THOMSON REUTERS STREETEVENTS

EDITED TRANSCRIPT

BWXT - Q3 2019 BWX Technologies Inc Earnings Call

EVENT DATE/TIME: NOVEMBER 05, 2019 / 1:30PM GMT

CORPORATE PARTICIPANTS

David S. Black *BWX Technologies, Inc. - Senior VP, CFO & Treasurer*

Mark A. Kratz *BWX Technologies, Inc. - Director of IR*

Rex D. Geveden *BWX Technologies, Inc. - President, CEO & Director*

CONFERENCE CALL PARTICIPANTS

Matthew Carl Akers *Barclays Bank PLC, Research Division - Research Analyst*

Michael Frank Ciarmoli *SunTrust Robinson Humphrey, Inc., Research Division - Research Analyst*

Peter John Skibitski *Alembic Global Advisors - Research Analyst*

Robert James Labick *CJS Securities, Inc. - President & Director of Research*

Robert Michael Spingarn *Crédit Suisse AG, Research Division - Aerospace and Defense Analyst*

PRESENTATION

Operator

Ladies and gentlemen, welcome to BWX Technologies Third Quarter Earnings Conference Call. (Operator Instructions) I would now like to turn the conference call over to our host Mr. Mark Kratz, BWXT's Director of Investor Relations. Please go ahead.

Mark A. Kratz - *BWX Technologies, Inc. - Director of IR*

Good morning, and thank you for joining BWXT's Third Quarter 2019 Earnings Call. Joining me today are Rex Geveden, President and Chief Executive Officer; and David Black, Senior Vice President and Chief Financial Officer.

On today's call, we will discuss certain matters that constitute forward-looking statements and involve risks and uncertainties, including those described in the safe harbor provision found in yesterday's earnings release and BWXT SEC filings. We will also provide non-GAAP financial measures, which are reconciled to GAAP measures in the quarterly materials. Copies of these materials, documents, along with earnings presentation and a replay of today's call, are available on the investors section of our website.

And with that, I will turn it over to Rex.

Rex D. Geveden - *BWX Technologies, Inc. - President, CEO & Director*

Thank you, Mark, and good morning to everyone. Yesterday, we reported record third quarter results with non-GAAP earnings of $0.79 per share, nearly double compared to the same period last year on robust revenue growth of 18.9%. Revenue was up in all segments and consolidated operating margins expanded to 19.6%. Combined with a strong second quarter, these results lead us to increase 2019 earnings guidance to about $2.55 per share. The quarter was highlighted by sustained growth in the Navy business. The Nuclear Operations Group achieved record results driven by a sustained focus on execution and attention to detail, even as we expand production capacity to meet shipbuilding needs.

In addition, we recognized several favorable contract adjustments in the quarter, most of which were originally planned for 4Q and typically do not repeat on an annual basis. Few weeks ago, we announced that the Nuclear Operations Group secured a multiyear $806 million contract for long lead material. This contract supports all of the Navy's nuclear platforms and includes annual options that extend visibility into strategic nuclear material purchases into 2025.

Furthermore, we also recently reached an additional multiyear pricing agreement of approximately $1 billion, pending final government review, we anticipate assigned contract to follow leading to production in 2020, combining the $2.1 billion multiyear pricing agreement we announced in February with the aforementioned 2 agreements BWXT will have secured about $4 billion in incremental naval nuclear propulsion work in 2019, which is indicative of the growth ahead.

The Nuclear Operations Group is maintaining a high capital expenditure rate as we continue to add production capacity at all of our U.S. plants. In concert with that, we continue to build the workforce in this segment of the business having recently added about 75 people, which brings the total employee headcount to about 4,300 for NOG. Outside of nuclear propulsion and missile tube repair campaign is trending positively with about 60% of the missile tube welds in repair or complete. We still expect to wrap up majority of the repairs by the end of the year and complete the remainder of the missile tube backlog in 2021.

On the budget front, although we are currently operating under our continuing resolution, BWXT has negotiated all major pricing agreements spanning orders through 2020. The Navy requested an incremental Virginia-class submarine in the 2020 budget and appropriators continue to have discussions for funding support across the Navy's procurement plans. The Navy is now planning to revise its [4] structure assessment by the end of the year. However, our long-term guidance assumptions for the Nuclear Operations segment have not changed. We continue to contemplate growth with the assumption of 2 Virginia-class submarines per year, a Ford class aircraft carrier every 5 years and the addition of the Columbia Class over the next decade.

