VieMed
First Quarter 2022 Earnings
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Presenters
Casey Hoyt, CEO
Todd Zehnder, COO

Q&A Participants
Brooks O'Neil - Lake Street Capital Markets
Doug Cooper - Beacon Securities
Prasath Pandurangan - Bloom Burton
Nick Corcoran - Acumen Capital

Operator

Greetings and welcome to the VieMed first quarter 2022 earnings call. At this time, all participants are in a listen only mode. The question and answer session will follow the formal presentation. If anyone should require operator assistance during the conference, please press star zero on your telephone keypad. As a reminder, this conference is being recorded.

I would now like to turn the call over to Todd Zehnder, Chief Operating Officer. Thank you, you may begin.

Todd Zehnder

Thank you, Darryl. Good morning, everyone. Please note that our remarks in this conference call may include forward looking statements under the U.S. federal securities laws or forward looking information under applicable Canadian Securities legislation, which we collectively refer to as forward looking statements. Such statements reflect the company's current views and intentions with respect to future results or events and are subject to certain risks and uncertainties which could cause actual results or events to vary from those indicated in forward looking statements.

Examples of such risks and uncertainties are discussed in our disclosure documents filed with the SEC or the Securities Regulatory Authorities in certain provinces of Canada. Because of these risks and uncertainties, investors should not place undue reliance on forward looking statements. The forward looking statements made in this conference call are made of as of today, and the company undertakes no obligation to update or revise any forward looking statements except as required by law. The first for the first quarter financial news release, including the related financial statements are available on the SEC's website.

I'll turn it over to Casey to get things started.

Casey Hoyt

Thank you, Todd. Good morning, everyone. Thank you for joining our call today. We'd like to begin by acknowledging the dedicated team of respiratory therapists, behavioral health specialists, staffing professionals, and administrative support staff who work tirelessly to deliver the best in class care to our patients living within the communities we serve.

As of March 31, our VieMed family of employees grew to 662. Compared to the same time last year, our total headcount grew by over 25%. We continue to believe our investments and dedication to our people drive a unique company culture that ultimately helps differentiate our home delivery model from the competition. This has certainly contributed to our success in being able to acquire and develop good people amongst the battle for talent throughout the country.

As a result of this robust hiring growth, we were able to organically enter four new territories in the first quarter of 2022. Through our hands on training programs, evolving middle management, and a new recruiting platform inside of VieMed healthcare staffing, we are on our way to achieving the territory growth goals set at the beginning of the year.

In addition to the internal recruiting engine that VieMed healthcare staffing has provided, high contract demand and successful sourcing activities has resulted in an incredibly strong start to revenue generating external services. In its first full quarter as an operating division, the experienced team that we built at VHS generated over 1 million in revenues. We are very optimistic about the growth and synergies that VieMed healthcare staffing contributes to our organization.

The geographic and service offering growth during the quarter was combined with exceptionally strong growth in our historic business activities. As the impact of the Omicron variant began to weaken early in the quarter, we finally witnessed a return to normal course of business with our referral sources. The increase in face to face interactions with patients and providers is contributing to strong momentum coming out of the pandemic. A key differentiator in our service model is the level of high touch personal care that we offer alongside of our products. We are well recognized in the respiratory care space as the benchmark for quality.

Underlying our physical presence in the home is our best in class high tech engaged technology platform now complemented by our behavioral health professionals. As these differentiated services mature, we are capturing robust historical data that not only proves out our investment thesis, but it's also demonstrating to payers and providers that our care model contributes significant value in the evolving value based care arena. Our traditional product lines benefit from the momentum.

Exiting the pandemic constraints, we are incredibly excited to continue to innovate and expand our services to meet the evolving needs of patients, providers, and payers. In recent periods, our strong relationships with suppliers has been a critical success factor in times when competitors are unable to meet the needs of the patients and providers. As recalls and supply chain hurdles persist longer, VieMed has consistently obtain adequate resources to meet the demands of the market. By preemptively investing in inventory and closely monitoring the supply chain, we were able to treat our existing population of patients and expand our market share by offering care when others were unable to do so.

