Sylogist Ltd.

Earnings Call for Fiscal 2022

Conference Call Transcript

Date: **March 23rd, 2023**

Time: **9:00 AM ET**

Speakers: **Bill Wood**
President and Chief Executive Officer

Xavier Shorter
Chief Financial Officer

Operator:
Welcome to the Sylogist Ltd Earnings Call for Fiscal 2022.

As a reminder, all participants are in listen-only mode, and the conference is being recorded. After the presentation, there will be an opportunity to ask questions.

I would now like to turn the conference over to Bill Wood, President and CEO. Please go ahead.

Bill Wood:
Hello, and welcome to our earnings call for the final quarter of our Fiscal Year 2022.

On the call with me today is Xavier Shorter, our Chief Financial Officer. In a moment, we will walk you through our performance for the quarter that ended December 31, 2022.

As you recall, we recently moved our fiscal year end from September 30 to December 31. The results we just released are for a 15-month transitional year ending December 31, 2022. In this call and other disclosures, 2023 now means both calendar and Fiscal 2023, which refer to the same time period.

I should note that this call may contain forward-looking statements relating to the future operations and profitability of the Company, many of which are subject to risks, uncertainties, and assumptions, and actual events or outcomes may differ materially from those we contemplate here. Any such forward-looking statements are made as of today, and except as required by law, we have no obligation to revise them.

Sylogist is a Software as a Service, or a SaaS company, that provides mission-critical solutions to over 2,000 customers worldwide, primarily in three public sector verticals: education, non-profit and non-governmental organizations, and government.

I'd like to take a minute to walk you through 2022 and highlight how transformative it was for Sylogist.

In October of ’21, the start of our fiscal year, we were still putting in place critical alignment, product development, and go-to-market expansion to lay the foundation for growth, and in parallel, we acquired both MissionCRM and Pavliks. Organic growth on an FX adjusted basis was negative 9%, and had been around that level for some time.

In Q2, we closed $9 million in new bookings. FX adjusted organic growth was flat coming off the negative 9% as customer retention improved and sales began to accelerate a significant improvement over the previous quarter.

In Q3, ROI on our investments began to materialize further as we drove our first positive organic growth quarter in years, 4% on an FX-adjusted basis, due to increasing new logo bookings, accelerating customer migrations from on-prem to our new SaaS platforms, increased upselling, large dynamics through 65 engagements, and increased revenue recognition capacity. And we announced that we had re-papered all customers to establish contractual conformity across the business that included annual price increase escalators of up to 5%.

Organic growth in Q4—remember, that's July to September 30, 2022—was 3% on an FX-adjusted basis. In tandem with releasing Q4 results, we announced that we were increasing investments in go-to-market, project delivery capacity, and account management activities. Concurrent with these investments, Sylogist rolled out a new brand strategy to simplify messaging, increase marketing ROI, drive Sylogist brand awareness and emphasize our core areas of focus: SylogistEd, SylogistMission. and SylogistGov.

To realize on this three-pillar strategy, we reduced our quarterly dividend, making available approximately $11 million per year in free cash flow to self-fund these exciting growth opportunities, pay down debt, and build capacity for further strategic M&A. Since then, Sylogist has paid down $4.5 million in debt and also repurchased approximately $1 million of its outstanding shares to its NCIB.

The investments we made to jump start growth and the effective execution of our strategy over the last 18 months were even more evident in our financial results this quarter. I am pleased to announce that organic growth for our most recent quarter was a record 22%. This is 17% on an FX-adjusted basis, a full 26 percentage points higher than in Q1 2022. Subscription revenue is up 3% from last quarter, or 12% on an annualized basis. Sales success was further evident with $7.3 million in new bookings, an ARR increase of approximately $800,000, or 6% over last quarter.

We also announced the hiring of an accomplished technology executive as Chief Revenue Officer in December, another key part of the plan to continue building on the momentum we're seeing and the value creation it includes.

Our strategy was not to jumpstart growth at all costs; we've done so profitably. We realized a 32% EBITDA margin in the quarter, reflecting our continuing commitment to maintaining our Rule of 40 posture.

