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AHC - Q4 2017 A. H. Belo Corp Earnings Call

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James M. Moroney *A.H. Belo Corporation - Chairman, CEO, President, CEO of the Dallas Morning News and Publisher of the Dallas Morning News*

Kathryn Mary Murray *A.H. Belo Corporation - CFO, Principal Accounting Officer, Senior VP, Treasurer and Assistant Secretary*

Timothy Michael Storer *Distribion, Inc. - Co-Founder, CEO and President*

CONFERENCE CALL PARTICIPANTS

Barry Lewis Lucas *G. Research, LLC - Senior Analyst*

Chris Mooney

PRESENTATION

Operator

Ladies and gentlemen, thank you for your patience in standing by. Welcome to the fourth quarter and full year 2017 financial results conference call. (Operator Instructions) Just a brief reminder, today's conference is also being recorded, and I'd now like to turn the conference over to Chief Financial Officer, Katy Murray.

Kathryn Mary Murray *- A.H. Belo Corporation - CFO, Principal Accounting Officer, Senior VP, Treasurer and Assistant Secretary*

Good morning, everyone. This is Katy Murray, Chief Financial Officer of A. H. Belo Corporation. Welcome to our fourth quarter and full year 2017 conference call. I am joined by Jim Moroney, our Chief Executive Officer, who will assist me in leading today's call; Grant Moise, Executive Vice President of A. H. Belo Corporation, and as announced last night, the new President and Publisher of The Dallas Morning News effective Monday, March 5, is also available for Q&A.

Before the market opened this morning, we issued a press release announcing our fourth quarter and full year 2017 results. We have posted this release on our website under the Investor Relations section. Unless otherwise specified, comparisons used on today's call measure fourth quarter 2017 and full year 2017 performance from continuing operations against fourth quarter 2016 and full year 2016 performance from continuing operations.

Our discussion today will include forward-looking statements. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those statements. The company assumes no obligation to update the information in this communication, except as otherwise required by law. Additional information about these factors is detailed in the company's press releases and publicly available filings with the SEC.

Finally, today's discussion will include non-GAAP financial measures. We believe that non-GAAP financial measures provide useful supplemental information to assist investors in determining performance comparisons to our peers. Reconciliations to the most directly comparable financial measures presented in accordance with GAAP are provided on our website under the Investor Relations section.

Before I start, I want to say how pleased we are with the 2017 results for the fourth quarter and the full year. This morning, we reported income from continuing operations before income taxes of $6.9 million and full year 2017 income from continuing operations before income taxes of $4.5 million. This 2017 income was driven primarily by the gains resulting from selling 3 pieces of real estate.

For the fourth quarter of 2017, we reported $5.5 million of adjusted operating income, an increase of $3.7 million or 209.5%. And for the full year, we reported adjusted operating income of $11.7 million, a slight improvement when compared to the $11.6 million reported for the 12 months

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ending December 31, 2016. These results reflect the importance of our revenue diversification strategy and prudent expense management to mitigate the ongoing secular decline experienced by the newspaper print industry.

Turning to full year highlights. For the full year, total net revenue was $248.6 million, a decrease of $11.4 million or 4.4% when compared to the $260 million reported in 2016. Advertising and marketing services revenue of $143.2 million reported in 2017 is down $7.1 million or 4.7% when compared to the $150.3 million reported last year. Circulation revenue of $76.9 million reported in 2017 declined by $2.7 million or 3.4% when compared to the same prior year period. Specifically, home delivery declined by $2.3 million or 3.3% from 2016 and single copy declined by 400,000 or 4.1% from last year.

Lower home delivery and single copy volumes were partially offset by an increase of $1.2 million or 75.2% in digital-only subscription revenue, an increase in home delivery rates applied throughout the year and a single copy rate increase put in place in November of 2016.

Other revenue decreased $1.6 million or 5.2% to $28.5 million for the full year when compared to $30.1 million reported in 2016.

