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# Jack Henry & Associates, Inc. (JKHY) CEO David Foss on Q1 2020 Results - Earnings Call Transcript

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FQ1: 11-04-19 Earnings Summary

*Press Release* SEC *10-Q*

EPS of $1.16 beats by $0.12 | Revenue of $438M (11.58% Y/Y) beats by $17.66M

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## Earning Call Audio

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Jack Henry & Associates, Inc. (NASDAQ:JKHY) Q1 2020 Earnings Conference Call
November 5, 2019 8:45 AM ET

**Company Participants**

David Foss - President and Chief Executive Officer

Kevin Williams - Chief Financial Officer and Treasurer

**Conference Call Participants**

Peter Heckmann - D.A. Davidson

Kartik Mehta - Northcoast Research Partners

John Davis - Raymond James

**Operator**

Good morning, ladies and gentlemen and welcome to the Jack Henry & Associates First Quarter Fiscal Year 2020 Earnings Conference Call. [Operator Instructions] As a reminder, this conference call is being recorded. I will now turn the conference over to your host, Mr. Williams. Please go ahead.

**Kevin Williams**

Thanks, Whitney. Good morning. Thank you all for joining us for the Jack and Associates first quarter fiscal year 2020 earnings call. I am Kevin Williams, CFO and Treasurer and on the call with me today is David Foss, our President and CEO. In just a minute, I will turn the call over to David to provide some of his thoughts about the state of our business and the performance for the quarter and then I will provide some additional thoughts and comments regarding the press release we put out yesterday after market close, update our guidance for FY ‘20 and then we will open the lines up for Q&A.

First, I need to remind you that remarks or responses to questions concerning future expectations, events, objectives, strategies, trends or results constitute forward-looking statements or deal with expectations about the future. Like any statement about the future, these are subject to a number of factors, which could cause actual results or events to differ materially from those which we anticipate due to a number of risks and uncertainties. And the company undertakes no obligation to update or revise these statements. For a summary of these risk factors and additional information, please refer to yesterday’s press release and the sections in our 10-K entitled Risk Factors and forward-looking statements.

I’ll now turn the call over to Dave.

**David Foss**

Thank you, Kevin and good morning everyone. We are pleased to report another quarter with record revenue and earnings. As always, I’d like to begin today by thanking our associates for all the hard work that went into producing those results for our first fiscal quarter. For Q1 of fiscal 2020, total revenue increased 12% for the quarter and increased 9% on a non-GAAP basis. Deconversion fees were up about $7 million over the prior year quarter, which accounts for a portion of the significant revenue increase over last year. But even excluding deconversion fees, this was a very strong quarter. As a reminder, we generally receive deconversion fees when one of our clients with a long-term contract in place is acquired by another institution and buys out the remaining obligation in their agreement.

Turning to the segments, we again had an extremely solid quarter in the core segment of our business. Revenue increased by 12% for the quarter and increased by 10% on a non-GAAP basis. Our Payments segment also performed very well, posting a 12% increase in revenue this quarter and a 10% increase on a non-GAAP basis. We also had a strong quarter in our complementary solutions businesses, with an 11% increase in revenue this quarter and an 8% increase on a non-GAAP basis. Our sales teams again had a solid quarter with two of our three brands exceeding their sales quota. We booked 5 competitive core takeaways and 5 deals to move existing in-house customers to our private cloud environment. We also saw very strong bookings in our payments and complementary solutions segments. Several of our newer solutions, including our Banno digital suite, our new card processing solution and treasury management saw strong demand.

Regarding our new debit and credit processing solution, we now have 604 customers live on the new platform. This count includes 63 customers installed as new debit clients rather than as migrations and 11 new full-service credit clients. We have approximately 370 of our debit clients yet to migrate, but we have hit a comfortable stride now and our program continues to progress very well. As we did last year, we will suspend our migrations during the holidays because banks and credit unions don’t like to implement changes to their card programs during this high volume time of the year. We expect to start the next large waves of migrations in January and remain on track to complete the migration process during calendar 2020.

You probably noticed that we distributed a press release last week in coordination with the clearinghouse, announcing our plans to bring 15 clients live with the real-time payments network in the near future. We currently have 47 clients signed to implement Zelle and 15 clients ready to implement with the clearinghouse. I am very happy with the approach our team has taken in this regard because our PayCenter solution allows us to connect clients to the real-time payments network in groups rather than one at a time. Additionally, we provide connectivity through this single platform to multiple providers, which facilitates a more logical and efficient approach for our clients than any other processor in the market today.

