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SPEAKERS

Rebecca MacDonald – Executive Chair
James Lewis – President and Co-Chief Executive Officer Just Energy
Pat McCullough – Chief Financial Officer

ANALYSTS

Nelson Ng – RBC Capital Market
Carter Driscoll – FBR
Damir Gunja – TD Securities
Sameer Joshi – Rodman & Renshaw

PRESENTATION

Operator: Good morning, ladies and gentlemen. Welcome to the Just Energy Group, Inc. conference call to discuss the Fourth Quarter 2016 Results for the period ended March 31, 2016. At the end of today's presentation, there will be a formal Q&A session. (Operator instructions.)

I would now like to turn the meeting over to Ms. Rebecca MacDonald. Go ahead, Ms. MacDonald.

Rebecca MacDonald: Good morning. Thank you for joining us thing morning for our fiscal 2016 fourth quarter earnings conference. I'm Rebecca MacDonald, Executive Chair, Just Energy, and I have with me this morning, Co-CEO James Lewis, and CFO Pat McCullough. Unfortunately, we will not be joined by Co-CEO, Deb Merril, as she is attending funeral services for a family member.

Before we begin, let me preface the call by telling you that our earnings release and potentially our answers to questions will contain forward-looking financial information. This information may eventually prove to be inaccurate, so please read the disclaimer regarding such information at the bottom of our press release.

Fiscal 2016 was tremendous year or Just Energy from a financial, operational and strategic positioning perspective. Our business continues to perform very well, delivering strong top and bottom line results while generating meaningful cash flow. In parallel, with delivering strong results we were able to take strategic measures to position the company for continued long-term success in this exciting, changing industry.

On behalf of the board, I want to extend our appreciation to Deb, Jay, Pat and the entire team for their focus and commitment to driving meaningful change throughout the organization. As I look back over the past three years, essentially the timeframe since we put this new leadership team together, there is clearly a developing track record of delivering on our promises to our shareholders, customers and all of our stakeholders.

In fiscal 2016, we exceeded our own guidance and overcame a very tough comparison to the strong fourth quarter of 2015. Given our world-class risk management and our hedging strategy, we were able to drive strong performance in recently completed winter quarter, despite relatively warm weather. As you'll recall, the winter weather of last year provided a windfall across much of the industry. The recent winter was about 15% milder than normal across Just Energy customer base in North America.

Delivering such a strong result is testament to our hedging philosophy and commitment to establishing a stable and predictable earning profile. We feel strongly that our demonstrated ability to consistently deliver performance-driven results in any environment is now the new normal at Just Energy, as a result of our strengthened financial position and improved profitability profile.

As you've heard us talk about all year long, we've taken action to change the business foundation and reposition the company to capture more accretive profit and cash flow by not allowing our team to chase market share at the expense of margin due to our refusal to engage in risky pricing tactics that would ultimately damage our improved profitability profile. While this strategy will result in a decline in net customer additions from time to time, we feel strongly that our margin for customer improvement initiative is working. The progress is evident in improved scale and leverage in our model that is allowing us to take 5% topline sales growth for the year and deliver 17% gross margin and 15% base EBITDA growth, while driving a 62% increase in cash flow.

Let me be very clear, we are managing this business for the long term. If that yields shorter negative additions for the sake of long-term accretive profit and cash flow, we will do it every single quarter. Let me also be clear that we are planning for and we are well-positioned for significant growth. We see tremendous opportunities to achieve our goals through the addition of product, markets and partnerships that will deliver value to our customers and growth for our business.

Today, we are operating from greatly improved financial position, and our strategy is proving our ability to consistently deliver throughout any cycle. Our financial flexibility combined with the commitment to maintain a capital like model supports our ability to pursue a growth strategy centered on geographic expansion, structuring superior product value proposition and enhancing the portfolio of energy management offerings. We feel confident, our strategy will continue to deliver in fiscal 2017 and beyond.

With that I will pause and ask Pat to provide some additional color on the quarter and year's financial results. Pat?

Pat McCullough: Thank you, Rebecca. Overall, it was an outstanding year in terms of both profitability and cash. We're very pleased with the financial results we're generating as a result of the actions we've taken to reposition the company. The business is performing exceptionally well, and we're seeing a consistency in our ability to take strong topline performance and deliver even more impressive bottom-line results.