In the Nuclear Power Group, Canadian refurbishment work has continued to provide a catalyst for growth. I do want to provide an update on the recurring field service work that has trended down in 2019 due to seasonal outage cyclicality.

As we look ahead, there are now fewer planned outages because reactors are being taken offline for scheduled refurbishments. We previously expected 2020 recurring averages to rebound from cyclical bottom. We now expect 8 planned outages in 2020 and 6 in 2021. So while this doesn't result in a headwind, we will not see a full rebound in that part of the business for sometime until after the life extension projects are mostly complete.

However, the NPG segment is seeing good growth in the medical isotopes business. Third quarter isotope revenues were up and as we said on the last call, we launched Indium-111 oxyquinoline in the third quarter. And just last week, we publicly announced our production plans for Germanium-68.

I want to underscore that while the market for Indium-111 is modest compared to moly-99, the steps we took to commercialize this generic radiopharmaceutical and navigate the FDA approval process, is similar in nature to our commercialization efforts within moly-99 product line. We continue to focus on industrialization of the moly-99 technology in the companion technetium-99 generators. At this point in time, we have every major system in construction or under contract. We also initiated testing on moly target manufacturing and began preparations for a formal peer review of the BWXT Tc-99 generator design. These efforts are reflected in the increased capital expenditures for the segment.

We also made a minor change to one of the milestones in our published schedule moving completion of facility modifications out of quarter due to updated construction time lines. This is not a critical path item and it does not change the product introduction schedule. We continue to project commercial production in the first quarter of 2021.

In the Nuclear Services Group, as anticipated, we are seeing second half strength and substantially more income in the third quarter than the first half of the year, and we continue to anticipate a strong close for this segment.

As we discussed on the last call, some DOE opportunities have been delayed, so let me give you a high-level opportunity set we are tracking over the next 24 months. In the coming weeks, we expect to hear about the Hanford Central Plateau Clean Up Contract, for which we are completing. The award for the Hanford tanks Clean Up Contract appears delayed until mid-2020.

Next year, we plan to compete for the Savannah River, Oak Ridge and Idaho clean up contracts, which are slated to be awarded in late 2020 and early '21. We also anticipate the Savannah River management and operations contract will be up for recompete in late 2020 with awards likely in 2021. Beyond that, we will be looking for other DOE opportunities that may include Idaho, Pantex and Y-12.

Let me now turn the call over to David to discuss segment results, guidance and other financial matters.

David S. Black - *BWX Technologies, Inc. - Senior VP, CFO & Treasurer*

Thank you, Rex. Starting with segment results, Nuclear Operations Group delivered a record quarter with revenue up 23.5% year-over-year to $394.5 million. This robust growth was driven by higher production volume, higher long lead material purchases and higher missile tube activity, partially offset by lower fuel down blending. Operating income for the quarter was $93.7 million, more than double the prior year period due to the absence of missile tube charges. Also, higher volume and favorable contract adjustments, including nonrecurring adjustments to backlog contracts, related to new agreements and feature sharp volume assumptions. The Nuclear Power Group produced $84 million of revenue in the third quarter, a 6.6% increase when compared to the third quarter last year, driven by higher refurbishment component work and growth in medical radioisotopes, partially offset by lower volume and recurring field service activity.

Third quarter segment non-GAAP operating income was slightly -- up slightly versus the prior year period to $9.3 million. Third quarter NPG non-GAAP operating margins were 11%, lower than the first to my quarters due to the completion of the China project as well as changes in estimated cost for another long-term project. And lastly, the Nuclear Services Group contributed operating income of $5.5 million in the third quarter, down about $1 million versus the third quarter last year as improved operating performance just more than offset by contract completions in 2018.

Moving now to company results. As Rex mentioned, third quarter non-GAAP EPS was an all-time record at $0.79, up 98% from third quarter last year. The absence of missile tube charges, higher segment volume, solid operating margins, lower share count and a better tax rate were partially offset by higher interest expense and lower pension income.

The company's third quarter capital expenditures were $47 million, bringing year-to-date CapEx to $123 million, up over 100% versus the comparable prior year period. We also continue to return capital to shareholders in the third quarter through $16 million in dividend payments. The Board of Directors recently declared another cash dividend of $0.17 per share payable in the fourth quarter of 2019.

