Bluerock Residential Growth REIT

Q4 2018 Earnings Conference Call

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CORPORATE PARTICIPANTS

Ramin Kamfar – *Chairman and Chief Executive Officer*

Jordan Ruddy – *President***--** *and Chief Operating Officer*

Ryan MacDonald – *Chief Acquisitions Officer*

Christopher Vohs – *Chief Financial Officer*

PRESENTATION

Operator
Good morning, ladies and gentlemen, and welcome to Bluerock Residential Growth REIT's Fourth Quarter 2018 Earnings Conference Call. All participants will be in a listen-only mode. After today's presentation, there will be an opportunity to ask questions. Please note this event is being recorded.

I now would like to introduce your host for today's call, Christopher Vohs, Chief Financial Officer of Bluerock Residential. Mr. Vohs, please go ahead.

Christopher Vohs
Thank you and welcome to Bluerock Residential Growth REIT's Fourth Quarter 2018 Earnings Conference Call.

This morning prior to market open, we issued our earnings press release and supplement. The press release can be found on our website at bluerockresidential.com under the Investor Relations tab. In addition, we anticipate filing our 10-K next week.

Following the conclusion of our prepared remarks, we'll be pleased to answer any questions you may have. Before we begin, please note that this call may contain forward-looking statements as they are defined under the Private Securities Litigation Reform Act of 1995. There are a variety of risks and uncertainties associated with forward-looking statements, and actual results may differ from those set forth in such statements. For a discussion of these risks and uncertainties, you should review the forward-looking statements disclosure in the earnings press release we issued this morning as well as our SEC filings. With respect to non-GAAP measures we use in this call, please refer to our earnings supplement for a reconciliation to GAAP, the reason management uses these non-GAAP measures, and the assumptions used with respect to our earnings guidance.

And with that, I'll turn the call over to Ramin Kamfar, Chairman and CEO of Bluerock Residential Growth REIT, for his remarks.

Ramin Kamfar
Thank you, Chris. Good morning, everyone.

In addition to Chris, with me today are several key members of our executive team, including Jordan Ruddy, our President and Chief Operating Officer and Ryan MacDonald, our Chief Acquisitions Officer.

I will focus my remarks on key strategic accomplishments for the year, financial highlights for the quarter, and close with some capital markets commentary. Afterwards, Ryan will provide you operational, transactional, balance sheet, and 2019 guidance detail.

2018 was another noteworthy year in Bluerock Residential's evolution. We continued to successfully execute on our strategic objectives in terms of NOI growth, accretive portfolio growth, and disciplined capital allocation. I should note that for the full year, our GAAP net loss for common shareholders was $1.82 per share versus $1.79 per share in the prior year. Now, to drill down I'd like to highlight several significant accomplishments, starting with meaningful earnings growth. We achieved AFFO of $0.72 per share, which represents growth of 28.6% from the prior year and exceeded the top end of our $0.65 to $0.70 guidance range. I'd also like to note that we achieved full-year coverage of our annualized $0.65 common dividend, which was a stated goal of ours at the beginning of the year.

The outperformance was driven largely by our very strong 4.9% full-year same-store NOI growth in addition to realizing the earnings power from the more than $1.1 billion in investments that we have completed over the past two years.

During 2018, we continued to grow the portfolio through accretive investments by deploying over $150 million of equity, which included $105 million to acquire five well-located, high-quality, highly amenitized properties with over 1,600 units plus $40 million in preferred and mezzanine investments, including both additional funding for our existing deals plus three new investments with over 600 units, plus another $12 million in buying out partners in three assets to continue to increase our wholly-owned asset base. Our activity this year is a good representation of our investment strategy, which is to buy or create highly-amenitized multifamily assets in knowledge economy growth markets with a focus on value-add opportunities. The pipeline continues to be very robust and we expect another strong year for investment activity in 2019.

We're also getting very strong results on our value-add upgrade program. In 2018, we completed approximately 1,200 units, which is at the top end of our 900 to 1,200 projection range, and achieved an average return on investment of 26%, which is well above our projections of 20%. We expect similar velocity in 2019 at between 900 and 1,200 units and again, are budgeting ROIs of 20%. I will note that our identified value-add renovation pipeline across the portfolio totals approximately 4,800 units today, which will contribute significantly to our FFO and NAV over time.