Total consolidated operating expense for 2017 was $258.7 million, a decrease of $25.1 million or 8.8% compared to the prior year. This decrease was primarily due to a noncash goodwill impairment charge of $22.7 million in 2016 and a reduction in employee compensation and benefits expense, distribution and newsprint expense and other expense reductions, partially offset by a noncash pension settlement charge of $5.9 million and asset impairment charges of $3.3 million in 2017. Excluding severance expense, depreciation and amortization expense, a noncash pension settlement charge and asset impairments, adjusted operating expense for 2017 was $237 million, a decrease of $11.4 million or 4.6% compared to $248.4 million of adjusted operating expense reported in 2016. The significant year-over-year reduction in adjusted operating expense was a result of our cost-reduction initiatives, including staff reorganizations that improved the cost efficiency of the newsroom and sales organization; we outsourced design and pagination functions at a lower cost; and we eliminated unprofitable single copy outlets and certain editions of our niche publications. Additionally, distribution and newsprint costs declined, consistent with circulation volume declines.

As of December 31, we had headcount of 1,090, which reflects a decrease of 131 or 10.7% from the 1,221 we had at December 31, 2016. Excluding a year-over-year increase of 16 headcount related to our marketing services division and the productions conversion of 19 headcount from temporary to full-time employees, headcount decreased by 166 or 13.6% when compared to last year. As a reminder, the conversion of temporary to full-time employees lowered our annualized expenses at our North plant by $716 thousand.

Turning to the balance sheet. As of December 31, we had approximately $58 million of cash and no debt. As of February 28, we had approximately $61 million in cash and cash equivalents.

For 2017, our capital expenditures were $12 million. Approximately $7 million was for the investment in the new corporate headquarters. For 2018, we expect capital expenditures to be $5 million.

In regards to our pension liability, we ended the year with an unfunded pension liability calculated per GAAP standards of $23 million. This reflects an improvement of $31.8 million from December 31, 2016. This improvement is primarily the result of the voluntary $20 million contribution made to the pension plans and a derisking activity the company completed in the third quarter of 2017. We currently do not expect to have any required pension contributions until 2023. Assuming no changes in the interest rate and the rate of return we are currently seeing on our planned assets, that contribution would be approximately $3 million.

In 2017, we completed the sale of our 3 remaining lots in Downtown Dallas for cash proceeds of $21.3 million. In December 2017, we also completed the stock sale of the Denton Record-Chronicle.

In the fourth quarter, we competed our relocation to our new corporate headquarters. As a result, we have made a decision to move forward and sell our property at 508 Young Street in Downtown Dallas. To assist us with this process, we are pleased to announce that we have engaged Jones Lang LaSalle as our commercial real estate broker and has already started the marketing process. As a reminder, we have an approximately 8.5 acres, and consistent with prior disclosures, we estimate the value of this property to be at least $30 million.

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Due to the number of tax-affected transactions in 2017, the income tax calculation for 2017 has not yet been finalized. Final net income attributable to A. H. Belo Corporation will be reported in the company's annual report on Form 10-K for the fiscal year ended December 31, 2017.

For 2018, excluding any tax impact of selling our property at 508 Young Street, the only cash tax we expect to have is the annual Texas margin tax at approximately $1.2 million.

In summary, I am very pleased with all of the accomplishments we have made this year. We are well positioned financially and from a balance sheet perspective, and I look forward to a successful 2018.

I will now turn the call over to Jim.

James M. Moroney - *A.H. Belo Corporation - Chairman, CEO, President, CEO of the Dallas Morning News and Publisher of the Dallas Morning News*

Thank you, Katy, and good morning, everyone. As Katy has already discussed, we had solid financial results in 2017, and I feel very good about our performance. We continued to perform well against our strategies, and I would like to highlight a few ways that we did this.

We grew our paid digital subscriber base by 6,464 subscribers or 38% over 2016, ending the year with 23,465 digital subscribers. In 2017, we recorded an increase of $1.2 million or 75.2% in digital-only subscription revenue over 2016. We are encouraged by this growth, and as we have discussed previously, we are making the growth of paid digital subscriptions our highest priority. We will continue to adopt the best practices and look for innovative ways to give consumers content they are willing to pay for in order to keep growing our base of paid digital subscribers.

Given the importance of this strategy, we created a new senior level position, Head of Digital Audience. And in December of '17, we announced the hiring of Dan Sherlock, an industry veteran. Dan was previously the Senior Vice President of Digital Consumer Marketing for the Los Angeles Times. He has had a distinguished career in the digital media and publishing industries as a paid digital content pioneer and a career-long subscription marketer. Prior to his time at the Los Angeles Times, Dan held senior executive roles focused on growing subscribers at consumer brands inclusive of The New York Times, the Walt Disney Company, U.S. West Communications and MCI Telecommunications. Dan and his team will be singularly focused on growing our base of paid digital subscribers by leveraging the breadth and depth of the news and information we publish daily. We are encouraged by the growth in digital subscriptions that we generated in 2017, and we believe that the growth in digital-only subscription revenue will be a meaningful part of our company's profitability, going forward.

