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PRESENTATION

Operator

Good day, and welcome to W. R. Berkley Corporation's Second Quarter 2019 Earnings Conference Call. Today's conference call is being recorded.

The speakers' remarks may contain forward-looking statements. Some of the forward-looking statements can be identified by the use of forward-looking words, including, without limitation, beliefs, expects or estimates. We caution you that such forward-looking statements should not be regarded as a representation by us that the future plans, estimates or expectations contemplated by us will, in fact, be achieved. Please refer to our annual report on Form 10-K for the year ended December 31, 2018, and our other filings made with the SEC for the description of the business environment in which we operate and the important factors that may materially affect our results. W. R. Berkley Corporation is not under any obligation and expressly disclaims any such obligation to update or alter its forward-looking statements, whether as a result of new information, future event or otherwise.

I'll now like to turn the call over to Mr. Rob Berkley. Please go ahead, sir.

W Robert Berkley *W. R. Berkley Corporation - President, CEO & Director*

Dylan, thank you very much, and thank you all for joining our call today and welcome to our second quarter call.

So on this end of the phone, as in the past, is Bill Berkley, our Executive Chair; and Rich Baio, our CFO, along with of course myself. We're going to follow a similar agenda to what we did last time around where Rich is going to walk you through some of the highlights from the quarter and frame it for you a bit. And once you've gotten through his comments, I'm going to offer a few relatively brief comments, and then we will be turning it over to all of you to address any questions that you may have.

So with that, Rich, if you would, please.

Richard Mark Baio *W. R. Berkley Corporation - Executive VP, CFO & Treasurer*

Great. Thanks, Rob. We had a strong quarter with net income increasing by more than 20% to \$217 million from \$180 million a year ago. Earnings per share was \$1.12 for the current quarter compared with \$0.93 per share. All per share information in our earnings release has been adjusted for the 3-for-2 common stock split effected on April 2, 2019.

Our return on equity for the quarter on an annualized basis improved 2.6 points from the prior year to 15.9%. Our earnings improved over the year ago quarter primarily due to higher pretax underwriting profits and net investment income driven by investment funds along with higher investment gains. Due to less volatility in foreign currency exchange rate from the quarter, we did not recognize a degree of income statement effect as experienced in the same quarter last year.

Pretax underwriting profit increased 24% to \$100 million compared with \$81 million a year ago. The improvement was primarily attributable to an increase in net premiums earned of 4.2% and lower underwriting expenses of 1.7%. Offsetting these favorable changes was higher catastrophe losses compared to the same period last year. The current quarter's catastrophe losses of \$26 million or 1.5 loss



ratio points are more typical for second quarter if you were to look back over the recent past.

Prior year loss reserves developed favorably by \$7 million, representing approximately 0.4 loss ratio point. The current accident year loss ratio before cats was largely unchanged at 61.3% for the current quarter. Accordingly, pretax underwriting profit on an accident year basis, excluding cats was \$119 million compared with \$87 million from a year ago, representing an increase of approximately 36%.

Profitable growth in net premiums written is continuing to contribute to the favorable underwriting performance of the company. Our net premiums written accelerated in the current quarter and increased 7.3% quarter-over-quarter to approximately \$1.75 billion. The growth came from both segments of our business. The Insurance segment grew 5.6% to approximately \$1.6 billion and the Reinsurance & Monoline Excess segment grew approximately 27% to \$169 million. The growth in the Insurance segment was led by a 12.6% increase in professional liability, followed by increases in other liability of 8.4%, short-tail lines of 8.1% and commercial automobile of 7%.

Workers' compensation declined 4.1%, reflecting the competitive marketplace and rate pressure from the rating bureaus in most states. We also grew in each of our operations in the Reinsurance & Monoline Excess segment. The expense ratio improved by 1.8% to 31.5% quarter-over-quarter and 0.8% better than the preceding consecutive quarter. The benefit in the expense ratio is driven by higher net premiums earned as well as lower underwriting expenses as I previously mentioned.

The improvement in underwriting expenses is primarily attributable to operating efficiencies and automation of our processes. We also recognized the nonrecurring benefit in our underwriting expenses of approximately 0.5%. Please remember that our expense ratio may experience some variability as we continue to make investments in the business.

