty everywhere. We took a number of immediate actions to protect our liquidity, and we took measures to prudently control expenses with a view toward preserving our ability to serve clients in order that we could emerge as a strong and healthy business ready to resume growth. We have not been completely immune, but with many actions we took, coupled with the dedication of our CBIZ team, we are pleased that our business model has weathered the storm, and we are now a stronger company for the experiences in 2020.

Our primary concern operating under the pandemic environment was to protect our liquidity. Perhaps the best measure of our success in 2020 is the continuing nature of our strong positive cash flow. We ended 2020 with $108 million of outstanding debt on our credit facility, increasing only $2.5 million from $105.5 million at year-end a year ago. After an active first quarter in 2020, repurchasing 1.2 million shares and closing 3 acquisitions, we paused both acquisitions and share repurchase activity from mid-March through mid-September until we could develop more confidence with the stability of our cash flow trends.

For the full year of '20, we closed 7 acquisitions and utilized $89.7 million of capital for acquisition activities. We also deployed $57.6 million to repurchase approximately 2.3 million shares for the full year, including the repurchase of 1 million shares in the fourth quarter. For the full year, with $147.3 million of capital used for these 2 purposes, our borrowing increased by only $2.5 million. This results in a leverage ratio of approximately 0.8x on adjusted EBITDA of $132.1 million, with $286 million of unused capacity.

Going into '21, this offers us great flexibility to continue to deploy capital for acquisitions and for continuing our share repurchase activity. Through February 16 to date this year, we have repurchased an additional 600,000 shares, and we intend to continue to repurchase shares. With this recent activity, when combined with shares repurchased in 2020, this has resulted in the repurchase of more than 5% of our shares outstanding. When you also consider the 1.2 million shares repurchased in the prior year 2019, we have repurchased approximately 4.1 million shares or roughly 7.5% of shares outstanding within the past 2 years, and we've utilized nearly $100 million of capital for these activities.

Considering our strong balance sheet and cash flow attributes, we can repurchase this level of shares without compromising our capacity for acquisitions. With the 7 acquisitions closed in 2020, plus an eighth transaction we announced effective on January 1 this year, collectively these newly acquired operations will generate approximately $48 million of annualized revenue.

Strategically, these acquired operations will further strengthen Benefits and Insurance services, will add an important component to our financial advisory services, and will add capacity in order to accelerate the rollout of our integrated payroll services platform that focuses on upmarket clients. Acquisition-related payments for earn-outs from previously closed transactions are estimated at $13.6 million in 2021.

In 2022, we estimate a use of approximately $15.4 million, approximately $9.1 million in 2023, $13 million in 2024 and approximately $800,000 in 2025. For 2020, capital spending for the full year was $11.7 million, of which $2.2 million was in the fourth quarter. We expect capital spending within a range of $12 million to $15 million, looking ahead into 2021.

Depreciation and amortization expense for the full year of '20 was $23.1 million, $9.6 million of depreciation with $13.5 million of amortization. In the fourth quarter, depreciation and amortization expense was $5.9 million. A major concern for us as the pandemic unfolded in 2020 was our clients' ability to pay receivables. As we transitioned to remote work conditions at the end of the first quarter in 2020, our team did a great job refining and adopting new processes and digital tools for billing and management of receivables. These tools are now a more permanent fixture in our workflow processes and in our communication with clients.

Days sales outstanding performance on receivables improved this past year despite the volatile conditions and financial stress throughout the economy. At the end of the year, days sales outstanding stood at 72 days compared with 75 days a year earlier. Although not completely immune to financial stress, this is also good evidence that with our diverse client base, there is no significant concentration of clients in the more severely impacted areas of the economy, such as hospitality, travel, restaurant or entertainment businesses.

At the end of the first quarter in 2020, we recorded an additional $2 million of reserve for bad debt. With continuing uncertainty in the economy, although days sales outstanding performance has improved, we continue to carry that level of reserves for bad debt. For the full year of '20, bad debt expense was 45 basis points of total revenue compared with 25 basis points of total revenue for 2019.