Let me cover some of the recent highlights for the fourth quarter and full year; then I'll add more added color in specific focus areas and provide our outlook for fiscal 2017. In the fourth quarter, sales were $1.0759 billion, a decrease of 11% over the very strong quarter of fiscal 2015. The quarterly decline was a mix of lower commodity prices, lower volume due to warm weather and lower net additions from the year-ago period in the consumer division, combined with lower sales prices for variable products in the commercial division. The effect of these items combined with the lower customer base more than offset the positive foreign exchange impact.

For the full year, sales were up 5% to $4.1059 billion. The increase is primarily a result of the currency impact of converting US dollar denominated sales into Canadian dollars. Gross margin increased 5% to $204.3 million during the quarter. This is a continuation of the same positive foreign exchange impact and ongoing success of our margin improvement strategies that led to a full year gross margin increase of 17% to $702.3 million over last year. This quarter's gross margin did not feel the impact of the warm weather that Rebecca mentioned due to our superior weather hedging program.

Let me step back to add some color on how far we've come along this profitability for customer initiative. Today, we're signing consumer customers at $207 of gross margin per RCE, which compares to $191 just one year ago and $166 two years back. Additionally, commercial margins are being added now at $84 per RCE, up from $79 just one year ago and $67 two years ago. So that's a 25% improvement in both consumer and commercial over the two-year period.

We were able to drive these improvements in margin because our new, innovative products are gaining more appeal and presenting more value for our customers. This is allowing us to price our energy management solutions competitively without sacrificing customer satisfaction. This satisfaction is evident in the attrition rate remaining flat year-over-year in what we consider a highly competitive market.

The improvement in our operating results is also reflected in our cash flow performance. We ended the quarter with $127.6 million on cash and cash equivalents, up 62% from $78.8 million at the end of fiscal 2015. In addition, base funds from operations increased 37% from the same quarter last year and increased 49% year-over-year to $138.2 million. You've heard us talk a lot about the changes and repositioning this company has undergone, and this is another great example of delivering on promised change. Today, we're happy to be able to say that the payout ratio on base funds is 54% for the full year, down from 94% in fiscal 2015 and down from 139% in fiscal 2014. Given the growth we're projecting moving forward, I'm confident this achievement is sustainable.

We've also remained committed to reducing debt. At yearend, long-term debt was $660.5 million, a decrease of 2% year-over-year. Despite the higher value of the US denominated debt due to foreign exchange, we successfully reduced debt during the year by $7 million through our normal course issuer bid program and an additional $25 million through repayment of our unsecured senior notes. As a result, book value net debt was 2.6 times the trailing 12-month base EBITDA, significantly improved from 3.3 times just one year ago and approximately 6 times two years ago. We remain focused on further improvements to our debt position going forward.

We were also successful in controlling overhead costs. Administrative expenses for the year increased by 10% to $170.3 million; however, this was entirely driven by higher costs required to support customer growth in the UK as well as the impact of the exchange rate on the US dollar denominated administrative cost.

Selling and marketing expenses for the year increased 14% to $257.3 million, due to the impact of foreign exchange on the US base commission and overhead expenses, the start-up cost associated with the residential solar division, as well as the expenses becoming more directly correlated to the growing portion of the customer base for which selling cost are recorded over the life of a contract. In fact, the majority of the year-over-year increase was driven by prepaid commercial commissions.

I'd also like to point out that during the recent quarter, we made four strategic sales and energy management solutions hires, whom we're very excited to have on board. These new members of the team provide us increased confidence in our ability to execute our growth strategy around solar and broader energy management solutions that will drive future customer growth within existing and new channels.

To wrap up the year, the sum of all these activities and results led to strong bottom line results that exceeded even our aggressive expectations. Base EBITDA increased by 10% to $74.7 million this quarter, excluding the additional prepaid commission expense item. It's important to remember that our reported base EBITDA in the fourth quarter of this year included $7.4 million of prepaid commission expense, reflecting the change in classification of prepaid commissions to a current asset effective April 1, 2016. Base EBITDA was $67.3 million in the quarter, a 1% decrease from last year when we fully reflect this change in the current period.

For the full year, base EBITDA increased by 25% to $225.5 million in comparison to the fiscal 2015 excluding the additional prepaid commission expense. In fiscal 2016, we incurred $17.9 million of prepaid commission expense. When you include the prepaid commission expense item, reported base EBITDA was $207.6 million, an increase of 15% over the prior year. While we did benefit nearly $21 million from foreign currency impact on the translation of our US operations, it was still a very impressive year as we posted performance-based improvements of $24.5 million for the year.

