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Q1 2018 Black Hills Corp Earnings Call

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PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to the Black Hills Corporation First Quarter 2018 Earnings Conference Call. My name is Brian, and I will be your coordinator for today. (Operator Instructions) As a reminder, this conference call is being recorded for replay purposes.

I would now like to turn the presentation over to Mr. Dave Soderquist, Investor Relations now of Black Hills Corporation. Please proceed, sir.

Dave Soderquist -

Good morning. Welcome to Black Hills Corporation's First Quarter 2018 Earnings Conference Call. Leading our quarterly earnings discussion today are David Emery, Chairman and Chief Executive Officer; and Rich Kinzley, Senior Vice President and Chief Financial Officer.

Before we begin today, we would like to note that Black Hills will be attending the American Gas Association Financial Forum starting May 20 in Phoenix, Arizona.

Our presentation materials and webcast information will be posted on our website at www.blackhillscorp.com, under the Investor Relations heading.

During our earnings discussion today, some of the comments we make may contain forward-looking statements as defined by the Securities and Exchange Commission, and there are a number of uncertainties inherent in such comments. Although we believe that our expectations and beliefs are based on reasonable assumptions, actual results may differ materially.

We direct you to our earnings release, Slide 2 of the investor presentation on our website and our most recent Form 10-K and Form 10-Q filed with the Securities and Exchange Commission for a list of some of the factors that could cause future results to differ materially from our expectations.

I will now turn the call over to David Emery.

David R. Emery ***Black Hills Corporation - Chairman & CEO***

Thank you, Dave, and good morning, everyone. I will be starting my comments on Slide 3 of the webcast deck for those of you following along. We'll have a format similar to past quarters. I will give a quick update on the quarter. Rich Kinzley, our CFO, will give the financial update for the quarter. I'll cover our forward strategy, and then we'll address questions.

You may have noticed, or will notice as we go through the process this morning, that we've made a few changes to our presentation format. And notably, we've added some more detail to our forecasted capital spending, which should improve some visibility into our future earnings growth. We expect to further enhance those disclosures as the year progresses.

Moving on to Slide 5, first quarter 2018 highlights for our utilities. On the 25th of April, our Colorado Electric utility received approval from the PUC in Colorado to contract with our own IPP subsidiary, Black Hills Generation, to purchase 60 megawatts of wind energy through a 25-year power purchase agreement. That agreement will provide the final amount of renewable resource we need to meet the state's renewable energy standard of 30% by the year 2020.

On April 26, Rocky Mountain Natural Gas, which is our intrastate gas pipeline in Colorado, received a recommended decision from the Colorado Administrative Law Judge, approving a settlement for the rate review filed in October of last year. That settlement, which is subject to final approval from the Colorado PUC, includes: a $1.1 million increase in annual revenue; importantly, an extension of our safety, system and integrity rider that cover investments that will be made this year through 2021; it includes an authorized return on equity of 9.9%; and a capital structure that's 46.6% equity. We expect new rates to be effective June 1, again, pending final approval from the commission.

Moving on to Slide 6, continuing with utilities highlights. During the quarter, our South Dakota Electric utility commenced construction on a $70 million, 175-mile transmission line from Rapid City, South Dakota to Stegall, Nebraska. That project will be constructed in 2 segments. The first should be placed in service by the end of this year and the second segment by the end of 2019.

Also during the quarter, we continued our efforts to simplify our utility organizational structure by restructuring several of the legal entities that we acquired in 2016 through the SourceGas acquisition. That restructuring resulted in a $49 million tax benefit associated with goodwill that is now amortizable for tax purposes.

Highlights for our Power Generation segment for the quarter. I already noted on April 25, our electric generation subsidiary was selected to provide 60 megawatts of wind to our Colorado Electric utility. That $71 million Busch Ranch II wind project should be constructed and in service prior to the end of 2019.

Moving on to Slide 7, corporate highlights for the quarter. On April 23, our board declared a quarterly dividend of $0.475 a share, which is equivalent to an annual dividend rate of $1.90 per share. That $1.90

per share equivalent rate represents our 48th consecutive annual dividend increase.

On March 8, S&P affirmed its corporate credit rating for Black Hills Corporation at BBB flat, but revised its outlook to positive from stable, which we found encouraging.

