Transcript of
Staffing 360 Solutions, Inc.
Fiscal 4th Quarter and 2017 Year End Earnings Conference
April 2, 2018

Participants

Brendan Flood – Chairman and Chief Executive Officer
David Faiman – Chief Financial Officer

Analysts

William Gregozeski – Greenridge Global
Bill Relyea – Midtown Partners
Michael Sell – Wells Fargo

Presentation

Operator
Greetings, ladies and gentlemen, and welcome to the Staffing 360 Solutions Fiscal 4th Quarter and Full Year 2017 Earnings Conference Call. At this time, all participants are in a listen-only mode. A brief question and answer session will follow the formal presentation. [Operator Instructions]. As a reminder, this conference is being recorded.

It is now my pleasure to introduce Brendan Flood, Chairman and Chief Executive Officer for Staffing 360 Solutions. Mr. Flood, you may begin.

Brendan Flood – Chairman and Chief Executive Officer
Thank you, operator. Thank you to everyone who has joined us for Staffing 360's Fiscal Fourth Quarter and Full Year 2017 Earnings Conference Call. I'm joined today by David Faiman, our Chief Financial Officer. I want to bring to your attention that a webcast and replay of this conference call is available by following the link contained on the bottom of the press release announcing this call and that this will also be available on Staffing 360's website, www.staffing360solutions.com

Before we get started, I'll take a moment to read the Safe Harbor statement regarding today's conference call. This conference call will contain forward-looking statements within the meaning of the US Federal Securities Laws concerning Staffing 360 Solutions, Inc. The forward-looking statements are subject to a number of significant risks and uncertainties and actual results may differ materially. Please refer to the Company's filings with the SEC, which contain and identify important risks and other factors that may cause Staffing 360's actual results to differ from those contained in our forward-looking statements.

All forward-looking statements are made as of today, April 2, 2018, and Staffing 360 Solutions expressly disclaims any obligation to revise or to update any forward-looking statement after the date of this conference call. During the prepared comments, we may make reference to certain non-GAAP measurements such as adjusted EBITDA. Where applicable, we've provided reconciliations of these non-GAAP measures to the most directly comparable GAAP measure.

Now, with that said, I'd like to take a bit of time to talk about our performance. When I finish my introductory remarks, I will hand the call over to David Faiman to explain our financial statements. After David brings us through the financials, I'll discuss progress on our strategic aims and developments before opening the call to Q&A.

Twenty seventeen marked a major turning point in the evolution of the company. We expanded our geographic presence, both organically and via acquisitions, refinanced and streamlined our balance sheet, positioned the Company to generate positive cash flow beginning in 2018, and advanced towards our goal of becoming a $500 million revenue company within the next two years. More immediately, these initiatives allowed us to report record revenue, record gross profit, and record adjusted EBITDA for the 2017 fourth quarter and full year.

For the fourth quarter of 2017, as compared to the same period of last year, our revenue grew by 29% to $59.5 million, gross profit was up $4 million to $11.9 million, gross margins strengthened to 20.0%, and adjusted EBITDA increased by 134% to $2.8 million. The fourth quarter of 2017 is the first in which we've seen the full impact of the two acquisitions made in September, CBSbutler in the UK, and firstPRO 360 in the US. For full year 2017 as compared to full year 2016, our revenues grew by 6% to $192.7 million. Gross profit increased by 16% to $36.7 million, gross margins strengthened to 19.1%, and adjusted EBITDA increased by S2.3 million to $7.4 million.

On a trailing 12-months basis, including the two acquisitions made as if they were with us for the entire fiscal year, we delivered adjusted EBITDA of $10.85 million. We also recorded certain one-time charges which affected our profitability for the quarter and for the year as a whole, which Dave will discuss later.

Just prior to the fourth quarter of 2017 we completed a $40 million financing initiative. By renegotiating our asset-backed lending facilities in both the US and the UK, albeit the UK facility closed in early 2018, we have addressed an important issue that over the years put considerable strain on our cash availability and usage. These initiatives, and additional ones under way, of which you will hear during this call, have been pivotal in setting up 2018 and beyond for operational investment and growth.

During the third quarter of 2017 we completed two accretive acquisitions which have added over $18 million in annualized revenue and doubled our trailing 12-month adjusted EBITDA to approximately $11 million. Both of these acquisition transactions followed our disciplined approach in ensuring that all the required boxes were ticked, they were strong strategic fits, and earnings enhancing for shareholders.