Total consolidated revenue for the full year was up 1.6%, with same unit revenue declining slightly by 0.4%. In the fourth quarter, total revenue grew by 3.9% and same unit revenue grew by 1.1%. Within Financial Services, total revenue for the full year was up 2.1%, with same unit revenue up 0.8%. In the fourth quarter, total revenue in Financial Services was up 6.6% with same unit revenue up 3.3%.

Turning to Benefits and Insurance. For the year, total revenue grew by 0.5%, with same unit revenue declining by 3.0%. And in the fourth quarter, revenue declined by 0.8% and same unit revenue declined by 3.2%. As I indicated in our third quarter conference call, revenue growth numbers were impacted by a relatively small number of our operations, where the nature of advisory or transactional services was more severely impacted by economic conditions. For the full year, these businesses represented 16% of our total revenue, but collectively, these businesses declined by 12.8% in 2020 compared with the prior year.

Adjusting total revenue to exclude the impact of these businesses, the remaining core revenue would reflect growth of 4.9% rather than the 1.6% reported. Same unit revenue would reflect growth of 2.5% rather than the 0.4% decline reported. Fourth quarter revenue adjusted to exclude these businesses, grew by 8.3% versus the reported 3.9% and same unit revenue grew by 4.7% versus the reported 1.1%.

With pretax income margin improving by 90 basis points to 10.7% from 9.8% the prior year, we saw a favorable impact resulting from the cost control measures we took in deferring discretionary items, plus the favorable impact from the natural reduction in travel, entertainment expense and from the lower cost for our self-funded health care benefits. Among other things, for 2020, T&E costs came in at approximately 30% of the prior year levels, and health care costs came in at approximately 85% of expectations as discretionary and elective medical procedures were deferred.

Adjusting the reported operating margin to remove the impact of accounting for gains and losses on assets held in the deferred compensation plan, operating income was 11.2% for the full year, up 70 basis points compared with 10.5% in 2019. As Jerry outlined, we think business conditions in 2021 will look very much like the environment we experienced during the second half of 2020. Of course, the timing and impact of a successful COVID vaccination rollout is very unclear, and there is still risk and uncertainty ahead.

Considering the stability and performance of our core businesses in 2020, together with the impact of recent acquisitions, we think revenue will continue to grow in a similar matter, as I just described. We are projecting total revenue growth in 2021 within a range of 5% to 8%. As a reminder, we do not provide guidance for quarterly results. But as you think about the year ahead, bear in mind, the first quarter last year was a relatively strong quarter before we felt a COVID impact in the second half of March. With the 5% to 8% revenue growth expectation, we are looking to increase earnings per share within a range of 8% to 12% over the $1.42 recorded for 2020.

Consistent with our longer-term goals, we can manage a number of discretionary items, and we expect to improve margin within a range of 20 to 50 basis points. You will note the effective tax rate was 24.3% in 2020. Aside from any change in tax law that may arise from the new administration, there are a number of variables that can impact our tax rate, either up or down. But as we look ahead to 2021, we are projecting a 25% effective tax rate.

Ongoing share repurchase activity will impact the fully diluted weighted average share count. At this time, we are estimated 54.5 million fully diluted shares for the full year, down from 55.4 million shares in 2020. As I mentioned, we are continuing to repurchase shares, and we will update this estimate at the end of the first quarter and throughout the year.

Adjusted EBITDA for 2020 came in at $132.1 million or 13.7% of revenue, a 9.6% increase from the prior year, and we expect to further improve that margin in '21.

So in conclusion, we were pleased to see stability in client demand and cash flow as we progress through the year. We have emerged from the challenge of 2020 as a stronger company with stronger processes. Going into 2021, we think our business will continue to reflect the stability, evidenced by the performance this past year. We recognize the uncertainty and risks ahead, and we will plan to update our expectations as conditions dictate throughout the balance of the year.

