SurgePays (SURG) / 13 Aug 24 / 2024 Q2 Earnings call transcript

Company Profile

Kevin Cox	executive
Anthony Evers	executive
Anja Soderstrom	analyst
Curtis Shauger	analyst
Edward Woo	analyst

Operator

Greetings. Welcome to SurgePays Second Quarter 2024 Earnings Conference Call. [Operator Instructions] Please note, this conference is being recorded. I will now turn the conference over to your host, Doug Lane, Investor Relations at SurgePays. Doug, you may begin.

Unknown Executive

Thank you, operator, and good afternoon, everyone. Welcome to the SurgePays Second Quarter 2024 Earnings Webcast and Conference Call. Today's date is August 13, 2024, and on the call today from SurgePays are Brian Cox, President and Chief Executive Officer; and Tony Evers, Chief Financial Officer.

Before we begin, I'd like to remind everyone that this call may contain forward-looking statements as they are defined under the Private Securities Litigation Reform Act of 1995. These statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements.

For a discussion of such risks and uncertainties, please see SurgePays most recent filings with the SEC. All forward-looking statements made today reflect our current expectations only, and we undertake no obligation to update any statement to reflect the events that occur after this call. Copies of today's press release are accessible on SurgePays Investor Relations website, ir.surgepays.com.

In addition, SurgePays Form 10-Q for the quarter ended June 30, 2024, will also be available on SurgePays Investor Relations website. And now I'd like to turn the call over to President and Chief Executive Officer, Brian Cox.

Kevin Cox

Thanks, Doug. Thank you for joining today's call and your continued interest in SurgePays. I want to start by reiterating our unwavering commitment to providing financial technology and prepaid wireless services to the underbanked and underserved populations at the grassroots level where they live and shop. This commitment is at the core of our mission and guides all of our actions.

Over the past few years, we have successfully acquired over 250,000 subscribers to our Mobile Virtual Network Operators or MVNO business, which at its peak accounted for over 90% of our consolidated sales. This was made possible by offering plans subsidized by the federally funded Affordable Connectivity Program or ACP. We were aware that this program's funding could run out in the first half of this year, which it did.

However, the uncertainty lay in whether Congress would authorize additional funding for the program, which, unfortunately, as of this date, did not happen. We want to ensure you we are fully informed about the challenges we face. But as I said on the last call, we could no longer wait around to find out. We had contingencies and had already begun implementing non-subsidized MVNO business, LinkUp Mobile, which was launched in early June. We aim to offer our subscribers the option to remain on a free monthly plan subsidized by a sister subsidy program or transition them over to LinkUp Mobile, which we price to be attractive to our target customer.

We also hired Joe Gomez, a senior telecommunications industry executive for the newly created position of Vice President of MVNO Operations. Joe spent over 18-years at AT&T and brings a wealth of experience to the team. He is charged with helping to develop innovative products and services for the value market segment where we believe our competitive position is enhanced in a non-subsidized market environment. Stay tuned for further developments to come in our ongoing efforts to build out our prepaid wireless MVNO business. In the meantime, we are going through a transition phase in the business. It would have been an easy though shortsighted decision to let our subscribers go once the ACP funding ran out. That's losing sight of the fact that we now have an existing subscriber base of 250,000 customers, not to mention a distribution network of thousands of local convenience stores and bodegas where our customers shop every day. Those are huge and valuable assets. Therefore, to hold on to these valuable assets during this transition period, we chose to keep our subscribers active, absorb the wholesale costs and put our strong balance sheet to work to replace the cash flow we lost once ACP funding ran out. But rest assured, this is only temporary. We do not like talking about cash burn rates around here, and we plan to put that in the rearview mirror by the time we closed the year in December.

So in looking at the second quarter 2024 results, our sales were $15.1 million compared to $35.9 million in the year ago quarter, which were about as expected with the ACP program winding down mid-quarter and Congress declining to provide it with new funding at least as of yet.

Our MVNO revenues were $12.5 million versus $30.2 million in the same quarter of last year when ACP was fully funded throughout the quarter. Also impacting sales were the operational changes made by management in Surge Logic's lead generation services, which had $2.8 million in sales a year ago quarter, but did not contribute sales this quarter. What was not expected in our planning coming into 2024 was that the second quarter gross profit would be a loss of $3.4 million versus a $10 million profit the year ago quarter. This was due to the double whammy of Congress letting the original ACP funding run out and not immediately renewing the program, coupled with our decision to have our balance sheet take on the funding to maintain continuity within our subscriber base.