As I've shared on previous calls, we consider customer wellness to be one of our primary KPIs given the collegial nature of the markets we serve. To that end, we saw a material uptick on our already very strong customer NPS score in Q5 with our company-wide score rising from approximately 20 in early '21, to 40 in Q4 2021, to 51 in this most recent quarter 2022. This polling was done across all business units, existing and recently acquired, and reflects the investments we've made to strengthen relationships and gain the enthusiastic support of our customer community. I can't emphasize enough how proud we are of this accomplishment and the foundation for future success it provides us on several fronts.

We've also pushed net revenue retention to 98%, virtually eliminating the double-digit percentage revenue erosion that was occurring as recently as Q4 '21. Due primarily to account management and product investments we've made, that key SaaS metric has been improving ever since. To shed a little more light on the sea change that's occurred, had it not been for the purposeful retention discounts we offered to legacy customer communities back in Q1 2022, NRR would have been 100% in this most recent quarter.

All trend lines of our KPIs are up and convincingly moving in the right direction, including organic growth, NPS, ARR, NRR, revenue backlog, new logo bookings, wallet share expansion, customer on-prem to SaaS upgrade pacing, performance of acquisitions, sales funnel, revenue per employee, win percentage, margins, and our Rule of 40 posture.

I'd like to now turn things over to Xavier to discuss the quarterly financial strategy.

Xavier Shorter:
Thanks, Bill.

Our thesis and our strategy are working. As Bill mentioned, our FX adjusted organic growth rate for the quarter was 17%. Our revenue was $15.3 million, up 22% from $12.6 million in the same quarter last year and up 8% from the $14.2 million last quarter. This primarily represents successful execution against organic growth initiatives and the ramp-up of acquisitions we made in late ’21. We also benefited from FX tailwinds.

Our gross profit margin for the quarter was 63%, broadly in line with 65% in the same quarter last year. Adjusted EBITDA was $4.9 million this quarter, up from $3.7 million last quarter on the strength of our material revenue growth. Our Adjusted EBITDA margin was maintained at 32% for the quarter. Net loss for the quarter was $230 thousand, or a loss per share of $0.01, compared to a net loss of $165 thousand in the same quarter last year. Normal course of business would have had earnings per share at 3%, but net income was impacted by the one-time executive retirement outlay.

Our balance sheet is strong with $14.5 million in cash, and debt down to $21.2 million after we made a $4.5 million repayment in December, representing approximately 18% of debt outstanding and saving us nearly $300,000 in interest fees annually. Net cash flow is positive. With the change in dividend freeing nearly $3 million each quarter, we are well positioned to self-fund organic growth while maintaining strong margins and building capacity for strategic M&A, which we see as a growth accelerant.

I'll hand the call off to Bill for some final thoughts.

Bill Wood:
Thanks, Xavier.

Reflecting on the past year shows how far along the transformation path we've come. Since Q1, we've driven a 26% increase in our organic growth from negative at the beginning of the year to a record of $15.3 million in the quarter we just finished. Our Q5 financial performance reflects the strong execution of our plan. More specifically, that our strategic investments over the last 18 months to achieve the transformation that had to occur to turn around declining revenue are paying off, and that we are a disciplined, profitably growing company with an increasingly enviable financial profile - goals and attributes I've been outlining for several quarters were on the horizon.

More specifically, I shared that we expect to see a low double-digit organic growth run rate exiting the year, and we certainly demonstrated that coming in at 17% on an FX-adjusted basis, which should provide increased confidence in the Company's ability to deliver profitable, low double-digit organic growth going forward.

While we were quiet on the M&A front in the back half of our fiscal year, our tracker is very active, outreach and discussions with targets are ongoing, and we're starting to see private company valuation expectations coming down from the premiums that have been out of sync with public market valuations over the last nine months.

On the competitive landscape, we are confident that our platform versus point solution strategy will increase our win rate, grow wallet share and LTV, and decrease customer acquisition costs moving forward. Many competitors and legacy providers are struggling to get their software to the 100% SaaS posture we're now at or they're simply unable or unwilling to make the needed investments to do so. We see both hesitancies as opportunities for us going forward.

We are effectively managing the would-be headwinds associated with the negative macroeconomic and inflationary pressures. In fact, we see material opportunity in our key markets as once in a generation money flows through the U.S. public sector from the ’21 stimulus packages. In turn, we are investing behind these opportunities. Our sales pipeline is strengthening, and upgrades, cross-sells and new bookings are matriculating at a higher rate than at any point since I joined. In turn, ARR and associated project revenue recognition is growing.

