BlackBerry Limited

Second Quarter Fiscal Year 2021 Results Conference Call

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PRESENTATION

Operator

Good morning and welcome to the BlackBerry's Second Quarter Fiscal Year 2021 Results Conference Call. My name is James and I will be your conference moderator for today's call. During the presentation all participants will be in listen-only mode. We will be facilitating a brief question-and-answer session towards the end of the conference. As a reminder this conference is being recorded for replay purposes.

I would like to turn the call over to Tim Foote, Investor Relations. Please go ahead.

Tim Foote

Thank you, James. Good morning and welcome to BlackBerry's second quarter fiscal 2021 earnings conference call. With me today on the call are Executive Chair, and Chief Executive Officer, John Chen; and Chief Financial Officer, Steve Rai.

I'll start reading our cautionary notes regarding forward-looking statements. John will provide a business update, and Steve will review the financial results. We will then open the call for a brief Q&A session. This call is available to the general public by call-in numbers and via webcast in the Investor Information section at blackberry.com. A replay will also be available on the blackberry.com website.

Some of the statements we will be making today constitute forward-looking statements and are made pursuant to the Safe Harbor provisions of applicable US and Canadian Securities laws. We will indicate forward-looking statements by using words such as expect, will, should, model, intend, belief, and similar expressions. Forward-looking statements are based on estimates and assumptions made by the company in light of its experience and its perception of historical trends, current conditions, and expected future developments, as well as other factors that the company believes are relevant.

Many factors could cause the company's actual results or performance to differ materially from those expressed or implied by the forward-looking statements. These factors include the risk factors that are discussed in the company's annual filings and MD&A including the COVID-19 pandemic. You should not place undue reliance on the company's forward-looking statements. The company has no intention and undertakes no obligation to update or revise any forward-looking statements except as required by law.

As is customary during the call, John, and Steve will reference non-GAAP numbers in their summary of our quarterly results. For a reconciliation between our GAAP and non-GAAP numbers, please see the earnings press release and supplement published earlier today, which are available on the EDGAR, SEDAR, and Blackberry.com websites.

And with that I will now turn the call over to John.

John Chen

Thanks Tim. Good morning everybody and thank you for joining us. I hope everybody is safe and well. This past quarter we delivered strong revenue and EPS results, beating expectations, despite the continued challenges related to COVID-19. I will start with financial highlights in the quarter and then move onto business commentary. As usual I will reference our financial performance in non-GAAP numbers.

BlackBerry reported total revenue of $266 million, increasing both sequentially and year-over-year. The core Spark platform performed well maintaining the work from anywhere momentum from Q1. QNX continued to be negatively impacted by the temporary slowdown in auto production, but we are seeing signs of recovery - More on this later. As we mentioned during our first quarter earnings call, we anticipated Licensing to have a strong second quarter, and it did, reporting revenue of $108 million. Second quarter total company billings showed strong sequential growth in all parts of the business, except for QNX which remained flat sequentially.

Gross margin increased by six percentage points sequentially to 78%, due to the revenue mix. Earnings per share came in at $0.11. Cash generated from operations was $31 million. Total ending cash and investments as of August 31st was $977 million. The company continues to be financially healthy and in a strong position to focus on our long-term strategy.

Let me start now by providing business commentary with the Software and Services group. Revenue for the quarter was $158 million. ARR was approximately $486 million. Dollar based net retention rate was 92%. Net customer churn was approximately 3%. Billings growth was strong sequentially at 23%.

As I mentioned earlier the core component of the Software and Services group is Spark. The Spark Suite combines BlackBerry Unified Endpoint Management (UEM), and Unified Endpoint Security (UES) in one single pane of glass.

The Spark Suites were launched at the end of our first fiscal quarter and since then customer interest has been strong and demand is growing. In the quarter a number of high-profile customers purchased our Spark Suites, including the United States Air Force, which upgraded over 90,000 users from UEM to the Spark Suite. Other wins include UK Ministry of Defence, the Royal Canadian Mint, Banco de Mexico, New Zealand Ministry of Foreign Affairs and Trade, Rolls Royce, Lloyds Bank, Societe Générale, and Mitsubishi to just name a few of them.

Given this early success in upgrading customers to our Spark Suites, we are optimistic about being able to secure a significant number of further upgrades from the rest of our install base. In parallel, we are also aggressively targeting new logo customers, more on that later.