Additionally, during 2017 we continued to expand our geographic footprint. On January 1, 2017 we were operational in five US states, Connecticut, Massachusetts, Rhode Island, New Hampshire, and North Carolina, and one location in the UK in the City of London. By the end of 2017 we expanded our operations into three new states in the US, South Carolina, Georgia, and New York, which is also our headquarters, and one further location in the UK in Greater London.

We have expanded from 14 locations and 6 client on-site locations at the beginning of 2017 to 17 locations at the end of 2017 and 9 client on-sites, with 4 of the existing locations increasing in size, bringing the total internal headcount from approximately 185 people to 295 people. Furthermore, at the end of 2017 we realigned our management team to reflect the material changes in the Company's condition and structure and to drive further organic growth and integration. After you hear about the financial performance from Dave, I will discuss further what these initiatives may mean for 2018 and beyond.

I will now hand the call over to Dave Faiman, our Chief Financial Officer, for the financials. Dave?

David Faiman – Chief Financial Officer

Thank you, Brendan, and good morning, everyone. Before I get into the details of the fourth quarter, I wanted to point out that on March 29th we filed a Form 8-K indicating our intention to amend and restate our Form 10-Q for the period ended September 30, 2017. As such, the numbers that we'll discuss for the fourth quarter 2017 and included on the slide are shown as if the third quarter results have been restated. The adjustments to restate this Form 10-Q for September 30, 2017 have no impact on our full year results we filed in our Form 10-K and are all non-cash adjustments.

For the fourth quarter of 2017, revenue of $59.5 million was an increase of 29% against the prior year fourth quarter of $46.1 million. Revenue included $17.7 million from the two acquisitions we closed in September of 2017, while the base business declined $3 million from the prior year as we exited low-margin revenue and didn't see the seasonal uplift normally experienced in our commercial segment. Foreign currency impact was approximately $1.5 million unfavorable.

Gross profit for the fourth quarter of $11.9 million was an increase of $4 million, or 50% over the prior year. Stronger margins in the commercial segment, higher margin revenue from the two acquisitions, as well as lower Workman's Compensation costs were all contributing factors. This had the impact of driving gross margin to 20% versus 17.2% over the prior year, a 280 basis point improvement.

Operating expenses of $17.3 million was higher by $9.1 million against the prior year, including operating expenses of the two acquisitions as well as a $4.8 million impairment of goodwill related to our PeopleSERVE business and a $780,000 restructuring charge associated with reorganizing the company into three segments and thus exiting the former CEO's contract. This performance translated into a loss from operations of $5.4 million and net loss of $7.5 million; however, adding back the non-cash adjustment and non-recurring cash costs, underlying adjusted EBITDA grew to $2.8 million from $1.2 million in the prior year fourth quarter, or an over 130% improvement. That translates into 23.5% against our gross profit and 15% in the prior year.

For the full-year of 2017 revenue of $192.7 million was an increase of 6% versus calendar 2016's revenue of $181.5 million. Within revenue for fiscal 2017, $24.4 million came from the two acquisitions, while the base business declined $13 million. Gross profit of $36.7 million increased $5.2 million, or 16%, driven by higher margin business and lower Workman's Compensation insurance resulting in gross margin of 19.1% versus 17.4% in the prior year, a 170 basis point improvement.

Operating expenses of $42 million was higher by $7.6 million, including operating expenses of the two acquisitions, the impairment of goodwill and restructuring charge I mentioned earlier, as well as non-capitalizable acquisition and refinancing-related costs associated with the transactions during the year.

Our other expenses include higher interest on the higher debt as well as losses of $6.2 million from the refinancing transactions we consummated during the year. This resulted in a loss from operations of $5.2 million and a net loss of $18.5 million. While our income statement of fiscal 2017 was burdened by a number of non-cash accounting charges, the underlying performance of the business continued to improve, resulting in adjusted EBITDA for the year of $7.4 million versus $5.1 million in calendar 2016. Including the two acquisitions on a pro forma basis as if they had been owned for the entire year, our trailing 12-month adjusted EBITDA was $10.8 million.

Turning now to the balance sheet, the transactions during the year have grown and strengthened our financial position. Not only has our balance sheet now grown to $87 million, we have significantly reduced current debt obligation and ended the year with $3.1 million of cash on hand. Subsequent to December 2017, we successfully refinanced our UK borrowing facilities into a factoring arrangement with HSBC at an overall more favorable economic terms.