This brings our reported combined ratio for the second quarter of 2019 to 93.9% and our accident year combined ratio, excluding cats, to 92.8%. Net investment income increased 23% to \$188 million. The growth in the quarterly investment income was primarily attributable to investment funds resulting from higher mark-to-market adjustments. We remain steadfast on our total return strategy in spite of the unpredictable interest rate environment. Accordingly, we have maintained an average rating of AA- and slightly reduced the average duration to 2.6 years for fixed maturity securities, including cash and cash equivalents. We believe our approach positions us well, limited adverse impact from a balance sheet perspective and upside should interest rate improve in the foreseeable future.

We reported pretax net realized and unrealized gains on investments of \$74 million. The majority of these gains are attributable to an increase in market value on preferred stock investment in Fannie and Freddie. The effective tax rate was 20.6% for the quarter. The effective tax rate differs from the U.S. federal income tax rate of 21% primarily because of tax-exempt investment income, offset by foreign operations with a higher tax.

Stockholders' equity increased nearly 4% or approximately \$217 million from the prior consecutive quarter and grew almost 10% on a year-to-date basis or \$539 million. In the current quarter, we returned capital of \$112 million, including \$92 million of special dividends.

Thanks, Rob.

W Robert Berkley W. R. Berkley Corporation - President, CEO & Director

Great. Thank you, Rich. That was perfect. So let me just offer a couple of thoughts through my lens, through our lens, complementing some of Rich's comments.

Clearly, from our perspective, this is a market that continues to go through transition. It's very much a, in our opinion, a natural or expected continuation from what we saw in Q1. I think the only difference is that the pace of change seems to be accelerating.

A couple of examples or data points to share with you. We are seeing a growing number of carriers reducing their capacity or their line size, if you like, and also in addition to that, a growing number of examples of more people are actually exiting product lines altogether. We're seeing tightening of terms and conditions. Obviously, we are seeing rate increases across the board, as Rich mentioned, with the exception of workers' comp, which certainly is the one major product line moving in the other direction. Granted, all these other product lines and the rates they're getting, they're not moving up. All in perfect lockstep, but directionally, we are pleased to see things moving in

a positive direction.

And perhaps the piece that is the most meaningful from our perspective is in the second quarter, we saw an increasing number of examples or I would go so far as to say a developing trend of business getting kicked out of the standard market and making its way into the specialty/E&S market and, in addition to that, an increasing demand for facultative reinsurance. Of historical signs or classic indicators of a firming market, particularly when you have all of these pieces lining up the way they seem to be.

Maybe getting a little more granular on some of the major product lines as far as property goes. Cat-exposed property clearly out in front as far as rate increases or just an overall firming market. Property that is not cat exposed is probably a pace behind or the property risk market.

Commercial auto is a close second there, and it continues to move forward. Having said that, there are components of the professional lines market, particularly D&O and even more in particular, public D&O, but D&O across the board, I should say, are really getting meaningful rate increases. The momentum continues to build there.

GL has been lacking or lagging, if you like, a little bit, though we are seeing signs of the momentum building there. And I would expect that before the end of the year, you are going to see increasing momentum around the GL line.

Comp, as I've mentioned and Rich touched on earlier as well, is the one part of the market where conditions are becoming more competitive as opposed to less competitive. Having said that, before people overreact, I would remind you as it relates to keeping up with the inflation component of loss cost because of how the product is priced as we've mentioned in the past off of payrolls, there is an effectively a natural way to keep up with certain types of inflation.

Long story short, it's the same old story. Yes, as we've discussed, we have better data, and we have better analytics but the fact is this industry responds to pain. And there is a growing amount of pain. That is what is driving the change in behavior. And there is a growing amount of evidence that, that pain is going to increase or escalate or, if you like, build from here, which undoubtedly will drive the market to tighten further. And obviously, that tightening will occur in many ways, several of which I mentioned earlier.

A couple of more specific reflections on our quarter. Again, Rich did a great job putting a bow around it. But my two cents: by virtually any measure, a really good quarter, a 15.9% return, just shy of a 16% return and this environment is pretty terrific. And from our perspective, there is an even more encouraging component. That is if you peel a few layers back some of the fundamentals are pointing to an improving situation, i.e., top line growing at more than 7%, I would also just thought that this is the most or the highest growth rate, if you like, that we have had -- Rich, what were you talking about, is it 5 years?

