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Cirrus Logic, Inc. (CRUS)

Q1 2027 Earnings Call

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MANAGEMENT DISCUSSION SECTION

Operator: Ladies and gentlemen, thank you for standing by. Welcome to the Cirrus Logic First Quarter Fiscal Year 2027 Financial Results Q&A session. At this time, all participants are in a listen-only mode. After a brief statement, we will open up the call for questions from analysts. Instructions for queuing up will be provided at that time. As a reminder, this conference call is being recorded for replay purposes.

I would now like to turn the conference call over to Ms. Chelsea Heffernan, Vice President of Investor Relations. Ms. Heffernan, you may begin.

Chelsea Heffernan
Vice President-Investor Relations, Cirrus Logic, Inc.

Thank you, and good afternoon. Joining me on today's call is John Forsyth, Cirrus Logic's Chief Executive Officer; and Jeff Woolard, our Chief Financial Officer. Today, at approximately 4:00 PM Eastern Time, we announced our financial results for the first quarter fiscal year 2027. The shareholder letter discussing our financial results, the earnings press release, and the webcast of this Q&A session are all available at the company's Investor Relations website.

This call will feature questions from the analyst covering our company. Additionally, the results and guidance we will discuss on this call will include non-GAAP financial measures that exclude certain items. Reconciliations of these non-GAAP measures to their most directly comparable GAAP measures are included in our earnings release and are all available on the company's Investor Relations website. Please note that during this session, we may make projections and other forward-looking statements that are subject to risks and uncertainties that may cause actual results to differ materially from projections.

By providing this information, the company expressly disclaims any obligation to update or revise any projections or forward-looking statements, whether as a result of new developments or otherwise. Please refer to the press release in the shareholder letter issued today, which are available on the Cirrus Logic website and the latest form 10-K, as well as other corporate filings registered with the Securities and Exchange Commission. For additional discussion of risk factors that could cause actual results to differ materially from current expectations.

Now, I'd like to turn the call over to John.

John Forsyth

President, Chief Executive Officer & Director, Cirrus Logic, Inc.

Thank you, Chelsea, and welcome to everyone joining today's call. As you've seen in the press release, Cirrus Logic reported record first quarter results for the June quarter, delivering revenue of $460 million, as well as GAAP and non-GAAP earnings per share of $1.47 and $1.84, respectively. In a few moments, I'll hand the call over to Jeff to discuss our financial results in detail, along with our outlook for the September quarter. Before we get to that, I'd like to provide an update on the progress we have been making across the key pillars of our strategy since our call in May. As I've outlined previously, our long-term strategy for growth is based around three principles.

First, maintaining a strong leadership position in our flagship smartphone audio business. Second, expanding the value and range of High-Performance Mixed-Signal, or HPMS, solutions with which we serve our customers in smartphones and related products. And third, leveraging our world-class expertise and IP in both the audio and High-Performance Mixed-Signal domains to grow and broaden our business in new markets. I want to say a few words now about each of these areas. In our flagship smartphone audio business, we saw a continued strong demand for our custom-boosted amplifiers and smart codecs.

Together, these components deliver exceptional audio performance and meaningful power and efficiency gains, and moreover, have benefited from an especially strong product cycle from our customer. While we continue to invest in innovations that will raise the bar of future audio solutions, we anticipate that these products will continue to ship for multiple future generations of customer products. This provides the company with solid long-term visibility, sustained revenue contribution, and the ability to focus R&D resources on new applications that expand the reach of our business and serve our customers in new ways. Which brings me onto our second priority, expanding HPMS content in smartphones and related products at the edge. Our progress in the June quarter reinforced our confidence in the long-term opportunity to grow content across camera, battery, and power applications.

In the camera area, our close engineering collaboration with our largest customer has spanned multiple generations of controllers to-date, and today we are executing on a roadmap to deliver the next-generation of camera products. In battery and power, our products integrate signal processing and control capability to get the most out of the system, in terms of both performance and efficiency, in a way that sets us apart from more traditional analog competitors. These capabilities were central to winning the smart power IC for 3D sensing we discussed on our last call, the development of which continued on schedule during the quarter. We also saw further close collaboration with our customer on other power and battery products that we think can expand content over time.