So why would we continue to provide wireless services and absorb the costs? For 3 main reasons. Number one, Congress could renew the ACP program at any time. And if we terminated service, we would have to go out and reacquire customers from a standing start, which would cost tens of millions of dollars. Number two, if Congress delayed or didn't fund the program, we had as a backup plan B to acquire a company with licenses to provide a similar subsidy program to our customer base and recapture a lower but viable and sustainable reoccurring revenue stream. This is in conjunction with incentivizing customers to switch over to LinkUp Mobile, our non-subsidized prepaid wireless brand. Number three, we know how critical a role broadband service plays in everybody's life, and we believe it was simply the right thing to do.

As we evolve, we want to become and more increasingly important provider of goods and services to our convenience store and bodega partners.

While prepaid wireless and fintech are the main products we now provide, we look to expand our offerings to these points of distribution in the community since we know that our customer base of underbanked and underserved consumers conduct most of their financial transactions at their trusted local convenience store. We recognize that the delay in ACP funding has adversely impacted our business and stock price. Therefore, we feel it's an opportunistic time to announce a corporate stock buyback, so our long-term investors know our interests are aligned.

We have announced a buyback of up to $5 million of SurgePays common stock in the open market over the next 6 months.

We are in a transition phase and are looking to get back to generating positive free cash flow by the end of this year through the following initiatives: number one, continue to grow our ACP revenue stream should Congress continue to fund it; number two, offer our subscriber base, a sister subsidy program while enticing customers with a cost-saving LinkUp prepaid wireless plan. Number three, scaling up our third-party wholesale transactions for other prepaid wireless company payments at convenience stores. This initiative has been necessary because it's a relationship gateway product for LinkUp activations and subscriber growth at the convenience store. Number four, expand our offerings outside of wireless.

For instance, we recently launched our ClearLine customer engagement platform for convenience stores at last month's RetailNOW Conference in Las Vegas. Number five, expand product and service offerings to the same nationwide network of convenience stores we are building by exploring and executing prospective partnering or product distribution opportunities. Number six, identify unique market opportunities that represent potential positive short-term cash flow.

As I said at the outset, we knew that the ACP funding could run out and we were not waiting around for Congress to provide additional funding. Many initiatives are underway to expand SurgePays footprint among the underbanked and underserved who remain our key customers. Stay tuned for more news on this front as we move into the back half of 2024. I'll turn the call over to Tony to review our financial results before summarizing today's call. Tony?

Anthony Evers

Thank you, Brian, and good afternoon, everyone. I will begin my overview of the second quarter's financial results.

For the second quarter, we reported revenues of $15.1 million compared to $35.9 million in 2023, representing a decrease of 58%. The decrease was primarily due to the lack of additional federal funding for the ACP. April was the last month that ACP households received the full ACP benefit as they had in prior months.

Some ACP households received a partial benefit in May and effective June 1, households were no longer receiving an ACP benefit.

Additionally, similar to the first quarter, we received no revenues from our lead generation services consisting of LogicsIQ and Q2 of 2024 versus the $2.8 million received in Q2 of 2023. This was a result of operational changes by management. Gross profit swung to a $3.4 million loss in the second quarter from a $10 million profit in the year ago period due to our strategic decision to utilize our strong balance sheet to protect our ACP subscriber base and distribution network while we transition over to a non-subsidized MVNO business model.

Additionally, the deemphasis of our lead generation business resulted in a lower gross profits in that segment as well. SG&A expenses increased by 101% year-over-year. Increase was primarily due to additional non-cash stock compensation for management. The stock compensation relates to employment agreements signed in late 2023.

We also had additional expenses for contractor and consulting fees. The company engaged several contractors to overhaul the financial platform to allow for the conversion to a tablet-based transaction at the store level from the outdated Verifone terminal. The company also engaged with consultants to provide advisory services, specifically in the area of investment relations to identify opportunities to increase our shareholder value. Loss from operations was $10.9 million during the second quarter compared to a $6.2 million profit in a year ago period.

Our reported net loss and loss per share were $12.9 million loss and $0.66 per share loss.

Our loss, and loss per share were adversely impacted primarily by the ending of the federally funded ACP for our customers during the quarter.