Finally, related to discontinued operations, which is our Oil and Gas segment. As of yesterday, we'd executed agreements to sell -- or had closed on sales transactions for about 96% of our oil and gas properties, as measured by gross well count. Now we expect to sell our remaining assets prior to the end of the quarter.

Slide 8 provides a reconciliation of first quarter, net income from continuing operations as adjusted compared to the first quarter of 2017. The most notable change being improved performance at our Gas Utilities. Rich will provide more detail on his financial update, which I'll turn it over to Rich to cover financials.

Richard W. Kinzley ***Black Hills Corporation - Senior VP & CFO***
Very good. Thanks, Dave, and good morning, everyone. As Dave touched on, we delivered solid first quarter financial performance. Now with help from favorable weather, year-over-year, our natural gas utilities delivered strong financial results in Q1, demonstrating the benefits of our diversified utility portfolio and the 2016 SourceGas acquisition.

I'll jump in on Slide 10, where we reconciled GAAP earnings to earnings as adjusted to non-GAAP measure. We do this to isolate special items and communicate earnings to better represent our ongoing performance. This slide displays the last 5 quarters and trailing 12 months as of March 31, 2018 and 2017.

As detailed on the slide, we experienced special items not reflective of our ongoing performance in each of the past 5 quarters. The first special item is acquisition-related expenses associated with the SourceGas acquisition and integration. We completed our integration work in 2017 and don't have that adjustment in 2018 or forward.

The second special item relates to income taxes and is predominantly the result of federal income tax reform. The corporate tax rate change from 35% to 21% beginning in 2018 required a revaluation of our deferred asset -- deferred tax assets and liabilities on December 31, 2017, resulting in a $0.21 EPS benefit in the fourth quarter of 2017. Given additional information in Q1, certain estimates impacting the revaluation had been updated, resulting in a Q1 charge of $2.3 million or $0.04 of EPS.

The largest special item in Q1 2018, also related to income taxes. As Dave noted, as part of our effort to simplify our legal organization, in Q1, we restructured certain entities as part of the 2016 SourceGas acquisition. The restructuring increased goodwill that is amortizable for tax purposes, resulting in an associated deferred tax benefit of $49 million or $0.91 of EPS. These items are not indicative of our ongoing performance and, accordingly, we reflect them on an as-adjusted basis.

Our first quarter as-adjusted EPS was $1.63 compared to $1.44 from first quarter last year. Earnings uplift comparing Q1 this year to Q1 last year was primarily driven by a colder winter heating season at our Gas and Electric Utilities compared to a mild winter last year. We estimate mild weather last year, as compared to normal, negatively impacted Q1 2017 EPS by $0.09. This year, we estimate that colder weather, compared to normal, positively impacted Q1 2018 EPS by $0.05.

Slide 11 is a new slide we've added to our investor materials to provide additional transparency related to year-over-year comparisons. The waterfall chart illustrates major drivers that comprise the differences from Q1 2017 to Q1 2018. All amounts on the chart are net of tax. Again, you'll note whether it was a large positive driver year-over-year, especially at the Gas Utilities. We recorded a revenue reserve in Q1 2018 at the Gas and Electric Utilities due to tax reform as we expect to pass the benefit of the lower corporate tax rate on to customers to reduce the bills. However, this has no impact on the net earnings due to the lower income tax rate as a result of tax reform. Dave will touch on this more in a bit, but in short, we continue to work with our regulators in each of our states to pass the tax benefit from tax reform to our utility customers. You can also see we did a good job managing O&M on a consolidated basis, with limited O&M increases year-over-year.

Slide 12 displays our first quarter income statement. Gross margin was flat year-over-year despite the revenue reduction related to tax reform that I noted a moment ago. Operating expenses and DD&A increased modestly comparing Q1 2018 to Q1 2017, primarily due to typical operating expense increases and incremental plant investments. Operating income was down for the quarter compared to the prior year, again, mainly due to revenue reserves related to tax reform, which is offset by reduced income tax expense below the operating income line.

Moving below the operating income line. Interest expense increased slightly year-over-year due to higher interest rates on our variable-rate short-term debt. Most significant change, comparing Q1 2018 to Q1 2017, is on the income tax line. You'll note the $26 million income tax benefit recorded in Q1 2018 despite $113 million of pretax income. This resulted from the legal reorganization we mentioned already.