Since our last earnings call, we have completed our two largest client conferences of the year, our SEC conference for our Symitar core clients and our JAC conference for our Jack Henry Banking and ProfitStars clients. We had many prospects at each conference. And as I mentioned in the press release, our customers continue to be happy with our performance and extremely engaged with our prospective clients. Additionally, they continue to be optimistic about the coming year and their prospects for success. In addition to all the exciting developments with sales in our newer product offerings, you should also note that we've announced a few organizational changes recently. Several weeks ago, Mark Forbis, our long time Chief Technology Officer, announced publicly that he will retire effective on November 15. Mark and I have been working for some time with Ted Bilke, our current Symitar President, to position Ted to move away from the day-to-day responsibilities running our credit union division and back to his technical roots in the technology area. Ted will assume the role of Chief Technology Officer upon Mark's departure. Shanon McLachlan, a well-known industry veteran and a current member of the Jack Henry leadership team, will move into the role as President of Symitar.

Unrelated to the move with Mark and Ted, I announced that we're promoting Greg Adelson to become our new Chief Operating Officer. Greg and I have been working on positioning him to make this transition for many months. Greg has demonstrated outstanding leadership qualities and an ability to handle more responsibility, so he will be leading the primary operating units of our company going forward as a direct report to me. Of course, I am sad to see Mark leave. But if anyone has earned the right to kick back and relax a bit, it's Mark. I want to extend my heartfelt thanks to him for his years of service and congratulations to Ted, Greg and Shanon as they move into their new roles.

With that, I'll turn it over to Kevin for some detail on the numbers.

**Kevin Williams**

Thanks, Dave. The services and support line of revenue increased 13% compared to the prior year with license, hardware and implementation revenues up a little this quarter, but it was really due to some nice hardware deliveries during the quarter, which obviously has lower margins than license and implementation. We continue to have headwinds from decreased license and on-prem implementation revenue due to almost all of our core installs electing our private cloud model, which is actually good for us and our shareholders long-term.

Our outsourcing and cloud services were up nicely again this quarter at an increase of 12% compared to last year. However, as Dave mentioned, deconversion fees were up $7 million compared to a year ago, but we still had nice overall growth considering that. The processing line of revenue, which is all transaction, remittance, card and digital grew 9% compared to the prior year. Total revenue up 12%, and on a non-GAAP basis, excluding deconversion fees and the impact of acquisitions was up 9% for the quarter. Our reported consolidated operating margins were up from 26% last year to 27% this year due primarily to the increased deconversion fees. And on a non-GAAP basis, our margins were flat with last year’s first quarter of just under 25%.

We will continue to see some operating margin headwind this year coming from continued decrease in license revenue as almost all of our new customers elect to go into our private cloud. And just a reminder, license revenue is our highest margin deliverable. Also, the additional cost of processing our debit card customers transactions until we can get them all migrated to the new platform and eliminate a lot of the additional costs that we have in processing. Our segments’ operating margins continue to be extremely solid with small fluctuations. Our Payments segment will continue to have increased margin headwind going forward, again, as the additional cost continues to increase as we migrate our existing customers to the new payment platform.

The effective tax rate for the quarter was 24.6% this year compared to 19.2% last year, which the entire difference in these two rates was related to stock-based compensation deductions that we had last year, but we did not get the same impact in this year’s first quarter. For cash flow, included in total amortization, which was disclosed in the press release yesterday, amortization of intangibles related to acquisitions increased to $5.5 million this year-to-date compared to $5.1 million last year. Depreciation was also up for the quarter, primarily due to the data center CapEx we did in Q1 last year, which is now all in production. And non-acquisition amortization was up due to more of our internally developed products and software being placed into production.

Our operating cash flow was $123.1 million for the quarter, which is down compared to last year. But this as explained, was all due to timing of working cap items. First, AR was up quite a bit and offset a little bit by deferred revenue, which is caused by the shift from our in-house customers outsourcing, so we have more monthly billings than we have historically. That's going to continue to shift. But the biggest difference here was, last year we did not pay Q1 dividends in Q1. We actually paid those on October 1. So our accruals were about $30 million higher last year because of the accrued dividends. So if you take that out, our operating cash flow would have actually been up from last year and so would have free cash flow. So by the end of next quarter, that should all balance out and would be back to a nice conversion of net income to free cash flow. During the quarter, we invested $44 million back into our company through CapEx and developing products, which is down from $52.3 million a year ago, with much of that decrease's CapEx related to the data center upgrades in Q1 last year.