Across our core audio and HPMS business, we see a pipeline of opportunity over the next few years that is as strong as any we can remember. Beyond smartphones, we also made progress on our third strategic priority, expanding into new applications and markets. The PC market remains our largest near-term growth opportunity outside of smartphones, where we see potential for growth in volume and attach rates over time of both audio and HPMS content. That said, our expectations for our PC business this fiscal year have come down since we spoke in May, and I want to be clear about the reasons for that.

Three distinct factors have contributed. First, the constrained supply of a key industry platform in which we have content. Second, memory and component shortages and the pricing pressure that comes with them, acting as a headwind for the broader PC market. And third, OEMs responding to these conditions by delaying some new model introductions and extending the life of existing platforms. Those new models generally represent both higher content per system for us and, in many cases, higher volume designs. So their delayed introduction pushes out some of the growth we would otherwise have seen in our PC business this year. I would characterize these factors as timing rather than anything fundamental. Our customer engagement, design win momentum, and competitive standing all remain very encouraging. And our excitement about the opportunity for Cirrus in this space over the coming years is undiminished. In particular, as we partner with our PC OEM customers on AI-enabled PCs, we see considerable interest in our voice technology solutions.

Today, the PC voice experience is often limited because running always-on wake word detection on the CPU or NPU drains battery life rapidly and introduces latency that adversely affects the user experience. Our latest low power smart codec delivers wake word detection, noise reduction, audio buffering, and other voice features in a standalone device, keeping system power consumption extremely low until the user engages the conversational interface. Customer interest in this product was strong during the June quarter, and we advanced engagements with multiple customers on designs for next calendar year.

Lastly, in this part of our business, during the quarter, several OEMs announced new PCs based on Nvidia's RTX Spark platform. Products based on RTX Spark from several of our customers are expected to ship later this year with Cirrus Logic amplifiers and codecs on board. We're excited to be a part of this platform and see these launches as further examples of our PC portfolio broadening its reach along with the benefits our customers experience in being able to use the same voice and audio subsystems across different platform architectures.

In our wider general market business, we continue to engage a broad base of customers across the professional audio, automotive, industrial, and imaging end markets. A highlight this quarter was the tape-out of a new family of high-performance analog front-end components targeting smart meters. We anticipate sampling these in the September quarter. These new products deliver higher accuracy voltage and current measurement for residential, commercial, and industrial applications, and their on-chip digital signal processing enables power quality analysis and fault detection, while reducing our customers' overall system cost.

We believe the underlying technology developed for these products can also extend beyond smart meters into a number of adjacent applications, including energy storage, data center DC metrology, EV charging, and grid monitoring. These smart meter products represent the latest example of how we can leverage our world-class mixed-signal IP into markets that can drive sustained and profitable long-term growth. They complement launches over the past two years of products in timing, professional audio, and industrial imaging segments. Each of these product families should enjoy lifespans and gross margins well above our corporate average, and so represent an attractive addition to the rest of our business while broadening our addressable market.

Finally, I would also like to note that we recently signed a new capacity reservation and wafer supply agreement with GlobalFoundries. This agreement builds on our longstanding partnership with GlobalFoundries and secures dedicated wafer capacity and pricing for calendar years 2027 and 2028, further supporting the broad range of opportunities we see ahead.

In parallel to executing this agreement, we continue to collaborate with GlobalFoundries on next-generation process technologies and progressing towards manufacturing products on US soil at their facility in Malta, New York. In summary, we're proud of our progress this quarter, during which we continue to execute on our strategy to be the chosen supplier for a range of critical audio and HPMS sockets in our core business, diversify our product portfolio, and drive growth in new applications and markets. We're excited about the opportunities ahead of us across all of these fronts.

And that concludes the latest update on our long-term growth strategy. So let me now turn the call over to Jeff to provide an overview of our financial results as well as the outlook.

Jeff Woolard

Executive Vice President & Chief Financial Officer, Cirrus Logic, Inc.

Thank you, John. Good afternoon, everyone. I'll now walk through our Q1 financial results and provide guidance for Q2. In Q1 fiscal 2027, we delivered record first quarter revenue of $460 million, which was in line with the midpoint of our guidance range. Revenue was up 2% sequentially and 13% year-over-year. The increase in revenue on a sequential and year-over-year basis reflects higher sales of components shipping into smartphones. On a year-over-year basis, sales were partially up offset by previously anticipated pricing reductions.