Unlike others in the industry, we never sat back and hope that supply chains would eventually catch up to our commitments to deliver care. We were establishing many new, strong relationships with providers and referral sources whose existing suppliers are unable to meet their patient's current and future needs. As a result, our CPAP and ancillary revenues continue to grow at an impressive rate, contributing to a meaningful diversification of our portfolio mix. We also believe that in the long term, our ability to meet these needs allows us to demonstrate the full suite of our capabilities to providers and referral sources. Additionally, as a result of the increasing growth and diversity and diverse offerings, non-vent revenues now make up 28% of our core business.

Within the regulatory environment, we continue to see positive signs. The US Department of Health and Human Services once again has renewed the public health emergency determination. Combined with the extension of moratorium relief for Medicare sequestration and 5.4% increase for 2022 to the Medicare fee schedule based on inflation, these positive reimbursement trends are mitigating the effects of increase in costs.

We're often asked about our views and expectation around the next possible round of Competitive Bidding in 2024. We've always maintained that it would be irresponsible to include life saving devices, such as noninvasive ventilators in the program. And we're also now seeing early indicators that the likelihood of a 2024 round becomes less likely as each month passes. While the decision will be left to CMS, the historical inability to achieve desired savings and current delays in the initiation of potential upcoming competitive bidding programs are strong indicators that we will have the support from CMS to further expand our products and services to the home.

Further, we continue to invest in research that demonstrates the positive patient outcomes and cost savings associated with our products and services. A third study demonstrating the benefits of NIV has recently been submitted for peer review, and we are excited to formally share the detailed results upon publication.

We also continue to be methodical in our capital deployment strategies. During the end of the quarter, we were excited about the opportunity to repurchase shares, and now have been executing on that buyback at what we see as an incredible value given the strength of our organization.

Our M&A pipeline also remains active with signs that valuations are coming down to levels that are more in line with our established thresholds for return on investment. Ultimately, our team views our risk assessment and capital strategies will allow us to be well positioned as the market evolves.

With more on out operations, financials, the buyback, and regulatory landscape, I'll now turn the top the call back over to Todd Zehnder, our Chief Operating Officer.

Todd Zehnder
All right, thank you, Casey. In reviewing the financial results all five years are in US dollars and the full results have been made available on the SEC website, as well as SEDAR. Our core business generated net revenue of $30.2 million during the first quarter of 2022 as compared to net revenues of $25.5 million in the first quarter of 2021, which equates to an 18% increase. Our sequential growth for the core business was 4%.

We have once again seen solid growth in our major product lines being vents, PAPs, and oxygen. During the first quarter, we generated approximately $2.1 million of revenue from our other sources, primarily the vaccine tracing revenue generated during the quarter with our call center. We still have an established unit in place at this time, it can scale up or down in a very short period, therefore we will continue to pursue these opportunities in the future.

Our margin percentages, both gross and EBITDA, are once again very healthy, and are primarily influenced by our core business. As our product lines continue to diversify, there might be some influence on these margin percentages, but the notional growth is the main priority for the business.

Our gross and EBITDA margins during the quarter came in at 61.2% and 22.5%, accordingly. Our first quarter gross and EBITDA amounts came in at $19.7 and $7.3 million respectively. We are once again encouraged by the rapid growth of our oxygen and sleep businesses as they continue to benefit from our ongoing national rollout of these products. Our first quarter revenue from vents was approximately 71% of our core revenue, as compared to 80% in the first quarter of 2021. Importantly, our vent revenue has grown during the same time, but the product diversification is beginning to show up more and more each quarter.

Our SG&A for the quarter totaled approximately $15.8 million as compared to $14.5 million in the first quarter of ‘21. We have seen some inflationary effects on SG&A, but have managed the expenses and preserve margins. We expect to continue hiring people to serve more patients around the country and expand our organic growth model to new areas.

As previously discussed, the need for traveling clinicians continues to abate. Therefore, we have seen a decrease in the pressures on our people. We continue to seek out superior clinicians and professional folks to help support our business which has always been the key to our successful organic efforts.

For the quarter, we invested approximately $4 million on capital expenditures. The CapEx was spread out across our product fleet. As we have continued to grow all areas through a diversified supplier group. We have managed to stay in front of supply chain issues through strategic purchasing and feel comfortable that we will continue to have products to serve our growing patient base. This sometimes means that we buy in larger quantities, and in certain cases, prepay for goods, but this is giving us the ability to increase market share.