So now we will update guidance for FY '20. Currently we are projecting deconversion revenue to be up slightly in FY '20. But again, those are totally unknown. It depends on when the dates are when they actually deconvert and we get the check. And we have no control or very little control over the timing of that. Revenue from all processing customers will continue to grow nicely. Therefore, total GAAP revenue continues to be projected to grow at around or slightly above 7% in FY '20. With projected decreased license revenue and additional cost headwinds from our payments platform migration, we project operating income will grow a little above 6% on a GAAP basis and around 5% to 5.5% on a non-GAAP basis. We will continue to experience revenue and operating income fluctuations between our fiscal quarters due to license, implementation, payment platform migrations and software subscription usage.

Operating income and margins were the highest in Q1 due to software subscription revenue being recognized and then will drop off for the next 3 quarters very similar to FY '19. And all this is due to the new ASC 606 revenue recognition rules that were put in place last year. We anticipate GAAP operating margins for the year to be mostly in line with FY '19 at approximately 22% for the year as we feel like we can get some margin improvements to help offset the margin headwinds of the migrations. Our effective tax rate for the year will be 23% to 23.5%. We project Q2 EPS to be in the $0.88 to $0.92 range, and our projected full year FY '20 EPS continues to be in the range of $3.60 to $3.64.

Therefore, in summary, on a non-GAAP basis, revenue should grow approximately 7%, operating income will grow in the 5% to 6% range and EPS for the year will be in the range of $3.60 to $3.64, pretty much in line with consensus estimates today. As Dave mentioned, we are still on plan to have all of our core customers that we process for debit payments on our systems to be migrated by June 2020 and all non-core customers to be moved by November 2020. There have been no change in these plans. We are on course to get that done. And therefore, there are no changes to the reduction cost or timing of cost reductions from what we provided on the last call. This concludes our opening comments.

And with that, we are now ready to take questions. Whitney, will you please open the lines up for questions?

**Question-and-Answer Session**

**Operator**

[Operator Instructions] Your first question is from Peter Heckmann.

**Peter Heckmann**

Hey, good morning everyone. Thanks for taking my questions. Can you talk a little bit about your implementation capacity? Any change in the relative timing of the backlog or some of these new core implementations?

**David Foss**

Pete, no, I wouldn't say there is any significant change. We added a team last year. I think it was for to help customers, our core customers who are acquiring other institutions because there was a good bit of volume last year as far as our customers adding banks on the banking side, not on the credit union side but on the banking side. So we did add a team last year. We have not added any teams this year don't have a need for that. And we are managing the backlog well. We've been running at a pretty consistent pace as far as core conversions for quite some time on the banking side. On the credit union side, we did recently add a team to help with in-house customers migrating to the private cloud environment and they can also help with new core customers that are coming into the private cloud environment. So we did add a team recently on the credit union side, but we are – and we are positioned well to manage that backlog and don't see a push there right now.

**Peter Heckmann**

Good. Good to hear. And then as you have gotten continued success with the credit issuing product, 11 live, can you talk about your backlog there? And then talk about of your core customers, what percentage of those would – are currently in that market or would be interested in the credit issuing product?

**David Foss**

Yes. So we don't have a huge backlog on the credit side. We have been managing that as we go here, so we have several that are in the queue. But the challenge for both new debit and credit deals is virtually any bank or credit union is in a long-term agreement today if their debit – almost everybody has debit, so they have a long-term debit contract. Those that are in credit programs have some kind of a long-term credit program if they are in the – if they are offering those services already. So there is a timing issue there with almost every customer where you have to work it out to make sure that your deal kicks in when their existing agreement is up for renewal. On the credit side, as we talked about on previous calls, there are a number of customers out there however who don't have their own credit portfolios. And so those customers, it's a matter of working with them to determine whether or not they want to get into the credit business. We saw a lot of demand a couple, 3 years ago. That's why we decided – that's part of the reason why we decided to do this deal that we have recently rolled out. But for those customers that don't currently have a credit offering, they have to go through the process of justifying it and make sure they have the internal staff to manage the program. So we're working both sides of that coin, with customers who are looking to move and those who are looking to start or bring their program in-house but not a current backlog concern, I would say, I don't know what percentage of our customers are active with us right now, but we have a number of deals in the sales pipeline right now for both debit and credit.