Richard Mark Baio *W. R. Berkley Corporation - Executive VP, CFO & Treasurer*

Yes.

W Robert Berkley *W. R. Berkley Corporation - President, CEO & Director*

5 years or so. And clearly, that will benefit us in many ways. Included in that will be a benefit of higher earned premium coming down the road, which will leverage our expenses that much more and will benefit on the expense ratio side. And obviously, there are other positives that will come from the growth.

Rate increases for the quarter were just shy of 5.5%, again a very healthy clip from our perspective. We believe comfortably outpacing trend and will unearth the benefit on many levels. In particular, the loss ratio we would think will be improving in the future as well.

A few soundbites on the investment front. Clearly, a very strong quarter. In particular, the investment funds, as Rich mentioned earlier, as it relates to duration on the fixed income portfolio, shortened ever so slightly to the 2.6, again as Rich had touched on. We don't see it coming in much from there. Having said that, there's not a lot of reason not a lot of justification for taking the duration out of this stage. And as we have parked on in the past and continue to be very wed to flexibility and quality when it comes to the investments portfolio is of paramount importance to us.

The alternative investment portfolio that has really yielded a lot of terrific gains over the past many years, we continue to see great promise there. As I've mentioned, I believe the last quarter or within the past couple of quarters, the pipeline of gains that we have there is both broad and deep and over what we would -- our best estimate at this stage of sort of 6, 9, 12 months or so, we would imagine there will be some meaningful gains that are going to be coming through that currently are not visible on our balance sheet.

So before we flip it over to questions, just one last comment from me, and that is reverting back to some of the earlier comments.

The market is clearly transitioning, and it's transitioning -- or the table is being set for the ideal underwriting market for an organization like ours. If you look at our history when things start to move in this direction and the market begins to shift, we are able to pivot in a particularly nimble manner and capitalized on the opportunity. So I think collectively on this end of the phone, we are cautiously enthusiastic but with good reason for where things are going for the next many quarters.

So let me pause there and, Dylan, we would like to open it up for questions at this time, if you could, please.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Our first question comes from Mike Zaremski from Crédit Suisse.

Michael David Zaremski *Crédit Suisse AG, Research Division - Research Analyst*

First question, you guys will probably think this is a nitpick, but you mentioned in the press release that P&C pricing is over 5%. Last quarter, you were -- you said it was over 6%. So it seems like a little bit of deceleration, which doesn't match with your commentary about the market transitioning to a better place. Any color there?

W Robert Berkley *W. R. Berkley Corporation - President, CEO & Director*

Yes. I would encourage you not to start getting stuck in the basis points, if you will. My take on it, and I certainly took note of what you've observed as well. But when we dug in, it's really driven by a mix of business during the period. I think, if anything, and again, we have the ability to dig a little deeper than you can. Our sense is that the momentum is stronger in the quarter -- in Q2 than it was in Q1. And that headline number, I would not use as a barometer from my perspective. Again, it's really due to mix of business during the period.

Michael David Zaremski *Crédit Suisse AG, Research Division - Research Analyst*

Okay. Great. And next, in terms of the market transition, you had -- it doesn't seem to me that the impetus that you're talking to is coming from interest rates because I'd assume that new money rates for everybody, including yourself, maybe I'm wrong, are somewhat of a headwind on a fixed income side. And maybe you can touch on that and also let us know if that is a headwind in terms of your fixed income yields perspective.

W Robert Berkley *W. R. Berkley Corporation - President, CEO & Director*

Look, I think that we face the same challenges as everybody else in a low-interest rate environment. It looks like it's heading lower. I think that the investment portfolio for anyone in the industry is not going to bail out underwriting at this stage. Having said that, even if you were in some of a normal or more traditional investment or interest rate environment, I think that there is enough challenge that's coming as a result of historic underwriting decisions over the past few years that is going to drive the change in behavior.

So I think it's sort of insult to injury, if you will, but the reality is that this is an industry that made assumptions that some of the benign trends that we have seen over the past many years would continue, and it is pretty clear that they are not. Certainly, you can see that first how loss cost trends are being affected for the industry overall and some people were more aggressive in their assumptions. And I think that's proving to be a problem for some.

