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CGO.TO - Q1 2020 Cogeco Inc & Cogeco Communications Inc Earnings Call

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**Matthew Griffiths** *BofA Merrill Lynch, Research Division - Associate*

**Vince Valentini** *TD Securities Equity Research - Analyst*

## PRESENTATION

### Operator

Good day, and welcome to Cogeco Inc. and Cogeco Communications Inc. Q1 2020 Earnings Conference Call. Today's conference is being recorded.

At this time, I would like to turn the call -- conference over to Mr. Patrice Ouimet, Senior Vice President and Chief Financial Officer of Cogeco Inc. and Cogeco Communications Inc. Please go ahead, Mr. Ouimet.

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**Patrice Ouimet** - *Cogeco Inc. - Senior VP & CFO*

Good morning, everybody, and welcome to our first quarter conference call. So joining me today are Philippe Jetté, Marie-Hélène Labrie; Andrée Pinard and Philippe Bonin.

So before we begin the call, as usual, I would like to remind listeners that the call is subject to forward-looking statements, which can be found in our press releases issued yesterday.

And I'll turn the call over to Philippe Jetté.

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**Philippe Jetté** - *Cogeco Inc. - President, CEO & Director*

Good morning, everyone, and thank you for joining us to discuss the results of our first quarter ending November 30, 2019.

Let's begin with Cogeco Communications. During the quarter, we recorded an EBITDA growth of 4.9% in constant currency. Our increased investment in branding, sales and marketing over the last couple of quarters, both at CCX and ABB, have resulted in strong customer trends, especially on the Internet front. We continued our transformation journey towards more digitization, which has contributed to an increased EBITDA margin in the quarter and continued improvement in customer service.

Atlantic Broadband announced on January 10 that it had signed a definitive agreement to purchase Thames Valley Communications, a broadband service company operating in Southeastern Connecticut for USD 50 million. As Thames Valley is contiguous to ABB's footprint in the Connecticut network, it will -- we will be able to quickly roll out our leading-edge TiVo service and business services to the new footprint and increase market shares to enhance bundle offers.

ABB's new President, Frank van der Post, who joined the company on November 4, will be a key contributor in fueling organic growth and pursuing our acquisition program. He brings a strong customer focus, lots of experience and as ABB amplifies its marketing activities and reinforce its brand.



In December, we announced the departure of Ken Smithard, Cogeco Connexion's President, who will stay for a short transition period. We are grateful for Ken's 20 years of dedicated contribution as he was instrumental in the deployment of major transformation projects at Cogeco Connexion. A recruitment process for a new President has been launched.

With the grouping of support services or shared services, such as procurement, IT, HR, in order to maximize operational synergies, there will be greater focus at the business unit level on growing the top line while achieving strong margins.

On the Canadian regulatory front, the Federal Court of Appeal have granted leave to appeal the CRTC decision related to aggregated wholesale Internet services. The new rates will therefore not apply until a final judgment is rendered.

In parallel, Cogeco, along with other cable network builders and operators, have also filed a petition to the government -- the Governor in Council asking cabinet to refer the CRTC order back to the CRTC for reconsideration; and two, an application for a review and vary of the CRTC order based on substantial doubt as to the correctness of the rate setting methodology. Cogeco is not opposed to the regime and support fair competition but ask that the rules be clear, stable and fair, especially as it relates to the basis for rate settings and the requirement for Internet resellers to gradually invest in networks as was originally anticipated by the regime. We also look forward to the CRTC's public hearing on the future of mobile and the provision of mandated wholesale access.

Cogeco believes that the hybrid mobile network operator, or HMNO, model, if submitted to the CRTC, should meet government's policy objectives of increased competition while safeguarding investments in telecommunication network and promoting innovation. The ATM -- HMNO model would allow Cogeco to gradually invest in the wireless infrastructure as it grows its market penetration.

Cogeco has a long-standing commitment to high social responsibility standards, and we are building on our track record of social engagement, environmental performance and solid governance practices to continue to better serve our communities and customers. It is my pleasure to inform you that we will be releasing our new corporate social responsibility report on our website in February.

The CSR report will describe the key performance indicators that we have developed to achieve Cogeco's environmental, social and governance objectives over the medium term as well as the program we have made to achieve -- the progress we have made to achieve our key performance indicator. For example, I will highlight that we reduced our GHG emissions on a per revenue basis by 40% during the past 5 years, donated 2% of our pretax profits to several organizations in the close to 1,200 communities that we serve and launched a new employee community involvement program at Cogeco Connexion.