Turning to gross profit and gross margin. Non-GAAP gross profit in the June quarter was $242.1 million, and non-GAAP gross margin was 52.7%. On a sequential basis, the decrease in gross margin reflects previously anticipated pricing reductions, which were partially offset by cost reductions. On a year-over-year basis, a slight increase in gross margin was largely due to a favorable product mix, which was partially offset by higher freight and supply chain costs.

Now I'll turn to operating expenses. Our non-GAAP operating expense for the first quarter was $135.4 million. On a sequential basis, OpEx was up $9.3 million, primarily driven by higher employee-related expenses and, to a lesser extent, increased professional costs and product development expenses. This was partially offset by an increase in R&D incentives. On a year-over-year basis, operating expense was up $15.9 million, primarily due to higher employee-related costs, which is consistent with our previously communicated increase in R&D expense to support the range of opportunities we have across the business.

To a lesser extent, operating expense also increased due to higher variable compensation, product development, and professional expenses. Non-GAAP operating income for the quarter was $106.7 million, or 23.2% of revenue.

Turning now to taxes. For the June quarter, our non-GAAP tax rate was 17.4%. And lastly, on the P&L, non-GAAP net income was $96.1 million, resulting in a record June quarter earnings per share of $1.84. Let me now turn to the balance sheet. Our balance sheet continues to be strong, and we ended the June quarter with $1.2 billion in cash and investments. Our ending cash and investments balance was up $13.5 million from the prior quarter, as cash generated from operations was partially offset by share repurchases.

We continue to have no debt outstanding. Inventory at the end of the first quarter was $262.7 million, up from $240.9 million in the prior quarter. Days of inventory were up sequentially, and we ended the quarter with approximately 110 days of inventory.

Turning to cash flow. Cash flow from operations was $64.1 million in the June quarter, and CapEx was $15.5 million, resulting in non-GAAP free cash flow margin of 11%. For the trailing 12-month period, cash flow from operations was $598.6 million, and CapEx was $27.6 million. This resulted in a non-GAAP free cash flow margin of 28%. On the share buybacks, in Q1, we utilized $34.5 million to repurchase approximately 211,000 shares of our common stock at an average price of $163.43. At the end of Q1 fiscal 2027, the company had $239.6 million remaining on its share repurchase authorization. Subsequent to Q1 fiscal year 2027, the company utilized $50.5

million to repurchase approximately 359,000 shares at an average price of $140.53 under a Rule 10b5-1 trading plan.

Now on to guidance. For Q2 fiscal 2027, we expect revenue in the range of $510 million to $570 million. GAAP gross margins is expected to range from 52% to 54%. In Q2, we expect gross margin to see a temporary benefit from wafers purchased under prior agreements with GlobalFoundries at favorable pricing. We expect this tranche to largely sell through in Q2, after which gross margin should normalize. Non-GAAP operating expense is expected to range from $140 million to $146 million. Additionally, as we indicated last quarter, given the breadth of opportunities ahead of us, we expect our full-year fiscal 2027 operating expenses to increase as we invest in R&D.

The fiscal 2027 non-GAAP effective tax rate is expected to range from 16% to 18%. In closing, we delivered solid results for the June quarter. We remain focused on executing our strategy to drive long-term growth across our business and deliver shareholder value.

Before we begin the Q&A, I would like to note that while we understand there is intense interest related to our largest customer, in accordance with Cirrus Logic company policy, we will not discuss specifics about our business relationship.

With that, let me now turn the call over to Chelsea to start the Q&A session.

Chelsea Heffernan

Vice President-Investor Relations, Cirrus Logic, Inc.

Thanks, Jeff. We will now start the Q&A portion of our earnings call. Please limit yourself to a single question and one follow-up. Operator, we are now ready to take questions.

QUESTION AND ANSWER SECTION

Operator: We will now begin the question-and-answer session. As stated, please limit yourself to one question and one follow up. [Operator Instructions] Your first question comes from the line of Christopher Rolland with Susquehanna. Your line is open. Please go ahead.

Christopher Rolland
Analyst, Susquehanna Financial Group LLLP

Q

Hi, guys. Thank you for the question. It seems like seasonality might be already a little bit different than it has been in the past. I don't know if you're able to talk about that, but also kind of the outlook for perhaps even a year on how seasonality might be different from all the years past when we try to model Cirrus revenue? Thank you.

