

Transcript of
Calian Group Ltd.
Calian First Quarter 2022 Conference Call
February 10, 2022

Participants

Kevin Ford - Chief Executive Officer, Calian Group Ltd.

Patrick Houston - Chief Financial Officer and Corporate Secretary, Calian Group Ltd.

Analysts

Amr Ezzat - Echelon Wealth Partners

Doug Taylor - Canaccord Genuity

Jean-François Lavoie - Desjardin Capital Markets

Presentation

Operator

Good morning, ladies and gentlemen, and welcome to the Calian's First Quarter 2022 Conference Call. At this time, all participants have been placed on a listen-only mode, and the floor will be open for questions and comments after the presentation. It is now my pleasure to turn the floor over to your host, Kevin Ford, CEO. Sir, the floor is yours.

Kevin Ford - Chief Executive Officer, Calian Group Ltd.

Thank you, Kate, and good morning, everyone. As mentioned, I'm Kevin Ford, Chief Executive Officer at Calian. With me this morning is Patrick Houston, our Chief Financial Officer, and we'd like to welcome you to Calian's first quarter 2022 conference call.

Please note that certain information discussed today is forward-looking and subject to important risks and uncertainties. The results predicted in these statements may be materially different from actual results.

The first quarter saw revenue of \$129 million, an 11% increase compared to the same period last year. Adjusted EBITDA and adjusted net profit both grew year-over-year at 34% and 41%, respectively. Our gross margins came in at 26%, a sign of our continued progress of innovation and diversification. We have continued to see momentum and new contract signings this quarter, with \$185 million in new wins, leaving us with a backlog of \$1.3 billion. Dividend levels remain unchanged at \$0.28 per share.

We continue to live our four-pillar strategy of customer retention, customer diversification, innovation, and improvement, with meaningful progress in this past quarter. We signed \$90 million contracts with long-term customers, a sign customers trust us to continue to partner with them to execute their business. With the acquisition of SimFront in October, we have diversified

our learning practice into virtual reality and commercial customers. The market reception of the SimFront acquisition has been very strong, and the combination with Calian should lead to many promising opportunities. We have launched an innovation hub with local tech accelerators to develop new capabilities on our existing health tech offerings. And finally, our strategy of introducing more technology into everything we do, and entering new markets, drove strong margins in our first quarter.

Our four-piston engine showed the strength of its diversity, with three of our four segments posting impressive growth. I'd like to spend a moment sharing an update on each of our segments. Advanced Technologies delivered very strong results. Gross margins were up to 26%. This is compared to 23% of the previous year, and 20% in 2019 fiscal year. EBITDA margins were also up to 13% from 11%, and we continue to see strong demand in several elements of our Advanced Technologies business.

Our Software Engineering, which solves complex satellite and communication challenges, is seeing significant demand we are looking to expand capacity based on a strong pipeline. Our Engineering Services saw strong growth based on a new project with national defense to assist in tracking their assets across the globe. And finally, in response to more demand for precise location services, our Global Navigation Satellite System antennas, continue to see strong demand. We expect further growth in the coming quarters as large customers continue to increase their demand for custom design antennas, and our Software Engineering capability.

For Health, while revenue decreased 10% this quarter as a result of reductions in revenue related to COVID-19 response, the team was able to find further efficiencies to deliver a similar level of EBITDA of the previous year. Our teams have developed a trusted relationship and reputation during the last few years, and remain prepared to assist as the response to COVID-19 evolves. We were able to secure new wins with the Canadian pharmaceutical customers for contract research, as well as contract extensions with several customers across Canada. Our pipeline remains robust, with several new initiatives across Canada, where our network and delivery capabilities should be a differentiating factor. We have also seen early uptake as we evolve our health tech platforms, and we look forward to providing an update on our investor call next week.

Our learning segment showed impressive revenue growth this quarter, achieving \$23 million and a potential annualized run rate near \$100 million. This is a significant milestone, given we were approximately \$57 million in 2020. The growth has come from several initiatives. The acquisition of SimFront in October has yielded early returns, and the pipeline of opportunities as a part of the Calian, is very promising.