BlackBerry continues to have the trust of governments around the world. During the quarter our UEM Suite was added to the Department of Defense Information Network Approved Products List (DoDIN APL). BlackBerry is the only UEM vendor that has achieved this level of approval to date. This achievement is based on the completion of cybersecurity and interoperability certifications. This approval will provide us better access and a more streamlined approval process. This should naturally lead to greater revenue opportunities going forward. The latest release of UEM has also recently achieved NIAP accreditation.

We have recognized the strong industry wide demand for Managed Detect and Respond Services known as MDR. Frost & Sullivan recently estimated the MDR market to have a CAGR (compounded annual growth rate) of 16%, as well as annual revenue to reach about $2 billion by about 2024. Our MDR offering, Guard, while relatively new, continues to perform well. To take advantage of this opportunity we plan to greatly enhance our channel programs. Certified partners will be able to deliver managed services and threat hunting on our AI driven cybersecurity solution, greatly increasing our scale. This will differentiate us against our major competitors who prefer to provide all the services themselves.

Moving onto BTS. As you know, much of the be BTS business is reliant on the strength of the auto industry. The largest piece of the BTS business is QNX. We have recently seen some recovery in the production volumes from the very low levels during our first fiscal quarter. This makes us optimistic that the BTS business will show sequential revenue improvement and could be close to normal early next fiscal year. Despite auto production volumes being down, QNX continues to win new designs and develop significant partnerships. In the quarter we had 19 new design wins: 5 in Auto and 14 in the General Embedded Market (GEM). Alongside infotainment the new auto wins in the quarter include designs for digital cockpit, instrument cluster, and domain controller, which all typically have higher ASPs or average selling price. The new GEM wins include designs for a next generation blood analyzer, next generation factory robotics, and also with Schneider Electric for a solar solution gateway.

Furthermore, we are pleased to announce that together with Desay SV Automotive, we have developed the autonomous driving domain controller for Xpeng Motor's new P7. It's a high-performance Electric Vehicle. Xpeng, as some of you may know, recently listed successfully on the New York Stock Exchange and is one of China's leading electric vehicle manufacturers.

QNX will also be used by StradVision, an industry leader in AI -based camera perception technology, in a number of next-generation ADAS and Autonomous Vehicle systems from South Korea automakers. QNX remains in a very strong position for the medium and long term, despite the short-term macro challenges.

Moving on to AtHoc, our Critical Event Management platform that helps protect people and keep businesses up and running. This market is large and growing and our technology is already well-proven in Federal Government sectors. We see significant growth opportunities within both Federal and State Government as well as in the enterprise. New wins in the quarter include the New York Stock Exchange, the Office of the Director of National Intelligence and the Edmonton Police Service. During the quarter we were awarded a new Authority to Operate, or ATO, for the US Department of Transportation, bringing the total to 14 for BlackBerry AtHoc's FedRAMP Cloud.

This was also a strong quarter for our high-security SecuSUITE voice and messaging offerings, where we both strengthened our position in the United States and extended our leadership position in Germany.

Major wins in the quarter included the US Department of Homeland Security, the US Internal Revenue Services and the United States Federal Emergency Management Agency, FEMA. These contracts were publicly awarded through our partner, CACI. Secusuite also received a Government of Canada security certification, clearing the way for us to provide this technology to the Canadian government at large. Including Canada, BlackBerry Secusmart technology is now used by 17 governments around the world.

We had spoken about our focus on go-to-market for some quarters now. Go-to-market has many components and it has taken time to get all of them optimized. Bringing in some new talent is just part of the process and we did that successfully, along with making sure mindset and incentives aligned to our growth plans. Equally as important, we have also revamped our customer success and marketing programs, as well as our partnership and channel programs.

A good example of progress we have made, that I would like to cite, is in channel programs. As you all recall, in our device days (i.e. making hardware) we had strong relationship with TELCOs and they are becoming increasingly interested in our UEM, UES, and AtHoc products. We recently announced a partnership with TELUS to resell our secure AtHoc critical event management solution across Canada. This partnership adds to our previously announced partnerships with Bell and Vodafone.

So, things are coming together nicely across all the components of our go-to-market. We are now seeing results and an increase in both new business pipeline and conversion rates.

