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Barry Deutsch – Chief Financial Officer
Allison Wey – Senior Vice President of Investor Relations & Corporate Communication
Zach Sachar – Piper Sandler
Ed Chung – Jefferies
Daniel Busby – RBC Capital Markets

Operator

Ladies and gentlemen, thank you for standing by and welcome to the Xeris Pharmaceuticals Second Quarter Financial Results Conference Call. At this time all participants are in a listen-only mode. After the speakers' presentation, there will be a question-and-answer session. [Operator Instructions]. Please be advised that today's conference is bring recorded. [Operator Instructions]. I'd now like to hand the conference over to Allison Wey, Senior Vice President of Investor Relations and Corporate Communication. Ms. Wey, please go ahead.

Allison Wey

Thank you, James. Good morning and welcome to Xeris's Second Quarter and First Half 2020 Financial Results and Corporate Update Conference Call. A press release with the company's second quarter and six months 2020 results was issued earlier this morning and can be found on our website.

We are joined today by Paul Edick, Chairman and CEO; and Barry Deutsch, CFO. Paul will provide opening remarks, and Barry will review the financial results, then we will open the line for questions.

Before we begin, I'd like to remind you that this call will contain forward-looking statements concerning the impact of COVID-19 on Xeris's business practices, Xeris's future expectations, plans, prospects, clinical approvals, commercialization, corporate strategy and performance, which constitute forward-looking statements for the purposes of the safe harbor provision under the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by these forward-looking statements as a result of various important factors, including the effect of uncertainties related to the COVID-19 pandemic on the U.S. and global markets, Xeris's business, financial condition, operations, clinical trials and our third-party suppliers and manufacturers, and other risks, including those discussed in our filings with the SEC.

In addition, any forward-looking statements represent our views only as of the date of this call and should not be relied upon as representing our views as of any subsequent date. We specifically disclaim any obligations to update such statements. I will now turn the call over to Paul.

Paul Edick

Thanks Allison, and thank you everyone for joining us today.

First, I want to emphasize that we had an outstanding second quarter that was marked by several important achievements despite the continued pandemic related challenges and civil unrest. We recorded approximately $2 million in net sales for Gvoke. We grew Gvoke Pre-Filled Syringe prescriptions over 72% from the first quarter and continued to outpace the market. We had over 75% of commercially insured covered – commercially insured lives, covered with unrestricted access to Gvoke PFS by the end of the quarter.

We have an established strong base of Gvoke prescribers and increased new writers of prescriptions by 1,000 from the first quarter. We invested in programs to support our customers and serve as a strategic launch pad for the Gvoke HypoPen. We reported positive results from four of our clinical programs. We singed supply agreements with Clinigen for Gvoke ex-U.S. on a named patient basis, and we raised $109 million to fund our business for the long term.

Let's take a closer look at some of these accomplishments.

As I just said, we were pleased with our Gvoke commercial performance in the face of the ongoing pandemic and believe it reflects strong demand for our products, as well as our team's commitment to assure access to Gvoke for patients.

As you know, towards the end of the first quarter we swiftly moved to a virtual customer engagement model and invested in several programs to ensure that the diabetes community would continue to have easy and convenient ways to access Gvoke Pre-Filled Syringe, such as a zero dollar copay and the establishment of a hub to assist our healthcare professional customers.

Importantly, achieving very high levels of payer coverage was critical to the start of good prescription growth in both the Gvoke Pre-Filled Syringe and of late the Gvoke HypoPen. Sitting here today, approximately 80% of patients across all types of insurance have unrestricted access to Gvoke.

All of these factors combined have contributed to steady growth in weekly prescriptions and has set us up for success with the Gvoke HypoPen launch.

Turning to our pipeline.

During the second quarter we reported positive topline results on four of our clinical programs, the results of which reinforce the value and potential of our XeriSol Technology. I will hit some of the highlights of each. Diazepam: We recently shared complete Phase 1b study results of our ready-to-use diazepam formulation with the FDA at an end of Phase 1 meeting. The study results and regulatory feedback from that meeting supported direct to Phase 3 registration study. We believe our novel diazepam formulation is a valuable asset and now with a predictable and expedited development roadmap we will search for a suitable partner to continue its development as a critical therapy for the epilepsy community. PBH or Post-Bariatric Hypoglycemia. The findings from the Phase 2 PBH study show that a mini-does, for example 300 micrograms of ready-to-use glucagon with adequate to restore or maintain normal blood glucose levels within 15 minutes of administration after experiencing postprandial hyperglycemia and without the need of an oral glucose tablet.