The effective tax rate, after adjusting out the special items I noted on Slide 10, is 18.9% in Q1 2018 compared to 29.6% in Q1 2017. The lower effective rate this year was driven by tax reforms corporate rate reduction.

Moving to the as-adjusted income from continuing operations line, we generated $88 million for the quarter compared to $79 million for the same quarter last year, a 12% increase. You'll note our Q1 2018 diluted share count decreased compared to Q1 2017. This was due to the application of the treasury stock method related to the unit mandatory securities we issued in late 2015 to help fund the SourceGas acquisition. Until the security's convert to equity in November of this year, we're required to apply the treasury method of accounting, whereby we include a portion of the shares in our diluted share count.

The number of shares we include is based on the average daily closing price of our stock during the reporting period. Our average share price was lower in Q1 2018 compared to Q1 2017.

So in Q1 2018, we added approximately 700,000 shares to our diluted share count. compared to approximately 1.6 million additional shares in Q1 2017.

As I noted in our year-end earnings call on February 2, we're assuming approximately 56 million weighted average shares in our full year 2018 guidance, as we will have approximately 60 million diluted shares beginning November 1 after the conversion occurs. Considering the increase in as-adjusted net income and reduced share count, as-adjusted EPS grew $0.19 or 13% from the same quarter last year.

I'll now discuss each business segment. Slide 13 compares our Electric and Gas Utility segment's Q1 2018 gross margin and operating income compared to Q1 2017. Our Electric Utilities operating income decreased $7.3 million in the first quarter of 2018 compared to first quarter 2017.

Electric Utilities gross margin decreased $1.4 million quarter-over-quarter, driven by a $6.1 million revenue reserve related to tax reform, partially offset by higher margins from investments in transmission, favorable weather and higher non-energy revenues.

Operating expenses, including depreciation, were $5.9 million higher for the first quarter of 2018 compared to the first quarter of 2017, as a result of increased vegetation management and outage-related expenses as well as increased property taxes and depreciation associated with rate base investments.

Moving to the right slide of Slide 13. Our Gas Utilities reported an increase of $3.4 million in operating income comparing Q1 2018 and Q1 2017. Gross margins were favorable by $4.2 million quarter-over-quarter, as cold weather added $9 million of incremental margin year-over-year. Heating degree days were 2% higher than normal in Q1 2018 compared to 13% below normal for Q1 2017. Customer growth and capital recovery rider mechanisms added approximately $4 million to margins year-over-year. These increases were partially offset by tax reform-related revenue reserves of $9 million.

Operating expenses were nominally higher compared to prior year, reflecting strong cost management with the Gas Utilities. As I noted earlier, the unfavorable impact of operating income to operating income from tax reform at both the Electric and Gas Utilities is offset by lower income tax expense and is earnings neutral.

On Slide 14, you see that Power Generation operating income increased $400,000 comparing Q1 2018 to Q1 2017, primarily from reduced sales volume under our power purchase agreements. The Power Generation segment continued to realize strong contract availability from its generating units and continued its strong earnings and cash flow contributions. Also on Slide 14, you'll see in the first quarter of 2018, our Mining segment had a $1 million operating income increase compared to first quarter 2017.

For the quarter, revenue was $600,000 higher, primarily from higher tons sold in 2018. On the O&M

side, we decreased cost by $400,000. Our mine continues to perform at a high level, with sales almost entirely to on-site [~~9-mile~~mine-mouth plants] and roughly half our sales based on a cost-plus pricing methodology.

Slide 15 shows our capitalization. At March 31, our net debt-to-capitalization ratio was 64.1%, a decrease of 190 basis points from year-end. This reduction was driven by the increase in retained earnings before a solid first quarter earnings as well as by strong first quarter cash flows that allowed us to reduce our total debt from year-end. Our $299 million of unit mandatory securities are reflected as debt on our balance sheet until the units convert to equity on November 1 this year. After conversion, we expect our debt -- net debt-to-capitalization ratio to decline below 60%. While we may need to increase our short-term borrowings from time-to-time over the course of 2018 and 2019 to fund our currently forecasted capital expenditures, we don't anticipate the need to issue any equity to fund these activities. If additional capital investment opportunities emerge, we have our At-the-Market equity program available if the need to issue any equity arises.

