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Q4 2018 Rubicon Project Inc Earnings Call

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PRESENTATION

Operator

Good day, and welcome to the Rubicon Fourth Quarter Earnings Conference Call. (Operator Instructions) Please note this event is being recorded.

I would now like to turn the conference over to Nick Kormeluk, Head of Investor Relations. Please go ahead.

Nick Kormeluk ***The Rubicon Project, Inc. - VP of IR & Head of Global Real Estate***

Thank you, operator, and good afternoon, everyone. Welcome to Rubicon Project's Fourth Quarter 2018 Earnings Conference Call. As a reminder, this conference call is being recorded. Joining me on the call today are Michael Barrett, President and CEO; and David Day, our CFO. I would like to point out that we have posted financial highlights slides to our Investor Relations website to accompany today's presentation.

Before we get started, I would like to remind you that our prepared remarks and answers to questions will include information that might be considered to be forward-looking statements, including, but not limited to, statements concerning our anticipated financial performance and strategic objectives. These statements are not guarantees of future performance. They reflect our current views with respect to future events and are based on assumptions and estimates and subject to known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from expectations or results projected or implied by forward-looking statements. A discussion of these and other risks, uncertainties and assumptions is set forth in the company's periodic reports filed with the SEC, including our 2018 annual report on Form 10-K and subsequent filings. We undertake no obligation to update forward-looking statements or relevant risks.

Our commentary today will include non-GAAP financial measures. Reconciliations between GAAP and non-GAAP metrics for our reported results can be found on the earnings press release and in the financial highlights deck that is posted on our Investor Relations website. At times, in response to your questions, we may offer incremental metrics to provide greater insights into the dynamics of our business. Please be advised that this additional detail may be onetime in nature, and we may or may not provide an update on the future of these metrics. I encourage you to visit our Investor Relations website to access our press release, financial highlights deck, periodic SEC reports and webcast replay of today's call to learn more about Rubicon Project.

I will now turn over the call to Michael. Please go ahead.

Michael G. Barrett ***The Rubicon Project, Inc. - President, CEO & Director***

Thank you, Nick. Two years ago, I joined Rubicon Project, and we set forth upon a strategy to: one, be the leading independent in global exchange; two, invest in all programmatic media types with the goal that, if it can be bought or sold programmatically, you will find it on the Rubicon Exchange; three, be the lowest total cost exchange. Total cost is determined not just by take rate but by total cost of transaction. And four, provide a well-lit, safe and curated marketplace.

We cautioned that results would not happen overnight, that we are going to use our balance sheet to invest in this transformation, but we were convinced that this approach would return Rubicon Project to leadership and growth and deliver the best outcome for our shareholders. Our fourth quarter results validate our strategy and position us for continued strong results for 2019.

We are pleased to deliver a quarter that, in financial terms, demonstrates positive outcomes from the efforts and changes we undertook over the last 2 years. We made many challenging decisions, and many of the benefits from them did not show up immediately in our financials. We're happy to deliver the results we did in Q4, bolstered by fourth quarter seasonality, which shows the financial leverage we believe we can benefit from in the future.

With that, let me hit the high points. We grew revenue 32% year-over-year. We were adjusted EBITDA positive with a 24% adjusted EBITDA margin. Our team did a great job of continuing to manage cost, and we were cash flow positive, excluding working capital swings, a year ahead of our stated target.

I'll now touch on some of the positive drivers in our business. We showed strong year-over-year comparisons across strategic channels and inventory types. Mobile revenue was up 43%. Desktop was up 21%. Video revenue more than doubled. We believe these broad gains are indicative of the market share gains that we are starting to make and a direct result of the investments we made in these strategically important areas.

Specifically, as it relates to video, we are very proud of our video team and the progress we've made. And we're happy to report that for the full year 2018, video ad spend was $156 million, resulting in $20 million in revenue, which represented 16% of total revenue. Our video business more than doubled in Q4 year-over-year, growing at more than double the industry growth rates, and we continue to expect video to be a meaningful driver of our future growth.

We have a very broad video offering, from CTV to desktop to mobile web to mobile app and to digital-out-of-home. Brands and agencies are spending and increasing investment in video now, and we are well positioned across all video opportunities to benefit from this trend in the short, intermediate and long term.