The company generated $44 million of cash from operations in the third quarter of 2019, up significantly versus the prior year period. After deploying capital, we had a September 30 ending balance of cash and short-term investments and other restricted cash of $17 million. Gross debt totaled $873 million at the end of the third quarter 2019, including $400 million in senior notes, $273 million in term loans and $200 million in borrowings under the revolving credit facility. We also have $64 million in letters of credit under the credit facility and as a result, have $236 million of remaining availability.

Turning now to guidance. As Rex mentioned, we have increased the 2019 guidance for non-GAAP earnings by $0.05 to about $2.55 per share and consolidated revenue growth of about 6%. The EPS guidance incorporates the robust operating performance to date and updates 2 nonoperating items, including other income and the non-GAAP effective tax rate. We now expect other income, primarily related to pension and other post-employment benefits, to be about $24 million for the year, up $2 million from the prior guidance.

We are lowering the guidance for the effective tax rate to about 23% for 2019 as we recognize the benefits from recent tax planning initiatives. We have also updated guidance for 2019 capital expenditures, which we now expect to be approximately $210 million. Most of the change was driven by timing, which has moved into 2020 and now makes the capital in 2020 about $240 million. As discussed on the last call, 2020 was expected to be an elevated capital expenditure year similar to '19, but now it will be a peak year. We will still expect capital expenditures to remain elevated in the first half of 2021 and return to maintenance levels toward the back half of that year.

Overall, 2019 EPS guidance continues to contemplate tailwinds from higher volume, robust operating margins, reduced share count and lower taxes, while now expecting about $0.15 of EPS headwind from increased interest and research and development expenses and lower noncash FAS pension income reported with other income. All other components of 2019 guidance remain unchanged. And lastly, we continue to reiterate long-term non-GAAP EPS guidance of a low double-digit EPS CAGR over the 3- to 5-year period from 2017 results.

I will turn the call back over to Rex to discuss initial 2020 outlook and the progress we are making towards new opportunities in nuclear technology.

Rex D. Geveden - *BWX Technologies, Inc. - President, CEO & Director*

Thank you, David. 2020 is shaping up to be another strong year of growth for BWXT. We anticipate about 9% consolidated revenue growth driven by NOG and NPG. We expect earnings per share growth of about 7% from the elevated $2.55 guidance for 2019. I would add that we expect modest margin pressure from some onetime adjustments in nuclear operations that were realized in 3Q of 2019 that will not repeat next year and the completion of the China steam generator project in NPG. We will, of course, issue more formal guidance when we report year-end results in February.

I will conclude with some comments about the emerging demand for BWXT advanced nuclear technologies that could lead to meaningful business growth in the coming years. Last month, we announced that we would restart the existing TRISO nuclear fuel production line and expand capacity over the next year at an immaterial cost. We are the only company that manufacture this type of fuel using production scale equipment and have been doing so for over 1.5 decades to support experiments of the advanced test reactor at the Idaho National Laboratory. This is being done in preparation for nuclear demonstration projects in the DoD, DOE and NASA, including micro reactors that could have multiple future use cases. TRISO fuel would be an essential element in the success of developing such systems.

Beyond TRISO, I am encouraged by the progress the research team is making on to other nuclear-based technologies. For example, we have recently used additive manufacturing technology to print uranium and complex geometrical forms, a first in the industry. We're also utilizing artificial intelligence in novel ways to optimize reactor design, which we expect will lead to entirely new classes of, say, high-performance systems. All of these efforts align our capabilities for future government needs and position BWXT to enter these new markets with clear and competitively unique value propositions.

And with that, I will ask the operator to open the line for questions. Operator?

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Our first question comes from Bob Labick from CJS Securities.

Robert James Labick - *CJS Securities, Inc. - President & Director of Research*

I wanted to start with the isotope time line and as it relates to the equipment installation into the reactor, which remains scheduled for Q1 of 2020 on your chart, is this -- are you putting the equipment in during a planned shutdown? Or is this special event? And if regulatory approval drags a little bit on to the schedules, is there any risk to this time line? Or do you have any contingencies for that?