During 2018, we did not dispose of any assets, given our focus on run rate earnings growth, and realizing the embedded opportunity in our portfolio in terms of both organic occupancy and rent growth. And, we're continuing to implement our upgrade renovation program. We expect disposition activity in 2019 to resume as we seek to selectively harvest properties and recycle capital, taking advantage of a healthy multifamily environment as well as demonstrating the underlying value of the portfolio. Ryan's going to provide more color in his guidance remarks.

Shifting to capital markets, we raised $44 million in our Series B preferred in the fourth quarter for a total of $124 million for the year. The Series B preferred provides a unique advantage for BRG, because it allows us to raise capital to grow accretively decoupled from the cyclicality of REIT equity pricing. So, in a market like 2018, where many REITs, including BRG, traded at significant discounts, we can raise Series B capital and grow with the ability to then convert the Series B into common at a future price at a more favorable part of the REIT equity pricing cycle.

Now, turning to our fourth quarter results. We have to start with our GAAP net loss to common stock holders, which was $0.55 per share for the quarter as compared to net loss of $1.87 per share for the prior year quarter.

On the funds from operation front, during the fourth quarter, we delivered core FFO, we grew core FFO by 43% to $0.20 per share in the quarter compared to $0.14 in the prior year quarter. Core FFO is simply NAREIT FFO with the addition of non-cash non-operating items, including our Series B issuing costs accretion, and we believe that's the most representative measure of our operating performance. On a core FFO basis, we delivered strong dividend coverage with a payout ratio of 81% in the quarter.

In terms of AFFO, we delivered $0.18 per share in the fourth quarter, for a 39% growth versus the prior year quarter figure of $0.13 per share. I'll point out that in the 2017 quarter, management fees were partially paid in equity on a cash basis. We actually grew our AFFO much more significantly from the prior year quarter.

On the revenue front, we produced a healthy 37% growth in the fourth quarter to $50 million, up from $36.6 million in the prior year period, which reflects our significant investment activity throughout the year along with strong same-store sales performance.

Moving on to property level results. We grew property NOI 32% to $26.8 million in the quarter from $20.2 million in the prior year period. Same-store revenue and NOI grew a very strong 5.5% and 7.6% respectively quarter-to-quarter versus the prior year period.

We continue to grow our asset base. Gross assets were up 19% for the year and 7% for the quarter to over $2 billion today.

Finally, we repurchased common stock in the quarter, totaling $3.9 million at an average price of $9.24, which represents a significant discount to our estimate of NAV.

As we look ahead, we believe we're uniquely positioned with multiple growth levers to continue delivering shareholder value.

- First, we anticipate ongoing solid organic growth from our strategy to actively select the right knowledge economy markets with strong demand dynamics for our highly amenitized assets. This should allow us to continue to command strong organic growth as demonstrated by the top quartile same-store NOI growth of 7.6% that we delivered this quarter.

- Second, we continue to find accretive external growth with issuance of our unique Series B preferreds, and through sourcing attractive acquisitions with upside potential through our Bluerock network. We saw this lever in action in 2018 with a 40% growth in NOI over the prior year.

- Third, we continue to anticipate attractive returns for our value-add upgrade program. From inception to date, we've renovated over 1,650 units with an average ROI of 26%. Our future identified renovation pipeline stands at about 4,800 units today, which alone could contribute multiple dollars to our NAV.

- And fourth, we will continue to review stock buybacks as an additional method of capital allocation in periods where we believe the stock is attractive relative to the underlying value of the company.

Last but not least, management continues to increase its alignment with shareholders. We increased our ownership by over $5 million in 2018 alone and now stand at approximately 26% ownership in the underlying equity of BRG on a fully diluted basis.

With that, I'd like to turn the call over to Ryan. Ryan?

Ryan MacDonald
Thank you, Ramin, and good morning everyone.

The operating portfolio continues to post top quartile growth with strong gains across the majority of our markets. In particular, we saw continual strength in our Florida markets and reaccelerating top line growth in our Texas assets.

Portfolio-wide across BRG's assets, average occupancy held strong in the fourth quarter of 2018 at 94.5%, which was flat on a sequential quarter-over-quarter basis.

Same-store revenue increased a robust 5.5% over the prior year period, driven by 4.8% increase in average rental rates and an 80 basis-point increase in occupancy. Twenty-three of the 24 properties in the pool recognized increases in average rental rates in the quarter versus the prior year period.