Our existing customers in military training continue to look to Calian to help them remain deployment-ready, and a continued effort to grow in Europe is showing consistent quarter-over-quarter gains. For IT and Cyber business, the IT and Cyber Solutions saw the largest increase in revenue growth this quarter. Our continued focus on expanding our cyber business, as well as our health tech presence, is delivering strong results. In addition to strong revenue growth, we have seen a significant increase in gross margins, which are up from 18% to 26% this quarter. And EBITDA margins were three times higher than the same period of the previous year. Our

pipeline remains healthy, and the teams are working hard to increase our capacity to meet this pipeline in a very competitive market.

A few weeks ago, we announced the signing of a definitive agreement to acquire the assets of Computex, a U.S.-based provider of IT and Cyber Solutions. This acquisition presents us with many exciting elements, an existing footprint in the U.S., a team of highly qualified experts, a track record of deliveries and customer success, and a strong recurring revenue base. With combined revenues nearing \$175 million, our IT segment will be a leading provider of IT and Cyber Solutions across North America, focused on solving complex IT and cybersecurity requirements for enterprise and public sector customers of all sizes. We expect this transaction to close towards the end of our second fiscal quarter.

Now, our Chief Financial Officer, Patrick Houston, will discuss results and key performance indicators. Patrick?

Patrick Houston - Chief Financial Officer and Corporate Secretary, Calian Group Ltd.

Thanks, Kevin. Over the past two years, we've continued to drive double digit revenue growth, all while growing our gross margins and EBITDA margins at a pace ahead of our revenue growth. This was evident again this quarter, with revenue growth of 11%, while our margins and EBITDA were up 28% and 34%, respectively. This has been achieved through discipline deployment of capital through M&A and R&D, as well as seeking more efficiencies, as we have scaled the company.

Acquisitive growth was strong this quarter, due to the contributions of SimFront and Dapasoft, which are both trending above our estimates in delivering strong revenue and profitability. New contract signings were strong again this quarter and outpacing our revenue. Backlog stands at \$1.34 billion, and will increase further next quarter with the anticipated close of Computex.

In addition to strong operating metrics, our net profitability, as seen in our adjusted net income, increased this quarter to \$9.6 million, from \$6.8 million of the previous year. This quarter, 7.4% is above our 2021 and 2020 levels of 5.9% and 5.4%, respectively. Our balance sheet remains a strength. The strength was an important factor, allowing us to move forward with the Computex definitive agreement. And post that acquisition, we'll continue to have approximately \$150 million of cash and debt capacity to deploy in additional M&A and investments to drive incremental growth

On guidance, I must caution the revenues realized are ultimately dependent on the extent and timing of future contract awards, customer realization of existing contract vehicles, and any impacts due to COVID-19. Based on currently available information of contract backlogs, sales opportunities, and our assessment of the marketplace, we expect to continue our growth posture in the coming year. Our guidance does not incorporate any additional M&A activity, and should we close on any new opportunities, their contributions would be incremental. At this time, we are reiterating our guidance for our 2022 fiscal year originally provided in late November, and representing our fifth consecutive year of double-digit growth.

Our guidance for the fiscal year ended September 30, 2022, expects revenues in the range of 550 million to 590 million, adjusted EBITDA in a range of \$57 million to \$61 million, and adjusted net income in the range of \$39.25 to \$42.75. please see our press release and MD&A for detailed reconciliation of our guidance. We will update our guidance for the acquisition of Computex when that transaction closes, and we expect that to happen towards the end of our second fiscal quarter.

I'll now turn the call back over to Kevin.

Kevin Ford - Chief Executive Officer, Calian Group Ltd.

Thank you, Patrick. On March 13, we will cross the two-year mark of having Calian operate through COVID-19. I want to once again thank our staff for the amazing efforts over these years. So, why should investors have confidence in Calian? This quarter was another example of us living and delivering on our strategy of growing our business, both organically and through acquisition. We continue to have strong balance sheets. We are expanding globally into new areas, and where we feel we can be successful immediately, both in global diversification and innovation, we're doing exactly that.

Previously, I have discussed Calian's pivot to an innovative global growth company. I believe we have achieved that pivot. My team and I, we're looking forward to seeing you in person at our upcoming investor event. But to COVID-19 realities, we have shifted the business update to a live broadcast event on February 16 at 10:30 a.m. Eastern. Patrick and I and our team are looking forward to showing highlights of the many complex challenges our teams are solving for our customers and the exciting innovation occurring across all of our segments. I invite you to register for the event in advance on our website.

And with that, Kate, I'd like to now open the call to questions.