Turning to the balance sheet, liquidity and cash flow.

Our cash balance as of June 30, 2024, was $38.4 million compared to $42.9 million at the end of the first quarter.

Our cash from operations was $4.1 million in use in the second quarter versus a $4.0 million source in the first quarter, a large negative swing due to the winding down of the federal ACP funding to our customers during the quarter, which we picked up and funded with our cash on hand. Accounts receivable decreased by $6.9 million in the second quarter to a $1.4 million from $8.3 million at the end of the first quarter. The ACP stopped accepting new subscribers in February of 2024, resulting in much lower receivables from the U.S. government.

Given our cash balance and capital structure, our cash allocation priority is in financing the transition from a federally subsidized [NPO model] to one fully funded by our customers. I will now pass the call back to Brian for some closing remarks.

Kevin Cox

Thanks, Tony. I believe the 4 key components to a company's success are the team, the products, the distribution and the funding. I believe we have assembled the best and most experienced team in the history of prepaid wireless products. We currently have the most compelling offering in our market. We own our own distribution and have $38 million cash in the bank as of June 30, 2024, to execute our transition. I believe SurgePays has the foundation for long-term success despite the short-term disruption caused by the ACP funding situation. Thank you so much for your time today.

We will now open up the call to questions. Operator?

Operator

[Operator Instructions] The first question today is coming from Anja Soderstrom from Sidoti.

Anja Soderstrom

First, of course, the ACP. What are you -- how optimistic are you that that's going to be refunded? And do you have any sort of idea of any timeline there?

Kevin Cox

Anja, thanks for the question. I'd tell you, it's been a week-to-week feedback scenario for us.

I think our optimism wanes as time goes on, I mean, just being blunt. We had internally set a date of August 1 to take action and assume internally, if ACP comes back? Great. If it doesn't, it's beyond that, let's just call it, the threshold that we had set for ourselves to take and move to transition to Plan B.

We are still told that there are actions taking place in the halls of Congress.

We are still told that most people -- even the folks who were negative about the program now are very positive about it, especially since J.D. Vance on the Republican side as the Vice President pick, and he was a huge advocate of the program. But at the same time, we can't sit on our hands anymore as we talked about earlier, had to take action.

So we're positioning the company after a lot of talk and a lot of back and forth. We want to transition these customers or offer them the ability to remain on a free service and then have that subsidized by the Lifeline program. But for those that want to keep a, let's call it, a heavier broadband bandwidth, more gigabytes per month more accustomed to a regular wireless plan that would have a much larger -- let's call it, more like a regular plan, $30 or $40 or $50 plan. In the prepaid world offer those folks a discounted LinkUp mobile plan that they could transition to.

So if they needed the help, they could stay on the Lifeline, the free service, if they wanted to have something more similar to ACP in that service, then they could start paying for it.

Anja Soderstrom

And do you have any sort of initial read on who's going to opt for the Lifeline program, who's going to up for the LinkUp Mobile?

Kevin Cox

My instincts would tell me that the majority of folks want something is free, they're going to maintain and stick with the free program. And then it would be over the course of, let's say, 3 to 4 months, the transition would take place to bump to a paid plan. I don't think people out of the gate would opt for a paid plan until they've experienced the free plan first.

Anja Soderstrom

Okay. And -- and then in terms of the ClearLine customer engagement platform, what are you seeing initial reads there?

Kevin Cox

I've spent a lot of time with our folks on the ClearLine side of things. I'm really happy we acquired ClearLine.

Just a quick history lesson for those that are not familiar with ClearLine. The reason we acquired ClearLine was they had a really good technology that allowed us to do the ACP enrollments at convenience stores. They enabled us, as Tony had mentioned, to transition away from refurbished Verifone terminals, which are the little credit card terminals with the keypad push buttons. They allowed us to transition over to touchscreens, which enable people to use their finger to sign things and it is obviously a much more technologically advanced interface at the store. Also provides for a lot of cool things in the future, such as scanning QR codes and doing transactions, which is one of our business model -- or excuse me, business plan goals in the future is to be able to be that go-to for digital transactions at the convenience store front or bank folks.