In addition, no rebound hypoglycemia was observed in the ready-to-use glucagon treatment arm. Exercise-induced hypoglycemia or EIH. Results from the Phase 2 study in EIH show that a pre-treatment with a micro-dose, 150 micrograms of Gvoke ready-to-use Micro significantly prevented EIH during prolonged, moderate to high intensity aerobic exercise in a real world setting with or without adjustment of insulin. Recall that each of these two studies, ready-to-use glucagon programs had an in-clinic and an outpatient portion. The results from the PBH and EIH Phase 2 studies demonstrated the utility of liquid stable, ready-to-use glucagon in conditions beyond rescue for severe hypoglycemia, further establishing the safety profile and utility for mini-dosing ready-to-use glucagon in a real world situation that requires some self-administration by the patient. Keep in mind there are no approved therapies for either of these conditions.

As we have said previously, our goal with these programs is to advance the use of ready-to-use glucagon for patients that will ultimately get the non-rescue mini-dose indication to the market.

Now for some key findings of ours our XeriSol co-formulation of pramlintide insulin from a Phase 2 study, and I'm going to go a little bit even slower here just to make sure people can understand what's important about this program. In Type 1 diabetes, using an oral glucose tolerance test, the hardest type of meal challenge [Audio Gap] possible. We've achieved significantly better glucose control than regular insulin alone.

Additionally, we have similar if not better glucose control when compared to co-administration of pramlintide and insulin.

We have a better glucose control and use less insulin overall. This is important, because less insulin may equate to less weight gain, less insulin resistance over time, ultimately better health outcomes and lower costs. Pramlintide within our co-formulation exhibits novel pharmacokinetic that may reduce immediate side effects of traditional pramlintide administration such as GI side-effects, while also prolong its activity to slow gastric emptying. Prolonged slowed gastric emptying may have several positive attributes, both immediately after meals such as glucose rise, as well as longer term small meals appetite reduction etcetera.

Our co-formulation has an onset of activity that is similar to both regular insulin and co-administration.

Additionally, when compared to both regular insulin and co-administration, pramlintide exhibits a more predictable PK that reduce hypoglycemia risk initially after administration, yet at the same time better blood glucose control immediately and hours after the meal.

Our co-formulation offers a unique PK/PD profile with characteristics of an ideal meal time insulin product. This profile would be beneficial in both the Type 1 and especially Type 2 diabetes populations. We anticipate end of Phase 2 meetings before the end of the year for PBH, EIH and pramlintide-insulin programs and report the outcomes of each.

As with our diazepam program, we plan to seek a partner for our pramlintide insulin program to take development forward post meeting with the FDA.

Turning to current events. We started the third quarter with the launch of Gvoke HypoPen on July 1.

As I stated earlier, we had many of the pieces in place for a successful HypoPen launch that we didn't have when we launched the Pre-Filled Syringe at the end of last year.

In addition to the zero dollar co-pay program, the HUB and outstanding broad unrestricted market access, our sales force has now established relationships and has become very efficient and effective in this new virtual environment. Patients and healthcare professionals have a better understanding of the benefits of Gvoke and we're launching into a pandemic version of back-to-school season, which historically has seen a bump in prescriptions.

We also have optimized our sales territories, refined our messaging and fine-tuned our marketing initiatives, such as digital advertising, use of social media and virtual dinner meetings to name a few. We like to think that the pre-filled syringe launch was the on-ramp to the novel HypoPen launch. It's early, only one month of data since the launch, but we are experiencing – we are extremely encouraged by some leading indicators, such as very significant shipments from wholesalers to retailers that are outpacing TRx's thus far.

For the week ending July 31, IQVIA reported over 1,000 TRx's Gvoke, the majority of that being HypoPen.

As is typically true, especially in the launch phase, prescriptions in units are as reported by third party sources such as IQVIA readily match-up. Such differences are likely due to the estimated nature of these third party prescription numbers and the timing of purchases by customers. Gvoke is also not the kind of product that sits on the retail shelf.

So it may take a day or two to get it from the pharmacy once the prescription has been presented.

However, we are confident that with the high volume demand, patients should not have trouble getting their Gvoke HypoPen or Gvoke Pre-Filled Syringe. I'll offer a brief summary before I turn it over to Barry. We had a great second quarter.

We are seeing early success for Gvoke HypoPen launch; we are advancing our pipeline programs continuing to add new opportunities through our development pipeline.

We have enough cash to get the cash flow positive and I believe that we have a very strong – fundamentally very strong company. With that, I'll turn it over to Barry to go over the financials.