Moving on to the Licensing and Other. Revenue for the quarter was $108 million, as I mentioned earlier. The majority of Licensing revenue comes from our IP Licensing business.

So with that let me turn the call to Steve to provide more details about our financial performance.

Steve Rai

Thank you, John. My comments on our financial performance for the fiscal quarter will be in non-GAAP terms unless otherwise noted. Please refer to the supplemental table in the press release for the GAAP and Non-GAAP details.

We delivered second quarter Non-GAAP total company revenue of $266 million and GAAP total company revenue of $259 million.

Second quarter total company gross margin was 78%, versus 75% reported in the second quarter of fiscal 2020. The increase is primarily due to the strong performance of our Licensing business this quarter, as expected.

Our Non-GAAP gross margin includes software deferred revenue acquired but not recognized of $7 million and excludes stock compensation expense of $1 million. Second quarter operating expenses were $144 million. We continue to invest in our go-to-market strategy, as John described, while at the same time keeping control over our operating expenses given the level of uncertainty in the macro environment.

In addition, our Non-GAAP operating expenses exclude: $32 million in amortization of acquired intangibles; $8 million in stock compensation expense; $3 million for software deferred commissions expense acquired; $1 million in restructuring costs; An $18 million charge related to the fair value adjustment on the convertible debenture; and a $21 million impairment of Long-lived assets, related entirely to real estate. Given the recent experience in working from home, we've identified efficiencies in how much office space we need going forward.

Second quarter Non-GAAP operating income was $63 million, and second quarter Non-GAAP net income was $62 million. Non-GAAP earnings per share were $0.11 in the quarter. Our adjusted EBITDA was $81 million this quarter excluding the Non-GAAP adjustments previously mentioned. This equates to an adjusted EBITDA margin of 30%.

I will now provide a breakdown of our revenue in the quarter. Software and Services revenue was $158 million. Software product revenue remained in the range of 80% to 85% of the total, with professional services comprising the balance. The proportion of software product revenue that was recurring remained approximately 90%. Licensing revenue was $108 million.

Now moving to our balance sheet and cash flow performance. Total cash, cash equivalents and investments were $977 million at August 31, 2020, an increase of $22 million from May 31, 2020. Our net cash position was $362 million at the end of the quarter. Second quarter free cash flow, before considering the impact of acquisition and integration expenses, restructuring costs and legal proceedings, was $29 million. Cash generated from operations was $31 million and capital expenditures were $2 million.

That concludes my comments. I'll now turn the call back to John for additional comments.

John Chen

Thank you, Steve. After the end of the quarter BlackBerry completed the early redemption of the existing $605 million of convertible debentures and issued $365 million of new convertible debentures. This represents a $240 million reduction in debt and interest expense savings of approximately $16 million, on an annualized basis. The terms of the new convertible debentures are competitive with the available terms for a marketed offering at the time the refinance was announced. The Board undertook a lengthy process to consider a range of refinancing options and sought independent financial and legal advice. The level of potential dilution before and after the refinancing is essentially the same. The new 3-year convertible debentures give the Company additional liquidity during this uncertain pandemic period and flexibility to continue to invest in the business and strategy, should suitable opportunities present itself. We anticipate being free cash flow positive for the fiscal year.

As in the previous quarter we are not providing a detailed financial outlook for fiscal 2021 due to the ongoing uncertainty from COVID-19. However, we can provide the following directional statements.

We continue to expect total Company revenue for the year to be around $950 million, as we indicated last quarter. Given the strong performance of the Licensing business this quarter we expect Licensing revenue to finish the fiscal year modestly above the $250 million mark that we mentioned in the last earnings call. For Software and Services, excluding BTS, we expect slight revenue growth in the second fiscal half versus the first fiscal half. For BTS we expect revenue to sequentially improve during the second half of the fiscal year and to return to its normal run rate early next fiscal year.

I would also like to take this opportunity to highlight two product development items which we feel very excited about. We expect by the end of the year that our Unified Endpoint Security (UES) Suite will be available as UEM agnostic. UES is the combination of the best of BlackBerry security including Mobile Threat Defense, a Secured Web Gateway and the Cylance next-generation AI and machine learning. We believe that this will greatly expand our addressable market because new logo customers will be able to benefit from the high level of security that BlackBerry UES delivers without having to replace their UEM platform.