So with these comments, I'll turn it back over to Jerry.

Jerome Grisko: Thank you, Ware. I'd like to touch on a couple of additional areas before we turn it over for Q&A. First, I would like to talk about our unique position in the market and how it allows us to provide solutions to our clients that are unmatched in our industries. While we have a large number of very capable competitors for many of the services we provide, they are often not aligned and lack the ability to provide the holistic, multidisciplinary solutions that our clients need when analyzing decisions that relate to their most impactful opportunities or greatest challenges.

We witnessed the strength of our business model throughout 2020 as we moved quickly to collaborate across businesses, service lines and geographies to bring CBIZ's resources and expertise to bear in coordinated services that were responsive to our clients' most pressing needs. We are encouraged by the value that our holistic multidisciplinary solutions approach brings to our clients and are excited for the opportunities that it presents for CBIZ to further distinguish us from our competitors.

Next, relating to M&A. We welcomed 2 outstanding organizations to our team in the fourth quarter. The acquisition of BeyondPay brings additional implementation capacity to support sales of our upmarket payroll solution and follows another similar acquisition earlier in 2020. We also acquired Borden Perlman Insurance Agency within our property and casualty business. Based in New Jersey, Borden Perlman is a leading provider of property and casualty insurance with an over 100-year history of serving clients on the East Coast.

Both of these acquisitions provide strategic value, but are also strong cultural fits, which is the most important factor when we consider acquisition opportunities. As Ware mentioned, overall, we completed 7 acquisitions in 2020, all of which bring expertise, capacity, talent and a strong client base to our business. As I mentioned earlier, in 2021, we've already completed one acquisition with our core accounting and tax practices with the addition of Middle Market Advisory Group in Denver, Colorado.

MMA provides tax complying and consulting services to middle market companies and family groups across a number of attractive industries and complements our rapidly growing Colorado practice. Acquisitions continue to be an essential component of our growth strategy. While the M&A market slowed in the second and third quarters of last year, we are seeing activity resume. We are finding that our performance throughout the pandemic allows us to tell a compelling story when it comes to potential partners. The challenges faced by many of our smaller competitors throughout COVID shined a light on the value that CBIZ can bring to our team members and our clients as a result of our scale, breadth and depth of services and expertise.

As a result, our pipeline of outstanding acquisition prospects is stronger than it has been in many years, and we have access to capital to be aggressive as we seek to take advantage of many of these opportunities as we can.

With this, I will turn the call over for Q&A.

Operator: We will now begin the question-and-answer session.

QUESTIONS AND ANSWERS

(Operator Instructions)

Our first question comes from Chris Moore with CJS Securities.

Chris Moore: Maybe just talk a little bit more about the quarterly volatility, specifically how it relates to Q1. So the midpoint guided revenue is 6.5%. Does that apply to Q1? Is there reason to think, given the strong Q1 '20 that the growth in Q1 might be towards the lower end of the range? Or any thoughts there?

Jerome Grisko: Yes. Chris, it's Jerry. Hey, before I kind of comment on the specific question, I made note in my opening comments that we're really guiding to annual -- we have an annual guidance. We really caution against any quarterly comparison. I think this is going to be a far less predictable year. Any quarter-to-quarter I think is going to be very difficult for us to be able to predict with any type of certainty or predictability. And as we sit here today, particularly as it relates to the first quarter, you're right. We came out last year in 2020 with a very, very strong quarter. And we think that's going to be a particularly challenging quarter to compare to this year.

But again, we'd really like to dissuade you from comparing quarter-to-quarter. We're very comfortable with our annual guidance, but quarterly comparisons are going to be a challenge for us.

Chris Moore: Got it. That helps. I appreciate that. Ware had talked about, and you guys have in the past, that kind of some of the expenses that were lower in fiscal '20 versus '21, health care and travel, I guess just a couple of things. Do you expect those levels to still be kind of below, say, a normal 2019? And were there any kind of COVID-related expenses in '20 that may not be repeating in '21?