2018 witnessed The Rubicon Project going from a header bidding laggard to a clear leader. Header bidding now represents over 80% of our business, supported by our own publisher-direct connections using Prebid and our partnerships with Google and Amazon. We embraced Prebid and helped shift the industry from opaque, proprietary header technology to transparent, open-source technology. We couldn't be more excited for the next phase of publisher monetization.

Last year, Rubicon Project paid publishers more revenue than any time in the history of the company. We have regained the safe and trust of our publishing partners, who have told us that they need more help taming the complexities in their businesses created, in part, by header bidding. As competition for impressions has increased and many more competitive bidders for impression have enabled, it has created new challenges for publishers to manage revenue across all inventory without wasting valuable internal resources.

We believe the future of header bidding will be built on transparent, open-source Prebid technology, enhanced with tools and managed services that empower publishers to make quick and informed decisions across all their demand sources, not just those in which we serve the winning bid. We are already offering these solutions to some of our largest sellers, and we believe this will be an increasingly important part of our strategy moving forward. We'll talk more about this evolution in the quarters to come, but we feel the next phase of publisher monetization could be game-changing for us and our partners.

We mentioned last quarter that we began to see some industry-wide pressure on CPMs, and this trend has continued into the first quarter. In our opinion, the CPM decline was expected and is mainly attributed to buyer pricing tools in response to first price auctions, fewer cookie-based targetable impressions resulting from Apple ITP and from GDPR initiatives and header bidding impression fatigue from sellers exposing their inventory to duplicative supply sources.

Lower pricing has helped demand-side campaign ROIs and is driving significant increases in paid impressions. However, it is meeting overall flow-through to add spend and corresponding revenue for publishers.

Despite this near-term pressure on CPMs, from experience, we expect the supply side, in part aided by tools that we are developing, will better price, market and monetize our inventory, resulting in an improved equilibrium in CPMs and increased flow-through of revenue and spend for publishers.

From an industry vantage point, the value and importance of programmatic continues to grow. We continue to believe that 2019 will be a year of supply consolidation by buyers and that our traffic shaping, attractive pricing and Estimated Market Rate or EMR capabilities, along with our expanding tools and services for sellers, will continue to allow us to capture market share.

I previously discussed the long-term aspirations that we have over the coming years. We made very good progress in our long-term vision and financial model targets in Q4. This is in support of aiming to be a, if not the, independent leader across all header bidding auctions, whether it's our own Prebid-powered solutions or via external partners such as Google's EB and Amazon's A9 programs.

Working to be and stay the preferred partner of sellers and buyers, we strive to be the leading independent exchange in video, mobile app and audio, especially if header bidding accelerates growth in these markets in the coming years. We look ahead to how we reach multiple billions in ad spend versus the roughly $1 billion we have today by capturing 10% to 15% market share of our addressable digital programmatic advertising market. We target growing annual revenue of greater than 20%. We target 25% or greater adjusted EBITDA margins by prudently managing growth, cost and investments.

We are pleased with our share gains and financial performance this past quarter. We believe our moves made over the past 2 years have set us up to take share and continue to grow throughout this year. We are also pleased to have the ability to continue to invest in important areas such as video, audio, mobile, seller tools and network efficiency to fuel our future growth, driven by our improved financial performance.

With that, I will hand things over to David, who will go into greater detail regarding our financial performance.

David L. Day ***The Rubicon Project, Inc. - CFO***

Thanks, Michael. We made solid progress during the fourth quarter. As Michael pointed out, we hit several performance milestones this quarter, driven by our share gains and corresponding revenue growth, coupled with the benefits of our cost actions in 2018. Those factors and the lift from normal fourth quarter seasonality highlight the leverage potential we believe that we have in our financial structure and allowed us to deliver the following results.

For the fourth quarter of 2018, we generated $41.4 million in revenue, a 32% increase year-over-year, and $301.2 million in advertising spend, up 22% year-over-year. We were adjusted EBITDA positive, delivering $9.9 million of adjusted EBITDA with a 24% margin. We generated positive cash flow, excluding changes in working capital, of $2 million, which we calculate as adjusted EBITDA less CapEx. And we had positive non-GAAP earnings per share of $0.03.

Revenue for the fourth quarter was up year-over-year for the first time since Q3 of 2016 and was the result of strong ad spend growth resulting from market share gains and the take rate higher than last year's fourth quarter. Our mobile channel grew 43%, and our video and audio revenue drove significant growth.