**Kevin Williams**

And Pete, this is also kind of a slow roll because obviously, our focus was to get all of our debit customers migrate over to the new platform. That was we want to make sure that plan was solid in place. So we met our obligations to our customers and to our shareholders and then also with this credit card offering being a new offering, you kind of have to prove yourself. And now that we have 11 live, we have got referenceable customers and it makes a whole lot easier to sign additional customers when you have referenceable customers.

**David Foss**

Just to give you a feel, so we signed 16 new debit customers just in this quarter. There is continuing to be interest and demand. And those are not aggravations. So those are people who have not done debit with us in the past that signed in the quarter.

**Peter Heckmann**

Right. Okay, thank you.

**David Foss**

Thanks, Pete.

**Operator**

Your next question is from David Togut.

**Unidentified Analyst**

Hi, thank you. Good morning. John on behalf of David Togut. So the first question is, in the September quarter, research and development only grew 2% year-over-year compared to 9% organic revenue growth, excluding contracted conversion fees. Were there any unusual factors slowing the rate of R&D growth that will persist through FY 2020? For example, what was the year-over-year growth in software capitalization during the September quarter? For FY 2020, what are you budgeting for R&D growth on the income statement?

**Kevin Williams**

So we are – and obviously, we don't disclose our budget. But our R&D is going to stay pretty much in line with total revenue percentage as it has in prior years. From quarter-to-quarter, what you are going to see is some flopping around because as we roll major projects that are in development being capitalized and we roll those projects off or into production, then R&D expense will go up in that quarter or could be – a lot of these products, we actually have contractors come in to do a lot of work for us and the retiming of shifting between development of different products. So you really can't base R&D expense growth on a given quarter. You almost have to look at the trailing 12 months to get a real feel for it.

**Unidentified Analyst**

Got it. And second question is, among the new contract wins for the September quarter, what were the top three drivers of new bookings growth from a product standpoint?

**David Foss**

Are you talking about for core customers who signed, what drove that or are you talking about which products signed with core customers?

**Unidentified Analyst**

Yes.

**David Foss**

Yes. Generally, the core customer signings are – first off, they are looking for a new technology solution provider. They are probably running on an old core solution with whoever their provider is today. So they are looking for new technology. Secondly, oftentimes, they will say to us that the relationship is broken with whoever it is that they are working with currently. And so – and that encompasses customer service and then encompasses just the overall confidence in the direction of that organization or that product. And then thirdly, the digital strategy is becoming a big part of the conversation with almost every new core customer. And so we get a lot of great feedback from prospects about the digital strategy that Jack Henry has in place. You have seen us do a good bit of investment in the past few years, not only in our Banno digital platform. But when we acquired BOLTS and we acquired Geezeo, those were both acquisitions to help round out that digital strategy, that digital story. I have talked about it on several calls in the past. Jack Henry today is live with innovative technology as far as digital banking that nobody else in our space is doing and we are getting a lot of recognition for that. And that helps win core deals because every customer, every bank and credit union out there knows that for them to be successful in the future, they have to have a really solid digital experience for their customers.

**Kevin Williams**

Yes. And as Dave mentioned in his opening comments, we are a little different because we had a number of core prospects at both of our national education conferences, and we literally turn those prospects loose. They go to any track, meaning breakout session. They can talk to any customers. And we even had a special breakout. We invited the industry consultants to come into our JAC and actually had a separate track for them, a separate 4-day track to help them understand better who we are and how we approach parts of the world. So I think all of those helped contribute to establish our culture and how we take care of our customers and that we are just a little bit different.

**Unidentified Analyst**

Thank you.

**Operator**

Your next question is from Kartik Mehta.

**Kartik Mehta**

Hey, good morning Kevin and Dave. I looked at your revenue growth and the revenue growth was excellent this quarter. And Kevin, your guidance, still you are looking for around 7% revenue growth. And Dave, I was wondering, how much of that do you think is just strength in the marketplace and bank spending versus Jack Henry taking market share?