Cogeco Communication's nomination to Corporate Knights' Best 50 Corporate Citizens in Canada and 200 Cleanest Companies in the World is a testament to our environmental, social and governance commitment. We're also proud to see our organization's corporate governance recognized year after year amongst the top 10% of family-controlled dual-class companies listed on the Canadian stock exchange in the Globe and Mail annual Board Games publication.

Let us move to an overview of our consolidated financial results. Note that comparative results from continuing operations exclude Cogeco Peer 1's results, which was sold last May. For the quarter, reported revenue has reached \$586.8 million, representing an increase of 1.3% in constant currency. EBITDA has reached \$282.1 million, rising 4.9% in constant currency and generating an EBITDA margins of 48.1%. Atlantic Broadband and Cogeco Connexion both contributed to EBITDA growth. The quarterly dividend has been reconfirmed at \$0.58 per share, representing a 10.5% increase over last year.

Let us now look at individual components. At Cogeco Connexion, revenue declined by 0.5% as a result of not having lapped a full year since we implemented our new customer management system at the beginning of fiscal 2019 as well as lower net pricing from consumer sales. On the other end, commercial services continued to grow nicely at 6% and represents 11% of Cogeco Connexion's revenue.

Cogeco Connexion achieved an EBITDA growth of 4.8% as it continues to focus on operational efficiencies and its digital transformation. However, if we exclude last year's nonrecurring items amounting to \$7.7 million related to the stabilization of the new customer management system and

a retroactive adjustment related to distant signal rates, EBITDA growth would have been essentially flat as we increased sales and marketing investments in the quarter this year.

On the other hand, our enhanced sales and marketing activities are paying off as customer trends in the quarter resulted in strong PSU additions. Internet and Telephony customer growth was strong, and video losses were significantly lower than in past quarters.

Overall for the year, we expect revenue and EBITDA to grow in the low single-digit range. However, the growth will be skewed towards the end of the fiscal year as we are reinvesting in sales and marketing in 2020.

Finally, we are making good progress with the development of our IPTV platform and have started our beta launch. We will progressively launch the service once the development phase is completed. The MediaFirst IPTV platform will then become the new standard video experience for new customer activations.

At Atlantic Broadband, revenues and EBITDA have increased by 3.5% and 2.6%, respectively, in constant currency. Revenue growth is mainly related to the continued growth and upsizing in residential Internet and commercial services, rate increases, mostly implemented in the fourth quarter and the ramp-up of the Florida expansion plan, partly offset by lower political advertising revenue. Commercial revenue is growing at a strong 7% and represents 10% of overall revenue.

EBITDA growth for the first quarter was lower than usual, as we mentioned during the last quarter earnings call, mainly as a result of higher sales and marketing expense and lower political advertising revenue. If those 2 elements have been at the same level as last year, EBITDA growth would have doubled to over 5%. Let's also remember that last year, the first quarter had an unusually high organic growth of close to 12%. We expect EBITDA growth to improve in the second half of the fiscal year as sales and marketing expenses reach a normalized level and revenue growth further pick up as a result of continued positive customer trend.

Political advertising is also expected to grow in the back half of the year. We still expect mid-single digits revenue and EBITDA growth for fiscal 2020.

As part of its strategy to leverage digital tools and continually offer improved customer experience, Atlantic Broadband launched a new shopping cart in September, which has increased new customer connections activity via the online channel.

Since December, Atlantic Broadband customers with an Amazon Prime membership can now stream Prime Video content over the Prime Video app on most TV -- TiVo devices. TiVo also provides a seamless integrated search and user experience by including Prime Video content in search and recommendation results. The availability of Prime Video app on TiVo devices continues our multiphase efforts to enhance functionality and to bring an exceptional best-in-class video experience to our customers.

Increased sales and marketing expenditures during the last 3 quarters and improved management of seasonal disconnects are paying off as PSU trends in Q1 have improved on all fronts relative to last year. Internet growth was significantly higher and video losses were lower.