Now let me turn to the outlook for 2017. The improvements we've made to the business are here to stay. To reflect the progress in repositioning the business and to build off of our strong 2016, we believe we will achieve fiscal 2017 Base EBITDA in the range of $223 million to $233 million, reflecting continued double-digit percentage year-over-year growth.

Fiscal 2017 guidance includes deductions to base EBITDA of approximately $40 million for prepaid commercial commissions which would previously have been included in amortization within selling and marketing expenses. This represents a $22 million year-over-year increase in this expense versus 2016 and represents a go forward run rate for this incremental deduction in future years. As you saw this year, we expect to offset this headwind with continued strong gross margin performance and foreign exchange benefit. If you consider the 20% EBITDA growth that we recorded this year, prepaid commission adjusted and on top of that another 25% for next year, this is a very compelling feat.

In addition, Just Energy's solar program continues to show promise. Based on the success of the pilot launch in Southern California, operations will continue to grow with further expansion in California and the Northeast United States. In fiscal 2017, our solar and renewables business is expected to contribute $10 million towards the double-digit percentage base EBITDA targets.

With that, I'll turn it over to Rebecca for some concluding remarks.

Rebecca MacDonald: Thanks Pat. We enter fiscal 2017 well-positioned to participate in the significant growth opportunity that exists in our changing industry. The energy management solution industry is in the midst of significant transformation as customers demand value added product that address the changing manner in which energy will be consumed. We embrace this change and feel we are uniquely capable of transforming our vision and insight into action by delivering effective strategies and compelling products that capitalize on change and deliver real value.

Our growth plan centered on continued geographic expansion, structuring superior product value proposition and enhancing the portfolio of energy management offerings. Geographically, our expansion plans are focused in Europe, where we are actively evaluating new markets. Our UK business is thriving, and we are successfully adding consumer and commercial customers in a profitable manner. We believe this early success validates our ability to compete outside of North America, and we plan to take this experience and expand into two new European nations this year.

A large part of our ongoing success is also being driven by our ability to provide innovative products that take advantage of technological advances and offer a superior value proposition to our customers. New products like our unlimited plan, our bundled product offerings, our JustGreen offering, smart stat thermostats and Just Solar, to name just a few exciting opportunities.

During the year, we also started bundling energy efficient LED lightbulbs with our commodity product, and we added air filters to our suite of options. Each of those innovative products are gaining more appeal and delivering more values to customer, which in turn is allowing us to price our solutions at premium, while retaining customers for long duration.

In summary, this has been an incredible year for our company, and one we feel places us squarely on the best path of becoming the premium world-class provider of energy management solutions. Our business is healthy and growing even stronger. We are committed to delivering another year of double-digit earnings growth, maintain our stable dividend, pursuing prudent geographic expansion and further strengthening the company's financial and strategic position in the coming year.

We would like to thank the employees of Just Energy for making these results possible. As a leadership team, we are very fortunate to have a group of employees who deliver results and believe in the future of Just Energy. Thank you for all you do for the business we operate, the customers we service, and the communities which we live in.

With that, I would like to open it up for questions.

Operator: Thank you. (Operator instructions.) We have a question from Nelson Ng from RBC Capital Market.

Nelson Ng: Great, thanks. Congratulations on a good quarter.

Rebecca MacDonald: Thank you very much.

Pat McCullough: Thank you, Nelson.

Nelson Ng: My first question relates to the customer margins, in terms of additions and the attrition, so I'm not sure if my math is right, but are the margins for the consumer customers lost higher than the margins for the consumer customers added in Q4?

Pat McCullough: The margin for—?

Nelson Ng: For the customers lost, for Q4 specifically, not for the year, was it higher than the margins for the customers added?

James Lewis: No, the margin for the customers for Q4 and full year have been positive, Nelson. We continue to look at those customers, the mass market side, as Rebecca talked about the bundles there, so that would be the case.

Nelson Ng: Okay.

Pat McCullough: So Nelson, we can help you with this offline. I know we put full year fiscals in our MD&A, but we can pull apart the fourth quarter for you.

Nelson Ng: Okay, that's great, Pat. And then, just in terms of the fiscal 2017 guidance, like once you back out solar and you kind of back out the—or adjust for the commercial commission prepayments, it implies like a growth rate of about 15% EBITDA for the base energy retail business. I guess, like what's your expectations in terms of the customer level going forward for the year, compared to I guess the growth in margins?