With the stronger occupancy, we were able to aggressively push rental rate growth through the end of the year. Leased rate growth averaged 4.1% in the quarter, with renewals and new leases achieving 4.8% and 3.5% respectively, and we were able to maintain that momentum into the new year, achieving average lease rate growth of 4.2% in January.

On the expense front, same-store expenses increased by 2.5% with annual tax increases accounting for over half of the increase. Same-store NOI for the quarter increased 7.6% on a year-over-year basis. Additionally, on a full-year basis, we reported exceptionally strong NOI growth of 4.9%, which contributed to the majority of the outperformance relative to our guidance.

On a sequential quarter-over-quarter basis, same-store revenue was up 1.2% over the prior year period-a 1.8% increase in average rental rate and a 10 basis-point increase in occupancy accounted for 1.7% growth, while a reduction in resident fees from lower seasonal move-ins accounted for the majority of the 50 basis-point decline in other income during the quarter.

On the operational margin front, we expanded our year-over-year and sequential margins by 160 and 310 basis points respectively to 60.5%, due primarily to increases in same-store revenue, new acquisitions, and positive tax true-ups in the quarter.

We continue to be pleased with our value-add renovation program, which has delivered healthy results - to date, through the fourth quarter of 2018 across the existing portfolio, we have completed 1,666 interior unit renovations at an average cost of approximately $4,800 per unit and have yielded monthly rental increases of $104 per month, resulting in a weighted average ROI of 26%. Excluding new acquisitions, we estimate there are approximately 4,800 units remaining to be renovated in the portfolio with comparable economics, which would be accretive to our FFO and NAV.

In terms of some brief market commentary, our top three markets by operating property concentration, Orlando, Atlanta, and Houston, all performed well throughout the year. During the fourth quarter, our Florida Space Coast assets and Port St. Lucie and Daytona led the way, achieving average lease rate growth of 8%. These assets continue to field strong demand with limited supply. Atlanta and Austin followed with total lease growth in the 5% range. And Orlando, our largest market by operating asset concentration, came in at 4%, followed by Houston posting 3% for the quarter. The Carolinas continue to trend around 2% and San Antonio rebounded particularly well this quarter with 6% growth off an easier comp from last year.

Turning to the investment front, utilizing our Bluerock network we continue to find attractive opportunities in knowledge economy growth markets with potential for value-add upside through our repositioning programs.

During the quarter, we closed the purchase of a 512-unit Denver operating property called Ashford Belmar for approximately $143 million. The asset is located within a supply-constrained, infill suburban submarket and boasts an amenity set on par with the best in our portfolio. The business plan includes focusing on executing a value-add renovation strategy with targeted capital improvements to the interior units to upgrade the asset to our standard highly amenitized live/work/play lifestyle product. The asset is projected to yield a year-one cap rate of approximately 5.2% and grow to a stabilized cap rate north of 6% versus market cap rates of 4.5% to 5%. BRG funded the purchase with approximately $40 million in equity for 85% ownership, and the venture capitalized the deal with a $101 million fixed-rate agency loan at 4.53%.

Moving briefly to our development commitments - during the quarter, we executed three preferred equity commitments totaling $40 million in BRG equity once fully funded. As of the end of the year, the total BRG investment in development preferred equity and mezzanine loans stood at $253 million across 14 projects. Of the 14 projects, 10 are currently in lease-up or stabilized, and we look forward to reporting on their progress in future quarters. While we continue to fund attractive development opportunity using our preferred and mezzanine program, development as a percentage of the overall asset base will continue to decline over time.

Turning to the balance sheet. During the quarter, we undertook an effort to hedge our floating rate loan exposure through LIBOR cap purchases. As of today, 98% of our total secured debt balance is fixed or hedged at 2.5% LIBOR for the next two-to-three years. And, as of the end of January, BRG has approximately $25 million available for investment through a combination of cash and availability on our revolving credit facilities, plus we continue to grow our capacity through our Series B preferred offering.

Moving to our 2019 earnings guidance, you can refer to page 31 of our fourth quarter supplemental package for details on the key assumptions driving our 2019 financial outlook. For the coming year and beyond, we will be issuing core FFO guidance, which is a more commonly utilized operating metric amongst our larger multifamily peers. We project a core FFO per diluted share for 2019 of $0.80 to $0.84. The projected year-over-year increase is primarily driven by same-store net operating income growth of 3% to 4% across a 28-asset same-store operating portfolio.