While we remain ready to move on acquisitions that make sense, make no mistake, we are confident in our capital allocation strategy that's focused on recognizing the high ROIC associated with the internal opportunities we've created. Our recent stock buyback reflects our confidence in the outlook for the Company and also increases existing shareholder value.

Moving forward, our north star will be balanced and profitable growth and accelerating shareholder value creation. This year's transformation and this quarter's performance is a result of impressive execution by what I consider to be the best management team in the business and a whatever-it-takes commitment of every single person at the Company, enviable attributes that will undoubtedly power Sylogist going forward.

I'd like to now open the call up for questions, as time allows.

Operator:

Thank you. We will now begin the question-and-answer session.

Our first question comes from Amr Ezzat of Echelon Partners. Please go ahead.

Amr Ezzat:

Bill, it's Amr here. Good morning. Congrats on the quarter. My first one, Bill, is on your prepared remarks. You continue to speak to low double-digit organic growth for 2023, maybe you could comment on the impact of the current macro environment on your business. I just wonder how conversations are evolving with customers and whether you are seeing any anxiety at all.

Bill Wood:

Amr, good morning. Thanks for that. As I shared in my remarks, we're not seeing a lot of impact to our cadence as well as interest from our primary markets for the reasons that I shared. The focus of ours in those three primary Ed, Mission, and Gov sectors; Ed and Gov are seeing those dollars from the stimulus package, at least in the U.S. that are flowing into budgets now, preparing themselves for opportunities to procure digital assets, specifically in our wheelhouse and the ERP side, that really they were challenged with during COVID. Coming out of that now, they are anxious to get to a new posture.

We're seeing very good activity and minimal impact so far based on the pressures and macroeconomics, as I mentioned.

Amr Ezzat:

Great. Great. Bill, I'm not sure you're going to be able to do this, but can you walk us through the different drivers in this quarter's organic growth? I wonder how much of it was pricing.

Bill Wood:

Well, we haven't teased that out specifically publicly, we have seen a blend of increase in our pricing, which obviously as we think about the strength of our offerings and the confidence we have in our customer advocacy. Our ability to continue to look at not only our overall IP pricing, but where and how we think about more products being sold on a platform into our customers versus the single points of old. We've had billable rate increase flexibility as we think about some of the acquisitions as well as our own teams in terms of our project services.

All of those things are predicated off of the investments we've made to be able to stand strong, both with our customers, as well as new customers and the competitive landscape, to say this is the value of what we bring as a trusted partner to help you be successful. There is a myriad of components that we're moving the levers in coordination to drive increased margins and growth from a revenue standpoint. But also, we've now been able to recognize with greater capacity more revenue based on the strengthening bookings that we've seen over the last year.

Amr Ezzat:
Thanks. If I were to think about your billable rate last year and your license prices last year, how did pricing evolve year-on-year? Is 10% a good rule of thumb?

Bill Wood:
I think it varies—it does vary. It does vary based on the individual attributes of each and every one, so I wouldn't want to generalize. Some areas, we saw billable rates within some of our acquisitions that we could strengthen even more than that, Amr. Obviously, our pricing relative to the competitive landscape of our IP, we have to be respectful of where we fit and how we fit, even though I think our strength is superior at this point. I wouldn't want to make a generalization of particular for all.

Amr Ezzat:
Understood. Understood. Then I'm pleasantly surprised with your EBITDA margin for the quarter. Do you guys feel that your EBITDA margins have sort of troughed? Last quarter, I think you were just below 30%. Is that a new plateau? Or should we be expecting some more investments to support the strong organic growth? Or would these investments sort of grow in tandem with sales? How do we think about that?

Bill Wood:
Yes. As I've shared previously, I think on a quarter-by-quarter basis, I wouldn't get too hung up on plus or minus, if you will. But generally, we see that where we sit now and where we had that over the last couple of quarters, in the high 20s to low 30s, as we said, this last quarter, would be representative of what we believe our profit and EBITDA margin can look like.

However, as we see acceleration occurring, as we see opportunities to put money to work, we'd be remiss not to do so, to be able to capitalize on what we've queued up and be able to—not at all costs, as I was very clear in my remarks, not at all costs by any means, but to continue to accelerate growth in a way that is prudent, but also capitalizes on the investments we've made over the last 18 to 20 months.

Amr Ezzat:

Great. Then maybe one last one. You spoke to the appointment of Grant in your prepared remarks. Can you speak to the background behind the appointment and his key responsibilities in the CRO role?