James Lewis: Nelson, we're looking at this from an overall cost perspective. We're getting more value with customers we're singing up, we're cross-selling and up selling with existing customers with the filters, with the thermostats, with the LED lights, so we expect to get more value under the existing customers. As we bring on new customers, our expectation is that from next year, we're looking in the range of 300,000 customers to add. As you go that brings in value typically in the out years if we didn't have the other additional value in gross margin initiative.

Nelson Ng: So you expect modest customer growth, and most of the EBITDA growth will come from higher margins per customer?

James Lewis: Yes, but we are expecting, as Rebecca said, to add more customers next year.

Rebecca MacDonald: I think in the last couple of years, Nelson, what you have seen is A) cleaning up our customer base that grew over time with a number of unprofitable customers, and this theme of change is focused on financial metrics way more than on actual absolute number of customers. And one thing that we have proven to ourselves is that the margin for customer with the bundled product that is growing, and we don't expect any change there. Now, would we like to add more customers? Absolutely. But we have created enormous amounts of discipline around the margin that we will accept for each customer. And if we are not able to get it, we are happy to walk away from it. So what Jay is saying, look at the bundle and look at additions. We want to add as many profitable customers as we possibly can, but the key is profitable.

Nelson Ng: I see. But I guess in terms of your guidance, you're assuming like a modest customer growth, plus stronger margins per customer to drive growth, right?

Pat McCullough: Yeah, this is Pat, Nelson. If you go back to our growth strategy, we're expecting both customer topline and bottom-line growth through three main initiatives, geographic expansion, product enhancements, so bundling, but also bringing superior product structures like flat bill products to markets—when volatility returns, we think those are going to exciting products—and then the enhancement of more things sold through the customer at higher value premiums.

Nelson Ng: I see, okay. And then just kind of moving on to the balance sheet, so you have $128 million of cash at the end of the quarter. I presume you'll allocate some of that to reduce debt, as you've done in the last quarter. Can you talk about your—I guess your uses of cash in the next year in terms of what you intend to do with that and also, are there any updates in terms of I guess refinancing or addressing the 2017 maturity?

Pat McCullough: That was more than one question. Sure, let me start at the top. So, we're very proud of this quarter based on the cash generated. Not only did we report, as you mentioned, $128 million of cash, we actually paid down $25 million of principal on the high yield senior note. And yes, that remains the priority. As we generate cash and buttress the dry powder on our balance sheet, we support the restructuring efforts of the business, which we're very pleased are right on track and we're very confident that we're going to be able to restructure the long-term converts and debt on our balance sheet in a shareholder efficient manner.

Nelson Ng: And do you have any, I guess, updated timing on the solution?

Pat McCullough: Consistent with what we've said in the past, we see this getting done this year, this calendar year. We won't be spilling into the fiscal '17 calendar year, or the calendar year '17.

Nelson Ng: Okay. Thanks Pat. I will get back in the queue.

Pat McCullough: Thanks, Nelson.

Operator: Our next question comes from Carter Driscoll from FBR.

Carter Driscoll: Good morning. So, can you talk maybe just about the competitive situation and maybe in conjunction with some of the changing regulatory in particular? Obviously New York State had a bit of a hiccup in terms of its approach to the energy retailing market most recently. How do you kind of deal with that from a high level? And then I have a couple followups.

James Lewis: Yes, Carter. We believe that customers in New York and all the markets deserve products of value. That's what they were looking at, and what it was driving to. And if you look at, historically, when you have robust competition, it will drive long-term value. So what we're doing is we're working with industry groups, we're looking to partner with New York State, and really other markets to make sure they have the right market structures in place that can deliver those products of value. What you've seen in places where you have open access to the bill, you have [indiscernible], you can offer customers innovative products, such as flat bill, such as bundles that you can't necessarily do when you have markets when we only have a line item on a customer bill.

Rebecca MacDonald: I'm so sorry, I would like to add to this, management of Just Energy is confident that we would be able to maneuver to any regulatory changes that might show up through the year. Being in this sector 25 years, I have seen so many different regulatory changes over time. Pendulum goes left to the right and back, and our approach by and large is conversation with the local environment about moderation. Everything has to be balanced. Governments do want to protect the customers, but responsible players want to protect the customers as well. And we see the best protection customer gets is a strong Consumer Protection Act and a very good value proposition to that customer. If you don't try to drive value, then in our opinion you are not going to survive in the business.