In addition to our digital subscriber strategy, we continue to focus on the growth in our digital and marketing services segment, Belo & Company. Compared to the prior year revenue of $16.8 million, DMV, the largest part of Belo & Company, grew its revenue by $5.3 million or 31.3% in 2017. The Dallas Morning News sales team generated 1,301 sales to DMV and to Speakeasy, another component of Belo & Company. This compares to 1,224 sales generated in 2016, an increase of 77 sales or 6.3%. These results continue to validate our assertion that we can leverage our customer relationships to help drive growth in companies we both build and buy. Overall, the growth in our total digital and marketing services revenue continues to grow and be a more meaningful part of our revenue.

In the fourth quarter, total digital and marketing services revenue was $13.8 million, an increase of $400,000 over the $13.4 million reported in the fourth quarter of 2016. The $13.8 million represented 37.1% of total fourth quarter advertising and marketing services revenue, a 260 basis point increase over the same period in 2016. For the full year, total digital and marketing services revenue was $54.4 million, an increase of $3.3 million or 6.5% over the $51 million reported in 2016. The $54.4 million represents 37.9% of our 2017 full year advertising and marketing services revenue compared to 33.9% in the prior year, a 400 basis point improvement.

In addition to organic growth in 2018, we will continue to evaluate acquisition opportunities that could add new marketing services or enhance capabilities to our current digital and marketing service offerings, all of which can help us better serve our current customers and add new customers as well.

In addition to being very pleased with the growth that we've seen in both digital subscriptions and in the growth of our digital marketing services revenue, I am also pleased with the balance sheet accomplishments that Katy described previously. Monetizing our real estate assets allowed us

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to return capital to shareholders by paying a special dividend of $0.14 and restarting our share buyback program in the fourth quarter of 2017. And as always, I am proud of the relentless pursuit of the quality -- of quality in the journalism we publish. There is no better example of our exemplary journalism than our coverage of the tragedy in Sutherland Springs, Texas. Our post from Sutherland Springs drew an average of 12,944 visitors compared to an average of 4,000 for typical stories on dallasnews.com. One of our key metrics to understand reader engagement is the number of engaged minutes per post. The average number of total engaged minutes per post on the Sutherland Springs stories was 19,453. This compares to an average of 6,000 minutes for our typical post. Engagement metrics like these are exactly what turns readers into subscribers.

As we think about 2018 and beyond, we know that we need to be success -- in order to be successful, we must continue to deliver the excellent journalism that our subscribers are accustomed to, we must continue to grow our digital subscriber base, we must deliver differentiated digital and marketing services solutions that our customers need, and we must continue prudent investments in our print franchise that will enhance the duration of its profitability.

Justin, we are now ready for questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) It looks like first, we go to the line of Barry Lucas of Gabelli & Company.

Barry Lewis Lucas - *G. Research, LLC - Senior Analyst*

To start the 2 quick questions or as quick as you want to be. On the cost side, how much more room do you have to run after doing year-after-year, yeoman-like work on cutting the expense base?

James M. Moroney - *A.H. Belo Corporation - Chairman, CEO, President, CEO of the Dallas Morning News and Publisher of the Dallas Morning News*

Well, first of all, Barry, thank you for noting that. It does feel a little bit like yeoman's work. And what we have done and what we've continued to do is to align our expenses with our revenues. And so far, through 2017, we've been able to do that. 2018 provides another year, and we'll have to see how the revenues roll out in 2018. And if they are lower as they have been, how much lower will they be, and can we make prudent expense -- adjustments to match those? When we've done this, Barry, every year, we look at it from the standpoint of what can we do that we don't believe will hurt the business, injure the business, the franchise such that it can continue to be a robust brand, and we can continue to invest in growing the parts of our company that have growth profiles. So I don't have a firm answer to your question, but we will always, as we have endeavored and continued to try align the expenses with the revenues of our businesses, particularly the publishing segment where you see most of the decline.