We once again funded all of our CapEx (ph) with discretionary cash flow, and we also strengthened the balance sheet during the quarter. At March 31, we had a cash balance of $29.3 million and an overall working capital of $30.1 million. Our total long term debt remains at $4.3 million, and we have begun executing on our stock buybacks. We once again have grown the company and stayed very underleveraged, which gives us the tools needed to significantly grow the company through all of our organic and inorganic efforts.

As mentioned, we began our buyback efforts on the previously disclosed board approved stock buyback. As of March 31, we had purchased 389,878 shares out of the total available of approximately 2 million shares under the plan. We were able to begin buying back on March 10, so we're off to a good start. As previously discussed, the buyback has risen in the ranks of our opportunities of capital deployment, but this does not mean that we are sacrificing business growth. We have continued to organically grow and are looking at inorganic opportunities and have been able to accomplish this while simultaneously reducing our share count.

Moving on to the OIG and CMS issue related to our NIV claims. We are continuing to work with CMS and its contractors through the appeal process to assess the medical necessity of the patients audited by OIG. As discussed on our last call, we filed with the QIC in the fourth quarter and are awaiting their final review of these claims. We anticipate receiving results back from this independent review during the next 30 days and are once again hopeful this round of review will have a more individualized clinical review.

Moving on to the second quarter, we've provided net revenue guidance in the $32.1 to $32.8 million range related to our core business, and have also guided approximately two to $300,000 of revenue related to the COVID-19 pandemic. Our organic core revenue is guided up 22% to 25% over the second quarter of 2021. We continue to be encouraged by the core revenue growth as we have seen the COVID effects diminish.

We have once again been visiting with current and prospective investors through the industry conferences and non-deal roadshows with our existing analysts and banking relationships. We appreciate the ongoing support from both the buy and sell side during this year.

At this time, I'll turn it back over to Casey to wrap things up.

Casey Hoyt
Thanks, Todd. To sum up the overall theme of the first quarter, I would say execution fueled by demand driven by return to normal course of business. I'm very proud of our management team as it specifically relates to the performance metrics on recruiting, acquiring, and developing talent. I've watched our sequential improvement since the beginning of the pandemic on talent development and driving processes that helped rapidly increase our organic growth.

At VieMed, that we never take our eye off the ball as it relates to the growth strategies that got us to this point. We do however, pay close attention to what the future holds. As I think about the strategies ahead for growing our business in a different way, I can categorize them into four buckets.

First, getting acquisitive with expanding our payer and geographical footprints. We know that our growth can be achieved in a faster way through finding companies that have different payer contracts with possibly different patient populations in areas that we're not physically in just yet. We don't have an acquisition report on yet we continue to analyze these businesses and hope to execute on this strategy soon.

Second, hospital partnerships. Being in position to help drive the continuum of care from the facility to the home and the way that we are viewed as a valued partner. Initiatives are well underway to provide further solutions to our referral sources, allowing them to be in position to treat a growing Medicare population of patients.

Third, as that solutions provider, we must be willing and nimble enough to offer solutions that have the highest demand for our referral partners. The staffing and behavioral health divisions are great examples of us providing this type of deliverable while still complementing our core business.

And lastly, business development through the expansion of national payer contracts. As payers evolve into a more value based world, as a clinically focused organization who can prove positive outcomes through the lens of data technology, VieMed becomes an essential piece of the puzzle in treating large populations of patients in a way that saves money.

These are the four areas of focus that will drive tremendous growth for VieMed and ultimately drive shareholder value in the future.

This concludes our prepared remarks. I want to thank everyone for taking time to join our call today and look forward to answering further questions. Thank you.

Operator
Thank you, we will now be conducting a question and answer session. If you would like to ask a question, please press star one on your telephone keypad. A confirmation tone will indicate your line is in the question queue. You may press star two if you would like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up your handset before pressing the star keys. One moment please while we pull for your question.

Our first question is coming from the line of Brooks O'Neill with Lake Street Capital Markets. Please proceed with your questions.

Brooks O'Neil
Thank you very much. Good morning, guys. I have a couple questions. I might have gotten distracted briefly in the middle of your prepared comments, which I thought were excellent by the way, very comprehensive, but I'm curious if you commented at all about sort of the month to month progression that you saw during Q1 in the core business. And any comments you have relative to April would be extremely helpful.