Operator

[Operator Instructions] And our first question today is coming from Amr Ezzat at Echelon Wealth Partners. Your line is live. You may begin.

Q: Kevin, Patrick, good morning. Congrats on a strong quarter. On the guidance updates, you guys elected to update once the Computex acquisition was closed. Is there like uncertainty with the timing of closing or other factors behind this decision?

Kevin Ford - Chief Executive Officer, Calian Group Ltd.

No, not really. I mean, they're going through their closing procedures, and they're going through a shareholder vote, which they've already secured more than 50% of the vote. So, it's really more just a process, working through the SEC and the required dates. So, we're expecting it to close mid-March. So, really, it's more just waiting until we get to that point and then we'll know exactly how much they'll contribute for this fiscal year.

Q: Okay, great. That's good to hear. Okay. So, I mean, you guys spoke a bit about Omicron, and like when I think about other variants and how it's sort of impacted your business in the past, we had headwinds in advanced tech and learning, but good tailwinds for health. How do we think about Omicron and its impact on your business? I mean, you guys are reiterating your guidance. Does that imply it's overall neutral on a consolidated basis? Is that fair?

Kevin Ford - Chief Executive Officer, Calian Group Ltd.

Yes, I appreciate the questions, Kevin. So, I think for me to say it's neutral would not be fair to our team, Amr, because restating our guidance, frankly from my viewpoint, with the continued - and I know we're seeing different geographies react differently, but the reality, supply chain, finding parts, deploying satellite antennas, none of that's, frankly, any easier. And to be able to sit here and say, I'm going to hold my guidance based on another growth year, my view is that we still, as many organizations are running through the ups and downs and the turbulence of this variant and hopefully no new ones, but we're working through it. So, right now, I would say, yes.

Right now, it's neutral in the context that it's definitely not hindering our growth, but it definitely is something where our team is once again, stepping up despite the challenges of Omicron to meet our customer commitments. So, right now, it's neutral to negative, I would say, but it's the team that just continues to be the positive in this whole story.

Q: Okay. No, that's fantastic. Then in your prepared remarks and MD&A, in fact, you guys like spoke to a decline in the CRO business. What is driving that, just timing?

Patrick Houston - Chief Financial Officer and Corporate Secretary, Calian Group Ltd.

Yes. I think it's more project-based. So, we do win projects and run them off. And as they come off, we've won. We did sign one larger contract this quarter. That was in the signings that you saw that's going to start up here next quarter. So, I think it was just really a temporary decline based on project ending. But I think we should see year-over-year growth here with these new projects kicking in.

Q: Okay. And maybe one last one and I'll pass the line. You guys pointed in the prepared remarks nearly on all fronts, your gross margin performance has been excellent, in fact, like a record gross margin of 26% this quarter. Outside of Computex, which might change the gross margin profile for IT, are there any sort of moving parts we should be looking out for that might impact gross margins such as inflation? Or do you guys feel you could sort of pack that on to your customers?

Patrick Houston - Chief Financial Officer and Corporate Secretary, Calian Group Ltd.

Yes. I mean, we're working hard to manage the cost, whether it be supply chain things or labor changes. So, we're working hard to manage that, but we're in a growth mode right now. We're trying to - we've got lots of pipeline and opportunity. We need to respond to that. So, we're trying to be responsive there, making sure we have the capacity. And then to what extent can we pass that on through the pricing. So, I think you'll see some variability there, but I think that the

general trajectory of consistent growth should continue here as we continue to get more diversified and more technology. And so, I think the trend will continue. It just might see flight up and down on that path.

Kevin Ford - Chief Executive Officer, Calian Group Ltd.

Yes. And just to follow on that, it's Kevin, is that the diversification of our customer base has been a key element on that margin. As you know, we had a lot of government business, which we still value and we still continue to grow our government business. When you look at it as a percentage of our revenues, it continues to decline. We're almost at 50-50 right now between commercials. So, our ability to affect price, and when I mean price, I mean value, the value that we can bring into the commercial sector, I think is going to help offset any perceptions we see on our longer-term contracts in the government.

So, we're still pretty confident we can do that. And frankly, as you look at our acquisition profile, we continue to acquire organizations with much higher margin. And our R&D profile, we continue to invest in new technologies that should continue to push that up. So, that's the goal, Amr.

Q: Great. Thanks. I'll pass the line.

Operator

Thank you. Our next question today is coming from Doug Taylor at Canaccord Genuity. Your line is live. You may begin.