Finally, we look forward to closing the acquisition of Thames Valley Communications, which serves approximately 10,000 customers, within the next 3 months. This acquisition will nicely complement our presence in Southeastern Connecticut as our business shares the same values of customer focus, support and the -- in the communities we serve. We will continue to look for further value accretive acquisition in the U.S. to accelerate our growth.

Let us look at Cogeco Inc. And in the first quarter, consolidated revenue has increased 1.4% and EBITDA 4.7% in constant currency. Our radio business, now composed of 23 stations, shows satisfying results despite a soft advertising market. Cogeco Media remains competitive, thanks to the excellent ratings of many of our stations that continue to enjoy a strong focus on high-quality programming and cost efficiency. At Cogeco Inc., the quarterly dividend has been reconfirmed at \$0.475 per share, a 10.5% increase over last year.

Let me conclude by confirming that we are maintaining our fiscal year 2020 guidance and are on track to pursue profitable growth, organic growth through providing enhanced customer experience, growing our Internet and commercial services' market share and expanding in selected areas. We will continue to look for attractive acquisition opportunities and are looking forward to participating in the wireless consultations which will start in February.

And now we will be happy to answer your questions.

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## QUESTIONS AND ANSWERS

### Operator

(Operator Instructions) Your first question comes from Jeff Fan from Scotiabank.

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**Jeffrey Fan** - *Scotiabank Global Banking and Markets, Research Division - Director of Telecommunication Services & Canadian & U.S. Telecom and Cable Equity Research Analyst*

Just wanted to dig into the Canadian revenue a little bit, particularly the residential business down 1%. There's a few things going on there. Looks like very good loading that you saw on the quarter, as you mentioned. But I wonder if you can talk a little bit about the pricing environment, I guess, particularly the ARPU and particularly maybe in reference to third-party resellers or TPIAs related to Internet, whether you saw little bit more pressure from competitive activities there. And maybe help us with the outlook in terms of subs and ARPU for the remainder of the year on Canada.

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**Patrice Ouimet** - *Cogeco Inc. - Senior VP & CFO*

Sure, Jeff. So this quarter, you are right, we did actually provide more bundling -- a bigger push on bundles basically, and you can see that the phone actually is higher than usual. So it had an impact on ARPU. So it's always a fine balance, and these strategies evolve throughout the year. They're never set in stone for full year. So this quarter, that was the story.

We do expect that the balance of the year, more generally, we'd have -- we'd be more in line with we -- what we've been doing in the past.

Mind you, when we do provide bundling promotions, which again come and go during the year, often, they're for many months. So these are things, the promotions will lapse of a particular campaign during the year while you're running another one as well.

In terms of TPIAs, I would say that, generally, there's nothing special about this quarter. We haven't seen any particular change in the way the TPIAs are evolving in the market.

And in terms of outlook, if you focus -- obviously, the PSUs will be more volatile in the quarter, whereas our base of customer is more stable obviously. And it's always a choice, again, on how many PSUs we want to get and how much promotions we want to give.

If you look at the Internet PSUs we have done in the first quarter, you know that historically because of the seasonality, that first quarter is always stronger. So we're satisfied with what we've done in terms of PSUs for the first quarter. And typically, in the next 3 quarters, you see that PSUs being at the lower level than in Q1.



**Jeffrey Fan** - Scotiabank Global Banking and Markets, Research Division - Director of Telecommunication Services & Canadian & U.S. Telecom and Cable Equity Research Analyst

Okay. That's helpful. And just maybe a clarification on the U.S. side. You guys mentioned about the impact of sales and marketing and political ads. Just on the revenue front specifically, what -- are you going to quantify, excluding the political ads impact for revenue -- the U.S. revenue, what the growth rate would've been?

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**Patrice Ouimet** - Cogeco Inc. - Senior VP & CFO

No, I don't have that offhand. But what's -- it does vary by quarter. We do expect that in Q3 and Q4, actually, it will go the other way. So the political ad will be stronger, and actually, the impact will be -- it will be more impactful than what we've seen in Q1 year-over-year. But we did provide an idea on the EBITDA if you include also the marketing spend. But yes, you should expect a stronger second half.

If you look at the first quarter, actually, in terms of growth year-over-year and you compare this to the industry in the U.S., it's somewhat in line. And it's a mix, again, of the products we offer, the growth in Florida, the results of the acquisitions we've made and also seasonality in the different regions that we have.