As Michael mentioned, Q4 video revenue more than doubled year-over-year and for the full year, represented 16% of our revenue. Our average take rate was 13.8% during the fourth quarter of 2018, an increase of 150 basis points sequentially. The increase was due to the continued rightsizing of fees from publishers following the elimination of buyer fees in late 2017. We expect the take rates will normalize in the mid-13s in the near term.

Operating expenses, which, in our case, includes cost of revenue, for the fourth quarter of 2018 were $44 million, down from $56 million in the same period a year ago. On an adjusted EBITDA basis, operating expenses, including cost of revenue, for the fourth quarter were down 16% year-over-year to $31.5 million versus $37.6 million in Q4 2017 and flat compared to $31.2 million in Q3 2018. The declines in both reflect benefits from our cost-reduction actions during the year.

Net loss was $2.6 million in the fourth quarter of 2018 as compared to net loss of $23.8 million in the fourth quarter of 2017. Adjusted EBITDA swung positive this quarter to $9.9 million compared to an adjusted EBITDA loss of $6.2 million reported in the same period 1 year ago. Adjusted EBITDA margin, as mentioned, for the fourth quarter was 24%. The improvements in net loss and adjusted EBITDA were driven by higher revenues and improved cost structure, as noted previously.

GAAP loss per share was $0.04 for the fourth quarter of 2018 compared to GAAP loss per share of $0.48 in the same period in 2017. Non-GAAP income per share for the fourth quarter of 2018 was $0.03 compared to non-GAAP loss per share of $0.28 reported in the same period in 2017.

Capital expenditures, including purchases of property and equipment as well as capitalized internally used software development costs, were $8 million for the fourth quarter of 2018, bringing the year-to-date 2018 total to $20 million. We closed the fourth quarter with $88 million in cash and marketable securities, a decrease of $9 million from Q3. This reduction resulted primarily from the timing of receivable collections and seller payments.

Our cash and marketable security balances can swing disproportionately compared to the run rate of our business since we collect and pay the gross amount of flow-through to our sellers, while we record revenue on a net basis. Month-end balances can fluctuate as a result of just a few days' delay in collection from buyers or acceleration in payment to sellers crossing month-end. For example, our January 2019 ending balance was $107 million, and our February ending balance will likely be in the low to mid-90s.

Early in 2018, we discussed a target of generating positive cash flow, excluding working capital changes, which we calculate as adjusted EBITDA less CapEx, by the end of 2019. As noted, in Q4 2018, we generated positive cash flow, excluding working capital changes, of $2 million, a year ahead of the target we provided. We are using a definition of cash flow that excludes the impacts of working capital changes for the reasons I noted when discussing the change in our cash balances as the working capital changes swing from period to period and potentially mask the cash-generating ability of our core operations.

As of December 31, 2018, our total federal NOLs were approximately $285 million, resulting in a tax-affected federal benefit calculation of $60 million, which reflects the new U.S. corporate tax rate of 21%. Our potential -- our total potential tax-affected NOL benefit, adding state and Canadian benefits to this federal amount, is approximately $80 million.

I will now shift to sharing some indications for our first quarter expectations. We expect that year-over-year revenue growth will be roughly 25% for Q1 2019. We expect that adjusted EBITDA operating expenses in Q1, including cost of revenue, will be approximately $33 million. The increase from Q4 is reflective of normal and expected annual cost increases and a modest investment increase in network capacity and seller-side tools. CapEx for 2019 is expected to be roughly similar to the $20 million level we had in 2018.

Finally, note that we will continue to share specific ad spend, take rate and now video metrics on an annual basis going forward but will not disclose them specifically on a quarterly basis, although we may speak to them directionally. This approach helps alleviate some of the competitive disadvantage vis-à-vis our private competitors who do not disclose their ad spend levels and take rates and aligns us more closely with our public peers.

Ad spend and take rate were historically more important when we had GAAP revenue that was reported on both a gross and a net basis prior to early 2017. And more recently, they were important given our removal of buyer fees in late 2017, which significantly lowered our take rate and made it more challenging to understand our business during that time of significant transition.

Given that these informational needs are lessened and, in particular, now that the comparison year for the significant take rate change is behind us, we believe now is an appropriate time to make this change. We will continue to share these and other appropriate metrics with our partners as and to the extent permitted by our contractual relationships.