Q: Yes. Thank you. Good morning. You mentioned in your prepared remarks that Dapasoft is operating above your initial estimates in the IT and Cyber unit. I wonder, as we look ahead at this Computex close, if you'll walk through the similarities and differences between the assets and I guess the playbook, so we might consider your ability to enjoy the same success with Computex.

Patrick Houston - Chief Financial Officer and Corporate Secretary, Calian Group Ltd.

Yes. So, Sacha is going to speak at our investor event next week. He's going to definitely talk about what the combined entities look like from a - but as a preview, I think there are some synergies there. I think there's certainly service offerings that the iSecurity team has that Computex doesn't. So, we're looking at how can we get that down there into that customer base and how the two teams work together as they scale kind of some of their business. And so, I think it's interesting that they each have different strengths, which is great. And now we need to converge them here over the next couple of years and get the benefit of that. So, I think there certainly is there, and I think Sacha will expand on that next week.

Kevin Ford - Chief Executive Officer, Calian Group Ltd.

And Doug, great question, because I'm excited about this, and here's why. Number one is, as Patrick just mentioned, there is some complimentary capabilities between Computex and our iSecurity organizations. But the vision Sacha has, as well as now the leadership we have, and achieving more in the context of managed services and cybersecurity managed services in the context of the desktop data center recurring revenue opportunities, that by itself is exciting. And I think we're going to see some great work in the initial sitting in in some of these meetings. The synergies between the team is excellent.

The other thing I'm excited about, frankly is, if you look at Computex revenues, 25%, for example, is in the health sector. So, what can we be doing with our health tech assets going into this area? How do we start cross-fertilizing our business units into the U.S.? How do we like take advantage of technologies? They do - they have a heavy oil and gas presence as well. So, for me, the cyber and IT is exciting, but what is equally exciting to me is the opportunity now to have a footprint in the U.S. across sectors that are going to be totally relevant to all of our business units.

Q: Well, I look forward to hearing more about that next week. Shifting gears, with respect to the health unit, I'd just like to understand to what degree we should think of the COVID-related maybe one-time or temporary work still showing up in, in the numbers. I think we're all hoping that kind of work is temporary, but I just want to understand what, if any, contributions you feel you're still getting in the health unit from that kind of work, or is this now back to what you consider a baseline or normal run rate excluding COVID.

Patrick Houston - Chief Financial Officer and Corporate Secretary, Calian Group Ltd.

Yes, we had a little bit this quarter, but obviously significantly lower than we did last year, which I think is what we kind of guided our investors going into the year. So, I think we did see some activity, but it was certainly not at the same extent. So, I'd say this is kind of a more normalized run rate. We're still seeing pipeline opportunities in terms of, people want to get ready for, what does it look like post in terms of airport screening and things like that, which we could potentially participate in, but those are still longer-term opportunities, which obviously, with our track record, we hope to be able to participate in, but if we win those, we'll obviously update the market on what that means.

Kevin Ford - Chief Executive Officer, Calian Group Ltd.

Yes. And again, for me, it's interesting because what's happened over the last two years is, the strength of our health brand has just gone through the roof, frankly. And our ability, I think we're up to all over 500,000 Ontario vaccination we've done with the Nunavut. So, our health brand nationally has only gotten stronger. And so, the pipeline is new customers that are moving on from COVID. The other thing is that our psychological assessment business as well continues to be growing. So, we expect to backfill that COVID business with really our clinician services that we've had in the past, our psychological services, our contract research, our pharma business, and as well as you'll hear next week, some of the health tech exciting things we're doing on our platforms. We think that's really the trajectory that we're going to see going for health moving forward.

Q: Okay. One last question for me. I mean, bookings stand out as a strong positive here. Can you maybe break this down a little bit as to what's tied to the renewals of multi-year contracts versus what's considered kind of new business development and growth related, in particular in the health and learning units where you've got some very large multi-year contracts. that'd be helpful.

Patrick Houston - Chief Financial Officer and Corporate Secretary, Calian Group Ltd.

Yes. High level, Doug, it was about 50-50. About half of it was either extending existing contracts or renewing contracts with the existing customers we've had for a long time. So, positive there from customers still enjoy what we're doing and want to continue to work with us. And then the other half was kind of net new business across, whether it be learning or advanced technologies, which had a strong quarter. So, yes, it was a mix of both.