Bill Wood:

Absolutely. As I've shared previously, for us to achieve the scale that I see for Sylogist being going forward, there's going to need to be a healthy blend between our direct sales force as well as a partner channel. He has deep partner channel experience and building partner channel and executing and developing not just partners that are tangents, but really walk and talk as if they were Sylogist.

To that end, I feel very good about not only his background, but what is already going on in The Company in terms of leading all of the sales efforts, direct as well as indirect, as well as all marketing, and anything to do with our outward-facing image and brand. A key piece of the puzzle, as I've been really waiting to see more of the foundation that I sense needed to be put in place for us to really step on the gas from a sales and marketing standpoint. I'm really pleased with the individual that we identified, and we were able to secure, and what he's done over the last eight to nine weeks.

Amr Ezzat:

Fantastic. Congrats again. I'll pass the line.

Operator:

Our next question comes from Gavin Fairweather of Cormark. Please go ahead.

Gavin Fairweather:

Hi. Good morning. Congrats on the strong results. I wanted to start just on the productivity of the sales force. You've obviously been investing a lot in that function in the sales and marketing functions, overall. Curious for your perspective on how productive those investments are, what kind of returns you're getting, are you finding that the new team is fairly up the curve on driving bookings and revenue? Or do you see latent capacity there which will benefit you in future quarters?

Bill Wood:

Hi, Gavin. Yes, I think there's building capacity. As with any sales team, as we build marketing muscle behind them, there's a bit of a slinky effect in terms of investments made, and particularly given the sales cycle of the markets we serve, there's a lag between investments made, new ICP, Ideal Customer Profile leads that we are able to attract or now are coming at a stronger pace through our referrals as we continue to strengthen our NPS and our customer relationships.

The team, I feel very good about, as I mentioned in my prepared remarks, our cadence in terms of our sales funnel is moving through at a higher pace than it had been since I joined. Our win rate is increasing, the fluency in our ability to articulate our difference in terms of the competitive landscape, why we win and why that's going to be valuable for our customers. Those are all dials that I see being turned up and I see capacity even being greater within the team structure and investments that we're making now.

Gavin Fairweather:

Great. Appreciate the colour. Then maybe just on the shift from maintenance to SaaS and some of your customers communities. Appreciate you breaking out the split of revenue there between those two lines. How should we think about a rule of thumb in terms of the lift from maintenance to subscription as customers move and maybe you can just discuss generally how much enthusiasm you're hearing in some of those customer communities to make the move?

Bill Wood:

I'll speak to the enthusiasm, and then I'll hand it to Xavier. It is a one tells three, three tells seven, seven tells nine, and so I think to that end, you get a snowball effect as more customers successfully transition out of—again, what we've done over the last 18 months was really in a climate of COVID, where organizations were still trying to rise up and see where they were out of the store and that really impacted them materially.

The reality is, as I've said, the digital transformation appetite, in the spaces we serve, has never been greater than in the 30 years I've been in this space, because of what COVID shined a light on relative to on-prem postured solutions just weren't okay anymore on so many different levels. The cadence is increasing our efficacy in moving customers; and not only moving their data, but moving their fluency in their daily operations as well as what the new platforms that we offer them provides is increasing, and our muscle memory, each time we do it, increases.

I see the cadence—as I mentioned in my remarks, we see the cadence of our on-prem to SaaS increasing and increasing at a really healthy rate. To that end, not only are they transforming where they were to where they are now, but they're really excited about it and feeling good about what it's going to provide them going forward, which is a key part of showing up in our NPS and continuing.

We were moving them, and they were feeling frustrated or lost in terms of how they go about their business, or maybe us not being able to be as effective in helping them understand a SaaS profile versus an on-prem, then I think that would have showed up on our NPS score, so that's why we're so pleased with the results that we saw as we move more and more of our customers that are excited about what's going on.

Xavier, you want to speak to a little bit about how we see any lift that Gavin spoke to?

Xavier Shorter:
Yes. As with these transitions and upgrades, we do an assessment at each customer. Based on users and licensed seats and so on, we'd assess where they would fall on the SaaS profile. Also, there will be some professional services around that transition. Virtually every single time we do a transition from maintenance to subscription, the fees associated with that, as it matches with the value, would be higher under a SaaS profile than legacy maintenance.