Rex D. Geveden - *BWX Technologies, Inc. - President, CEO & Director*

Yes. Thank you for the question, Bob. We can do -- we can install the target delivery system either through a planned outage or through a dedicated outage. And we have those discussions ongoing with Ontario Power Generation, but we also recognizing the complexity in commercial operations of a nuclear reactor, we also have contingency plans and so we have other reactors available should we need that to get our production going. So we're well prepared for any changes in the outage schedule.

Robert James Labick - *CJS Securities, Inc. - President & Director of Research*

Okay. Super. And then just a quick follow up as it relates to the time line. Obviously, potential revenue 15 months or so away. Can you remind us the commercial arrangements that you either have or need to get? And who you'll be selling to and what agreements you have in place or anticipate, please?

Rex D. Geveden - *BWX Technologies, Inc. - President, CEO & Director*

Yes, Bob. We haven't been explicit about any of that. We -- as I have said on multiple occasions, have a clear view about our channels to market, but we haven't disclosed anything specifically.

Operator

Our next question comes from Matt Akers from Barclays.

Matthew Carl Akers - *Barclays Bank PLC, Research Division - Research Analyst*

You guys have talked about sort of the volatility in the back half for this year, and we definitely saw that with the big positive adjustment this quarters. What's kind of the right way to think about that into 2020? I mean are there other sort of milestones coming up that could cause another kind of volatile quarter like we saw this time? Or do things sort of smooth out from here?

David S. Black - *BWX Technologies, Inc. - Senior VP, CFO & Treasurer*

Matt, I would tend to think of 2020 as a bit smoother and the reason is, when we negotiate these pricing agreements with our Navy client, we'll end up with backlog changes and therefore rate adjustments that can have generally positive effects on, not only the backlog, but also in our financial results. And so I don't -- I wouldn't anticipate as much chunkiness into next year as this year.

Matthew Carl Akers - *Barclays Bank PLC, Research Division - Research Analyst*

Okay. And then, I guess, just on the services side, some of the government services companies have talked about, I guess, the government just being a little bit more cautious around kind of budget uncertainty and maybe delaying some awards. Are you guys seeing any of that at all or it doesn't sound like there's too much going on?

Rex D. Geveden - *BWX Technologies, Inc. - President, CEO & Director*

I don't think so. In the DOE space, if you look at the environmental management budget, it's steady and goes on -- and has very high visibility, goes on for decades. And the same is true for the management and operations contracts that we see around our weapons complex in the other department of energy laboratories. It's very steady, very well supported by, not only the budgets -- President's budget request, but also by the Congress. So I think that looks very steady from our perspective.

Operator

Our next question comes from Robert Spingarn from Crédit Suisse.

Robert Michael Spingarn - *Crédit Suisse AG, Research Division - Aerospace and Defense Analyst*

I wanted to start, David, with you and just go back to the CapEx. You were pretty clear a few minutes ago about it normalizing in the back half of '21 but could you clarify the first half of '21? Does that first half trend at a similar percentage of sales that you saw this year and expect in '20? Or is there some kind of a ramp toward what the back half of '21 should be on a percentage basis?

David S. Black - *BWX Technologies, Inc. - Senior VP, CFO & Treasurer*

So what I would look at is, as we talked about last quarter, our capital was about $225 million, this year it was $225 million, roughly the same next year and that it would stay at that elevated level in the first 6 months of '21, and then it would go down to 3% to 3.5% of revenue at the end of that year. So we've now said that this year it's going to go down to $210 million, but that timing is going to move into next year. So that changes from $225 million to $210 million, takes it from $225 million to $240 million next year. So then that elevated level, $120 million or so at beginning of '21 and then the second half will go down to once again 3% to 3.5%.

Robert Michael Spingarn - *Crédit Suisse AG, Research Division - Aerospace and Defense Analyst*

Got it. Okay. And then Rex, on the isotopes, you mentioned the Germanium-68 and some of the others. How do we think about the relative sizes of these markets? And then I think there was a comment earlier about the approval and ramp process being similar. I think that was -- that comment was about the 111, but are the incremental margins higher as you add products here because of what you've already done with moly-99 or am I not understanding this properly?

Rex D. Geveden - *BWX Technologies, Inc. - President, CEO & Director*

Yes. I think we've said in the past, Rob, that we expect gross margins to be 50 plus, contribution margins obviously higher than that. So it's -- to business that has very good operating leverage to it, we said in last call that the germanium and Indium oxine products would add something like 15%, 20% marginal revenues in '20 as we got into full run rate, let's call that, 2020, at very good gross and incremental margins.