So ClearLine was a really good acquisition for us, but what was -- it helped us accomplish a goal that we had and an immediate need. It addressed the problem for us. But the really great thing about that is with that solution, also came all of the projects that they were currently working on and were just a tad bit underfunded. They had a great team. They were almost there on quite a few projects, and we incentivized the guys to come over. We converted that entrepreneur into an entrepreneur, empowered him to go focus on doing what he was great at and not have to worry about all the operational distractions of running a business. And Nate, the gentleman who runs up for us has rolled out some really good products. And just at a high level, the goal of ClearLine is to create customer engagement at the store level. And they've got quite a few products, and I don't want to take up too much time because it's a little bit -- it can get off into the weeds. But for example, having a scenario where you walk into a convenience store -- and by the way, over the next year or 2, you're going to start seeing this at your larger chains and all the way down to the mom-and-pops, where instead of posters on the wall, you're going to see big screen TVs mounted, and there's going to be more dynamic advertising in these stores. And it's going to be engaging. It's not going to be just slides of pictures. It's going to be QR codes. It's going to be things that can be tracked and redeemed right there at the register. ClearLine manages that entire process.

As a matter of fact, we're rolling that out now into several chains. I don't want to call it a beta test because we know it works. But as our initial engagement of putting it out in the market, very high-margin products for us. And what's really cool about it is it's the same target market, the convenience store, and it can be another relationship builder.

So that same ClearLine TV, if you will, over in the corner that's rolling 8 to 10 different ads with buy 1, get 1 free or what have you. And it's got the QR code, customers can hold their smartphone up, scan walk right up to the register and literally tap their phone and then redeem that coupon in real time, that data will be sent in a really cool back office format to the store owner or the chain owners, and they'll know the impact of their in-store marketing, their hyper local marketing. And that same system will also enable them to do our prepaid transactions, our third-party prepaid top-ups for any wireless company out there. That same system will also allow them to do activations for LinkUp Mobile. That is a customer now. That is a point of distribution for us and all of our other products at the convenience stores.

So that's what's really -- the ClearLine deal, again, it addressed a problem that we had with a solution, but it came with it with a plethora of fantastic opportunities. But I'm not even sure we fully realized last year when we bought it. But now we've been able to capitalize on those.

Anja Soderstrom

Okay. And then after you talked about getting back to free cash flow positive this year. How -- do you vision you doing that without the ACP being refunded? Or how dependent are you on that, for coming back for you to be free cash flow positive?

Kevin Cox

Yes. No, I appreciate that question. The -- our goal of being cash flow positive by the end of the year is assuming ACP has gone. I'm not going to do any modeling or projections or any -- even on my own spreadsheets, old school pro forma, I'm not going to factor in any ACP. I'm going to assume that's behind us. The cash flow positive by the end of the year would be taking into account transitioning those customers who want to remain on a free product over to a Lifeline product, that would be the third-party wireless transactions we talked about that really a gateway product to the store. It's the lead product to -- where a convenience store owner could take payments for every prepaid wireless company out there using our platform. That is ramping up significantly right now. The ClearLine product picking in for us and then by the end of the year, LinkUp Mobile getting its -- getting traction and starting to contribute as well.

Operator

The next question is coming from Curtis Shauger from Water Tower Research.

Curtis Shauger

Can you hear me?

Kevin Cox

Yes.

Curtis Shauger

I think what immediately comes to mind for me is, are there any opportunities with the carriers to help mitigate the cost that you're experiencing to keep the ACP customers alive?

Kevin Cox

That's a good question. And I appreciate that question because you've given me an angle to discuss some of what Tony and I and our management team has been scratching our head about. The initial discounts, and let's call it maybe the cost of goods sold alleviation that the carriers were discussing, it was a lot more aggressive for a period of time back, let's say, when this first came up on the horizon in April, but they pulled a lot of it back due to their absolute certainty that ACP was going to be funded.

So it was really -- I mean, we were in a whirlwind. Every day, it was something different. It was a soap opera.

And so that's one reason why finally, we had to put our foot down and say, "Hey, this is the path we're going to chart." If ACP comes back, great, if it doesn't, it's been a great run. The carriers right now, where I believe the alleviation is going to be is, obviously, they do not want to lose subscribers.

Just looking out at the market, you can see some of the other guys out there who have lost significant subscribers. The backbones of T-Mobile and AT&T, they don't want to lose subscribers.