**David Foss**

That's a good question, Kartik, because I think, as you know, for Jack Henry, it's both. We are certainly taking share. We have talked about it many times in the past. On the core side, we are taking share. And when we do lose a customer to acquisition normally, it's a smaller customer. So if you compare the ones we are taking on as compared to the ones that we lose because they have been acquired, the ratio is in Jack Henry's favor significantly. So not only are we taking share, but there is this continued focus on spending in our space, a lot of it around digital, which I just emphasized, a lot of it around people kind of repositioning their payments infrastructure to make sure that they can facilitate the needs of their customers going forward and then just looking for solutions that help them with efficiency, so any mobile-first and efficiency are big topics for our customers. So, it really is a combination of the two. The easy answer for me would be to say 50-50, half of it is us taking share, half of it is the fact that there is so much continued good news in the market. But I would say it's more heavily weighted toward us taking share, because when we win a core customer, they tend to surround that with a lot of other Jack Henry products. And as I mentioned earlier, when we are taking share, we tend to take larger customers than those that are being acquired out from under us.

**Kevin Williams**

And I would also add, Kartik, I mean with us being at 85% or 86% recurring revenue, I mean, it's not like we're going to have just adding on a whole brand new bunch of customers because we have to add the same number of customers this quarter that we did a year ago just to maintain growth. So the growth is really all the cross-sell of all products that we've rolled out. As Dave mentioned, the 60 plus new debit card customers that are on the system, the 11 new credit card, that's all new revenue growth, all the Banno platform customers that we're selling. The treasury management customers, I mean, there is just an enormous amount of cross-sell, which now we are starting to reap the rewards of – the fruits of our labor of the cap software that we have been doing for the last 4 or 5 years as these new products are really starting to get traction. I think that's what's going to – you are going to see continue to help drive revenue growth as we layer that revenue on top.

**Kartik Mehta**

And then Kevin, just as an add-on to that, yes, if you look at – I know you said a long time ago to give a backlog number and that became a little bit more difficult. But kind of as you look at your backlog or implementation schedules, what kind of revenue visibility do you have? I realize 85% recurring, but you still have that other 15% to kind of add, so I am just wondering, how far you are seeing visibility for your revenue?

**Kevin Williams**

Well, so Kartik, I mean, we've got installed backlog on the vast majority of our products. So we – and most of those go 12 months out or longer. So going into a given quarter, we're 98% visible on what that quarter is going to be for revenue. I mean, obviously, you can have some fluctuations, you can have transaction changes within the debit cards or different things or you could actually have a customer delay a delivery, which under the new rev rec rules, if that happens – to delay a final conversion, then that could push all the software recognition and implementation revenues out into the next quarter. So you're going to still have a little lumpiness there. We have 98% plus in any given quarter. And it's not far from that, going into a given year any more, Kartik. I mean, with all of the backlog that we have and again, 85% recurring revenue, we've got a lot of visibility. It's a whole lot easier to forecast and give guidance than it was 10 years ago. I can assure you that.

**Kartik Mehta**

Well, thank you, guys. I really appreciate it.

**David Foss**

Sure.

**Operator**

Your next question is from John Davis.

**John Davis**

Kevin just wanted to dig in a little bit on the EPS guide. I guess, I was a little bit surprised not to see you flow through the – at least the upside from deconversion fees into the full year guide. Is that just conservatism given it's the first quarter of the year or are there any kind of offsets that we're not thinking about? And then also, just how should we think about the cadence of revenue growth obviously, really strong in the first quarter, similar to last year. Should we see a similar cadence in revenue growth as we did last year to kind of decelerate throughout the year?

**Kevin Williams**

Yes. I mean, it's going to – sorry, a little bit through the year because of all the software subscription and everything we take in the first quarter. But the other thing, John, is there is an actually – some of that deconversion revenue that got pulled in from Q2 that we thought was going to happen in Q2 actually happened in Q1. So we think – so I'm not sure exactly where deconversion fees is going to fall out for the quarter, next quarter or the year, to be quite honest. So is there a little conservatism built into that guidance? Absolutely, I mean, I have been doing this a long time. I would much rather under-promise and over-deliver than the other way around.

**John Davis**

No, that makes sense. And then Dave just obviously, the accounting changes we have now lapped. So the 11% core growth ex deconversion fees I think was probably better than most people expected, if not everyone. Maybe just talk about what's driving that? Obviously, you talked a little bit about the market share gains. Is that the result of kind of the last year plus of record new wins and we are finally starting to see that hit the revenue? And just trying to understand why that was outside of subscription would start decelerating throughout the rest of the year for the core business specifically?