Robert Michael Spingarn - *Crédit Suisse AG, Research Division - Aerospace and Defense Analyst*

How big are their relative markets? In other words, the opportunity long-term?

Rex D. Geveden - *BWX Technologies, Inc. - President, CEO & Director*

Yes. Those aren't very big markets. You put them in, let's call it, the $10 million to $20 million range, something like that.

Robert Michael Spingarn - *Crédit Suisse AG, Research Division - Aerospace and Defense Analyst*

Okay. And then just one other thing. Is there a way to quantify the long lead boost revenues in the quarter?

David S. Black - *BWX Technologies, Inc. - Senior VP, CFO & Treasurer*

I mean I think that you're looking for the changes in the contracts or the -- what we're saying is the onetime or just specifically to the long lead?

Robert Michael Spingarn - *Crédit Suisse AG, Research Division - Aerospace and Defense Analyst*

Anything that you would call out as beyond normal?

David S. Black - *BWX Technologies, Inc. - Senior VP, CFO & Treasurer*

So what I would do is I would -- know that we've always said that our margins are in the high teens and then you have a plus up there to get you into the very low 20s for the pension. I would say that would be normalization. So if you take -- the margins we provided this quarter, 23.7%, and take it to that normalization, that difference in margin is really what we've been talking about as those onetime adjustments that you can take out for the future.

Operator

Our next question comes from Michael Ciarmoli from SunTrust.

Michael Frank Ciarmoli - *SunTrust Robinson Humphrey, Inc., Research Division - Research Analyst*

Maybe Rex, just on 2020, you talked about 9% top line, can you maybe parse that out for us a little bit? You kind of gave some color on the NPG side of the business with the outages. So does NPG contribute growth next year with some of that outage headwind? Does the isotope add to that growth rate? Maybe if you could just give us some growth by segment or a little bit more color there?

Rex D. Geveden - *BWX Technologies, Inc. - President, CEO & Director*

Sure. So the growth drivers are both NPG and NOG, and I'd say they're approximately balanced in that growth, where the NPG itself, we will see higher volume, higher sales from the isotopes. We will see an upswing on outages but probably not as sharp as we had anticipated because the cyclicality is interrupted by the refurbishment projects. But we're continuing to see good growth in the component work that we do in the Canadian market and the spare parts work that we do in the Canadian market. So we remain quite bullish about that. The refurbishment opportunities are significant, and we are winning our share of the work. So you'll see that business growing at, let's call it, approximately the same rate as the Navy business next year.

Michael Frank Ciarmoli - *SunTrust Robinson Humphrey, Inc., Research Division - Research Analyst*

Okay. And then just, I mean, going back to the -- when you guys made the acquisition of the GE Hitachi business, are you guys realizing those expected revenue synergies? I know you talked about a doubling in the market. It sounds like you've got some of the cyclicality interrupting these outages, but are you guys getting the full benefits? Is that seemingly playing out as expected?

David S. Black - *BWX Technologies, Inc. - Senior VP, CFO & Treasurer*

Yes, it absolutely is. If you look at where that business was in 2015, $120 million business will finish $360 million, $370 million next year and then the growth that we described for 2020. So think of it as a business that's on the verge of quadrupling on the top line, bottom line is moving faster than that, and then some of that is attributable to the GE Hitachi acquisition. It just made us a more robust player in that market. And as we look at the pro formas that we developed at the time of that deal and look at them in the rearview mirror that's been a very attractive acquisition for us and certainly strongly outperforming the pro formas at the time of the deal.

Michael Frank Ciarmoli - *SunTrust Robinson Humphrey, Inc., Research Division - Research Analyst*

Got it. And then just the last one, I'll jump back on the queue. On the TRISO fuel restart, can you sort of quantify for us what the potential revenue opportunity can be there? Obviously, you do some of the down blending now on an annual basis. If some of these potential projects materialize, how should we think about that, kind of, layering in from a revenue perspective over time?