Barry Lewis Lucas - *G. Research, LLC - Senior Analyst*

Great. That's a good segue, Jim. I appreciate that. As we look at the revenue decline in the advertising and marketing services area down 4% or so and kind of a lot lower than many -- or the decline is a lot smaller than many of your peers, and I know this is going to be a tough one to answer, but if you could just try and identify some of the factors that could take you either to flat or even to positive territory there. What are the push points that need to happen to reach an inflection?

James M. Moroney - *A.H. Belo Corporation - Chairman, CEO, President, CEO of the Dallas Morning News and Publisher of the Dallas Morning News*

Well, we're talking total advertising and marketing services, right?

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Barry Lewis Lucas - *G. Research, LLC - Senior Analyst*

Right. Correct.

James M. Moroney - *A.H. Belo Corporation - Chairman, CEO, President, CEO of the Dallas Morning News and Publisher of the Dallas Morning News*

So, I mean, fortunately like on all of our peers, I guess, that's a silver lining to say the total amount of the print advertising revenue continues to shrink. And so if the decline this year is the same decline as last year, the actual amount of that decline is less because the total shrunk. So we all know that. So that makes getting to flat easier when you're trying to go up against the incremental decline in total revenue attributable to the print advertising segments. What we need to do, in my opinion, is continue to focus on the parts of the company that have growth. So cars.com remains a strong franchise for us and one where there continues to be growth opportunities, and we look to that. Digital advertising, just sort of largely said, is under a lot of pressure from a lot of different ways, supply of inventory from Google, Facebook, and now increasingly, Amazon. It has a lot of issues around block fraud and visibility, transparency, environment. But it still has more dollars being invested in it year-after-year by companies, so we still see some opportunity for growth in just direct advertising or indirect advertising on dallasnews.com. Then we -- and then, of course, we get to the Belo & Company side, and I think that's where the real big opportunity is. And I think the most important thing we can do, if we can do it, is to find ways to enhance that business. That could be organic. But more than likely, the best way to get at this would be to find something, as I mentioned in the script, that would fit into the present suite of digital marketing services that Belo & Company offers. It could be adding capacity to something that we already do. It could be adding in a gap of a service that we don't actually provide but is important to our customers. So we have been actively out looking at those kinds of acquisitions. And if we could find the right one and we could make a deal that was good for the company and good for the shareholders, I think that would be our best opportunity to add into the advertising marketing services revenue line, new revenues that could then begin to offset the decline that we continue to experience from the advertising side. So that's -- I think that covers the gamut a little bit.

Barry Lewis Lucas - *G. Research, LLC - Senior Analyst*

And again, just one small follow-on. What does the pipeline look like in terms of M&A? And how big is that bread box, if you will?

James M. Moroney - *A.H. Belo Corporation - Chairman, CEO, President, CEO of the Dallas Morning News and Publisher of the Dallas Morning News*

I'm going to just let the head of Belo & Co. give you just some top line numbers on the number of companies that he has looked at in 2017 to give you a sense of the pipeline because it's pretty robust. Tim, you want to address that?

Timothy Michael Storer - *Distribion, Inc. - Co-Founder, CEO and President*

Sure. I'm happy to address that. As Jim mentioned, we have been active in regards to going out and looking at companies that can help provide a sustainable competitive advantage and differentiator to our organization as we continue to focus on performance-based marketing solutions. We have reviewed around 30 to 40 different businesses from that. We've narrowed it down to a list of about half a dozen companies that we're actively engaged with in regards to having conversations. And we feel really good about the pipeline that we've built and developed. So I'm incredibly encouraged and incredibly excited about the future of Belo &Company from those candidates that we've identified and are actively engaged in this dialogue.

James M. Moroney - *A.H. Belo Corporation - Chairman, CEO, President, CEO of the Dallas Morning News and Publisher of the Dallas Morning News*

And Barry, as always, we're -- there are just a lot of really good companies that Tim has identified that would make very good fit for our company, both fitting into Belo & Company and giving us more things we can leverage back into our traditional print customers. But as always, we have to

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find the deals that is -- we can do on a basis that's good for the company and the shareholders from an acquisition price standpoint. And we're going to stay true to that discipline in this current set of companies that Tim has been working with.

Operator

(Operator Instructions) We do have a question from the line of Chris Mooney of Wedbush Securities.

Chris Mooney

You've got a lot of work in front of you, but I'm glad. Pleased to see that you don't believe it's a turnaround situation.

Grant S. Moise - *A.H. Belo Corporation - Executive VP & General Manager of The Dallas Morning News*

That's for sure.