So I think where we're going to see the -- I would never call it a partnership necessarily, but the assistance to collectively keep these subscribers on is going to be in offering some discounted rates to provide these folks lifeline service, which, again, that's the subsidy program has been around since Ronald Reagan. And it's not quite as much as ACP, but it is viable. The challenge with Lifeline was that pricing to provide the service, the wholesale side of it never was really there to give consumers a viable product. It was almost just an emergency phone or let's just call it like the glove box phone. But now where I think carriers are -- from what I've seen, and we'll find out in the next week or 2. But what we're told is they're going to step up and offer us something that would be considered a regular plan for a basic phone user talk, text, data, that would be something that could be provided on the Lifeline program.

So that's where I think they're going to step up. And look, they have given us discounts the last couple of months.

So if they had not, it probably would have moved the needle faster for us. But those were all things that we factored in, and they have stepped up a little bit. I wish they would have shouldered it more. But again, they were under the complete impression that this was going to be funded. Their folks told them, our folks told us, everybody across the board, both sides of the aisle, everybody thought it would have been funded.

I think everybody is still a little bit caught off guard, it wasn't. But we're here now. And that's why we've taken that day of August 1 to start to pass to Plan B, get back on -- get back cash flow positive and then go from there.

Operator

The next question will be from Andrew Scott from 395 Group.

Unknown Analyst

I know you guys are in a truly challenging period right now. And a lot of the questions that I had were just answered regarding what's your fastest way back to cash flow positivity and breakeven. It sounds like you guys outlined it on the call, it looks like you have more than enough cash to get there. And I've heard you talk about Lifeline a lot. Would you consider -- would you look at any other accretive acquisitions with synergistic business models, whether it be any other kind of payment processing? I'm still on ideas out there. But -- have you guys thought about other acquisitions in addition to Lifeline?

Kevin Cox

Yes. Thank you for the question, Andrew. And yes, we're constantly in a mode of evaluating.

Let's call it sorting and sifting like [painting] for gold through acquisitions. And I think right now, and let's just kind of zoom out of the ACP and what we're dealing with and say the macro environment is unique for a company with cash in the bank. We don't want to buy a company just to buy a company or just to go buy revenue. But I think one of the mantras I've had is I'd rather have a little less in the bank and have that cash flow stacking upward than have a little more in the bank and have that cash flow depleting because you're either growing or you're dying.

So that's just an old school mentality that coming from the entrepreneurial world where we had to survive or you went out of business. And yes, it's a tough environment, but it's a transition. And look, the opportunities for people who keep their heads up during transitions or during tough environments.

I think the team that we have, we've made our biggest gains when times were the toughest.

So we see this as opportunity. There's opportunities for millions of customers who are going to be looking for an alternate way to communicate for their wireless services. There's opportunities out there with immigration and the Hispanic, say, the bilingual prepaid wireless companies. There's not a whole lot of them out there right now. There's a lot of opportunities out there. And one of the benefits that I get to enjoy is that our team is built of primarily at the high-level former entrepreneurs who all built from scratch, from nothing, just crawling across glass, elbows and knees and elbows to survive.

So we've all been through things that are far worse than this. We've been through things similar to this but no money in the bank.

So we're survivors, very intelligent folks with huge networks. And then we've added folks from the larger carriers, as we talked about with Joe Gomez, Jeremy Gies, people who bring the corporate aspect of the wireless world together as well.

So we're -- obviously, if ACP has stayed around, I'm not going to sit here and say that we're just -- we're fine whatever. It will be the same a year from now where we look and we look back and like -- ACP, by the nature of it being a gold rush land rush for a timeframe, made us a one product company. And that was never the intention of why we built this. That was -- that's not necessarily our mission, but it was a fantastic opportunity. If it's not funded again. I mean we've been over and picked up a $200 million bill. We strengthened the balance sheet. We're able to strengthen our team, we're able to make some acquisitions.

So either way, the way we look at it. Yes, of course. And look, kind of summarizing the last part of your question, We're always open to acquisitions that would grow the company because we're not just an ACP company. We're not just a wireless company and we have goals of distributing into these convenience stores. And I think if you zero in, one of the things that the ACP depletion has made us do, and sometimes it's not a bad thing.

Just go back, sharpen your pencil and remember who you are, why you put this together and what your goals were. And our goal is -- we've been more focused on our goals for the last 2 months.