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**Jeffrey Fan** - Scotiabank Global Banking and Markets, Research Division - Director of Telecommunication Services & Canadian & U.S. Telecom and Cable Equity Research Analyst

Right. And just final question regarding wireless. As you kind of sit back, would you have a proceeding going on? And it's probably going to be -- it sounds like it's going to be very lengthy. How do you guys think about balancing between your vision of building a hybrid business versus a straight MVNO business?

You guys have talked a lot about the HMNO. Are you married to that? Is that -- is there other options -- are there other options that could be opened up in the next few months or years where that gives you an opportunity to approach a different model perhaps with the same return or less risk?

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**Philippe Jetté** - Cogeco Inc. - President, CEO & Director

So Jeff, there are 2 fundamentals that we believe. And first, we believe in facility-based infrastructure. Wireline or wireless network operators needs to build over time their own network.

The second is we are pro-competition. We do not fear competition. We enjoy it. We will be there to compete.

And the wireless and wireline worlds are converging. So we put in front of Canadians and the CRTC a model that actually helps building wireline and wireless. And because they are converging, everybody is building converged network today even if they don't call it converged network. That's what we all do.

And this is how you should be looking at it. So the V in MVNO is never something we've supported. We don't like the idea of a virtual player that only sits on top of the networks of others forever without investing in any networks. So we propose to also contribute to investment, to build our -- over time, our network, our presence in the market, compete and help build a stronger industry for Canadians. So our HMNO model does not include a virtual participation in that sense.

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**Operator**

Your next question comes from Vince Valentini from TD Securities.



**Vince Valentini** - TD Securities Equity Research - Analyst

Can you help us at all with IFRS 16 and how it impacted each of your Canadian and U.S. segments in the quarter in terms of EBITDA?

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**Patrice Ouimet** - Cogeco Inc. - Senior VP & CFO

Sure. So it's about CAD 7 million per year, and it's close to half and half in the U.S. and in Canada. So it's about CAD 700,000 for the Canadian business and [USD 700] for the U.S. business. So it's a little more skewed towards the U.S. It can change by quarter, but that's what it was for Q1.

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**Vince Valentini** - TD Securities Equity Research - Analyst

Okay. So Patrice, if you adjust for that as well as the \$7.7 million of unusual items last year, Canadian EBITDA growth was slightly negative in Q1, I believe.

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**Patrice Ouimet** - Cogeco Inc. - Senior VP & CFO

That's correct.

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**Vince Valentini** - TD Securities Equity Research - Analyst

Can you just talk to that a little bit? It seems a bit inconsistent with the improving trends and in your subscriber numbers this quarter and in recent quarters. Is that just the sales and marketing costs? And do you have confidence to get back to positive EBITDA growth pre-IFRS 16 in Q2 and Q3?

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**Patrice Ouimet** - Cogeco Inc. - Senior VP & CFO

Yes. So as Philippe mentioned earlier, the story for the year in Canada, we do expect more growth in the back end of the year. So more towards Q4 than Q2 and Q3.

In terms of the first quarter, you're right, it's slightly down if you do exclude IFRS and the items from last year. But we did invest a lot more in marketing costs last year, given that we were just -- we were still actually in the stabilization phase of the IT implementation. We had significantly reduced the marketing expenses. So we went the other way this year, we actually added more than usual. The ARPUs were a bit lower than usual as well. So that played into it. But overall, you should expect for the Canadian business, both top line and EBITDA, to see a low-digit growth rate for the full year.

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**Vince Valentini** - TD Securities Equity Research - Analyst

Okay. And I know you talked fairly about MVNO in the last question. But can I just clarify from a different angle? The government seems to be signaling pretty strongly that even though there's a hearing come up in February, they're going to wait 2 years to see how the industry is evolving on competitive dynamics and prices for consumers coming down before they would go to any sort of widespread mandated MVNO access. Is it your view that those rules are so favorable for you that you just -- it's better to wait for 2 years and see how things shake out? Or is it better to try some sort of negotiated hybrid solution with one of the existing carriers much sooner than that 2-year time frame?