Ware Grove: Yes. Chris, this is Ware. With respect to the health care costs, that's not so controllable. And we would expect, while we got a favorable cost reduction last year just because of the dynamics of the health care industry and the deferral of a lot of treatments, our costs were lower. We're planning and expect that those will normalize back to 2019-type levels, okay? With respect to travel and entertainment, we're still on kind of modified work conditions, as is the entire economy, so that while we got a pretty dramatic reduction last year just because we were on a pretty severe lockdown situation for a period of time. That will creep back up, but it's still very controllable here, and we're expecting that that will creep back maybe half of the distance between 2019 and 2020, but not the entire amount, but we can still manage that. Those are a couple of the big issues.

Chris Moore: And were there any kind of -- any COVID-related expenses that may not necessarily repeat in '21?

Ware Grove: I think the thing to bear in mind there, not necessarily expenses, but the impact on our business. In the first quarter, I commented on the impact on our advisory businesses and some of the P&C program businesses, things like that, that were more severely impacted. Those had a relatively stronger first quarter before they were impacted late in the first quarter and through the balance of the year. So that's why we caution against the quarterly comparables. But that's where we felt the slowdown in those select businesses.

Operator: Our next question comes from Andrew Nicholas with William Blair.

Andrew Nicholas: Just wanted to start with a question on client retention. Just wondering if you could provide any additional color on how it progressed over the course of the fourth quarter? And then any color on year-to-date trends or kind of how you're thinking about that through this year? And relatedly, how it kind of compares to this time last year?

Jerome Grisko: Yes. Andrew, this is Jerry. As you know, we generally enjoy very favorable client retention rates in the 90 percentile range across our business lines. Holistically, as a company, we actually -- when we went back and measured those things, we actually improved those retention rates in many of our service lines. Not surprisingly, many of the clients weren't thinking about changing service providers during that environment. However, that was somewhat offset by some of the attrition that we did see in certain of the very specialized practices we have like the program business that we have within property and casualty that really serves the hospitality industry and the action sports industry.

So within our core services, I would say our retention rates actually improved throughout 2020, but our total, as a company, retention rates remained in about that 90 percentile range just because of some of the offsets. Look, I think we would expect that going into 2021 that the attrition that we saw in some of the businesses, that's kind of behind us, the program business, for example, on property and casualty, and we would continue to enjoy a very strong retention rates in our core services into 2021.

Andrew Nicholas: Got it. That's helpful. And maybe as my follow-up, sticking with the one thing that you touched on there in your response. Just the services most directly impacted by the pandemic. I think in the prepared remarks, there was a comment about 16% of revenue being down 13% or so in 2020. Just wondering -- I think you mentioned some improvement in the fourth quarter there and to start the year. Just wondering kind of what you're thinking about in terms of a growth rate for that same subset of business in 2021, what's embedded in guidance? And to the extent that vaccines take hold and the economy improves, if there's any upside in that area that's not baked in?

Jerome Grisko: So Andrew, again, this is Jerry. What I would say is that it's hard to take any particular segment of our business and really predict exactly how that's going to perform in this environment. What I would say as far as the growth rates are concerned, when we set our guidance, we looked at it at the highest level, knowing that things are going to come in different than we expect them to come in, in any given segment of our business, but we are comfortable at the highest level with the guidance that we provided. So it would be difficult for us to give you very specific guidance on a particular segment of the business.

Operator: (Operator Instructions)

Our next question comes from Marc Riddick with Sidoti & Company.

Marc Riddick: Wanted to get a sense of the -- I appreciate some of the commentary that you've already provided. I wanted to sort of touch a little bit on maybe how we should think about the complexity of the tax work specifically, and how that might compare year-over-year with -- and what kind of opportunities that might provide for you? And also, I know the last couple of years, we've had the timing of federal balance offset. So I'd like to talk a little bit about maybe how we should be thinking about what the differences are as far as this year versus the prior years as far as tax filing activity?