Additionally, we are also forecasting investment volume and dispositions totaling $500 million to $700 million and $200 million to $400 million of gross asset value for the year respectively. The majority of the acquisition and disposition cadence is projected to be executed in the second half of the year, and dispositions are projected to be neutral to core FFO this year upon reinvestment, with accretion expanding in 2020 and beyond.

Before handing the call back to Ramin, I want to reiterate that our portfolio continues to perform very well, producing top quartile operational results on a consistent basis. We look forward to reporting our quarterly results as we progress throughout the year.

And with that, let me hand the call back to Ramin before we open it up to Q&A. Ramin?

Ramin Kamfar
Thank you, Ryan.

That's the end of our prepared remarks, and I'm happy to open it up to Q&A. Operator?

QUESTIONS AND ANSWERS

Operator
Thank you. We will now begin the question-and-answer session. To ask a question, you may press star (*), then one (1) on your telephone keypad. If you are using a speakerphone, please pick up your handset before pressing the keys. To withdraw your question, please press star (*), then two (2). At this time, we will pause momentarily to assemble our roster.

The first question will come from Jim Lykins with D.A. Davidson. Please go ahead.

Jim Lykins
Good morning, everyone. And, first of all, value-add question. So, you talked about getting 26% returns on value-add, in your guidance that's coming down to about 20%. Is that function of maybe you picking the low-hanging fruit or is this construction labor costs? Or, what's driving the lower anticipated returns for value-add?

Ramin Kamfar
Hi, Jim. It's Ramin. I think we just like to be cautious. We still see tremendous value-add opportunities The question is, have we cherry picked the 26% upfront, and then it's going to dial down to 20% over time, the answer is no. I think what you're seeing, we projected 20 last year and we beat it. We like being cautious. We're going into, there's a tremendous amount of uncertainty in the world today. It's the beginning of the year, so we're hoping that we've got nine months to improve on that number and report on that. But, we like where we are with that number today. Ryan, do you want to add to that?

Ryan MacDonald
Sure. In the most recent quarter, the ROI was 24%. So, we're still continuing to see on our most recent results very strong ROIs.

Jim Lykins
Okay. For dispositions, you're expecting $200 million to $400 million. Ryan, I think you said second half for those. First of all, is, did I hear that correctly? And, also is there a cap rate that we should be thinking of for how to bake that into our model?

Ryan MacDonald
Sure. Yes, Jim, I did say the second half of the year, we're thinking most third and fourth quarter for these dispositions. And, we are not giving a cap rate at the time, but they will be very strong cap rates, and I think will be indicative of the underlying value of the overall portfolio.

Ramin Kamfar
And, I think the comments we made that you can use for your modeling, Jim, is that it's going to be net neutral, the dispositions and the reinvestments in 2019.

Jim Lykins
Okay. And, also the acquisition that you just announced. You said there is a value-add component there, any more commentary there? How long do you think it takes you to get from the 5.20% up to the 6% yield on that one?

Ryan MacDonald

Sure, we do. We're actually starting to implement the program now. It's a little bit more heavier than the $4,800 on average we've been spending to date, I think it's in the mid kind of $6,000 to $8,000 unit range. And, our expectation is for a little bit of higher return on investment, just given the profile of the submarket. But, we think it's about a three-year climb to that number to execute. I think we've assumed about 350 renovations of the 512 over that time period to get to the north of the 6% rate.

Jim Lykins
Great. Thanks, guys.

Ramin Kamfar
Thank you, Jim.

Operator
The next question will be from Drew Babin with Baird. Please go ahead.

Drew Babin
Hi, good morning. A couple of balance sheet questions here. As implied by your guidance, obviously with meaningful dispositions being introduced to the equation, I would assume that leverage will be likely to decline as the year goes on, especially in the back half of the year. Could you kind of walk us through just maybe to what degree your net debt to EBITDA or however you want to measure it, ratio that might decline over the course of the year as implied by guidance?