So it's actually -- again, ACP was still around, but this has not been a bad exercise, big picture as we are looking forward 3 to 5 years for us to really focus in on who we want to be, who -- and how are we going to get there?

Unknown Analyst

Got it. Guys, nice touch on the corporate buyback. That was a really good idea.

Operator

And the next question will be from Ed Woo from Ascendiant Capital.

Edward Woo

My question is you guys have a direct relationship with the underserved market through the convenience stores. What are you hearing in terms of the economic outlook? And has it really changed? And how has that impacted your business? And obviously, with the underserved customers.

Kevin Cox

Ed, thanks for the question.

I think that the feedback maybe a way to position that is one of the things we've been cultivating is specific feedback as it relates to the wireless world. And consumers are looking for something that's more engaging.

As far as the economy, it is what it is. And we've always talked about the underbanked segment of society really is not necessarily affected by the Dow Jones or the GDP of the country, they kind of maintains it is what it is in good times and bad times that underbanked, underserved market stays pretty similar. But there's been a stagnant offering platform to these consumers for the past 3 or 4 or 5 years. And if you look at the prepaid brands out there, there's been a lot of consolidation where the larger carriers, previously Sprint, T-Mobile, Verizon and AT&T, acquired quite a few of the larger companies. And then obviously, we know that Sprint and T-Mobile merged or Sprint was acquired.

So we think there's a huge opportunity out there for value-added prepaid wireless, not just who can offer the cheapest talk, text and data. No. That's something we can -- due to our efficiencies, we can compete in that environment. But then when the next that comes along and offers the same plan for a couple of bucks less, I mean, now you're in that down -- I always call it the downward bidding game.

I think that what we've put together and when you start adding some of the unique components that we can pull from our subsidiaries.

For example, one of the folks that are integrated with ClearLine is a coupon redemption company, that the intent of that company is to work for convenience stores and the register. And -- but what we can utilize that for is offering coupons texted sent to our customers, LinkUp Mobile when they pay their bill. There's a lot of really unique ways that we can differentiate from the other guys out there without just trying to be the cheapest.

So that's some of the feedback that we're getting right now. We're also hearing that with the -- obviously, we all know we're the melting pot here in the United States. The feedback that we've gotten from a lot of the master agents, we're probably up to 15-plus right now that we're integrating with is that the international offering if we can strengthen that, which we are right now, there's a pretty significant opportunity out there. There's of the masters that we're either integrating with through API or have just finished integrating with, there's known monthly activations of between 120,000 and 150,000 activations a month. We didn't want to go in, Ed, and just try to carve out a little of that. We wanted to be able to take it all. And one of the feedback -- there's 2 things that we got.

One of them was you -- we need to strengthen our international offering because there are still people that don't use WhatsApp and Telegram and some of these other apps. To call long distance, people still want to just dial direct.

So we're working on that right now. We look to have that offering together in the next 30, 60 days.

The other one was porting numbers over. Historically, the telephone number for that prepaid customer was not really that important -- that goes back over a decade.

Here recently, now that everything is connected to your number, your -- what is the -- where you get text messages to authorize forgotten passwords and all the other -- the mechanisms that are attached to your phone number, it is important.

So the ability to port numbers, that's something else that we are integrating a little more heavily on right now so that we can go get all those subscribers.

So feedback directly from our, let's call it, our stores, more directly from the master agent to get the feedback from stores. Those are the 2 big focuses right now for us to be able to achieve. Like I said, these goals we've talked about by the end of the year, because when we look down -- and I mean, look -- look, I've never been somebody who just wants a piece, I want the whole thing.

So if I can see 150,000 activations a month, and we need to take these 2 or 3 steps to knock something out so that we can take it. That's what we're doing right now. And we're -- it's not just hearing the feedback, Ed. It's executing a strategy to maximize that feedback and use it to our advantage. And hey, this is all happening right now.

As a matter of fact, we have a -- in 2 weeks, we have the largest prepaid convention of the year. and we will be rolling out all of these products. And I'm booked, sun up and down with meetings personally along with the sales team. And we've got about, I think, 10 to 12 of our team members, so we're coming in strong, and we're not coming into being also run. We're coming in to be one of the top guys.

So stay tuned. I appreciate the question as always, and look forward to hearing from you again.

Operator

This is the end of our Q&A session today. And that does conclude today's conference, and you may disconnect your lines at this time. Thank you for your participation.