Jerome Grisko: Okay. Hey, Marc, I have the tax filing question. The first part of that question, you broke up a little bit. Can you please help us with that again? You were talking about some complexity in the business. I didn't fully understand.

Marc Riddick: Oh, sure. So we're talking complexity of what the filing that can be made. So not just in timing, but either as far as tax goes, as far as uncertainty as far as what may or may not be in stimulus packages, additional PPE opportunity -- PPP opportunities, things like that.

Jerome Grisko: I got it. Thank you, Marc. So let me address them in order here. As it relates to complexity, we would expect some changes to come out of Congress. And as you know, in our business, when there are changes, that provides an opportunity for us to be in front of our clients in front of prospects, talking to them about how those changes impact their business. So any changes in the regulatory environment is generally positive for us. And so we would expect some of that. It's very difficult to measure. As you know, the Biden administration is talking about another round of stimulus into the economy. They're talking about infrastructure. So all of that will provide opportunities for us to be talking to our clients about how that may impact them, and that's just nothing but positive. It's very difficult to put a precise forecast on that, but generally positive.

As it relates to the timing of tax filings, that's a very good question and one worth noting, again, another reason why it's difficult to measure us on a quarter-to-quarter. Last year, as you know, the tax filing deadlines were extended from April 15 to July 15. We kind of then rolled right into another -- the second busy season after that in the fall. That's not likely to recur this year. There is some discussion around moving the tax filing deadline from April 15 to maybe May 15, but it's not likely to push out as far as it did last year. More to come, that's still very uncertain. So for now, we are planning on an April 15 tax filing deadline. And you'll see it when we do if that extension gets pushed out.

Marc Riddick: Okay. I wanted to touch a little bit on your comment on the success of early investments on the new producer programs. Just wondering if you could delve a little bit into that and maybe what you're seeing that gives you some confidence there and what we might see in future investments there.

Jerome Grisko: Yes. Thanks, Marc. So as you know, historically, if you go back several years, we were not growing organically at the rates that we would expect from a number of our businesses on the Benefits and Insurance side. Primarily, the reason for that is we have outstanding teams there. We have outstanding producers. They do a very good job of production. We just didn't have enough of them, right? So every year, you're going to lose --if you have $100 million business, you should be expected the industry kind of benchmark is 10%--so you'll lose 10%. So you go from $100 million to $90 million, you need to fill that back up, so go back up to $100 million, so $10 million of new sales before you're showing growth. And that just takes more and more producers.

So realizing that that was a necessary investment, we started along this path about 3 years ago, 3.5 years ago. As we would with any significant expense, we had models built and business plans established, and we are now going back, obviously, and measuring against those things. And our comments are that we are very pleased that the producers that we're onboarding are actually producing at higher levels than we had expected them to produce in the non-validated category, which is before they start to kind of cover their draws. And most importantly, the validated producers, which are the more seasoned producers that tend to produce at a much higher rate, they are achieving that position faster than we had expected in our model. So kind of check, check, check across the board. Very pleased with that we decided to make those investments, very pleased with how those investments are performing. And we're taking much of the lessons that we learned principally within our employee benefits group--great shoutout to the team there, they've done a really outstanding job--we're taking many of the lessons that we learned there and bringing them into other lines of business because of the success that we've enjoyed.

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

Jerome Grisko: All right. Thank you. In conclusion, I'd like to thank our analysts and investors for joining us on the call today and for your continued support. And as always, I also want to recognize and thank our team members who may be listening to the call today. I've never been as proud of our team as I've been over the past 12 months, as I reflect on how we came together as one CBIZ to support each other, our team and our clients.

Throughout that period, our team remained flexible, determined and focused on our clients throughout the last year, and our performance is a direct reflection of that commitment. I'm encouraged by the momentum that we see at the start of 2021, and I'm excited for the opportunities that lie ahead. Thank you, and I look forward to speaking to you after our first quarter. Thank you.

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