Finally, turning to the statement of cash flows, net cash used in operating activities was $7.2 million for the year, but includes $1.6 million to settle an arbitration loss, costs of completing the two acquisitions, and other non-recurring cash costs of approximately $2.1 million, as well as continued improvement in our working capital. Investing cash flows are principally associated with consummating the two acquisitions and financing inflows are principally to fund the two acquisitions and refinance the company's capital structure.

At this point, I'll hand the call back to Brendan, who will provide an update on recent developments before we open the call for Q&A.

Brendan Flood – Chairman and Chief Executive Officer

Thank you, David. As I mentioned during my opening remarks, following a strategic review of our operations, in December of 2017 we realigned our business into three streams: Professional Staffing US, Commercial Staffing US, and Professional Staffing UK. Each of these businesses will be led by a president responsible for organic growth, delivery cost management, and integration of acquisitions made.

At the moment, we've appointed two of the three presidents, Commercial Staffing US under Paul Polito, and Professional Staffing UK under Mark Darby. Mark's first day with the company will be tomorrow. The leaders of our smallest business stream, Professional Staffing US, will continue to report directly to me until we make an acquisition large enough to justify the additional management.

As we've become larger over the past couple of years, and specifically following the two acquisitions in September, it has become clear that we have now moved into a new phase of our organic growth program and that we need a greater degree of day-to-day focus on driving this organic growth and on delivering on our intelligent integration program. As a team, we set certain internal goals based on several initiatives which are designed to drive strong gross margins, improve productivity of revenue and gross profit per employee, remove duplicated overheads across businesses, share clients and real estate for the benefit of the entire group, and to develop a stronger sense of unity across the group.

Already since the beginning of 2018 we have hired 15 additional people [indiscernible] is revenue-generating or revenue-driving, which amounts to a 5% increase in our headcount. In order to gain the greatest P&L impact on the year, hiring generally takes place in the first half so that the productivity levels of the new employees can have a positive impact before the end of the year. Almost without exception, each of our business units have established new client relationships and signed new agreements. As a couple of examples, Lighthouse Placement Services has engaged 21 new clients in just the first eight weeks of the new year, and the Commercial Staffing Business of Monroe Staffing Services has signed 40 new clients, of which 24 are already billing.

While we continue to significantly expand our geographic footprint organically and via acquisitions, we've also taken steps to drive strong gross margins in our businesses, and have been very successful in this over the course of 2017, moving from 17.4% in 2016 to 19.1% in 2017, while exiting the year on 20.0%.

We're seeing in the market that our clients are demanding more permanent placements or direct hire during this period of very low unemployment. While our firstPRO and UK businesses have strong permanent placement history, some of our other business units have not tapped into this market and are starting to do so now. This will not, however, be at the expense of our contracting or temporary-hire business which provides us with greater visibility of revenue stream. As a management team, we're not against some contracts of lower gross margin if the delivery cost is also lower and the EBITDA margin can be maintained or enhanced.

I mentioned earlier that we exited 2017 in 17 Staffing 360 Solutions locations and 9 client locations. We are constantly looking for opportunistic and strategic moves into additional markets. We have already added two new on-site programs with our clients in the US since the beginning of the new year with a further two signed up to begin across April and May.

We are currently scoping out three additional markets in the US to expand the geographic footprint even further. More target markets will be evaluated and I would expect that we'll open a minimum of a further two new locations in the current year. The manner in which we enter a new market is to find an anchor client, the revenue from which will cover the cost of the new location so that we are at worst at break-even scenario from day one.

Our businesses are working more closely together and have started to share client opportunities and best practices. The senior executives in both the US and their counterparts in the UK have had some very fruitful working sessions together since the beginning of January, but this is still at a very early stage. Right now we have over 1,500 clients, with little more than a handful being serviced by more than one of our brands.

We have also identified opportunities for cross-border cooperation between the US and UK that we're exploring. Currently, we have two locations, the City of London and Fort Mill, South Carolina, that has more than one of our brands. This gives us an opportunity to gain a geographical expansion without always requiring additional real estate and related costs.

In relation to our M&A program, we are in discussions with several parties, but are in no rush to add to the brands in our portfolio, as we continue the positive work on integrating the existing businesses and making the whole group stronger. That said, our aim is to get to $500 million in annualized revenues, so this will require further acquisitions in order to get there. Typically, we would expect additional acquisitions to be in the order of $50 million or more in annualized revenue. We will discuss this further on future calls.