Todd Zehnder
No, we did not make any comments about that, Brooks. But I can give you a little bit of additional info. I mean, obviously the first quarter began with Omicron affecting our country. And while it didn't swell up the hospital system, we had a bunch of employees and referring physicians that just went down with it. So I would say that January and February were very much lighter than March, which is a good trend. And March and April, if you stack those on top of each other are the two best collective months that we've seen back to back since the pandemic began.

Brooks O'Neil
Great. I was hoping you'd say something like that. And it sounds like business is pretty much returned to normal, would you say at the end of April?

Todd Zehnder
I'd say yes. I mean, it's as close to normal as we've seen. And I think, you know, we can't sit here and say that we're having a bunch of restrictions out there around the country. Have things changed some? Yeah. I mean, the whole world changed some, but are we back to where we think we can grow this company like we did pre-pandemic? Absolutely.

Casey Hoyt
I would just add to that, and say that I've talked a lot about talent development and acquisition and training, the training programs that we evolved throughout the pandemic, when we were kind of sitting on the bench, if you will, are really paying off right now. We're seeing a lot of our sales reps, whereas we would normally have five or six superstars per month, we're now seeing that we're having 11 and 12 show up, and it's a direct correlation in my mind to all of the development and training that we added along the way through project next level, which we were talking a lot about last year. So we're seeing a lot of those efforts come to fruition.

Brooks O'Neil
Great, Casey. And I mean, I took from your comments that you're not feeling constrained in your ability to hire the kind of respiratory therapists or other professionals or other team members that you need to aggressively grow the business going forward.

Casey Hoyt
Not as it relates to the labor shortage or anything like that. It's -- we still have the same constraints that we always had, it's just finding the right people, the clinicians that we're often trying to convert into salespeople. But the good news is is that VieMed healthcare staffing is proven out to be a great internal recruiting platform that's helping our sales managers be more efficient with just monitoring day to day things with the sales force and kind of taking recruiting out of their world. And that's proven to be very efficient and effective. And so these guys are still, I would consider, getting things going and haven't hit their complete stride just yet, but every day gets better and better. So I'm really excited about that infrastructure change that we made.

Brooks O'Neil
Great, great. So you guys know, I'm getting a little older. So I can sometimes not remember all the numbers that were in place pre-pandemic. But I kind of have a recollection that organic growth in the 30 to 35% range. What's kind of the target? Am I thinking about that right? And I might think -- is it reasonable to think that your goals would be the kind of try to get back there? Recognizing that there have been changes in the business and as you scale, that that kind of a number gets tougher?

Todd Zehnder

I think those are all fair comments, Brooks. We are targeting in that 30 to 35% range. I'm not sure if we got it every quarter or every year. That we -- pre the pandemic, but that is sort of what we wake up striving for. And I think the comment that the -- I'm not sure about the change in the business, as much as just the law of bigger numbers becomes a little bit more difficult. But that doesn't mean that's not what we're striving for. And look, what we always go back to, I think the number as of right now is 94% of what we define as the potential market is untapped. So there are plenty of patients who need our services, we've just got to continue to execute on going to find them.

Brooks O'Neil
Yep, that's great. Let me just ask you one more. I think I recall that you sort of quantified your exposure with this current OIG review in the range of sort of a maximum of 5 million bucks. Again, am I remembering that correctly? And is that still kind of the sort of worst case scenario you see for what's going on out there with those guys?

Todd Zehnder
That I gotta correct you on that one. I can't call it your old age, you just probably had one slip up, but it was actually a $9 million total exposure. And that continues to remain. And like I said, we're hoping to get their review here hopefully in the next 30 days. That's kind of what we're anticipating. And we can update everybody at that point.

Brooks O'Neil
Okay, great. Thanks again for taking my questions. Congratulations on the great job you're doing out there.

Casey Hoyt
Thanks, Brooke.

Todd Zehnder
Thank you, Brooks.

Operator
Thank you. Our next question is coming from the line of Nick Corcoran with Acumen Capital. Please proceed with your questions.

Nick Corcoran
Good morning. I think Brooks asked most of the question I have. The one thing that I don't think you addressed earlier was the bad debt expense from the quarter was higher than the typical run rate. Can

you maybe give a little bit of color on what happened in the quarter? And what your expectation for the year will be?