Gavin Fairweather:
Okay. You touched on the channel on some of your earlier remarks. I'm curious how much of the channel is influencing your bookings today? When you think out, maybe, 12, 24 months, how meaningful could this be if you get the vast Microsoft channel really turned on? Maybe give us your bit of a longer-term vision on how impactful that could be.

Bill Wood:

Yes. The partner channel right now has affected the performance minimally, both Microsoft as well as our own partner channel outreach and community that we're building.

On a 12- to 24-month basis, material. Why do I say that? It's because most of the performance that we've seen in terms of our growth really isn't reflecting the opportunity in the SylogistGov as well as SylogistEd. That's ahead of us, and that includes our most recent numbers.

The buying cycles in our platform for SylogistGov is just being rolled out to our beta customers now, and we have several that have already made that transition. As we turn up the partner community, which is our primary strategy for SylogistGov in North America, the impact that I anticipate that we'll have will be material in terms of our ability to grow revenue and to primarily do it with passive revenue growth, which is IP-related versus having to add more and more people to be able to deliver the services. We expect the majority of Ed and Gov to be—the service side of it to be delivered through our partner channel and partner community over time.

It's a great question, Gavin. It's really one of the exciting parts for our story going forward—is the headroom for where we see growth and scale coming, we're only scratching the surface of it at this time in the markets we serve through that partner strategy.

Gavin Fairweather:

That's great. Lastly for me, can you just talk about the mix of bookings that you saw this quarter between services and recurring? I'm not sure if you could give us a year-over-year bookings number, like a comp, that we could think about. I don't think you disclosed it last year. That's it for me, I'll pass the line. Thank you.

Bill Wood:

Yes, Gavin, thank you. As I think you're seeing now in this most recent release and as we shared in recent times, our goal is to continue to be more transparent and more consistent with what we disclose and how we disclose it in being a SaaS company. The KPIs and the measurements, as I showed many of them are in my prepared remarks, are ones that I know will be very helpful to be able to better model what is the build from our success, what are the ingredients of that. We'll continue to tease those out to the degree that we feel it's going to be helpful to you all and without getting into the guidance or getting offside with the guidance side.

Gavin Fairweather:
Thanks so much.

Operator:
Our next question comes from Nick Agostino of Laurentian Bank Securities. Please go ahead.

Nick Agostino:
Hi. Yes. Good morning, everybody, and congratulations on the quarter as well. Just a quick question first. You had a nice strong beat, if you will, on the professional services side of the business. Just looking for more colour there. Was that as a result of drawing down on prior bookings that you had in your professional services backlog or is that really a function of new business that was coming in late last quarter and through this quarter, and that's really what helped drive the stronger professional services number?

Bill Wood:
Hi, Nick. Good question. It's primarily the drawdown on what we already had in the hopper, and that's a healthy equation for us as we continue to engage bookings, be it new logos or with existing customers, upgrades, wallet share expansion. What we were lacking was capacity to be able to deliver on the work that we had, and I've been speaking to that for several quarters now, that we had, and what I saw on the horizon required us to make some in-advance investments in people and in talent to be able to attract the right individuals who can deliver on the promise and what our platform offers. It was predominantly the drawdown, but that's the normal cycle for us, and then it's replenished by new wins.

There are some that are obviously a little more—we book them and we can deliver them, but I would say, for the most part, it's backlog and our ability to deliver on that with increased capacity.

Nick Agostino:
Okay. Great. Thank you for that colour. Just to understand the bookings number you guys reported in the quarter. Is that solely cloud and maintenance base? Or does that include bookings on the professional services side?

Bill Wood:
It does include bookings on the professional services side. Again, as I said, some of those professional services for on-prem to cloud, for example, while there is repapering into a SaaS profile and some lift in terms of revenue over 12 months as we recognize that monthly, in a new SaaS posture, the professional services side that, as Xavier spoke to, is really kind of right now delivery to be able to get those customers from where they are to where they now are in the cloud or where they want to be in the cloud. That's really the mix.

Then we do have, as I mentioned in my remarks, the Dynamics 365 Professional Services division that was part of the Pavliks acquisition. We've been able to really drive efficacy in that division. We're no longer chasing small engagements. These are multi-year, oftentimes six- or seven-figure engagements relative to delivering to healthcare and some other primary markets that we're focused on, unique solutions that they're looking for.