On now our Critical Event Management platform, AtHoc, which is the second product-related announcement, I'd like to highlight that we also made great progress. We've recently announced the release of our BlackBerry AtHoc Public Safety Edition and BlackBerry AtHoc EU Cloud. These developments will further strengthen our ability to compete with the major competitor in the space.

This quarter has shown that despite the challenges of COVID-19, the Company has been able to deliver strong sequential billings and revenue growth and profitability. Further, the Company continues to strengthen all the elements of its go-to-market, building strong partnerships and position ourselves for the long-term. We remain confident that our technology is strong, the markets we compete in are large and growing, and we're excited about our execution.

I would like to now open for Q&A, operator could I have your assistance please.

Operator

And we will now begin the question-and-answer session. We request that you limit yourself to one question and one follow-up. And our first question for today will come from Daniel Bartus with from Bank of America. Go ahead please your line is open.

Daniel Bartus

Hey good morning guys thanks for taking the question. First, impressive out-performance on the licensing line this quarter. I was wondering if you could just remind us what is the recurring base that we should think about there going forward and is the strategy still striving for recurring new deals versus one-time deals?

John Chen

Yes, so the strategy is absolutely about driving recurring deals over one-time deals. We estimated roughly the combination of that, the healthy portion of recurring to be roughly about $50 million a quarter. That's what we're normally gunning for and give and take we're looking for $250 million a year in licensing revenue.

We don't always get to that. The difficulty is that we don't always get all the revenue coming in as recurring. For Q2, for example, the deal unfortunately is a one-time deal but it will recur a number of years down the road, so it's not one time forever but it is recurring, but it is not an annual recurring deal the way you think about it. It will probably come back three years from now, or something like that, so it is all different depending on the customer.

Daniel Bartus

Got you that's really helpful and then for my follow-up I just want to understand the dynamics of the ARR. It looks like it's down a little bit quarter-over-quarter versus the business improving quarter-over-quarter, so just on the ARR piece can you kind of help me think about which pieces of that grew quarter-over-quarter and maybe where the pressures coming from on the ARR in 2Q, thank you.

John Chen

Yeah, we have lost some of the business base, the small medium enterprise, due to COVID-19. They either delayed or they have gone to a lower cost solution. We typically see us pretty solid in the bigger company and bigger organization.

Daniel Bartus

Okay thank you.

John Chen

Sure.

Steve Rai

I would also add that QNX also contributed to the decline in that metric.

John Chen

Yeah, that's a good point, QNX also contributed to the decline. Yes, that's a good point.

Operator

Our next question comes from the line of Mike Walkley from with Canaccord. Go ahead please your line is open.

John Chen

Hi Mike.

Mike Walkley

Hi John, thanks for taking my question. Just following up on when you talked about the second half software services revenue recovering versus the first half, can you maybe rank for us the biggest contributors to the recovery? E.g. the QNX auto production restarting or maybe some other businesses that you're seeing growth in also.

John Chen

Yeah, so we are actually, I guess cautiously bullish that's probably the better word, about pretty much all lines of our business. Of course, IP will not have the same repeat, but IP is exactly where we think it is going to be. So, on QNX, with the continued design wins we could now see the activities in the developer seats, that will hopefully bring us more professional services opportunity and then as well the return of production will give us an uptick in royalties. I think it is going to be modestly increasing, I mean there will be a number, Q3 numbers will be a little better than Q2 and Q4 will be a little better than Q3 and then we will start going back to a normal state and you're probably asking what the normal state is. It is probably around $50 million per quarter, early next fiscal year.

So, that's one component. We see a lot of demand on Secusuite. Work from home has actually also driven a higher demand and sensitivity about secure messaging technology as well as secure voice technology. We're seeing quite a bit of demand out there and lots of pipeline.

We feel good about our execution on the Spark side. Tom and team are doing very well and I mentioned in my script that we're seeing good demand from customers who upgrade from our UEM. We're very interested in that and our suites are quite elaborate because we have six different pillars and you could go from one to six and so that even if you come in at one they give us good upsell opportunities down the road. Customer engagement is very good, our customer success teams are doing well.

So, and then of course, AtHoc. This is now quite topical in the market as well. So, without getting way overly bullish, I am still cautious about people spending capital and all that multiple factors have shown some of that cautiousness, but overall, our pipeline is growing nicely, our engagement seems to be growing quite nicely. We're all getting used to selling remotely, so to speak. So, knock on wood, things seem to be coming together.