David S. Black - *BWX Technologies, Inc. - Senior VP, CFO & Treasurer*

Yes. Maybe I'll characterize it in a -- at a higher attitude, Michael. So the way we think about these new projects, these space and defense reactors and the fuel and the related work around that is we will, as a company, go and spend some R&D to develop a new capability -- a new technology for these kind of markets. And that comes from a higher R&D budget of course. And then we typically will get into some kind of a co-funded R&D with the deal we or the Department of Defense or NASA and we've seen it occur in all 3 of those cases. And then normally what happens after that for these new markets for reactors and fuel, they should see something like a demonstration mission, and nuclear thermal propulsion, for example, or the demonstration of a ground reactor and then, of course, the endgame for all that is low-rate production or high-rate production for those kinds of reactors. And so the way that I think about it is think of the R&D opportunities in the single-digit millions. Think of the demonstration programs as in tens of millions to hundreds, depending on how complex and depending on where we are in the supply chain for that. And fuel is a good fraction of that, let's call it 20% or 25% of those kind of numbers. And so, I mean, you can imagine what fuel business that's certainly generating tens of millions in the future depending on the demand or above that.

Operator

Our next question comes from Pete Skibitski from Alembic Global.

Peter John Skibitski - *Alembic Global Advisors - Research Analyst*

Rex, to follow-up on the whole small reactor front, it looked like, certainly, year-to-date, there's been a lot of momentum there. Even over the last quarter, right? I think you were out there talking to [David Bernstein] about this, and I've seen some RFIs out there from DoD organizations. So is this becoming near term? My recollection is always that you kind of put out 2020 as being a potential year that this kind of breaks through. Do you feel the same way about the timing there? And any other color you could add to this interesting area will be appreciated?

Rex D. Geveden - *BWX Technologies, Inc. - President, CEO & Director*

Yes. Sure, Pete. Right, I did speak at the National Space Council, which is chaired by the Vice President and the NASA administrators there the Chairman, the Joint Chiefs and others that have interesting in space and so -- we have, I think, established a national level dialogue for these microreactors there many applications, including nuclear thermal propulsion, surface power, directed energy weapons, off-grid power for remote and forward basis. So I think there is a great deal of interest from a variety of government agencies for these applications. In terms of timing for that, Pete, if you look at the appropriations progress on the NASA bills, there is $125 million in house bill, $100 million in the Senate bill for nuclear thermal propulsion demonstration mission, certainly not all that would flow to the contractors, but we'd expect a piece of that should this appropriation be done. And then, as you said, you've seen RFIs and activity across the DoD, strategic capabilities office, for example, is interested in the demonstration reactor, we hear interest from the army and others in those kind of reactors. And so yes, I think assuming that we can get through in all this sort of the political flux that's occurring now at the national level get through the appropriation cycle in some kind of normal way. I do believe we'll start to see meaning full funding in 2020 and beyond that.

Peter John Skibitski - *Alembic Global Advisors - Research Analyst*

That's great. Appreciate the color. Let me ask, on the CR, it almost seems like a given, it's going to go into calendar 2020. Is the 9% growth you guys are giving your target growth of 2020, how much would an extended CR or even a full year CR potentially impact that?

Rex D. Geveden - *BWX Technologies, Inc. - President, CEO & Director*

We are not terribly sensitive to it. Obviously, it has nothing to do with our Canadian business. The things that are going on in our technical services business I think will proceed at pace. And then in the Navy business, all 3 of those are programs of record that'll get funded at approximately normal levels, Columbia, Ford and Virginia. So not all that sensitive to whether we get into a year-long CR.

Peter John Skibitski - *Alembic Global Advisors - Research Analyst*

Okay. Appreciate it. And last one for David. David, on the build-in contracts and process through kind of year-to-date, I imagine that's nuclear Navy related. How are you thinking about the fourth quarter in terms of, can that reverse on a full year basis? Do you think you guys have a shot at getting to onetime conversion on free cash net income?

Rex D. Geveden - *BWX Technologies, Inc. - President, CEO & Director*

I mean obviously we're starting an increased amount of revenue, both at NOG and NPG. So along with that, you're going to have additional working capital that's going to be built into the business, especially early part of these contracts. So I mean I think the working capital continue to be healthy but we know eventually, in near-term, it will come back but right now, it'll probably be strengthened.

Mark A. Kratz - *BWX Technologies, Inc. - Director of IR*

All right. Operator, I believe that was our last call. Thank you, everyone, for joining us this morning. This concludes our third quarter 2019 conference call. If you have further questions, please call me at (980) 365-4300. Thank you.

Operator

Ladies and gentlemen, that does conclude today's conference call. We thank you for attending today's presentation. You may now disconnect your lines.