Slide 16 shows our debt maturity schedule. The unit mandatories require us to remarket the debt noted as a 2028 maturity on the schedule, which we will do during the second half of this year. We're also evaluating options for the 2019 and 2020 maturities.

Slide 17 shows our investment-grade credit rating. As Dave noted, during the first quarter, S&P affirmed our BBB credit rating and upgraded the outlook to positive. We're committed to maintaining our strong investment-grade credit ratings and our forward ~~(inaudible)~~ forecasted metrics support those ratings.

On Slide 18. We're reaffirming our 2018 earnings guidance of $3.30 to $3.50 per share based on the assumptions previously provided on February 2, 2018.

I'll turn it back to Dave now for his strategic overview.

David R. Emery ***Black Hills Corporation - Chairman & CEO***
All right. Thank you, Rich. Moving on to Slide 20. We grouped our strategic goals into 4 major categories: profitable growth, valued service, better every day and great workplace, with the overall objective of being an industry leader in all we do.

On Slide 21. From a strategy execution perspective, we're focused on delivering strong long-term total shareholder returns. We plan to accomplish that by achieving a long-term EPS growth rate that's above the industry average, targeting a 50% to 60% dividend payout ratio, while still retaining the flexibility to increase that dividend during periods of slower EPS growth and continuing our track record of 48 consecutive annual dividend increases.

On Slide 22. We're currently in the process of transitioning our earnings growth drivers from a largely acquisition- and integration-focused strategy over the last year or so with the SourceGas acquisition back to a more traditional utility growth approach. In the near term, this year and next year, we expect slower earnings growth since we're entering test years in preparation for rate review filings or actually commencing those rate review filings in some of our jurisdictions. We do have 3 active rate review processes currently in process right now.

Over the long term, starting in 2020 and beyond, we expect higher earnings growth expectations, driven by strong capital investments to meet our customer needs, continued focus on standardization and efficiency improvements and back to more regular rate review filings.

Slide 23. As we focus on delivering long-term shareholder value, our fuel and service territory diversity reduces our business risk and drives more predictable earnings.

Slide 24. Our utility acquisitions over the years have created a much larger transmission and distribution system network, both on the electric and gas side of the business. With that increase in size comes increased opportunity for investment to serve a much larger customer base.

Moving on to Slide 25. Strong capital spending has in the past and will continue to drive much of our earnings growth. We plan to invest almost $2.3 billion over the next 5 years to better serve our 1.25 million utility customers. And that level of investment far exceeds depreciation contributing to earnings growth.

Slide 26, which is a new look, provides a detailed capital spending forecast for our Gas Utilities, including breakouts by state, investment type and recovery mechanisms for a whole 5 years compared to the 3 years that we previously disclosed.

Slide 27 provides a similar capital spending detail for our Electric Utilities.

Moving on to Slide 28. This slide provides a regulatory update for our utilities, highlighting the status of our active rate review filings and our federal income tax reform dockets by state. You'll notice that we've completed the process of determining customer benefits for federal income tax reform in both Iowa and Kansas, and either have started to reflect those changes on customer bills, as is the case in Iowa, or are planning to beginning in -- or Kansas, I'm sorry, and then planning to do that beginning in July for the state of Iowa.

I've already noted the other key regulatory updates, with one exception. And that is on April 30, we received an order from the Denver District Court regarding our appeal of the Colorado Public Utility Commission's prior decision on our 2016 rate review for Colorado Electric. There are several issues addressed in the ruling, some positive and some negative for Black Hills. Most notably, we're very disappointed that the court affirmed of the commission's decision related to the rate treatment of the new gas turbine generator we constructed in Colorado. The PUC in that 2016 rate decision assigned a lower return on investment for that turbine and for any of our other utility assets in Colorado. The turbine was built in response to the Colorado Clean Air-Clean Jobs Act, a law passed in Colorado that was intended to provide an incentive to utilities to retire their coal fire generation before the end of its useful life and replace it with cleaner, more modern generation. Now for the commission to assign a lower return on investment for the new generation, after we built it in good faith and in compliance with the Clean Air-Clean Jobs Act, this is very troubling, and the fact that the court upheld that is even more troubling. And frankly, we feel it's contrary to the intent of the Colorado Clean Air-Clean Jobs Act. We're currently evaluating the impacts of the court order on our business and considering our next steps in the legal process.