Yes, we have, as an organization, been beating the social inflation drum for an extended period of time, it will be measured in quarters, maybe years at this stage because we saw the bits and pieces and we started to triangulate off that and we've been concerned about



what that meant, which is one of the reasons why you saw us have the discipline, why you saw parts of our business over the past couple of years not growing, why you've seen our growth rate reduced dramatically. But now that we're seeing the marketplace responding accordingly, it's giving us the opportunity to open up the spigot again, though in a thoughtful and measured way.

So investment returns and the challenges around those are not the sole driver but clearly, they are not going to bail anybody out.

Operator

Our next question comes from Mike Phillips from Morgan Stanley.

Michael Wayne Phillips *Morgan Stanley, Research Division - Equity Analyst*

Last quarter, you gave what I guess could be called somewhat a cautious commentary on your view of workers' comp. I guess particularly on frequency and maybe the sustainability of the frequency trends in comp. I guess I'm wondering if anything since that -- those commentary, anything develop that you would see kind of -- to back that up?

W Robert Berkley *W. R. Berkley Corporation - President, CEO & Director*

Look, from our perspective, we continued to think that comp is the one outlier as mentioned earlier that's transitioning in the opposite direction of everything else. You've seen action, and you continue to see action by state rating bureaus that's pretty aggressive in our opinion.

I think it's a little bit early to really reach a conclusion as to where -- what the loss cost trends will remain benign. There's a lot of things that would support that they will. There is a lot of data that would suggest that you're going to see a tick up particularly in the frequency line. I think as we touched on last quarter, I'll reference again in a tight labor market, when you have more people working overtime and you have a lot of people and jobs that they are not as well trained for, that's often time where you have accidents and, unfortunately, people can get hurt and that can lead to frequency.

So when we look out as far as the comp line goes, we think that there are clearly pockets where there is still opportunity, but we are being measured and cautious. I think that's really the difference between being a specialty player and just being a standard player. The comp line like any other line that we participate in, expertise and knowledge and experience make a difference.

Michael Wayne Phillips *Morgan Stanley, Research Division - Equity Analyst*

I guess second question is obviously a lot of your growth by line in insurance relates to a lot of the bullish commentary on rates and you mentioned professional liability and others. I guess I think when you say GL is kind of lagging there, you'll see some signs of momentum there but it's been lagging. I guess if I look at your premium growth and the other liability, it's pretty strong in the quarter. So I'm curious where that's coming from.

W Robert Berkley *W. R. Berkley Corporation - President, CEO & Director*

Yes. My comments were about GL across the board. I would tell you the most significant growth that we are seeing is taking advantage of some of the things and I was referencing it with business selling out of the standard market into the E&S market where we are able to get the price, the terms and conditions that we want.

I don't think GL across the board has gotten the momentum that you will see it have in all likelihood towards the end of this year or early next year. And I think that is on a trajectory that is likely to follow something akin to what you've seen in parts of the professional space or the commercial auto space. This hasn't gotten there yet. It's got a little more tail to it, so it takes a little more time for the pain to come into focus, but it's coming.

Operator

Our next question comes from Amit Kumar from Buckingham Research.

Amit Kumar *The Buckingham Research Group Incorporated - Analyst*

Maybe two questions on commercial auto. Let's start with those. I was wondering -- earlier today, there was a lot of discussion on the Travelers call on commercial auto as well as the continued aggressiveness of the plaintiff's bar. And I think in response to Mike's question, you mentioned social inflation. Could you just maybe elaborate and share your view because it seemed like at least from the Travelers call, it seemed like a continuation on and maybe a bit more uptake in what they might have seen Q1 to Q2. What trends are you seeing maybe in your book? And if you have some broad comments on that?

W Robert Berkley *W. R. Berkley Corporation - President, CEO & Director*

Yes. I can't comment on what's going on over -- at the Travelers. Alan and the gang over there, they're very smart capable people, but they would be more well positioned to comment on their portfolio.

As far as ours -- look, we continue to see commercial auto was a challenging line and that's why we are getting the rate that we're getting. And in spite of all the rate that we're getting, you see in the line grow, but quite frankly, it's -- the top line is growing slower than the rate that we're achieving. And I think you could probably triangulate off of those data points, it tells you something.

Commercial auto is challenged -- it's been challenged for a while. When we look at our data and our experience, we've had concerns about it for what has been measured in years, which is why we've been pushing for rates as long as we have and it's why you're seeing that product line shrink a little bit -- excuse me, quite a bit over the last couple of years. But more recently, you're seeing it grow because we're able to really get the rate that we think we need.