Mike Walkley

Okay, thanks that's helpful. And just a follow-up question since you mentioned AtHoc. Can you just update us on your very strong position with Federal governments? How do you see that platform transitioning more into the enterprise and now that the go-to-market is there, how do you see that transitioning to compete better in that segment, because that can be quite a large opportunity also?

John Chen

Yes, yes very much so. So, we have traditionally been very strong with Federal governments, particularly in the United States, and then of course lately we added Canada. I think this is an opportunity that is scalable in all the other countries around the world, especially the G7, the EU, and so forth. The EU also have very strong opportunities because of the data privacy laws and the alert system that they would need and lifecycle systems they need. Work-from-home also gives us some kind of demand generation. So, we just need to get the team together to go after all these opportunities. There isn't a lack of opportunities out there. Eventually we'll get to the enterprise side. We do have a plan to do that, but right now, as we speak today, we have two teams focusing on government, in addition to the US government and the Canadian government and hope to replicate the same level of success.

Mike Walkley

Great thank you.

John Chen

You're welcome. Oh, I forgot to mention state government that's also a very big. State government is a little bit more price sensitive, but it is still a big opportunity out there. Especially now people know about the pandemic situation and you have got to get ready for any kind of event out there. Good or bad for that matter.

Mike Walkley

Yes, makes sense thank you.

John Chen

Sure.

Operator:

Our next question comes from the line of Trip Chowdhry from Global Equities Research. Go ahead please your line is open.

John Chen

Hi Trip

Trip Chowdhry

Thank you, thank you. Very solid quarter.

John Chen

Thank you.

Trip Chowdhry

And solid execution. I have two very quick questions. First is your solid win with XPeng. Could you give us an update? OTA is now a very essential part of any modern vehicle. Is QNX or BlackBerry providing XPeng with over the air update features?

John Chen

I don't know that specific. I know we worked with our partners on the cockpit platform. QNX has a very good OTA and one that a couple of chip manufacturers are using, so as it related to XPeng I don't know that specific. We could find out the answer for you, but I don't have that data.

Trip Chowdhry

The second one is regarding AtHoc. This also had solid wins. I was wondering if you can highlight one or two technologies that makes AtHoc better than your competitor Everbridge

John Chen

Right. Thank you. I think they hold true to our value-add and heritage. AtHoc, the reason why we're successful in the Federal government is because of our level of security certifications. Also, we are pretty sure that the AtHoc messaging system, although its slightly more expensive than others, is the most secure messaging system. I.e. that people cannot change messages, or hack into the messaging system to change what's being sent out and return messages, and so forth. It's two-way communication, obviously so. The advantage that AtHoc provides is absolutely in the security and the privacy side.

Trip Chowdhry

Beautiful. Excellent. Thank you very much and all the very best.

John Chen

Thank you, Trip.

Operator

Our next question comes from the line of Daniel Chan from TD Securities. Go ahead please. Your line is open.

John Chen

Hi Daniel.

Daniel Chan

Hey John. It sounds like your sales channel efforts are starting to bear fruit. Where do you think you are in building out that sales channel and what else is there left to do?

John Chen

I feel pretty good. So, you know that I have been working on this for the last couple of years and I have had a couple of false starts. But this time around, as I pointed out, it's a very elaborate group of multi-disciplined collaborations, and it has to all come together in order for it to work well. It's not just about adding more people on the street. As I said earlier the incentive plans and the assigned territorial assignments, and it goes into the partner, and the channels, and everything. Marketing, everything that comes together. I feel very good about where we are. We should see equal or better than market growth rate next year assuming things in the macro market doesn't deteriorate from where it is today. We see our pipeline growing. The people are more engaged in a, how should I say, in a prescriptive way. Maybe that's the way to say it, the training that came through. So, I feel pretty good about that and we have some really strong plans. Even inside our sales force regarding how we look at renewal, with new logos, and it is all factored in that. So, I would say that now we just need to see the work - add some results.

Daniel Chan

Okay that's helpful. Thanks John. And then I wanted to switch gears a little bit to Cylance. It's been almost a year since you launched the EDR solution that was supposed to close the gap with some of your competitors. So, I just want to get an update from you to see how that EDR solution is growing and if there is anything else that needs to be done to make that successful?