We are pleased with our improved financial results, continued momentum in the business and with the leverage potential in our financial structure that this quarter's results show.

With that, let's open the line for Q&A.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Our first question today will come from Jason Kreyer of Craig-Hallum.

Jason Michael Kreyer ***Craig-Hallum Capital Group LLC, Research Division - Senior Research Analyst***

It's great to see the return to growth and profitability.

Michael G. Barrett ***The Rubicon Project, Inc. - President, CEO & Director***

Thanks, Jason.

Jason Michael Kreyer ***Craig-Hallum Capital Group LLC, Research Division - Senior Research Analyst***

So just to start off, Michael, you talked about better utilization of Prebid towards the end of the year. At the same time, you talked about the pressures on CPMs remain as they were kind of exiting 2018. So just wondering if there's any tools that you can leverage with any EMR to help publishers manage through this. Kind of trying to just gain some insights onto what the product enhancements and, really, what you're working on in R&D that we should expect to roll out over the course of this year.

Michael G. Barrett ***The Rubicon Project, Inc. - President, CEO & Director***

Yes, Jason, great question. I'll address the macro issue, and this isn't the first time we've seen this dynamic occur in the marketplace, so to speak, back in the good old days, when RTB came along and you had ad networks that created a buying advantage for the RTB buyers over the sellers, and it took a while for the sellers to understand that dynamic. And so true header bidding. Header bidding came out as a seller advantage, and over time, buyers got accustomed to it and actually then started to step up their kind of bid shading, especially in the first price arena. So we've seen it, and we do believe that, over time, it normalizes again. As it relates specifically to the tools that we intend to help our publishers with, we're going to hold off on that. I'll probably talk much more about that on our next earnings call, Jason. We're kind of in closed beta right now, and a lot of the stuff we're doing is relatively sensitive from a competitive standpoint. So when we do our big marketing launch and we open up the beta, I think that's probably a more appropriate time to go through features, functionality and possible business models.

Jason Michael Kreyer ***Craig-Hallum Capital Group LLC, Research Division - Senior Research Analyst***

Okay. Fair enough. I appreciate the incremental detail on the video business. Can you give any more details on where that's coming from and how broad-based it is? Is this coming from a wide variety of publisher partners? Or is it pretty concentrated? And then just what kind of inventory types you're talking about. Is it more heavily skewed to kind of the pre-roll, mid-roll type of inventory? Or are you doing more OTT, CTV, stuff like that?

Michael G. Barrett ***The Rubicon Project, Inc. - President, CEO & Director***

I'll tackle the first, and maybe David can chime in on some of the specifics. But it's -- our video business is very broad, as we cited. And if you think about the types of clients that Rubicon Project is known for having, the premium publishers or the premium apps on the web, it's not surprising that they make up the bulk of our video. So we'll have video partners that started with just desktop video, and then they moved to mobile video, and then they moved to app video for their programming and all the way through to the latest iterations, which should be OTT and CTV. And so I think that, that's right up our alley in terms of the strategy that we've been trying to pursue, and that simply is we want to be the premier primary monetization partner for our publishers. And it's not just one slice of their business, CTV. It's every aspect of video because, guess what, they're making a lot more money out of the other aspects of video than they are in CTV right now. And so I think we're really well positioned. As we've talked about, the marketplace consolidation that's occurring, that as they start to limit the number of partners they choose, we think that choosing an all-around partner of monetization versus just a specialist is a direction to go in. So we're very pleased with the traction that we have there in the profile of the video business that we're doing today. I hope that covers it.

Jason Michael Kreyer ***Craig-Hallum Capital Group LLC, Research Division - Senior Research Analyst***

Okay. Yes, that's great. A couple things that we've been hearing across the industry towards the end of the year. Number one, accelerated connections for server integrations and then also just more actionable supply path optimization. So wondering if you can maybe talk about what you saw as Q4 progressed and then how you feel you're positioned there if those trends persist into 2019.