As far as stock valuation, nobody on this call is as disappointed in the performance of the stock as I am as the second largest shareholder in the group. In addition to the rebalancing, refinancing, and management realignment, we've engaged an IR PR firm out of New York City, The Equity Group, Inc., in determining how to expand the institutional investor interest in our story and how to get our message out more broadly into the market so that the changes that have been made over the past 12 months are more fully understood. This will be a constant update point on these calls each quarter.

In conclusion, we have materially transformed our business in 2017 and the opportunities that this has opened for us has generated a level of optimism in relation to 2018 and beyond. We remain committed to our goal of achieving sustainable, profitable, enterprise-wide growth beginning in 2018. It falls to me and to our management team to go on to execute on those opportunities.

Operator, at this point I would like to hand the call over to a Q&A session.

Operator
Thank you. [Operator instructions]. Our first question come from the line of William Gregozeski with Greenridge Global. Please go ahead with your questions.

Q: Hi, guys. In regards to that low-margin PeopleSERVE business you guys are getting out of, how much is left on that, and when will that be completely off the books?

Brendan Flood – Chairman and Chief Executive Officer
Bill, we don't typically go into that level of detail on individual business units, so it comes up for renewal every July. The last couple of years have been relatively positive in our favor except for the bits that we want to walk away from, but in reality the vast majority of what remains could probably stay there forever.

Q: Okay. When you talk about organic growth, we have this much organic growth, but we had to lose this, but we got rid of this low margin business, those days are coming to an end?

Brendan Flood – Chairman and Chief Executive Officer
Pretty much so. The vast majority of what we're signing up is typically coming at a higher margin than anything that we might be losing as contracts come to the end of their natural lives. It doesn't mean that we won't find one or two pieces that we would probably rather not keep. We're constantly evaluating what it is that we have and what we're going to do with it. There's nothing in there that's of any material size, so you shouldn't expect any comments on any conference calls going forward about walking away from low-margin business.

Q: Okay, great. Then it sounds like you have a lot of organic growth that you're seeing already in 2018. What are you guys expecting on the organic growth front for the year in total?

Brendan Flood – Chairman and Chief Executive Officer
We set everybody a target of 10%. There's always a point of failure somewhere, but we'd expect as an average that we will achieve organic growth rates in the order of 10%.

Q: Okay. How are you seeing gross margins for the year, do you think they can stay around or grow on the 20%?

Brendan Flood – Chairman and Chief Executive Officer
Some of it is down to mix. As we do more permanent placement, then the margin obviously moves up. Our contract gross margins have continued to improve across last year and into the beginning of this year. There is a limit as to where it can go, so I don't think we will see the material growth in 2018 that we saw in 2017.

Q: Okay. But do you think 20% is a number we can look forward to for the year?

Brendan Flood – Chairman and Chief Executive Officer
I would expect so, yes.

Q: Okay, great. Alright, that's all I have. I think you guys are doing a great job. At some point the market's going to recognize the work you guys are doing.

Brendan Flood – Chairman and Chief Executive Officer
Thanks, Bill.

Operator
Our next question comes from the line of Bill Relyea with Midtown Partners. Please go ahead with your question.

Q: Good morning. Actually, the other Bill asked most of my questions. I wonder if you could just review how the organic growth has been in the three business segments thus far this year and whether you expect it to increase during the year, quarterly, or how do you see that?

Brendan Flood – Chairman and Chief Executive Officer
Bill, we don't, to this point, issue guidance, but I will just reiterate what I just said to the other Bill, is that our expectation is that our organic growth in 2018 will be in the order of 10%. How that splits across the three business streams, it's a bit too early to say.

Q: Okay. I guess one question would be, how do you see the potential in that region going from North Carolina down to Georgia? That's something you've hit upon as having pretty high prospects, and would you expect that to continue and maybe be an area of potential additions?

Brendan Flood – Chairman and Chief Executive Officer

We mentioned on about probably two or three calls ago, certainly soon after we opened the Fort Mill office, or probably maybe around the time we acquired firstPRO, we do recognize that South Carolina into Georgia is an incredibly fast-growing economic area, so we would expect that it will be very fruitful for us.