Todd Zehnder
Yeah. Thanks, Nick. We did take a higher bad debt percentage in this quarter. We have traditionally always said the first quarter is the most difficult with deductibles resetting and just new insurance plans and people change insurance and so forth. So it's kind of the toughest time for us from a billing and collection standpoint. And that we've been on a new workflow system for a period of time, we're getting better at looking at what our realizations and how much reserve we need. So we took a higher percentage in the quarter. I would anticipate that our total annual percentage should remain the same if not get better than last year. We have consistently over the last few years, gotten probably 100 or 200 basis points better in our collection efforts. So I'm, you know, I'm hopeful that that happens. I'm pretty confident that the year over year bad debt will remain consistent. It's just that we're going to be a little bit, I guess, more accurate on a quarterly basis.

Nick Corcoran
Great. And then your Q2 guidance shows strong year over year growth and sequential growth. How should we think about the remainder of the year? Like, can you keep that growth up? Or do you think it will come down a bit?

Todd Zehnder
You know, that's obviously a kind of ties into what Brooks' question was as well. We are hopeful that this sequential growth continues. And if you do, you're starting to stack up. I think our midpoint was something around 6% to 8% or, you know, our range was 6% to 8% sequential. If you do that, then you're on your way back up to that 25% to 35% growth range. That's not formal guidance. We don't have formal guidance out there, but we show up every day hoping to get back to those lofty ranges that we used to hit.

Nick Corcoran
Great. That's good color. Thanks again.

Todd Zehnder
Thanks, Nick.

Operator
Thank you. Our next question is coming from the line of Doug Cooper with Beacon Securities. Please proceed with your questions.

Doug Cooper

Good morning, guys. Good quarter. Just getting back to the growth looks to my model, if you hit this upper end of the range in Q2, it'd be the best year over year growth quarter in the core businesses Q1 2020. So yeah, pre-pandemic. The year via growth and vent patients this quarter was about 10%, core revenue growth up 18%. So diversification, is working. What is the outlook for the increase in the vent patients in particular, I mean, obviously, you're doing a great job in the CPAP, and oxygen, so forth.

Casey Hoyt

It's no different than what we saw pre-pandemic. I mean, we, like Todd mentioned, we're still after that underserved population, the 94% of folks that need us. We got to continue to get our studies out there that prove the mortality rates decreasing and the reduction in hospitalizations and ER visits, which are ultimately leading to savings. All that science and data that we've developed is going to be key in really moving the market penetration needle.

But our game to get to the VIP business is no different as it relates to finding people, getting them in good areas, getting them up and running, and trained to walk and talk the VieMed way. I'd like to think that hospital partnerships and really getting inside of the hospital becoming more of an extension of their continuum of care is the next way to really hit the core business in a different way. And so we're in the midst of those kinds of discussions.

And certainly, the ability to use staffing as a lead in to help our hospital partners is key right now because they're just yearning for more clinical staffs. We're able to help, and then the next conversation is okay, well, we're helping here and staffing, but how can we further help you into the home with treating these respiratory patients in a unique way. And so that's going to be something that we really try to hone in on and focus on in 2022. And we hope that just ends up being another organic growth strategy.

Doug Cooper

Casey, mentioned that you're going into four new territories and Q1 and you're on track to hit your goals. Can you just remind us what is the goals for new territories this year?

Casey Hoyt

I believe we said 25 last quarter is the new goal, or 28 -- it's either 20 or 25. But we're looking good on that as we're sitting here in April two, we're increasing our rate from the first quarter. And so we hope to stay on track for that. But last year, and the incremental number was five, Doug, so the fact that we added four in the first quarter is a good sign that we're on track to hit that goal are pretty close, at least.

Doug Cooper

Okay. And, you know, can you give us an idea of your, say your you hit the goal of 20-25 new territories, what would be your geographical penetration of the US at that point? Just to give us an idea.

Casey Hoyt
It's we're in 45 states with where are respiratory therapists have patients, and we're treating patients. So that's kind of how we highlight a state. But again, you know, we're not in New York, and I'll just use that as an example of it, but it's not on the top of mind to get into New York. We can classify a new area in a state that we have really good coverage, but it's 60 miles down the road, but it is an incremental new area with a new rep, a new set of respiratory therapists, new hospital system, it's basically like starting up a new business.

And we made that change at the beginning of the year to not talk about just where we're hiring reps, because reps can come and go, but that area, that incremental new business area is the way that we want to start reporting it because just because a rep comes and goes doesn't mean that we can't sustain and maintain in a new area. And so, I think it's the right way for you guys to think about how we're growing versus just tracking our new hires. Those sales reps do so many different things. We have hunters, we have farmers, we have assistant sales reps, and so on and so forth. So it's just -- it wasn't right, just tracking it that way. It's better to just watch it for new areas.