Michael G. Barrett ***The Rubicon Project, Inc. - President, CEO & Director***

Sure. So on the server side, you're right about that. We've been kind of ringing that bell for a while, right? Let's get all this stuff off the page. Let's stop hindering page performance and user experience and try to move it to a server where it's much more efficient and where it should have been out of the gates. The challenge, obviously, Jason, as you all know, has been the migration from match tables and match rates. You can't target with cookies in the server, and so therefore, if the whole world is going off of cookie-based targeting, you had a huge decline in terms of matches, which led to a corresponding decline in monetization. Little by little each month, that improves. It's still not 100% there. So most of our publishers still, if they have a server-based solution, they, generally speaking, have an on-page solution as well. But we do think that, especially with Apple's ITP and GDPR, that finally, we are moving into this post-cookie world, which is going to benefit everybody, including consumers and servers. It's definitely going to be the way to go forward, and we'll only see that accelerating more. I'm sorry, Jason, it was a 2-part question. What was the second part?

Jason Michael Kreyer ***Craig-Hallum Capital Group LLC, Research Division - Senior Research Analyst***

Essentially the same question on supply path optimization, just that, that would be more actionable.

Michael G. Barrett ***The Rubicon Project, Inc. - President, CEO & Director***

Yes. So I think it is. So actionable, we still think that there's still a lot of SPO ahead of us, which is going to benefit Rubicon. To date, I think we've caught some of it. We certainly have been cut out of any SPO effort. So we're part of every conversation. We probably have been a net beneficiary of some of the spend that used to go to other partners, and it's really beginning in earnest. And I think that if you typify the conversations we had at Consumer Electronics Show way back in January, we met with a ton of agency holding companies, and that was top on their mind with every holdco, which was, "If I consolidate my spend with just you and a handful of other guys, how does that benefit my relationship to the publisher? How does that benefit my cost structure?" Et cetera, et cetera. So it's in earnest, and I think we are extremely well positioned to take advantage of further SPO.

Jason Michael Kreyer ***Craig-Hallum Capital Group LLC, Research Division - Senior Research Analyst***

Okay. Last one, just kind of on that same topic. The competitive landscape, I mean, there's a lot of different moving parts across all these different exchanges. We've talked about trends that may or should benefit you over time. Just wondering if you've seen them materialize or if you think that's all still in front of you.

Michael G. Barrett ***The Rubicon Project, Inc. - President, CEO & Director***

I think, by and large, it's still in front of us. Again, I think on the margin, we know that some of our competitors didn't enjoy the kind of fourth quarter we did, and we hear that from the industry talk and from some of our buyers. So it's occurring. But to us, when we look to the forward vision of what we want to become and going from single billions to multiple billions in spend, we kind of feel as though that SPO effort is going to move big chunks. We're talking hundreds of millions of dollars at a time. And we certainly haven't seen that migration yet. So hope springs eternal. We think we're in a great position to catch it when it does occur. We're out there agitating those conversations, but I think, as you said, our best days still lie ahead of us as it relates to SPO.

Operator

And our next question will come from Matt Thornton of SunTrust.

Matthew Corey Thornton ***SunTrust Robinson Humphrey, Inc., Research Division - VP***

A couple if I could. Maybe starting high-level. When you guys are thinking about 2019 and ad spend and its kind of volume growth, are you thinking continued market share gains? Are you kind of just thinking modeling -- kind of growing in line with the market? And then just relatedly, you talked a little bit about take rates. Obviously, you popped up a little bit in the fourth quarter. I think you said you'd expect it to kind of normalize here in the mid-13s near term. I'd love to get maybe just the latest on how you think the industry is trending, where you are maybe relative to the average out there. But any color on those 2 points would be helpful.

David L. Day ***The Rubicon Project, Inc. - CFO***

Sure. From a market perspective, as we -- as Michael just talked about, we think our best days are still ahead of us, obviously. We're not out there with a full year guidance at this point in time. But we've talked about our longer-term aspirations of continuing to grow revenue at greater than 20% a year. And so that obviously implies some market share gains. So we think we're really well positioned and would assume some market share gain next year. On the take rate side, yes, we're really pleased with the progress that we made, and we do think it's -- we're hitting a point where it'll sort of stabilize. And I think we're really -- we feel like we're really well positioned. We're not -- our take rates have different dynamics by channel, as we've talked about. And so in each channel, we feel like we're still a low-cost provider there. We're still able to drive those discussions with our partners as far as the lowest-cost partner to do business with, both from a take rate perspective and also from an overall cost of doing business with us with our other buyer and seller tools.