**David Foss**

You have nailed it right there. That's exactly it. So we have talked about it before on the call. When we sign a customer, it's generally 9 to 12 months before you start to see that revenue coming in on the core side because there is a lot of work that goes into preparing for that conversion. And once you lay that customer in, again, almost every customer we sign these days is signed as a private cloud-hosted customer. So once you start to layer that revenue in, then it starts to continue to be additive to the numbers you have seen in the past. And so for this quarter, this is a quarter that reflects not only bank customers that we have added in from last year, but now credit union customers that are being added in more on the private cloud side than in-house. Whereas in the past, we would sign them usually as an in-house customer, you would see the revenue path more quickly because we were selling a license fee rather than the hosting model. But now most of the credit unions we sign are also on the hosted model. So once you get them layered in, that revenue just starts to build. And you're really seeing that result now in this quarter strong.

**Kevin Williams**

Okay. And John, let me just – I mean and I know you are familiar with it. The revenue build slide that I've got in my investor presentation a few years ago. That slide has not changed. And so if you think about it, our outsourcing of cloud, just like that slide shows, is about 25% or 26% of revenue. It is continuously growing at a roughly 12% rate. That's what it's done on average for the last 3 or 4 years. I don't see that changing. You got our payments business, which is basically 35% of revenue that's grown in the – it's 7% or 8% this year. I think that could accelerate. So you've got 60% of your business, which is all very nice margin business that's growing basically double digits. So you cross-sell some additional products and add on some additional products, it's pretty easy to get to that 7% to 8% growth that we have been guiding to.

**John Davis**

Okay. And then last one for me, Dave, maybe just talk a little bit about the macro backdrop, both from a bank tech spending, any impact or change in behavior from – now that we have kind of had a few months and I think lower rates have kind of set into people's mindsets. Have you seen any impact there? And then also, any noticeable change in competitive landscape, good or bad, I would assume it's probably potentially a positive from the recent kind of big deals now that those are closed and some of your peers are in integration mode with these bigger deals?

**David Foss**

Sure. So first off, for the first part of your question, and I mentioned it briefly in my opening comments. One of the good bellwethers for us is every year in the fall when we host our Symitar client conference and our JAC conference, which is banks and credit unions, at both conferences, I host a CEO breakout. So only CEOs and Presidents are invited to a 2-day session where we kind of talk about what's going on in the industry and we get a good opportunity one-on-one to get feedback from them regarding what they are seeing and how they are feeling and so on. And it was very uplifting coming out of both of those conferences how – there's no hand wringing. There's no major concern that the banking industry is in trouble or anything like that or a recession is on the horizon. In fact, it was the opposite, a lot of interest in new technology solutions. What can we do to either improve the end customer experience or introduce efficiency into the bank or credit union. So I don't see any slowdown as far as interest in technology, Jack Henry Technology solutions or their willingness to spend for those things that can help the institutions, so nothing changing there, still very solid.

As far as the competitive environment, yes, you're right, major acquisitions have been happening in our space, nothing significant changing as far as the competitive environment for us on a day-to-day basis. In fact, several of you have speculated on this call in the past about will this create opportunities for Jack Henry in the long term. I'm still not ready to say that, but it's feeling that way. There are a number of customers out there, prospects who were at our client conferences this fall that we mentioned earlier, who are expressing that they're interested in Jack Henry because they can see that we're very focused on them as banks and credit unions, providing outstanding technology solutions to banks and credit unions and ensuring that their underlying core infrastructure is solid and best-of-breed. So as far as the competitive environment, no negatives for us so far, but it's early days since these major acquisitions and we will continue to keep an eye on it.

**John Davis**

Okay. Thanks, guys.

**Operator**

[Operator Instructions] At this time, there are no further questions.

**David Foss**

Thanks, Whitney. We are pleased with the results from our ongoing operations and efforts of all of our associates to take care of our customers. Our executive managers and all of our associates continue to focus on what is best for our customers and shareholders. With that, I want to thank you again for joining us today. And Whitney, would you please now provide the replay number for the call?

**Operator**

Thank you. Thank you for participating in today's Jack Henry & Associates conference call. This call will be available for replay beginning at 11:45 a.m. Eastern Standard Time through 11:59 p.m. Eastern Standard Time on Tuesday, November 12, 2019. The conference ID number for the replay is 3593149. The number to dial for the replay is 1-800-585-8367 or 1-404-537-3406.