Q: Okay. The only other question would be, people have expressed a lot of fears about Brexit in the UK. Do you see that impacting the potential for your business there, or are things going reasonably well?

Brendan Flood – Chairman and Chief Executive Officer
Certainly soon after the vote came out, which surprised most people I think, there was a two or three month period where there was a huge amount of uncertainty, and then it got to the point where clients recognized that this was quite some way away, so they went back to normal and started growing again. Now, the actual exit is just slightly less than 12 months away, because it's March 31st next year, I think we're still at a point where people are expecting that the period of exit is still going to take several years. So, if you're not in the financial services sector, which we're not heavily into, it's less of a concern than it is maybe if you're into banking staffing.

Q: Okay, good. Thank you.

Operator
Thank you. [Operator instructions]. Our next question comes from the line of Michael Sell [ph] with Wells Fargo. Please go ahead with your questions.

Q: Hi, Brendan, morning.

Brendan Flood – Chairman and Chief Executive Officer
Hi, Michael.

Q: Good morning. I have a question for you. Today is April 2nd and so the first quarter is now over. I was wondering if you had any indications of how the quarter went, what performance, or profitability, or EBITDA, or anything of the sort, any type of preliminary guidance?

Brendan Flood – Chairman and Chief Executive Officer
We are, as you already say, at April 2nd and our various subsidiaries are not expected to deliver the results for the month of March for probably another eight or nine days, so we don't really know. Typically, the way the year pans out is that there is a little seasonal downturn in the first quarter, partly driven by the weather, and anybody on this call who lives around Connecticut or Massachusetts will have seen quite a bit of snow this year. We don't think it's a huge impact for us, certainly not what it was two years ago when we probably lost an entire week of snow. Our expectation is that our first quarter is going to be pretty well in line with the plan that we have internally. In order for you to find out exactly what that looks like, Michael, I would suggest that you dial into our conference call that we will hold in the middle of May and we'll give you chapter and verse in it. But we certainly haven't seen anything to cause any alarm.

Q: Right, not necessarily alarm, but what about on the upside? Have you been pleasantly surprised by anything in the last quarter, because I know that you've been talking about some of the synergies and some of the operational improvements, so I was wondering if that was pretty much in line or if that was ahead of expectations?

Brendan Flood – Chairman and Chief Executive Officer
There have been some very pleasant surprises, like I mentioned the two examples in my script of Lighthouse Placement Services got 21 new clients in the first eight weeks of the year. It didn't get 21 new clients in the previous three years added together, so Erik Schwartz and Joshua Iadarola are doing a phenomenal job up there.

Under Paul Polito's team, we've gained 40 new clients in the course of the first 10 or 11 weeks of the year with Monroe Staffing's Commercial Staffing business, and 24 of those are already billing, and we'd expect the other 16 to be billing over the course of the next two to three months. So, in terms of developing new client relationships, developing new prospects, I think there's been some very positive upsides.

Q: Got it, okay. I remember last quarter's conference call, though, there was some indication or some guidance that positive income was going to be coming in the next two quarters. Clearly, last quarter wasn't necessarily that positive, so I was wondering then are you backing off that guidance, because I didn't hear anything about that coming from you guys this quarter at all.

<u>Brendan Flood – Chairman and Chief Executive Officer</u>
Yes, we're looking, partly because of all these non-cash US GAAP charges that we keep getting bashed with, if you ignore all the non-cash charges we are quite seriously positive net income. But I think as far as that guidance is concerned, it probably goes out a quarter.

Q: Okay. Then what you're saying is that the one-offs are going to continue into the next couple quarters.

<u>Brendan Flood – Chairman and Chief Executive Officer</u>
The non-cash one-offs will continue, yes.

Q: Okay. Something like PeopleSERVE is a good example where you essentially went down I think to zero, and you said it was an acquisition that was before your time, are you indicating or suggesting that there are other land mines like that that are looming?

<u>Brendan Flood – Chairman and Chief Executive Officer</u>
No, no, with the $4.8 million write-down of the goodwill in PeopleSERVE, that is the entirety of its remaining goodwill.

Q: Right, but what about other businesses? There were other businesses that were acquired over time and if you're suggesting that there are other non-cash write-offs that are coming in the next couple months or quarters, there aren't that many places it can come from. It has to come from one of the businesses being written down or acquisition costing, something related to the acquisitions. I guess the question then is, does this mean then that there are other companies that are going to get written-down, or that the integration costs haven't been completely included or incorporated into the forward-looking guidance?