Ramin Kamfar
Drew, let me take a step back and clarify that. We're doing dispositions to recycle capital. And, we're going to be buying additional, reinvesting those assets into additional properties, those proceeds, I'm sorry, into additional properties. So, we're not using the dispos to pay down debt. I think the de-leveraging will come in a couple of ways. I think on a NAV basis as we continue to grow our NAV, obviously, debt marked on a NAV basis is going to come down. I think as we grow our EBITDA, on a multiple of EBITDA, with the value creation it's going to come down. And, then ultimately, it's going to be the issuance of common and/or the conversion of the Series B at the appropriate price. We, going into 2018, we didn't think 2018 with the Fed rising rates to slow down the economy etc., etc., was going to be a year where we could expand our common equity base, and that's the way it played out.

In 2019, we see an opportunity to potentially later in the year as the Fed continues to slow down, and we're on a pause now. The economy is slowing down, and the Fed may start cutting rates, which would be positive for the REIT market in general. There may be an opportunity for the window to be open for us to grow our common equity base again through either issuance or through conversion, and that's how you're going to--that's what the plan is at this point, to de-lever as, gradually overtime as we get larger. Obviously, any issuance or conversion has to be at the right price for the underlying common so that it's a positive as opposed to a negative. Does that answer your question?

Drew Babin
That does. And, I guess it's a good segue to my next question. Are you able to give us kind of any general color on maybe what breakeven price there is for that conversion of the Series B? Would it be sort of the same price you would think of doing a bigger common equity execution at? Is there any kind of difference between the way you would think about the conversions, common equity, and both?

Ramin Kamfar
We look at the conversion of the Series B as effectively common equity issuance. So, it would be the same metrics that we would look at. I can't give you an exact price today, because it will depend on the circumstances. And, also, we don't want to put a price out there that's going to serve as a cap on our stock price. But, I can tell you that it has to be closer to NAV. It has partially to do with reinvestment opportunities and the ability to, if we're issuing new stock. Obviously, with reinvestment opportunities and whether they are accretive, but we look at it, again, similar to common equity issuance except when we issue, when we do the conversion it's at market. We're no longer--we're not doing at a discount that you would have if you did an overnight or if you did even a larger discount, if you did a marketed offering, and also there are no investment bankers at this point to take fees on it. So, that would be, between those two, you're at somewhat eight to maybe 15%, 13% better than issuing the common, because you don't have those costs associated with it. Now, there were some costs with issuing Series B obviously. I don't want to imply that there aren't any. But, that's the way we would look at it.

Drew Babin
Okay, thanks. That does. And, then one last question here. If you look at the same-store pool for the 2019 guidance of 3% to 4% NOI growth, I guess what percentage of your total portfolio does that same-store pool represent for '19?

Ryan MacDonald
It is 28 of 33 assets, so it's a pretty substantial portion--operating assets, Drew, excuse me.

Drew Babin
Sure. Okay, great. That's all for me. Thank you.

Ramin Kamfar
Thank you, Drew.

Operator
The next question comes from Craig Kucera with B. Riley. Please go ahead.

Craig Kucera
Hi, good morning. In your mezzanine and preferred equity pool, I noted that the returns from Alexan Southside and Helios declined from 15% plus in the third quarter to 6.5% and 7% in this quarter. Can you give us some color on what changed there?

Ramin Kamfar
Hi, Craig. Sure. Those are deals that we felt that they're not mature yet for us to realize the value either through conversion or monetization or sale. So, we decided to extend our preferred. And, to extend our preferred, we needed to, and have it been economical for both parties, it needed to get restructured. I think there's tremendous value in those deals, but it needed to go through a modification that provided us, that lowered what we get on a current basis but provides us with upside on the, as the deals lease-up and mature and get to a point where we can monetize the value there.

Ryan MacDonald
We included some back-end additional accretion for BRG upon sale in the event that it realized the profit that we think it will, so.

Craig Kucera
I see. So, would you anticipate that, I know you have three stabilized assets in kind of your pool of developments, and I think you've got three more expected to stabilize this year. When you think about acquisitions this year, are you likely to take any of those down? Or, should we be thinking that those are likely to remain as preferred equity investments through 2019 in the guidance?

Ryan MacDonald
Sure, Craig. I'm actually looking. So, of the 10 that are either stabilized or lease-up, I'm looking at four that are currently, I'll call it, above 90%--Helios and Southside are, we just talked about, and then you have CityCentre and Leigh House. One of the two will be part of a disposition plan and then reinvested and the other one will stay as a preferred. And, then the remaining four or the remaining, excuse me, six that we talked about will stay preferred throughout the year.