Moving on to Slide 29. Now we're extremely proud of our track record of annual dividend increases that I mentioned earlier, including stronger increases the past several years, reflecting our confidence in strong future earnings growth and cash flows.

As I noted earlier, we have the flexibility to use larger dividend increases during periods of slower earnings growth to help deliver solid total shareholder returns. Even after relatively strong dividend increases during the past few years, we're still well within our targeted 50% to 60% dividend payout ratio range.

Moving on to Slide 30. Now we focus every day on operational excellence. We continue to make great progress, improving our safety performance, and also continued to consistently demonstrate our power plant availabilities, which are among some of the best in the industry.

On Slide 31, we note that we've created a new corporate responsibility report, which is available on our website. We encourage you to check that out.

And finally, on Slide 32. This is our scorecard for 2018. This is our way of holding ourselves accountable to you, our shareholders, for our accomplishments in our key strategic objectives.

Now that concludes our remarks. We'd be happy to entertain any questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) And our first question will come from the line of Julien Dumoulin-Smith with Bank of America Merrill Lynch.

Julien Patrick Dumoulin-Smith ***BofA Merrill Lynch, Research Division - Director and Head of the US Power, Utilities, & Alternative Energy Equity Research***

So perhaps, just to come back to a few things you said. First off, on the wind award. Just curious, how do you think about earnings profile of that asset, specifically on the latest one? But more broadly, do you anticipate participating perhaps even outside of your service territory for these kinds of projects more strategically, i.e., more contract? And I suppose this is the latest example, so I'd just be curious.

David R. Emery ***Black Hills Corporation - Chairman & CEO***
Yes. I would characterize this one. Obviously, this is an investment from our IPP subsidiary. I would categorize the earnings from that as probably consistent with how you would look at an IPP project, that is, it's financed with a little more debt than you would expect from a utility capital structure. And then also, the returns would be consistent with an IPP-like return. As far as whether we would do this outside of our existing service territories, they're not -- I would say, the answer is yes, but on a limited basis. I think there would have to be a very compelling strategic reason for us to do so, whether that's a relationship with an existing wholesale customer or something like that. We don't have any aspirations of running out and being a full-blown competitor in the IPP business. That's not our strength. But I do think there are certain circumstances where it may make sense for us to do this to for others. They will be fairly few and far between, however.

Julien Patrick Dumoulin-Smith ***BofA Merrill Lynch, Research Division - Director and Head of the US Power, Utilities, & Alternative Energy Equity Research***
All right. And just on -- in terms of, like, the net income profile of the latest wind investment, would you characterize it as a premium or discount to the traditional utility returns?

David R. Emery ***Black Hills Corporation - Chairman & CEO***
Well, I think the return would be probably comparable, but the capital structure's significantly different with less equity, right? And then as -- consistent with wind projects and other renewable projects, a lot of the earnings are really driven by production tax credits so they'll show up below the operating income line.

Richard W. Kinzley ***Black Hills Corporation - Senior VP & CFO***
And I'd add one thing to that, Julien. That was a competitive process, and there were a lot of bids. It was vigorously competitive so we did have to be aggressive to win that bid.

Julien Patrick Dumoulin-Smith ***BofA Merrill Lynch, Research Division - Director and Head of the US Power, Utilities, & Alternative Energy Equity Research***
Got it. All right. I missed that. And actually, let me turn back -- quickly here. It's -- in terms of the comment you made on the call when capital spend and the potential need for equity, just can you frame that a little bit in terms of what sort of -- under what circumstances you would see that at this point in time? And then secondly, I suppose related to that, you provided a little bit more of an extensive view on our CapEx here out to '22. Can you talk about some of the other big puts and takes that might materialize here in your forecast given now that we've got the wind one out?

David R. Emery ***Black Hills Corporation - Chairman & CEO***
Yes. From Q1 to Q2, you can see the difference in our CapEx schedule is the additional wind project. We added $11 million to this year's capital and $60 million the next year. We're still comfortable that after the convert, we're going to be well below 60%. When that converts, that'll get our debt-to-total cap down below 60%, and our cash flow should keep us there through the end of 2019. And then if you look post 2019 of that CapEx schedule, we should remain comfortably there. If additional large projects come

up, we may need to issue some equity. That's where I believe that (inaudible).