<u>Brendan Flood – Chairman and Chief Executive Officer</u>
We will have some integration costs as we remove duplicate costs between various security areas that we have. We don't have any concerns about any further write-downs of goodwill. What we do have are the standard amortization of intangibles that are relatively fast-paced in nature, so we will still continue to see some of those hitting us in the first and second quarters.

We're, at the moment, not intending to buy anything between now and the end of the second quarter. So, we don't really expect to see much, if anything, in terms of transaction costs for any financings, or for any acquisitions that we're going to make, or have made.

Q: Okay. But in terms of non-cash write-downs or whatever, that's just going to be essentially just a standard depreciation/amortization cost, if there are any particular new one-off charges that we should be expecting.

<u>Brendan Flood – Chairman and Chief Executive Officer</u>
That's correct.

Q: Got it. Okay, then I guess then my one last line of questioning has to do with, this all ties back into where the debt load is. When I look at this, I can see that the company has a lot of debt for it's non-adjusted EBITDA, so the company doesn't seem distressed, but it definitely needs to be careful with its cash. So, just going through the numbers here where you have $6 million of interest expenses and another $3 million that's going to go out for prior acquisitions, so that's a total of $9 million, and adjusted EBITDA last year was $11 million, and you think it's probably going to be higher, let's say $13 million, then I guess my other question is, that leaves $4 million left over for essentially adjusted EBITDA. I was wondering, what are you going to do with this? Is it mostly going to go toward principal repayment to Jackson, or is it going to go more towards [indiscernible] growth? I wanted to get an idea of where this is headed.

Brendan Flood – Chairman and Chief Executive Officer
As of quarter ending, and I'll pitch the debt part back over to Dave, as part of my remarks on M&A, I said that we're not in a great hurry to go and buy new stuff while we continue the good positive work that we're doing in integrating the business that we already have. But in order to get from $260 million of annualized revenue to $500 million, we still need to go and buy stuff, so our expectation is that in the second half of the current year we will be back in the market buying stuff and racing towards our $500 million target.

Q: I don't disagree with that. I guess the question, though, is you have this certain amount of free cash flow, if you want to call it that, or it's not really free, but you have some amount of EBITDA that isn't going towards your interest expenses, it isn't going towards payments for prior acquisitions and I'm curious as to, maybe this isn't a good question, more likely it is, but where do you foresee any leftover cash going? Is it going toward principal repayment, or is it going to go towards something else?

Brendan Flood – Chairman and Chief Executive Officer
It's going to go towards buying more stuff. We certainly won't sit around watching $4 million gather dust in a bank account. That would be a situation that we've certainly never been familiar with, and we probably won't become familiar with it. We will make every dollar that we have do some work for us.

Q: Right. I guess my question, though, comes down to, are you going to be paying down the debt first to Jackson, or are you going to be spending more money on this? I guess the question then it comes down to is, you have about two and a half years left of runway on this loan, and obviously it's pretty high interest, so it becomes a question of operational cash flow versus financial cash flows and I'm curious to understand in terms of where you're prioritizing those cash flows.

Brendan Flood – Chairman and Chief Executive Officer
We won't allow any of our money to sit around gathering dust. We will make sure that every dollar we have does some work for us. We do accept the 12% interest rate is a pretty high interest rate, so it is something that Dave and I look at openly every month and try to figure out what it is we're going to do about it. So, $4 million of free cash, if that's the number you calculated, doesn't feed into $40 million particularly well, but we will make sure that we advise the markets as to exactly what it is that we're going to do with our spare money. I'm basically telling you, Michael, that I can't answer that question on this call.

Q: Got it, okay. That's all I had. Thanks, guys.

Brendan Flood – Chairman and Chief Executive Officer
Thanks, Michael.

Operator
It seems that we have no further questions at this time. Are there any additional comments you would like to make?

Brendan Flood – Chairman and Chief Executive Officer
Thank you, Brenda. As we continue to make adjustments to our operational performance to drive organic growth and to deliver on our promises, we will expand the messaging to the capital markets about our performance and opportunities in the expectation that our stock price will start to move to an acceptable and normal level in relation to our industry peers. As a management team, we remain committed to growth in revenue, to growth in earnings, and to growth in shareholder value.

Thank you all. We look forward to speaking with you again in mid-May when we report our first quarter 2018 results. Thank you, Operator.