Todd Zehnder
And I'll add one other context is that, you know, like in the case of states, we used to talk about states and a lot of detail and so forth. And when we just to put it in context, I think we have eight sales reps in the state of Louisiana. I think we only have one in California. So calling those that were in both of those states, we know that there's a ton of runway in California, right, just because of the pure size and population. So Casey is right. We're serving patients, I think in 45, but the density that we have available to was in those states is just tremendous.

Doug Cooper
And does that correspond to data (ph) like you get a national payer contract? Is that going to be ease your entry in this or expansion or entry into some of those areas you're not in?

Todd Zehnder
Yeah, it's always easier to go into a state when you've got good contracts already, you know, it just gives the sales force so much more ability to impact patients laws (ph) and to take all patients from referral sources. And that's always a challenge. So as we move into state, it does take us some time to get our model out there and to get new insurance contracts. But we've done pretty good at doing that overtime.

Doug Cooper

Okay. My last one is for me, Todd, you said he started buying stock back March 10. Is that right?

Todd Zehnder
Yeah, that was the date that we were able to go live.

Doug Cooper
Okay. And what was the average price of the stock you would you buy back? Do you have that?

Todd Zehnder
I don't have it. I know it's in the filing. I think through March -- I mean, through March 31. It was like 475 485, something like that.

Doug Cooper
And if you continue to buy stock back in this quarter?

Todd Zehnder
We do. It was actually 484. I just saw the number 484 for the average. And we have -- we continue to buy -- I can't give numbers yet. I have to give them at the end of the quarter, but we've pretty much been buying every day.

Doug Cooper
Okay, great. That's it for me. Thanks for your beautiful outlook for you guys. Nice. Thank you very much.

Todd Zehnder
Thanks, Doug.

Casey Hoyt
Thank you, Doug.

Operator
Thank you. Our next question is come from the line of Prasath Pandurangan. Please proceed with your questions.

Prasath Pandurangan
Hi, good morning. Thanks for taking my question. I just have the one unanswered. Could you talk about the margin structure and growth prospects for the staffing solutions business related to the core business?

Todd Zehnder

The staffing margins currently, you know, we're running, I don't have an exact EBITDA margin, but I think it is accretive to the business currently. And it really depends on the type of contracts we have. I think over time, as we become more of a traditional -- or a piece of the business becomes more traditional staffing, it could be running at a lower EBITDA margin than the core business. But thus far, because we've been more of what I guess would be defined as placement revenue generation and more of just a fee based business instead of just gross salaries and expenses. It has been a creative thus far. So we don't have a complete breakout just yet. But I do know that it did a little bit over a million dollars in top line revenue for the quarter.

Prasath Pandurangan

Okay, thank you.

Todd Zehnder

Thanks, Prasath.

Operator

Our next question is come from a line of Brooks O'Neill with Lake Street Capital Markets. Please proceed with your questions.

Brooks O'Neil

Sorry, guys, I was listening to Doug's question, and it occurred to me I'm not sure I know the number of total business series you're in and I can imagine, and I'm not this kind of a modeling guide myself, but I can imagine that 60 miles down the road from New York City, there's a lot of people 60 miles down the road. From some place in rural Louisiana, there might not be that many people, but how do you think about the number of territories you have? And any way you think about what's left to go after out there?

Todd Zehnder

We're gonna have to get back to you on that, Doug. I think the numbers in the 60s right now. And it's not like we're not disclosing, we just -- we don't have it in front of us. But we've got probably about 80 total sales reps if I had to guess and some of those are in -- like in one area. So it's probably mid-60s. And we'll just have to ping you later offline.

Brooks O'Neil

Cool. Thank you.

Todd Zehnder

You got it.

Operator

Thank you. There are no further questions at this time. I would now like to turn the call back over to Casey Hoyt for any closing comments.

Casey Hoyt

Well, thanks, everyone for joining the call. We appreciate all of your thoughtful questions and look forward to continuing to drive shareholder value. Have a nice day.

Operator

This does conclude today's teleconference. We appreciate your participation. You may disconnect your lines at this time. Enjoy the rest of your day.