Richard W. Kinzley ***Black Hills Corporation - Senior VP & CFO***
Yes. And I'd say that story is consistent with what we've talked about in the past, Julien. We've said we have fairly aggressive capital spending outlook going forward, but we expect to finance that with internal cash flows and debt, absent any big special projects that might get at it. And that is why we have kept our At-the-Market equity issuance program active, just in case we may have one of those projects. But we would only use that in the event that we'd have some additional CapEx that is not on our current schedule.

Julien Patrick Dumoulin-Smith ***BofA Merrill Lynch, Research Division - Director and Head of the US Power, Utilities, & Alternative Energy Equity Research***
But is there any other large capital project, whether in procurement now or bidding that we should be paying attention to? It doesn't sound like it.

David R. Emery ***Black Hills Corporation - Chairman & CEO***
Well, there are several in the works, but not mature enough to the point that we're ready to talk about specific projects. I mean, we're always looking at some renewable projects for our Electric Utilities pipelines, for our Gas Utilities transmission lines. We've talked about things like that. And we have several of those that we're looking at and studying and, potentially, would integrate into our forward plans, just not mature enough to actually file a certificate of public convenience in necessity or something that would say we're really ready to propose yet.

Operator
And our next question will come from the line of Michael Weinstein with Crédit Suisse.

Michael Weinstein ***Crédit Suisse AG, Research Division - United States Utilities Analyst***
I may have missed this, but in light of the court decision now, I mean, can you still file for rehearing? I think you can, right? I mean, they should ought to be -- and from my understanding, that this -- the commission had suspended the rehearing or canceled it, waiting for the court decision, right? So is it possible that they might take it back up again anyway?

David R. Emery ***Black Hills Corporation - Chairman & CEO***
Yes. We've got several options and we're evaluating all those. One is, of course, another level of appeal, which we certainly could do. The other one is we could basically elect to either go back and ask the commission to rehear that or frankly, include it in another rate case. All those options are on the table. And frankly, having just received that ruling earlier this week, we're still in the process of discussing what those options are and which ones would be the best to pursue at this point in time. But they're all on the table.

Michael Weinstein ***Crédit Suisse AG, Research Division - United States Utilities Analyst***
Yes. I guess -- I mean, my other interest there is that in light of the approval for Busch Ranch and also the

Rocky Mountain gas pipeline ALJ recommendation, those decisions, do you think they bode well for a possible rehearing despite the court decision?

David R. Emery ***Black Hills Corporation - Chairman & CEO***

It's really hard to say and hard to speculate. I think we've been pleased working in relationship with the commission recently and we hope that continues.

Michael Weinstein ***Crédit Suisse AG, Research Division - United States Utilities Analyst***

Okay. Can you give any color on the other discussions on the tax act of tax savings beyond Iowa and Kansas?

David R. Emery ***Black Hills Corporation - Chairman & CEO*** ~~**Richard W. Kinzley** ***Black Hills Corporation - Senior VP & CFO***~~

Well, they're all in various states of process. So the Colorado Rocky Mountain Natural Gas pipeline, that settlement includes the impacts of tax reform. Our active rate reviews in Northwest Wyoming and in Arkansas, when they get completed, will include the results of tax reform. And then all of the others are at various stages in the process, from very early to the well underway. Our [TACT] in most of those -- and it's going to be a commission-depended decision state-by-state, but we've taken the position that we think it's best for customers to go back to their most recent rate case and just compute the difference on the tax rate and start collecting -- or stop collecting that difference from customers going forward and, of course, refund it back to the effective date of the tax rate change. That's not going to happen in every state, we don't think. Some of them are asking us to look at what's the current impact rather than the impact back to the most previous rate case. But all are progressing, and we're comfortable and happy, frankly, with the progress we're making. Some will be a little slower, though.

Operator

(Operator Instructions) And I'm showing no further questions over the phone lines. Mr. David Emery, please proceed with closing remarks.

David R. Emery ***Black Hills Corporation - Chairman & CEO***

All right. Thank you. Well, thanks for your time and attention this morning, everyone. We appreciate you attending our Q1 earnings call. And for those of you who are going to be at the AGA Financial Forum, we look forward to visiting with you there. Have a great day and a great weekend. Thank you.

Operator

Ladies and gentlemen, thank you for your participation on today's conference. This concludes the presentation. You may now disconnect. Good day.