Pat McCullough: And Carter, this is Pat. One of the other enticing things about our strategy is as we move to more off grid or let's say grid unconnected products, we've become a lot less attendant on regulation versus deregulation trends, where some of our competitors are pretty concentrated selling commodity only in deregulated markets. We're really moving away from that to a broader, more diverse portfolio of products. And if you think about some of the new companies that are selling solar energy storage, they're not constrained by deregulation versus regulated space.

Carter Driscoll: And to that point, Pat, can you talk maybe about the attach rates of some of the new bundled products, maybe quantify it a little bit, so we get a sense of how that trends away from just commodity offerings?

Pat McCullough: Sorry, I didn't understand the beginning of your question, Carter.

Carter Driscoll: I was just saying, can you talk about the attach rates for some of the bundled services, relative to your existing RCE base and how that's trended over the past few quarters so we get a sense, or try to quantify going forward as we try to apply some level of run rate to—you're kind of decoupling from the largely dependent on the commodity markets.

Pat McCullough: Yeah, that's right. And as we were talking about earlier, and as Jay alluded to, number of customers versus RCEs, which are commodity equivalent and the products per customer are going to be major drivers of improvement for us in the future. And as we create more of these bundled attached solutions, we're really piloting first and then scaling into solutions that provide better conversion up front and then less attrition and longer lifecycles with customers. So if you can get a—obviously stickier, more profitable customer, you're really going to be working both the front end and the back end of those income and cash cycles. And we see evidence of that as we bring differentiated value propositions to our customers. And we're excited because we're really starting to get to the point where we can take some of these items like LEDs, smart thermostats and solar from tens of thousands of customers to more.

Carter Driscoll: But quantifying it, is that possible at this point to you just talk about attach rate, at whether some period, or over a longer period of time? Is it 5%? Is it 10%?

James Lewis: Early on, Carter, but I think we see in the market where we're able to do it from an attrition rate perspective, we've see, attrition, say about 5 percentage points in some markets and as high as 10 in others. What you'll see in those markets where you have control over the bill and you choose the right customer, we're getting a much stickier value proposition in those markets. As we look to figure out ways to deliver this in constrained markets where we don't have access to the bill, the stickiness isn't as strong because the utility determined when to drop customers in those marketplaces. So the stickiness isn't as strong, but in other markets it's extremely strong.

Pat McCullough: And Carter, the direct answer to your question is no, we're not presenting attach rates at this point in time, but obviously as we move to a broader portfolio RCEs don't really represent the strategy with what the business will be doing. So you'll will see us begin to report in a different way in the future where we're really talking about number of customers and products per customer so that we can get directly to the answer to your question.

Carter Driscoll: Alright. And then just maybe a couple of quick ones. On the international side, you talk about kind of the margin expectations as you penetrate and the time to reach maybe kind of what you've earned domestically, and then is there any incremental spend for those two target markets you're looking to expand internationally? Is that already baked into your EBITDA guidance for the year?

Pat McCullough: Yes, it is. We're really looking to address two markets, as Deb mentioned on the last call. We've put some investor materials out on our investor website, which showed the P&L and the cash over the last four years for our UK organic business development. We're assuming a similar business case as we enter markets in Continental Europe.

Now, the difference in Continental Europe and the UK is UK and Germany are the largest markets by far. So other markets that Deb spoke about, Netherlands, Austria, Ireland, are smaller markets. But we do expect to see similar sized customers as the UK, those customers end up being much smaller than North American users of energy, but they end up being much more profitable on a common energy unit basis, meaning gross margin for RCE, for example, on commodity.

So we're believing, as we've said in the past, that single-digit millions of dollars to penetrate two new markets, we don't want to take more than that on in the year, but we expect to have breakeven just after about a year's time and get a cash-on-cash return in less than two years. That's what we experienced in the UK; that's what we think we can do in the other Continental European markets.

Carter Driscoll: That's very helpful. Then just lastly, I'll sneak one in, on the resi solar side, what do you see in terms of pricing? Obviously been some comments about a slowdown in market. I think it's more unrealistic expectations entering the year, but any kind of feedback you can give, what you've learned, whether you can hold EBITDA margins that you thought you would get from those markets and kind of the uptake? I know you've reiterated the same contribution you did last quarter, but any incremental color would be helpful.