Chris Mooney

Quoting the Dallas Morning News article this morning.

Grant S. Moise - *A.H. Belo Corporation - Executive VP & General Manager of The Dallas Morning News*

Thank you, Chris.

Chris Mooney

A couple of simple questions. You noted that you have a share repurchase program announced at the end of the third quarter. Were you active in it during the fourth quarter?

Kathryn Mary Murray - *A.H. Belo Corporation - CFO, Principal Accounting Officer, Senior VP, Treasurer and Assistant Secretary*

We actually were, Chris. We started the buyback in the middle of December. What I can say, and we're still active in it really from the inception to now. We have ticked back up, I would say, roughly about 85,000 shares. So we are actively out there buying as we can.

Chris Mooney

Great. And on the -- you had an asset impairment in the fourth quarter?

Kathryn Mary Murray - *A.H. Belo Corporation - CFO, Principal Accounting Officer, Senior VP, Treasurer and Assistant Secretary*

We did. It's related to the 508 Young Street. We actually had marked it as for sale now. And as part of that, it goes through an asset impairment review, so it was related to that property as we're getting it ready to sell.

Chris Mooney

Okay. And so the assets held for sale of the $1,089,000 is the...

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Kathryn Mary Murray - *A.H. Belo Corporation - CFO, Principal Accounting Officer, Senior VP, Treasurer and Assistant Secretary*

Yes, it's the book basis.

Chris Mooney

Okay. But do you still feel that you have an effective tax shield versus at least a $30 million sale price?

Kathryn Mary Murray - *A.H. Belo Corporation - CFO, Principal Accounting Officer, Senior VP, Treasurer and Assistant Secretary*

We do, based on what we know today going into 2018, feel that we will be able to address any of the capital gains that would result from the sale of that property.

James M. Moroney - *A.H. Belo Corporation - Chairman, CEO, President, CEO of the Dallas Morning News and Publisher of the Dallas Morning News*

Unless, of course, Chris, we have just an incredible price, which we would love to get and then we would love to pay some taxes on that incremental difference.

Kathryn Mary Murray - *A.H. Belo Corporation - CFO, Principal Accounting Officer, Senior VP, Treasurer and Assistant Secretary*

So at 21% versus 35% (inaudible).

James M. Moroney - *A.H. Belo Corporation - Chairman, CEO, President, CEO of the Dallas Morning News and Publisher of the Dallas Morning News*

Yes, and 21%. So, yes.

Chris Mooney

Sure. As a shareholder, of course, we'll be really pleased with that.

James M. Moroney - *A.H. Belo Corporation - Chairman, CEO, President, CEO of the Dallas Morning News and Publisher of the Dallas Morning News*

Yes.

Chris Mooney

So the digital DMV seem to be, from my quick scan of the numbers and your comments, seem to have had a better fourth quarter than third quarter. But the overall digital marketing services side, growth aspects in the third and fourth quarters were still well off I think, of the growth numbers in the first 2 quarters. Any comments about that?

Kathryn Mary Murray - *A.H. Belo Corporation - CFO, Principal Accounting Officer, Senior VP, Treasurer and Assistant Secretary*

I mean, I can -- I'll take it, and then I can go with Grant. I think you were right. The fourth quarter was a better quarter for performance from DMV. I think, as you know, Chris, we've talked at length about last year being a really year for the consolidation of that business. A lot of activity happening. It started in the first -- the second quarter. Really, what I would say, I feel like we're kind of hitting our stride in the fourth quarter, all resources

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aligned. The teams together, as you know, we have the Belo & Co. office on Central. So for me, I really feel like the third quarter, probably more of an anomaly than the rule, the fourth quarter getting a better view kind of for revenue acceleration and kind of really from setting the market going into 2018. But I'll let Grant give some color as well.

Grant S. Moise - *A.H. Belo Corporation - Executive VP & General Manager of The Dallas Morning News*

Yes, I mean, just -- I guess, Tim and I are talking about this frequently, but I think what we see, Chris is, especially, too, with what Katy's talking about combining these businesses together the way that we did in 2017. I think what we're finding is now that team is trying to understand how to effectively kind of package and give the right solutions to our advertisers. And so I think what we're seeing there was probably a little bit of some growing pains early, and I think part of what we're seeing, and even in the fourth quarter, is just trying to figure out what is the right balance for our advertisers because we're really taking a performance-first strategy to make sure that we're getting as best kind of attribution and performance as we can from those advertisers. So we're just trying to figure out that right mix. I think Tim and both the sales team here, they're through Belo media group here in Dallas, locally, and Tim's group, which sells nationally are really trying to optimize and find that right balance.