Jeff Woolard
Executive Vice President & Chief Financial Officer, Cirrus Logic, Inc.

A

Yeah. Thanks for the question. This is Jeff. Yeah, when we gave guidance for this quarter, we made a note that seasonality looks different than it had historically. And we came in right at the midpoint of guidance, and as you recall, that was up. So, our Q1 results and the results that hit guidance were significantly higher than what the historical average would be, and we gave a peek into the rest of the year that seasonality would be much tighter. The quarters would be a lot tighter together than historical, and you're seeing that with our results in our guide that, yes, it is different this year, and the quarters are a lot tighter from a historical perspective.

Christopher Rolland
Analyst, Susquehanna Financial Group LLLP

Q

Excellent. Thank you. And then, secondly, in your letter, you talked about this high-performance analog front-end. I think the initial application is smart meters, but you had other applications as well, data center, metrology, energy storage, EV charging, grid monitoring. Can you talk about this early socket, how meaningful you think it could be, and the opportunity for Cirrus here in a larger framework, perhaps even including a TAM? How do you see the total market for this product? Thank you.

John Forsyth
President, Chief Executive Officer & Director, Cirrus Logic, Inc.

A

Well, I'll give it a little more color, Chris, for sure. The specific initial target for this IP is in the smart meter segment, as we said, and that's really reflective of the fact that there's a combination of the rising energy demand that we're all familiar with, the increased strain on grid infrastructure, and changing regulatory requirements that's creating a need for meaningfully more accurate energy monitoring across residential, commercial, industrial applications and so on.

And we have very, very high precision sensing and power IP that we think can differentiate us in that space. And these products are really our first example, our first test of that hypothesis. We certainly think that the combination of our advanced analog and our ability to integrate digital with it is something that can work to our advantage, because we can do not only a higher precision sensing, but also integrate things like power quality monitoring, fault detection, and indeed, integrate other parts of the system into our die.

So, we're obviously still in the early innings, both of these products and leveraging this kind of IP into the broader market. These particular products, I think I mentioned in my prepared remarks, we're going to be – we expect to be sampling them widely in the third quarter and the fourth quarter this year. So, that will include the top OEMs in the smart metering space. We're currently tracking to an expectation of going to market in calendar 2028. And we do think there are other applications, potentially, for this IP elsewhere in the power space. You mentioned some of them there. And yeah, those are all things that we're actively exploring.

I think it's a little premature for us to put a TAM or a SAM on that, but we're excited about where this can go. And I guess I'd highlight that I think this is another example of the ways in which we're able to leverage some of the High-Performance Mixed-Signal expertise that we obviously develop in the work we do in our core business into other markets with comparatively small amounts of incremental R&D investment. So, as this moves forward, and obviously we explore some of those other potential market segments for this IP, we will keep you updated.

Operator: Your next question comes from the line of Tom O'Malley with Barclays. Your line is open. Please go ahead.

Kyle Bleustein
Analyst, Barclays Capital, Inc.

Q

Hey, guys, this is Kyle Bleustein on for Tom O'Malley. Thanks for taking our questions. I think you mentioned earlier that you're seeing some of the strongest pipeline in the High-Performance Mixed-Signal segment for Cirrus and company history. Can you maybe expand here on what you're targeting, where you are in design cycles, and just how big of an opportunity this could be for you guys?

John Forsyth
President, Chief Executive Officer & Director, Cirrus Logic, Inc.

A

Yeah. Thank you. I did make that remark in the script. I think I said it was as good as we can remember, which obviously sounds like it could be taken as an off-the-cuff expression. But, in reality, we've had highly qualified lawyers of both the human and synthetic variety, review that, and we're very upbeat about the potential we have in our core business across the High-Performance Mixed-Signal space. And that's really reflective of stuff that our shareholders and the Street is familiar with. So we have a very rich pipeline and roadmap around the camera space, for example. And earlier this year, we saw the announcement relating to a socket for smart power and sensing.

And in addition to that, we have a number of other programs which are in active development. We actually alluded to some of them in the last shareholder letter as well. So over the past year, we've delivered silicon to our customer, for power products. One of those is now shipping in tablets. Another is for an accessory product that's yet to hit the market, but again, pushes the boundaries of performance and innovation and is another example of us kind of breaking new ground, winning new sockets in the power space. So added to that, there are a number of other programs that we're working on across phone and non-phone sockets, which we think give us a great setup over the next few years. So, we'll obviously give more color about the magnitude and impact of those as we get closer to them, but we think the multi-year setup around that part of our core business is very positive right now.