Pat McCullough: Yeah, I think we all know with announcements at SolarCity and SunEdison that the solar industry is taking some lumps. It is impacting the cost of capital of our counterparties, and it's impacting the cost of capital of financing solar across the industry. So yes is the answer to your question that there is going to be pressure on our origination income and other parts of the value chain like installation and panels, which we do not participate in. But we really do believe we can hold higher origination income to the industry, but we're obviously going to feel the same pressure that the industry feels.

Rebecca MacDonald: And just to add, we have already looked at solar as part of our bundle. Because of diversified offerings we have to our customer base, we don't want to hang our hat on any—not totally on solar, not totally on commodity, and that's what does give us a real competitive edge. I would definitely, I don't think this management team would want to be in 100% solar business today. That's not the space we would enjoy very much.

Carter Driscoll: Okay. I appreciate all your responses. I'll get back in the queue. Thank you.

Rebecca MacDonald: You're welcome.

Operator: We have a question from Damir Gunja from TD Securities.

Damir Gunja: Thanks, good morning.

Rebecca MacDonald: Good morning.

Damir Gunja: Most of my questions have been asked. Maybe can you just confirm the exact level of FX that you're assuming in your forward guidance?

Pat McCullough: Yeah, Damir, we're assuming 1.25 USD to CAD [ph].

Damir Gunja: Okay, that's great. Thanks. And, I guess just a second one since everything was asked. I just want to confirm you quoted 300,000 customer adds for the coming year; that's on a net basis?

Pat McCullough: Yes, Damir. And I think the way we're thinking about this is it comes from geographic expansion, continued improvement in the UK, but also those non-RCE type customers—and think solar, think our energy storage pilot that we talked about in our outlook as well.

Damir Gunja: Okay. Got it. Okay, thank you.

Operator: We have a question from Sameer Joshi from Rodman & Renshaw.

Sameer Joshi: Hey, Pat, good morning.

Pat McCullough: Good morning.

Sameer Joshi: Just a quick question on—followup on Carter's line of questioning about the solar. Is the outlook phase $10 million contribution to base EBITDA from the solar business, should we expect the top line to be sort of in the same proportion as the $223 million to $223 million would reflect on the top line?

Pat McCullough: Relative to solar sales?

Sameer Joshi: Yeah.

Pat McCullough: Yeah, so I'll refresh everyone's memory on accounting for solar sales given we're an origination business model. We'll be experiencing the normal size installation that the industry sees, so think five, six kilowatts. We'll be reporting revenue on the basis of the origination income that we're paid. There's no cost of goods sold on our transactions, so gross margin will be equal to revenue. And then we'll be recognizing our direct sales cost, our marketing efforts, our overheads between the gross margin and EBITDA lines. So that's where you'll see the fallout.

We've talked publicly that we know third parties are paying as much as $1 per watt in Southern California, lower amounts closer to $0.50 in the Northeast, but we know that third parties can hold as much as $1,500 US per transaction. We're hoping to hold something in that range, but as I mentioned with Carter, there's quite a bit of pressure on those margins and with the heavy margins on the origination side of the business, we don't think those will be sustainable for the long term, but in the short term we hope to experience those type of industry norms.

Sameer Joshi: Okay. That is helpful. And just a two-part question. Were there any installations in this quarter, in the March quarter? And going forward, are you giving any outlook in terms of solar installations? Should we expect total install base to be in the 5,000 to 7,000 install range, and that five to six kilowatt per residence?

Pat McCullough: Yeah, if you use the industry norms, that's the math that you would get to based on our guidance for fiscal 2017. And to answer your question, there were limited installations done in fiscal '16, they'll become material to us in the coming year, so we'll start to segment and show the details as to what we're signing, what we're recognizing as revenue gross margin and EBITDA.

Sameer Joshi: Great. Thanks a lot, and good luck.

Pat McCullough: Thank you.

Rebecca MacDonald: Thank you.

Operator: (Operator instructions.)

Rebecca Macdonald: Well, if there are no more questions, I would like to thank you very much for joining us on this call. As management team, we really, really appreciate your support, and if there are any other additional questions, all of us are available. You can call us directly. And look forward to talking to you in August when we report our first quarter.

Pat McCullough: Thank you.

Rebecca MacDonald: Thanks.

James Lewis: Thanks.

Operator: Thank you. Ladies and gentlemen, this concludes today's conference. Thank you for participating. You may now disconnect.