Q: Thanks. Look forward to next week.

Operator

Thank you. Our next question today is coming from Nick Agostino at Laurentian Bank Securities. Your line is live. You may begin.

Q: Yes. Good morning. This is [indiscernible] on behalf of Nick Agostino. First of all, congratulations on the very strong quarter, Kevin, and Patrick. So, my first question is on the large ground systems project. So, as the one in the U.S. wraps up and on the other hand, the one in Europe goes into full swing, how much of a margin lift can we expect in the Advanced Technology segment beyond the current 13% mark?

Patrick Houston - Chief Financial Officer and Corporate Secretary, Calian Group Ltd.

Yes. So, I think we're still - we're right at the end of that - the one in the U.S. So, we're wrapping that one up and it should be done here in the coming months. So, I think you're starting to see that margin uplift already. So, I think the trajectory continues to be up into the right here for Advanced Technologies, both from a gross margin and EBIDTA margin. And we're excited about some of the pipeline opportunities we're seeing for additional ground system business. So, we're hoping in the next few quarters, we're able to secure more business for the end of this year and into next year. So, I think the trajectory is going to continue.

Q: Okay. That's very helpful. And just following up on the previously asked questions in the health segment. So, first of all, is the company post Q1 seeing any uplift from the - from stronger demand from Omicron-related health services? And apart from that, what kind of a normalized margin range should be thinking of once all of the COVID-related revenue subsidies?

Patrick Houston - Chief Financial Officer and Corporate Secretary, Calian Group Ltd.

Yes. I think we didn't have any very significant COVID revenue this quarter. We had a small amount, but it wasn't significant. So, I'd say, minus those things, I think we can maintain the margins kind of as you see them no, plus or minus a few percentages here. And then obviously, as we win new business, we're trying to do it at a higher margin. So, I think again holding for now and then longer term improving as we introduce kind of new health tech services and more pharmaceutical business.

Q: Okay. And just one last question from my end. So last quarter, I believe, Kevin, you mentioned how the company was largely able to successfully navigate around having trained staff shortages. any thoughts on staff shortages right now? And is the company seeing any higher wages being offered to workers as a result? Thank you.

Kevin Ford - Chief Executive Officer, Calian Group Ltd.

Yes. Thanks. And I think the whole industry now in certain pockets of talent - I'm working with Sue Ivay, our Chief Human Resource Officer on delivering, the tiger team on this almost daily now. there's definitely pockets where we're seeing increased demand, increased competition, for sure, Software Engineering, certain elements of our healthcare practice. But what we're doing, we're really trying to take a proactive approach on both - on our retention of our staff, as well as looking at new mechanism, how to attract people to Calian. So, I frankly, we're dealing with what every tech company is dealing with now. we're seeing some increase and again in certain areas.

And so far, as Patrick explained earlier, we've been able to manage that. And to be honest, the exciting part about Calian is that when people understand what we do and our core purpose of helping the world communicate and lead healthy lives, stay safe, that still resonates.

And I want to say that, because I think a lot of the time, everyone feels this is just a salary shootout. When we talk about the crazy innovation we've got going on across this company, being relevant in space, relevant in health tech, relevant in learning, relevant in IT, cyber, and helping the world accomplish our core purpose, we still have that as a differentiator. There's not too many companies that can offer the variety of what we do, and the opportunity for people to have those experiences. So, we're still trying to lean heavy on that versus just trying to cut bigger checks every time this goes up. So, yep, we're absolutely living with it. We're working through it.

There's certain areas that are a daily challenge, but I think overall, the team's been doing a good job getting through it. And where we have capacity gaps, our team's just been stepping up to make sure we don't miss our customer requirements. So, again, credit to the team. So, we're working through it and hopefully, we'll start to see some sanity get back into the market soon over time, but we're also cognizant that this could be going on for a period of next year or so.

Q: Okay. That's great color. Thank you again.

Operator

Thank you. [Operator instructions]. Our next question today is coming from JF Lavoie at Desjardin Capital Markets. Your line is live. You may begin.

Q: Hey, good morning, gentlemen. Patrick, I was wondering, you mentioned that the large satellite ground system contract was coming to an end soon. So, I was just wondering if you could update us on the, let's say the impact on working capital for Q2 and maybe Q3, please.

Patrick Houston - Chief Financial Officer and Corporate Secretary, Calian Group Ltd.