Kyle Bleustein
Analyst, Barclays Capital, Inc.

Q

Thank you. And for my follow-up, I just wanted to ask on the gross margin, I think it came in better than your guidance originally for June. So, just wondering on some of the moving pieces there. When we think about it long-term, are you seeing any pressures either from your largest customer, given what's going on in memory, or just on input costs across the ecosystem?

John Forsyth
President, Chief Executive Officer & Director, Cirrus Logic, Inc.
A

Yeah, thanks for the question. We continue to maintain our long-term gross margin outlook. We realize there's a lot of discussion out there about input costs in the supply chain. And we continue to monitor those dynamics closely. I think it's important to note what has shown up in our actuals, a lot of those costs have been agreed upon for quite some time. So they're coming through as predicted. We did note – we did have, this next – the quarter we're guiding, we do think there is sort of a one-time quarter benefit where some previously agreed wafers will sell through this quarter, and that's a temporary tailwind to gross margin. But we'll continue to monitor input costs. We'll aggressively work on cost reductions and we'll look at targeted price increases as warranted.

Operator: Your next question comes from the line of Cam Tierney with Stifel. Your line is open. Please go ahead.

Cam Tierney
Analyst, Stifel Financial Corp.
Q

Hi. Yes, this is Cam on for Tore Svanberg at Stifel. Thank you for taking my question. So I just wanted to start kind of high level, I guess. But – so it seems like your largest customer is increasingly taking more of its silicon in-house, and adjacent areas, while also collaborating with you guys on a new power socket, as you've just discussed. I'm just kind of curious, like, how do you think about where that boundary sits between where they want to design something internally versus where a merchant partner would add more value? And I appreciate you probably can't get into too many specifics, but just kind of high level, would love to hear that?

John Forsyth
President, Chief Executive Officer & Director, Cirrus Logic, Inc.
A

Yeah. Thanks, Cam. It's a recurring question, and it's useful to be able to talk to it. We have, I think, a very clear idea of where we offer unique value and innovation, and we focus on that, and it's really at the analog/digital boundary. And so when the product has a requirement for very high precision in the analog domain, very tight control loops, incredible power efficiency, very low latency, that's absolutely our wheelhouse, and we tend not to go after sockets that don't look like that. And our goal is to be the best in the world at sockets like that. And I think that's really reflected in the kind of products we bring to market. I would struggle to recall the last time we brought anything to market that wasn't absolutely category leading in terms of performance in those areas at the time we brought it to market. So we're very focused on serving our customer, as well as possible in those particular niches, if you like. And obviously, our largest customer has a million and one problems to solve, to execute on their ambitions. And we like to think we take a bunch of those off the table for them that they don't need to worry about.

I would also say that one of the other aspects to our business that is well understood by us but isn't always immediately obvious from the outside, is that you really have to invest on a very long-term basis in innovation, particularly to succeed with our largest customer, than have a remarkably low tolerance for PowerPoint. You really need to invest in developing very high-performance silicon before you can even have a conversation with them about winning a socket. And of course, that takes a certain amount of patience from investors. It takes a lot of determination from your engineers, but it then pays off over the long term, and that's very much our approach. So, you referenced the power products that I was talking about a few minutes ago. I think we've been talking about and I've been talking about that as an area of investment around the battery for quite some time, and now we're increasingly seeing that bear fruit.

Cam Tierney
Analyst, Stifel Financial Corp.
Q

Awesome. Thank you. And for my follow-up, I would just wanted to ask a little bit about it, it seems like the CapEx kind of stepped up a bit this quarter. I'm curious what's going on there, if you guys can provide some color on that?

Jeff Woolard
Executive Vice President & Chief Financial Officer, Cirrus Logic, Inc.
A

Yeah. Thanks for the question. So I would say from a CapEx perspective, we kind of think about this in two ways. If you think about it from just a run rate of us operating the business, I would say our CapEx is roughly in line when you think about product and product development cycles. But there is a new element of CapEx, and that is we are investing in testers for our OSATs, and that is new. So rather than having the OSATs buy that, we have done some purchases and we're planning purchases for this year. And the reason for that is, one, it just gives us some greater flexibility in this supply chain environment. And us actually owning that CapEx actually provides a better financial return for the company. And so that is new. I think that is more of a 2027. We'll see what happens after that, but that has been a change in what we've done from CapEx.