John Chen

Yeah, thanks. So, the Cylance business is rather flattish and again in EPP we're the leader. In EDR we caught up with the competition. There is one piece that is missing that will kick it into a growth gear, which is the cloud enablement of the Optics product, which is the EDR product. That will come through either towards the end of this calendar year, or beginning of next calendar year. We've already got the sales force priming to sell it. So that will also be an element that will help the MDR side, the managed service side, also. So that's the only thing that is missing right now. Everything else they're caught up.

Daniel Chan

Great. Thank you.

John Chen

Sure.

Operator

Our next question comes from the line of Paul Treiber with RBC Capital Markets. Go ahead please. Your line is open.

Paul Treiber

Hey John. A couple of high-level questions. One just following off of the last question. When you look at the peers in the space, specifically UEM and cybersecurity, with COVID they are seeing acceleration. A material acceleration in growth. In comparison it seems that BlackBerry has not seen that same magnitude of growth acceleration. And so, what in your view is the reason why BlackBerry isn't seeing material growth acceleration in UEM and cybersecurity at the moment?

John Chen

Well we've seen some good growth in UEM, mostly coming from the installed base with people buying more seats. We did see that activity. Now we're focusing on upgrading them to UES, so that they could use the Cylance technology, and the gateway technology, and maybe it's the reason about where we are in the sales motion. As I said we feel good about the recent activity. We feel good about the wins, of which I have named a few. So, it really does have a little bit of a time lag and as we fix up our engine, and then the product releases of the UES, and all that. But we don't see any problems with the UEM side. People are buying more seats, but new logos are harder to come by. But the existing installed base, the growth is quite reasonable I would say.

Paul Treiber

And so, I take it as implying that you expect to hold market share in both those markets in the medium term?

John Chen

Yeah, we are holding our market share and we have a plan, a reasonably good plan to go after new logos with the UES platform. One of the ways to do that is to make the UEM in all states, but on the UEM side we are going to push more on the cloud base implementation. So, we have a little plan on both, one from the installed base, and one for new logos.

Paul Treiber

And just my last question and it sort of dovetails into that but longer term it looks like you're making a more permanent shift to work from home with the real estate changes that you've done. Do you think that there is a permanent shift for all companies to work from home or you see it's temporary? And if there is a permanent shift to work from home, then how you're adjusting BlackBerry's longer-term strategy to really drive that or address it. Is cloud much more important in a work from home environment?

John Chen

Yeah cloud and mobility. And mobility is kind of where our strength has always been. To answer your first question, personally I believe if everybody works from home forever, it will hurt productivity, it will hurt innovations, but I think there will be a hybrid model that is being developed. There are a lot of very well-known CEOs, and I think that was a Wall Street Journal article yesterday or earlier this week, interviewing them, and most of them have said that they probably wanted either everybody go back to work, or a hybrid of sorts. So, either trend is something that we could benefit from. We could benefit because I think whether you're working from home or you are doing it at the office, or remotely, you will deal with mobility. And so secure mobility, endpoint mobility and endpoint security is definitely something that we don't need to change our product roadmap, or adjust it. Whether we're doing messaging, so critical event management, or UEM, or the UES side of equation. Our platforms serve just fine for either usage. I think I look at this thing as mobile computing and securing their mobile computing in as many facets as possible to help productivity. To help assure data privacy, and all that. It's something that we do, and we do best, so there will be good space for us.

Paul Treiber

All right. Thank you.

John Chen

Sure.

Operator

And I would like to turn the call back over to John Chen, Executive Chair and CEO of BlackBerry, for closing remarks.

John Chen

Okay. Well thank you. So, the only thing I have is that I would like to remind everybody that we have our BlackBerry Annual Security Summit. I think this is the 7th one, on October 5 to 7. This virtual event will feature live and on-demand session including keynote address with BlackBerry executives, product demos, and case study. We have exciting outside speakers lined up, including a high-level US Government official who will speak about Cybersecurity legislative developments, and a distinguished industry analyst from Gartner who will talk about the market in more detail.

More details on the speakers and events can be found on our website BlackBerry.com/SecuritySummit. This event will help demonstrate why BlackBerry is so important and critical in today's Cybersecurity landscape. We hope to see many of you there. Thank you very much for joining us for the call today and have a great day.

Operator

This concludes today’s call. You may now disconnect.