Craig Kucera
I got it. And, as those sort of mature, should we expect any sort of additional restructuring as we sort of saw this quarter in the guidance or are they expected to sort of stay as they currently are structured?

Ryan MacDonald
The expectation is they're supposed to stay as they're currently structured.

Craig Kucera
Got it. All right. That's it for me. Thanks, guys.

Ramin Kamfar
Thank you, Craig.

Operator
Once again, if you'd like to ask a question please press star (*), then one (1).

The next question will be from Paul Penney with Northland Securities. Please go ahead.

Greg
Good morning, guys. This is Greg on for Paul. Thanks for taking my questions. First, I was wondering if you could provide some color on the pace or cadence of unit renovations in 2019?

Ryan MacDonald
Sure. Hi, Greg. This is Ryan. So, we estimated 900 to 1,200 units for the year, which was consistent with what we projected last year. I think in total we did 1,186 and in the fourth quarter we did 339. So again, same pace with the expectation in '19 versus '18.

Greg
Great. That's helpful. And, then is there any update or communications with the index folks for potential inclusion in the U.S. REIT Index that you can provide us with?

Ramin Kamfar
I think we need to, the last time we looked at it, we need to be a little larger. Obviously, getting on the RMZ would be very big for us, given what's happening in the REIT space, in particular in actives versus passives. We have our eye on that prize. And it would, but we need to grow the

common equity base. I think the last three of our peers that got on the index had a 20%ish or more of an uptick. So, we're aware of that. We've looked at the numbers. I think we're probably $100 million to $150 million in equity short to be on the low end of being considered for the index.

The RMZ folks, unlike the Russell, it's not a quantitative formula. You have to--they make picks twice a year. So, the answer is we're still too small, we believe, we don't know the ultimate formula. We want to get bigger, that's one of our goals, getting bigger to get on the index, because we think we'll have significant improvement in terms of how our stock trades. But, we want to be intelligent and good stewards of shareholder capital in terms of issuing additional equity, in terms of potential dilution, etc., etc., etc.. Would we love to go out and issue common today and get to the size where we get on the index and have capacity to pull down a lot more of the attractive deals that we see out there? Yes. We'd love to do that. But, we need to do it in a prudent way to make sure that from its impact on shareholder returns it's the right thing for our shareholders.

Greg
Okay. Makes sense. And, then with respect to specific markets, where are you seeing attractive cap rates and where they are getting a little bit more expensive?

Ryan MacDonald
Sure. So cap rates, I mean I think generally…

Ramin Kamfar
Before Ryan answers that, I will tell you that cap rates are expensive everywhere in our markets, because we're looking for knowledge economy markets that have high employment growth, jobs of the future, and these are tremendous drivers that drive demand, which drives rental income, which drives occupancy, which drives NOI.

So, we've been doing this for a long time in these markets. They weren't always in this demand. But, as people have realized that it's not all about the big six, money has migrated, and we believe it will continue to migrate into these markets. So, for us, it's finding the right deal in those markets where you can either get a discount going in or create value post going in terms of value creation on that.

And, that's the big picture, and I'll let Ryan talk about specifics.

Ryan MacDonald
Sure. I'm going to frame it a little bit differently in where do we see opportunity versus where do we not. I think generally speaking from a market perspective, again, Florida seems to be doing exceptionally well. Tampa is a market that we've been in the past, but we are not currently in. Jacksonville, Orlando. We like the Denver suburbs, in particular. We like Phoenix, although, again, it has been the right deal to enter the market. A couple of other markets we're looking at are Las Vegas and Salt Lake City, both, Salt Lake being a knowledge economy hub and then Las Vegas with the experiential entertainment factor, so, and tremendous supply-demand characteristics. So, those markets in particular are on our radar. Where we see probably less opportunity, again I think Charlotte again had seen really good job announcements recently. It's just working its way through supply, especially downtown today. And then Texas, I think we like Texas long term. But again, probably won't see us acquire too many assets in Texas this year, unless some special opportunity comes along.

Greg
Great. Very helpful. Thank you.

Ramin Kamfar
Thank you, Greg.

Operator
Ladies and gentlemen, this concludes our question-and-answer session. I would like to turn the conference back over to Ramin Kamfar for any closing remarks.

CONCLUSION

Ramin Kamfar
I want to thank everyone for giving us the time today. We look forward to reporting to you on our continued progress in the coming quarters. Good bye.

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