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**Philippe Jetté** - Cogeco Inc. - President, CEO & Director

Okay. Well, I'm not too sure where you picked up the signals for 2 years. That's not the signals we're seeing. I think governments at all level have expressed a view that the sooner competition brings better wireless services for Canadians the better. Now the CRTC is usually a long process, so it won't happen overnight. We have the hearings. And after a decision is made, there will be a certain period of time for the industry to adjust and



make this wholesale regime real. I'm personally convinced that it could be done in less than 2 years, but we depend on a regulatory process here. But I'm picking up signals that -- clearly, political signals that it would be a better environment for Canadian wireless users to have something like an HMNO sooner in place.

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**Operator**

Your next question comes from Matthew Griffiths from Bank of America.

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**Matthew Griffiths - BofA Merrill Lynch, Research Division - Associate**

I just wanted to ask about, as you kind of move closer and actually get to the launch of the IPTV product or platform, how the CapEx will kind of evolve over the year and how the expenses in Canada may evolve as well as that product comes out into the market?

And just secondly, on the Thames Valley small acquisition, when that closes, I mean should we expect to see some expenses come through on that in the U.S.? I know it's small, but there seems to always be some expenses associated with the acquisitions.

And then just a clarification to -- on the 10,000 customers that's associated with Thames Valley, is that like cust like PSUs? Or are those homes? So the potential number of PSUs would be greater assuming every home takes, on average, more than one service.

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**Patrice Ouimet - Cogeco Inc. - Senior VP & CFO**

Okay. Great. Well, let me start with the last question. So actually, the 10,000 are customers. So they're not homes. They're -- the homes is bigger than this, and they're not PSUs as well. So it's the number -- it's the customer count.

On the CapEx with the IPTV, so we would not expect a significant impact this year as we're going to roll it out when we're ready to roll out, but steady state. As we are live with IPTV across the regions, obviously, the IPTV box costs are going to provide some savings. And we should be able to save -- we'll refine the numbers as we launch and we can point to it. But if you look -- what you can do is you can look at the CPE costs that are detailed in our financial statements. So they're separate when you look at the fixed asset spend. That does include TV CPEs, but also obviously, modems and other types of CPEs that we have. And over time, we could expect 1.5, probably, in terms of capital intensity reduction related to this now. We -- it doesn't mean that, overall, we will get there because we might want to recycle that money and invest in development in rural areas or other investments we're making. If we do get into the HMNO program, there might be some investments there. But just from the CPE perspective, that would be it.

And I'm sorry, can you repeat your question on -- your second question?

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**Matthew Griffiths - BofA Merrill Lynch, Research Division - Associate**

So with the CapEx and then the costs associated with the closing of the acquisition, if there's anything that we should expect.

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**Patrice Ouimet - Cogeco Inc. - Senior VP & CFO**

Okay. No, actually, it's a good network that we bought. As usual, we do invest a little bit, especially we're going to roll out our TV products. So -- but nothing major, which also will be absorbed into our overall envelope.



**Operator**

(Operator Instructions) The next question we have is from Maher Yaghi from Desjardins.

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**Maher Yaghi** - *Desjardins Securities Inc., Research Division - VP, Telecom, Media & Tech Analyst and Intellectual Property Analyst*

I wanted to just go back to some of the pricing trends in the Canadian market. And yourself, in the past, have always said that you're kind of -- you look in the market and you respond to what's going on. So I wanted to ask you the price promotions that-- and the bundling that you offered and that has pressured some of the pricing parameters you have in the Canadian business, was that a proactive call that you did or it's a follow-on to what you saw in the market? And so if it's a reaction to what your competitors are doing in the market, why do you think it's a short-term phase?

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**Philippe Jetté** - *Cogeco Inc. - President, CEO & Director*

Thank you, Maher. Well, the market is dynamic, competitive. It will remain dynamic and competitive. But we were a little bit the cause of our own problem. If you remember last year, we went through a system change and slowed down sales and marketing. We had to pick up, catch up. So investments have increased, but also we also needed to reconvince some customers to come back home and regain our foothold in our existing markets.

So what you see now is good progress in terms of PSUs. Customers are coming back. We will remain aggressive to make sure that we continue to fight for our fair share of the market and catch every opportunity for customers to come back to Cogeco Connexion.

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**Maher Yaghi** - *Desjardins Securities Inc., Research Division - VP, Telecom, Media & Tech Analyst and Intellectual Property Analyst*

I see. I see. Is there risk that you reprice doing that your -- some of the base that you have in those markets? Or these offers are -- it's hard to only offer savings to new customers if eventually it leaks into the base. And is there any figure that could leak into the base?