Amit Kumar *The Buckingham Research Group Incorporated - Analyst*

Got it. As it relates to commercial auto, last month, you formed Berkley Prime Transportation, and I was curious where does that fit in, in terms of your current commercial auto book? And what is the mandate of that subsegment versus what you might be writing right now?

W Robert Berkley *W. R. Berkley Corporation - President, CEO & Director*

And so we have many operations that write commercial auto, some write at Monoline, some write as part of a package or a multi-line offering. We have some folks that write it on a primary basis, others have write excess and so on and so forth. This is just another operation that we are pleased to provide capital to that we think is run by a group of people that have great expertise and can generate good risk-adjusted return for our shareholders.

Amit Kumar *The Buckingham Research Group Incorporated - Analyst*

Okay. The third and final question on capital management, I guess should we think about future capital management differently just based on the current opportunities in the marketplace?

W Robert Berkley *W. R. Berkley Corporation - President, CEO & Director*

Should we?

William R Berkley *W. R. Berkley Corporation - Executive Chairman of the Board*

This is Bill. He's looking at me.

W Robert Berkley *W. R. Berkley Corporation - President, CEO & Director*

He is the head of our repurchased debt.

William R Berkley *W. R. Berkley Corporation - Executive Chairman of the Board*

I think that capital management is not only about our business. It's about the environment. It's about cost of capital and alternative supplies of capital. I think in the current environment, we've had the view that giving dividends to shareholders, special dividends was the best use of excess capital we were generating.

And if you ask me today what would that be, it would be the same answer but tomorrow could be different, and I don't have a particular overall view. We continue to view capital management as one of the key elements in delivering real returns to the owners of our



company. And we view this business as our shareholders are the owners of the company. So our view is how do we optimize their investor outcome. And that's either reducing the number of shares outstanding by buybacks, paying special dividends, expanding the business, and we try and look at where that is at any moment in time.

That's still our view. What those variables will be at the moment in time when we decide we have excess capital and we don't see a use for it within a certain time frame, hasn't changed the moment. So today, if you ask me would be special dividend but obviously tomorrow, that could change

Operator

Our next question comes from Joshua Shanker from Deutsche Bank.

Joshua David Shanker Deutsche Bank AG, Research Division - Research Analyst

Most of my questions have been answered, but I'll just ask you a question about pain a little bit. For a businesses that have large workers' comp portfolios, are they more immune to the pain that the workers' comp reserves will be able to offset weakness elsewhere and allow them to weather the storm better?

W Robert Berkley W. R. Berkley Corporation - President, CEO & Director

Josh, it's very hard for us to opine on somebody else's reserves. As I'm sure you could appreciate, different organizations have different methodologies and approaches to how they set reserves. The one comment I would offer is that historically in a competitive environment, large accounts are the ones that have the pricing that get -- got it the most, or in other words, it becomes the most competitive. I'm not going to bore you with my speech about what a bunch of baloney it is to give large account discount because that's just -- well, I can save that for you for another time. But I think workers' comp included from my perspective, I see it a little differently than what your question may have suggested.

Joshua David Shanker Deutsche Bank AG, Research Division - Research Analyst

And then as a competitive environment on workers' comp, to what extent are the current trends in pricing, the regulators bequeathing rate changes upon the underwriters and to what extent is it competitive behaviors from the underwriters that are driving the train?

W Robert Berkley W. R. Berkley Corporation - President, CEO & Director

I think it's a combination of both and what percentage of one versus the other, ranges by territory and component of the comp market.

Probably the rating bureaus clearly are taking meaningful action. At the same time, it has been surprising to me, perhaps to others, how quickly some of the national carriers with a multi-line offering are getting very aggressive in what I would define some territories that can be very volatile and some niches that I think require meaningful expertise.

Operator

Our next question comes from Meyer Shields from KBW.

Meyer Shields Keefe, Bruyette, & Woods, Inc., Research Division - MD

Rob, I was hoping you could speak a little more to the comments about increasing demand for facultative cover in terms of which line or maybe regions that is most significant?

W Robert Berkley W. R. Berkley Corporation - President, CEO & Director

I don't mean to be cute, but generally speaking, we just don't give that level of granularity because we're not looking to send out invitations to the oasis or the watering hole. I would tell you that a good indicator is wherever you see the overarching market firming the most is probably where you're seeing the most flow coming to the facultative market.