Yes. So, we've got two sides left, JF. So, we're getting right to the end here. We didn't make significant progress on the working capital in this past quarter. We're expecting probably around 13 million to 15 million to come in in our Q2 and then about similar amount in Q3. So, I think it's coming back. It's obviously taking a huge step back from disposition last year where the working capital was north of 60 million. So, I think it's brought back and we should be able to close it off in the next two quarters.

Q: Okay, perfect. Thank you very much. And then looking at the expansion that you're planning in tech, I was wondering if you could talk a bit more about the pipeline of opportunities. You seem quite excited about all the contracts that might be win by advanced tech. So, just wondering if there's any more color that you could provide in that time.

Patrick Houston - Chief Financial Officer and Corporate Secretary, Calian Group Ltd.

Yes. Advanced tech pipeline. So, I think, yes, we're seeing strength. I mean, our software businesses, we're completely pinned. We've got more work than we can do. So, to Kevin's point on staffing, we're trying to bring in more capacity there. Very busy on the ground system bidding. So, we're waiting to hear whether we're successful on some of those, and our GNSS antennas is again, kind of - we're trying to catch up to the capacity in terms of demand. So, I think those are good positions to be in. now we just need to get there and deliver.

Kevin Ford - Chief Executive Officer, Calian Group Ltd.

Yes. And it's great with our advanced tech business, because you were talking about Calian's four-piston engine, but if Pat Thera was here, who runs that group, he'd talking about the four-piston engine and all the things that we're doing in advanced tech. So, integrating continues to do well. Our nuclear business, we're becoming the company to go to for small module reactor consulting.

And you've got our Engineering Services. I've mentioned the defense program we're dealing with on inventory management, ground systems, software, GNSS, antennas. Frankly, I could probably speak this whole conference call on what's going on with advanced tech, as I could with each of one of our segments. So, we're still pretty pumped on what's happening there, as we are with all of our segments. And that's why I'm just so excited about trying to get to the investor day next week and give you folks an update because it's - we're well overdue for an update, and I think people will be excited with what they see.

Q: That's great. I'm looking forward to it. And then Patrick, looking at all those opportunities, assuming that you have a fairly successful win rate on those, looking at the margin profile, the advanced tech for next year, let's say, would it be fair to expect something going back to historical margin profile of 15% to 17%? Is it achievable, you think?

Patrick Houston - Chief Financial Officer and Corporate Secretary, Calian Group Ltd.

I think it depends on the mix of the business that we win. Some of it is closer to margins where it is today and others it's significantly higher, like in our GNSS antennas, et cetera. So, I think it depends on mix, but I certainly think that it's an achievable one based on the pipeline that we have.

Q: Okay. That's great. And one last for me. On the health front, the margin profile was very, very strong. Kudos to the team. So, I was just wondering, do you think it's sustainable as we progress through FY'22?

Patrick Houston - Chief Financial Officer and Corporate Secretary, Calian Group Ltd.

Yes. like my earlier comment, I think longer term, as we introduce kind of health tech and more CRO business, I think it is. We might see some temporary step back a little bit, depending on some cost profile, as Kevin has spoken to. But I think longer term, I think we can maintain it and grow it over time.

Q: Okay. That's great. Thank you very much, and looking forward to the investor day, gentlemen.

Operator

Thank you. We have no further questions in the queue at this time. I would now like to turn the call back to Kevin Ford for any closing remarks.

Kevin Ford - Chief Executive Officer, Calian Group Ltd.

Okay, great. Thank you, Kate, for facilitating the call. Much appreciated. Thanks for everyone who attended. I hope you're sensing the enthusiasm in my voice. I hope you're sensing my continued passion for all the crazy good things that are happening here. And I hope you're also sensing the passion I have for our team to continue to work through incredible challenges. So, really, this is where you want to highlight again, February 16th, 10:30 a.m. Eastern. Don't miss it.

Be there, because we've got a lot of good things happening. Michelle, our CCO, is working with her team to give you an update across all of our segments. And even more importantly, you're not going to hear much from me. You're going to hear from all the crazy innovators that we have here at Calian, the talent, and we're going to expose those to our investors probably for the first time. So, look forward to that discussion. Hopefully see you all on February 16th. And with that, Kate, we can close the call.

Operator

Thank you. Ladies and gentlemen, this does conclude today's event. You may disconnect at this time and have a wonderful day. We thank you for your participation.