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**Philippe Jetté** - *Cogeco Inc. - President, CEO & Director*

Well, that's why we led with a bundled strategy of 3 products, so we have very good offers on the marketplace. But we favor bundles of 3 products as opposed to single or dual.

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**Maher Yaghi** - *Desjardins Securities Inc., Research Division - VP, Telecom, Media & Tech Analyst and Intellectual Property Analyst*

Okay. And have you seen any changes in wholesale activity in your market? It seems like it has helped you guys over the last couple of quarters. And you mentioned it in your MD&A. Is that still a strong push for subscriber gains in Ontario?

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**Philippe Jetté** - *Cogeco Inc. - President, CEO & Director*

Not really different than in the past. Other players are competitive. On the TPIA side, again, they are a niche player. And I think they've captured a good share of the niche they were playing in, and the -- their presence is established and growing at a lesser rate.

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**Maher Yaghi** - *Desjardins Securities Inc., Research Division - VP, Telecom, Media & Tech Analyst and Intellectual Property Analyst*

Okay. And my last question is on cost savings. You seem to have a good grasp on your costs. When I look at your content costs, it's improving, it looks like. What other activities could you undertake to continue to get those savings rolling in? As revenue now is kind of turning slightly negative, how much more can you strip out costs from your Canadian business to offset?

**Philippe Jetté** - *Cogeco Inc. - President, CEO & Director*

Well, we have already exposed quite a lot of our digitization activity. We always look for process improvement. So digitization, to come back on this one, self-serve, self-installs, self-troubleshoot, the ability to change and -- your TV lineup. All these things, they do reduce calls in the call center. They improve the experience as well. They improve loyalty.

On the ABB-CCX shared services, we have also improved and expanded shared services between the 2 groups. So there are some functions where the U.S. and the Canadian companies are collaborating greater, and all of these things are translating into more efficiencies and economies.

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**Maher Yaghi** - *Desjardins Securities Inc., Research Division - VP, Telecom, Media & Tech Analyst and Intellectual Property Analyst*

So there's still quite a bit of runway, you believe, on that.

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**Philippe Jetté** - *Cogeco Inc. - President, CEO & Director*

We are very creative. There are still a number of things we have on our IT road map to facilitate customers and employees as well. So there's an external and an internal program to help redesign process, to be quicker, more efficient. And yes, we have a view on future savings this way and better experience for employees and customers.

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**Maher Yaghi** - *Desjardins Securities Inc., Research Division - VP, Telecom, Media & Tech Analyst and Intellectual Property Analyst*

Okay. My last question is on the Florida expansion. How should we look at that expansion in terms of loading the network? I understand that initially, it's more like a TV product and then we should see the Internet loading coming in and more absorption. How much are we further -- far into the loading of your Florida expansion that we have not seen yet in the subscriber numbers?

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**Patrice Ouimet** - *Cogeco Inc. - Senior VP & CFO*

Yes. So in Florida, so we have the base business that we've had for a long time. And we -- as we're expanding, obviously, we sign properties. And typically, every quarter, you'll have some new properties that go live. There was a larger one recently we talked about in previous quarters. This one actually was a TV product, and we're well into funds right now to sell the other products, like Internet and phone or additional TV products as well. So that's going well. And obviously, as you know, in Florida, most of the activity happens in the fall so when we add other products. There are some properties where we sell Internet only. Some others where we'll sell duo or even the trio. So it will depend on the property.

More generally, as we've been added now for some time, the expansion in Florida, I think you -- when you look at our overall numbers in the U.S., we do have seasonality in other areas, especially vacation homes more north in -- up the coast. And then we have Florida as well that's growing. So when you look at the first quarter results in terms of PSUs, again, on the -- focusing on the Internet, probably a good number to look at on a run rate basis and before obviously we make further acquisitions.

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**Operator**

There are no further questions. I'll turn the call back over to the presenters.

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**Patrice Ouimet** - *Cogeco Inc. - Senior VP & CFO*

Okay. Well, thank you, everybody, and we'll be looking forward to talking to you in April for the next quarter.

Thank you. Have a good day.

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**Philippe Jetté** - *Cogeco Inc. - President, CEO & Director*

Thank you.

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**Operator**

Ladies and gentlemen, this concludes today's conference call. Thank you for participating. You may now disconnect.

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