Operator: [Operator Instructions] Your next question comes from the line of Rick Schafer with Oppenheimer and Co. Your line is open. Please go ahead.

Trevor Bowers
Analyst, Oppenheimer & Co., Inc.
Q

Hi, this is Trevor Bowers on for Rick Schafer. Wanted to ask a question about the balance sheet. Looks pretty strong, $1.2 billion in cash, no debt. How would you rank the best uses of cash, and what are your thoughts on the dividend?

Jeff Woolard
Executive Vice President & Chief Financial Officer, Cirrus Logic, Inc.
A

Our capital allocation priorities remain unchanged. We want to make sure all of the organic opportunities are funded, as John said, and there are a very broad range of opportunities we have, and that's the reason we've increased some of our R&D investments. The second priority is M&A, and our third priority is buybacks. So, those stay consistent. We realize the balance sheet is very healthy, and we're very comfortable with that position because we believe it does give us more options and more flexibility in those first two priorities. And we'll go to buybacks third, but at the moment, we are not, in the near term, considering a dividend.

John Forsyth
President, Chief Executive Officer & Director, Cirrus Logic, Inc.
A

And I'll just add one....

Trevor Bowers
Analyst, Oppenheimer & Co., Inc.
Q

Thank you.

John Forsyth
President, Chief Executive Officer & Director, Cirrus Logic, Inc.
A

[indiscernible] (00:32:44) comment there, as we spoke a little bit about this on our last call, about that expansion to R&D, which is really reflective of the pipeline of opportunity that we have in front of us right now. If you look back over the past several years, you'll see we've got a really outstanding track record of discipline on the OpEx side. I think our head count is being more or less flat for the last 10, 12 quarters. Until this quarter, you'll see in the shareholder letter, it's taken a step up. The vast majority of those increased heads are engineering related, and we'll see some continuation of that, as Jeff said, but that's very much reflecting the high confidence we have in the opportunities that are on the docket right now.

Trevor Bowers
Analyst, Oppenheimer & Co., Inc.

Q

Okay. Great. Thanks. And for my follow-up, I wanted to ask about Android. Is there anything noteworthy on the content front with Android, either in China or Korea?

John Forsyth
President, Chief Executive Officer & Director, Cirrus Logic, Inc.

A

We don't put a huge amount of emphasis or investment in Android for a number of reasons. We think there are just simply better and more durable growth opportunities for the company elsewhere. We obviously have business in Android with multiple customers. That's been a long-running contributor, but over time, a smaller and smaller fraction of our overall Income, and we expect that trend to continue. And the reason for that, as I said, is we think there are both more attractive long-term markets and ones where, from a competitive position, there isn't a kind of geopolitical overhang, and it's less likely to be a kind of cost-oriented bloodbath.

So when we're investing, I mean, I talked earlier about some of the industrial investment we've been making. We've obviously been investing in growing in the PC market as well, and we see a number of other exciting areas in front of us. We certainly think there's going to be an expansion in AI-related consumer end products, and we expect to see OEMs bring devices over the next year and beyond to market with our content in them. We think all of those kind of categories are really more exciting long-term for growth and SAM expansion than Android.

Chelsea Heffernan
Vice President-Investor Relations, Cirrus Logic, Inc.

And with that, we'll end the Q&A session and I'll turn the call back over to John for final remarks.

John Forsyth
President, Chief Executive Officer & Director, Cirrus Logic, Inc.

Thank you, Chelsea. So in summary, Cirrus Logic delivered record first quarter results. We also continued to make solid progress across each pillar of our long-term strategy. And based on the expanding collaboration with our largest customer in our core business and the advances we are making in our new markets, we're very excited about what lies ahead of us. I'd like to thank you for your continued interest in our progress and all of our employees around the world for their dedication to innovation and to supporting our customers' success.

Before we close, I'd also like to note that we will be participating in the KeyBanc Technology Leadership Forum on August 11. Please check our investor website for details, and I'd like to thank everyone for participating today. Goodbye.

Operator: This concludes today's call. Thank you for attending. You may now disconnect.