Matthew Corey Thornton ***SunTrust Robinson Humphrey, Inc., Research Division - VP***

And so David, I got it. So the pop-up in take rate is really just a function of mix shift towards things like video and audio and away from display. Is that a fair characterization?

David L. Day ***The Rubicon Project, Inc. - CFO***

No. Actually, it was conscious actions on our part. When we got rid of our buyer fees at the end of last year, it was surgery. We're in ER. And so our seller fees have always been somewhat subsidized by those buyer fees. And so the increases that you saw in the fourth quarter were really a continuation of what we consider as rightsizing seller fees but at a still very low level as it were.

Matthew Corey Thornton ***SunTrust Robinson Humphrey, Inc., Research Division - VP***

All right. Perfect. And then just on the cost side, as we think about 2019 from a non-GAAP expense base, the cadence that we've seen in recent quarters, is there anything we should be thinking about that changes there? And then just similarly, below-the-line type of stuff, tax rates, share counts, fairly consistent to kind of what we've been seeing the last couple of quarters?

David L. Day ***The Rubicon Project, Inc. - CFO***

Yes. And we're not guiding for the full year at this point in time. We talked about our $33 million run rate, including cost of revenue, in the first quarter. And so yes, I think. And we've talked about CapEx, holding CapEx steady. That is something we've talked about for the full year. We think that will maintain that roughly $20 million run rate, similar to last year. So yes, nothing shaking things up at the moment.

Matthew Corey Thornton ***SunTrust Robinson Humphrey, Inc., Research Division - VP***

All right. Perfect. And then just maybe one final one here just as we think about cash and capital allocation. I guess the first question, on cash. Is it conceivable that we could see cash stable to even up as we exit this year? And then secondarily, obviously, you guys talked a little bit about -- Michael talked quite a bit about building out some of the solutions just like you did for the demand side, now turning the efforts to the publishers and building out some of these tools for the publishers. Is that something you expect to be purely organically? Is that something you might look to make acquisitions, as you did on the demand side?

David L. Day ***The Rubicon Project, Inc. - CFO***

Yes. First, on the cash front, if you look to our guidance, that implies a little bit of negative adjusted EBITDA. In the first quarter, we've got a little bit of CapEx. So the first couple of quarters, you'll see, I think, some slight decreases in cash really related to that operational burn. And then from a tool perspective, I don't know, Michael, if you want to weigh in on that or...

Michael G. Barrett ***The Rubicon Project, Inc. - President, CEO & Director***

I think we are -- our path right now as it relates to the tools that you referenced, Matt, we're very comfortable with a build-versus-buy scenario. So it's possible that you could see a little uptake in the expenses, as David kind of signaled to in his script, as an investment in this build versus a kind of nToggle acquisition. That's all but off the table. In fact, I'll say it's -- an acquisition of that size will be off the table. So if we used our cash for anything in the M&A area, it would be a grand acqui-hire, and it would accelerate strategically important product initiatives. But right now, it's a build versus buy, and we're very pleased with the talent that we have on board, the talent that we have in the hiring process and super excited about the tools that we'll be talking about in earnings calls to come.

Operator

Ladies and gentlemen, this will conclude our question-and-answer session. At this time, I'd like to turn the conference back over to management for closing remarks.

Michael G. Barrett ***The Rubicon Project, Inc. - President, CEO & Director***

Thanks so much. Even with a strong Q4 and signs of solid growth in Q1, there is much work for us to do to continue to position us for a great opportunity to grow market share and be prepared to seize the opportunity for sizable future growth in video. I would like to thank all of our employees for their efforts and hard work as well as our partners and shareholders for their support in the last couple of years and really look forward to building on this going forward.

Today, we announced that Sumant Mandal, who is an early stage investor in the company and has been on the board since the company was founded, has decided not to stand for reelection in order to devote his time to his other endeavors. Sumant will serve until his term expires at our 2019 annual meeting. We want to thank -- we want to take this opportunity to thank Sumant for his dedication and commitment over his 12 years of service.

We look forward to seeing some of you at our non-deal roadshows in Chicago, Toronto, Montréal, Portland, Seattle, San Diego and L.A. with the support of Craig-Hallum and SunTrust in the coming weeks. We will also be active in May at several financial conferences.

Thank you for joining us for our Q4 results call, and have a good evening.

Operator

The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.