Chris Mooney

Okay. And on the acquisition side, Tim noted maybe half a dozen active prospects. Is there any guidance you can give us within ranges of how much capital you expect to expand in the acquisition activities?

James M. Moroney - *A.H. Belo Corporation - Chairman, CEO, President, CEO of the Dallas Morning News and Publisher of the Dallas Morning News*

I think that, Chris, of course, the first and most important thing is that we find the right company that is the best fit at the best price that we can get, and we have to leverage, of course, both of those things. But I think that you can expect us to be in the range of what we've been when we bought Tim's company previously. I think you're in that $15 million to $25 million range, somewhere in there. I mean, as an upper end, it could be less if it's the right thing, the right time, but that's probably toward the upper end.

Kathryn Mary Murray - *A.H. Belo Corporation - CFO, Principal Accounting Officer, Senior VP, Treasurer and Assistant Secretary*

And Chris, what I would say with that as well from -- when you're looking at the model, anything we buy is going to be accretive. That's going to have to work for our business going in with something that can't generate cash and can't be accretive to what we're doing isn't going to work financially.

Chris Mooney

Great. That's nice to hear as a shareholder. And then, Katy, I recalled that when you embarked on the move to the new corporate headquarters, you had a $7 million or $7.5 million of expected expenditures on that project.

Kathryn Mary Murray - *A.H. Belo Corporation - CFO, Principal Accounting Officer, Senior VP, Treasurer and Assistant Secretary*

We did.

Chris Mooney

Yes, go ahead.

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Kathryn Mary Murray - *A.H. Belo Corporation - CFO, Principal Accounting Officer, Senior VP, Treasurer and Assistant Secretary*

We spent approximately $7 million. In '17, there are still some holdover. As you can imagine, we have holdback invoices and some things like that, relating around to certain other the pieces of that, but we will be under the $7.5 million.

James M. Moroney - *A.H. Belo Corporation - Chairman, CEO, President, CEO of the Dallas Morning News and Publisher of the Dallas Morning News*

And Chris, did you not think that it was well spent when you came here?

Chris Mooney

I think you've done a fantastic job.

James M. Moroney - *A.H. Belo Corporation - Chairman, CEO, President, CEO of the Dallas Morning News and Publisher of the Dallas Morning News*

Okay, I just couldn't help myself. Thanks.

Chris Mooney

That's okay. You should give more doors to investors. I think, they'd be...

James M. Moroney - *A.H. Belo Corporation - Chairman, CEO, President, CEO of the Dallas Morning News and Publisher of the Dallas Morning News*

When doors were open, we have subscribers coming through all the time.

Chris Mooney

How much of those $7 million or so has actually run through the income statement?

Kathryn Mary Murray - *A.H. Belo Corporation - CFO, Principal Accounting Officer, Senior VP, Treasurer and Assistant Secretary*

It'll all come through depreciation. And what I would say is that there was probably about a half a month of that in December at the most. It'll really be a full for the full year of 2018.

Operator

And at this point, we actually have no further questions queued by phone. I'd be happy to leave the floor for any closing remarks.

James M. Moroney - *A.H. Belo Corporation - Chairman, CEO, President, CEO of the Dallas Morning News and Publisher of the Dallas Morning News*

No. We want to thank everybody that was on the call, given we felt like we had a good '17. But we'll, of course, head down in working in '18, and we look forward talking to you at the next earnings release after the -- for the first quarter.

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Kathryn Mary Murray - *A.H. Belo Corporation - CFO, Principal Accounting Officer, Senior VP, Treasurer and Assistant Secretary*

Thank you, Justin.

Operator

Thank you. And ladies and gentlemen still connected by phone, the replay of today's event will be available at 11 a.m. today through March 9, 2018. You can access that replay at any moment by dialing (800) 475-6701 and utilizing the access code, 445020. If you cannot reach a toll-free number, alternatively, you can reach the international number of (320) 365-3844 using the same access code, 445020. That does conclude the presentation for this morning. We thank you very much for your participation and for using AT&T Executive Teleconference service. You may now disconnect.

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