Meyer Shields Keefe, Bruyette, & Woods, Inc., Research Division - MD

Okay. But there's no reason that wouldn't be happening in liability as opposed to property lines?

W Robert Berkley W. R. Berkley Corporation - President, CEO & Director

I think it's probably no different, but my view is that it's no different than what you're seeing in the insurance market. I figure that the property market overall, particularly cat-exposed property, is probably about a pace or so ahead of the casualty market but directionally, they're moving together.

Meyer Shields Keefe, Bruyette, & Woods, Inc., Research Division - MD

Okay. That's helpful. Second question. I'm just trying to figure out how things are working now. You've mentioned the sort of cyclical return of some business from standard to specialty markets. Is that still going? Is it going to the wholesale channel or the distribution channel, again, the same what happened in the past? Or is any of that now replaced by retail agents with specialty carriers?

W Robert Berkley W. R. Berkley Corporation - President, CEO & Director

Yes. I don't have the specific data on that, but I would tell you that seemingly, the lion's share of the E&S business is still going through a wholesale broker. Do I think that there are examples of other ways businesses retailers accessing? Yes, but again, I think due to expertise amongst other things, and it continues to be very, very much predominantly wholesale brokers.

Operator

Our next question comes from Yaron Kinar from Goldman Sachs.

Yaron Joseph Kinar Goldman Sachs Group Inc., Research Division - Research Analyst

Robert, I think in your opening comments, you said that the company is cautiously enthusiastic here. And I guess I'd like to maybe understand the qualification here a bit cautiously or why won't you pounce already given the current market conditions? I guess I am looking at your accident loss ratio. It's quite stable. Loss picks are certainly below average. You have an improving expense ratio, so why not take more opportunity here to take market share?

W Robert Berkley W. R. Berkley Corporation - President, CEO & Director

So look, by nature, we are -- we like to at least think and we try to be a thoughtful and measured organization. We are -- I am cautiously optimistic, we are cautiously optimistic but we are optimistic. Clearly, as I suggested, we have more confidence as to where things are going this quarter or the end of -- reflecting on Q2 than we did reflecting on Q1. There is a growing amount of evidence that the momentum is likely to build from here. But we have -- this isn't our first time around as an organization, and we got a lot of historic knowledge and expertise.

The way that you play the cycle or cycle management, if you like, we stand ready to open up the spigot as widely as we think the opportunity presents itself. But please understand the way we tend to do this is it's on dimmer switch, if you will. And we are seeing, it's not just a traditional switch where it's on and off. We are seeing a growing number of opportunities. And as we see those opportunities, we are looking to take advantage of them on behalf of our shareholders, but it hasn't gotten to the point where everything across the board is a green light. We are seeing more green lights, but it's not all green lights.

Yaron Joseph Kinar Goldman Sachs Group Inc., Research Division - Research Analyst

Okay. Understood. And then going back to commercial auto, can you maybe talk about where you are seeing opportunities within commercial auto?

W Robert Berkley W. R. Berkley Corporation - President, CEO & Director

Well, I think that generally speaking, we think the commercial auto space is -- has been and continues to firm across the board. There are pockets where we think the level of firming is adequate that it makes sense to write more business and we are growing. And there are pockets, while we're pleased to see that it's been directionally firming, it has not gotten to the point that we think it makes sense to write the business or expand our footprint.

So beyond that, I don't think it makes sense, and my colleagues don't think it makes sense, we don't think it makes sense to get into a lot more detail. It just wouldn't be in the best interest of our shareholder.



Operator

(Operator Instructions) I'm showing no further questions in the queue at this time, sir. At this time, I'd like to turn the call over to Mr. Rob Berkley for closing remarks.

W Robert Berkley W. R. Berkley Corporation - President, CEO & Director

Okay. Dylan, thank you very much for your assistance, and we certainly appreciate everyone calling in. As demonstrated in the results and certainly, hopefully, people picked up in the comments, we think that it's not only a good quarter as far as the financial results but the fundamentals are in place for us to build the momentum from here. So we look forward to updating you in about 90 days. Thank you again for your time.

Operator

Thank you, ladies and gentlemen, for attending today's conference. This concludes the program. You may all disconnect. Good day.

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