We're also adding an IP component to that, because when we go to those engagements, we're actually bringing a certain baseline of capabilities that we then build uniqueness onto. We've really revolutionized their model about how they think about delivering what was classically just higher guidance services, and they're really now very much within our profile of profitability. We pushed pricing up on them as well as we have an ARR component in terms of the IP. We're also charging maintenance on that work going forward on the billable work for us to be able to support that customer on an ongoing basis.

There's a lot of dynamics that we've changed on the service delivery side that I feel very good it fits the profile that we see ourselves wanting to look like going forward.

Nick Agostino:
Okay. Appreciate that colour. Then just one last question for me. Just looking for an update. I think, on the prior call, you spoke about an NPO, NGO light version of that platform, and you also talked about having a self-serve training strategy. Can you just provide an update on both those initiatives as to where we are today?

Bill Wood:
We are doing it. We have several implementations recently where we were able to—what would have been an engagement of Sylogist of old that would have been unaffordable and probably something that they couldn't have handled in terms of our ability to deliver both our ERP and now our MissionCRM solution to a—I don't want to say a small organization by any means, but more of a mid-market NGO and NPO that used to take possibly nine to 12 months of implementation, where now in a 90- to 120-day model that we're successfully exercising, so that's a big accomplishment for us. Thanks for bringing that up, Nick.

On the self-serve side, we continue to invest in our knowledge base. I undoubtedly see the future of self-serve training and ensuring that the turnover that goes on, within the markets we serve, is filled by not just throwing bodies at it to try to find the right time or availability within our customers to get the training they need to be successful. I also see a big part of the future around this. This isn't just extemporaneous thinking, but the idea of where AI fits into that, as we think about our development strategy with our efficacy of our customer usage, how do we allow the learnings of what our software can feed back in, in terms of where particular users are visiting more often, how can we get more in-product training and help associated with making sure that our customers can get the answers they need without necessarily just reaching out through our chat vehicles and so on, but how can we make it active and ready at any given time.

These are all things that I continue to think about in a market that relies on us as a partner. To continue to help them be successful, we have to be using the latest and greatest technologies to help them be so without having to just throw bodies at the challenge.

Nick Agostino:
Okay. Great. Thank you. I'll pass the line.

Operator:
Our next question comes from Tom Lavrisa, a private investor. Please go ahead.

Tom:

Thank you. Congratulations on the increase in sales for the Company. I'd like to focus on the expenses, and know in the 15-month period, what percentage of those expenses are one-time costs and what percentage would be determined fixed and then variable costs?

Bill Wood:

Hi, Tom. Thanks for your question. Xavier, do we tease that out specifically? I'll let you handle Tom's question to the degree that we can.

Xavier Shorter:

Sure. There was a one-time outlay in the Quarter 5 to our outgoing Executive Vice President that will not be recurring. As far as the remainder, we are still investing—well, I say investing, the sales and marketing—our go-to-market strategy is still, as Bill pointed out, with Grant coming on board, we are going to conferences, refreshing our website, the branding initiatives. Those costs are variable and will track through sales. The G&A is pretty much where we'd find consistency, but the one-time was that outlay that we discussed.

Tom:

Right. The breakdown between the fixed and variable?

Xavier Shorter:

We don't necessarily have a percentage that we would have disclosed as to what fixed and variable. It really is, if you look at the P&L line items, some things are consistent based on ongoing operations and some things will fluctuate with activity.

Tom:

Okay. Thank you.

Bill Wood:

Thanks, Tom.

Operator:

This concludes the question-and-answer session. I would like to turn the conference back over to Bill Wood for closing remarks.

Bill Wood:

While we're hyper focused on continuing the strong execution of our plan, I just want to reiterate how pleased we are with our Q5 performance and in our confidence going forward. By no means do I see this as a victory lap by any means. I do see exciting work ahead. I will put it in—I think, the heavy lifting that needed to be done to transform Sylogist over the last 20 months was material. There's a lot of moving parts in Sylogist to be able to define our thesis, define our strategy, and to be able to execute on that strategy.

In the time when I think our markets and the globe was extraordinarily challenged with COVID, I'm very pleased by the results and where we are right now.

On behalf of everyone at Sylogist, including our Board of Directors, I sincerely appreciate your support, and I am very excited about Sylogist's future going forward. Thank you for your time.

Operator:

This concludes today’s conference call. You may disconnect your lines. Thank you for participating and have a pleasant day.