Barry Deutsch

Thanks Paul. Total net sales of Gvoke Pre-Filled Syringe and Gvoke HypoPen were $2 million and $3.7 million for the three and six months ended June 30, 2020 respectively. Net sales in both periods include a small amount of Gvoke HypoPen sales, in anticipation of the commercial launch of Gvoke HypoPen in July 2020. Net sales represent gross product sales less estimated allowances for patient co-pay assistance programs such as the $0 co-pay programs which Paul referred; prompt pay payment discounts, payer rebates, chargebacks, service fees and product returns, all of which are recorded at the time of sale to pharmaceutical wholesalers. Cost of goods sold for the three months ended June 30, 2020 was $1.3 million, which included under absorbed overhead costs of $0.7 million and charges related to excess and obsolete inventory of $0.3 million. Cost of goods sold for the six months ended June 30, 2020 was $3.1 million, which included $1.5 million related to excess and obsolete inventory and under absorbed overhead costs of $1.2 million. Manufacturing cost for Gvoke incurred prior to approval an initial commercialization were previously expensed as research and development expenses. Total operating expenses were $22.9 million and $51.2 million for the second quarter of 2020 and the first six months of 2020 respectively, compared to $34.4 million and $60 million for the second quarter of 2019 and the first six months of 2019 respectively. Research and development expenses decreased by $14 million for the three months ended June 30, 2020 in comparison to the three months ended June 30, 2019. The decrease was driven by decreased CMC costs, due to the expenses incurred in the prior year for the manufacturing of Gvoke prior to commercialization of $8.2 million and a reduction of manufacturing batches and supplies needed for pre-clinical and clinical trials of $1.8 million. Decreased expenses associated with our clinical trials of $3.9 million and personnel and facility costs that beginning in 2020 were allocated to cost of goods sold of $0.8 million.

All of this, partially offset by increased personnel expenses due to additional headcount and other employee related costs of $0.6 million. Research and development expenses decreased by $20.6 million for the six months ended June 30, 2020 in comparison to the six months ended June 30, 2019. The decrease was primarily driven by decreased CMC cost due to the expenses incurred in the prior year for the manufacturing of Gvoke prior to commercialization of $10.6 million and a reduction of manufacturing batches and supplies needed for pre-clinical and clinical trials at $3.8 million, decreased expenses associated with our clinical trials of $5.8 million and personnel and facility costs that beginning in 2020 were allocated to costs of goods sold of $1.4 million, partially offset by increased personnel expenses due to additional headcount and other employee related costs of $0.9 million. Selling, general and administrative expenses increased by $2.6 million for the three months ended June 30, 2020, in comparison to the three months ended June 30, 2019. The increase was primarily driven by an increase in compensation and related personnel costs of $3.1 million due to additional headcount to support commercialization efforts of Gvoke, partially offset by decreases in marketing and selling expenses of $0.7 million, primarily due to timing of marking spend. Selling, general and administrative expenses increased by $11.7 million for the six months ended June 30, 2020 in comparison with the six months ended June 30, 2019. The increase was primarily driven by an increase in compensation and related personnel costs of $7 million, due to additional headcount to support commercialization efforts of Gvoke and increases of marketing and selling expenses of $4.4 million. Net loss for the three months ended June 30, 2020 was $24.1 million or $0.63 per share, compared to $34.4 million or $1.28 per share for the same period in 2019. Net loss for the six months ended June 30, 2020 was $53.3 million or $1.51 per share compared to $59.7 million or $2.36 per share for the same period in 2019.

As of June 30, 2020 we held approximately $146 million in cash, cash equivalents and investments. In June 2020 we completed concurrent public convertible debt and equity offerings.

Specifically we sold $86.3 million, aggregate principal amount of 5% convertible senior notes due 2025. This amount includes the $11.3 million we raised pursuant to the full exercise of the greenshoe in early July. With regard to the equity offering, we sold 8,510,000 shares of common stock, which includes 1,110,000 shares pursuant to the full exercise of the greenshoe in early July. Net proceeds from the concurrent offerings were $102.8 million after deducting the underwriting discounts and commissions, as well as other offering expenses. The total shares outstanding as of July 31, 2020 were 46,277,008 shares. On June 30, 2020 we entered into an amendment to our loan agreement with Oxford and SVB to provide to the lender's consent to our convertible debt offering and promote the company to prepay our PPE loan in full.

The amendment also provided for the extension of the interest only payment period through December 31, 2021, after which the term loans will be payable in 30 equal monthly installments. If the company achieves a certain revenue milestone prior to January 1, 2022, then the period for interest only payments is extended through September 30, 2022, after which the term loans will be payable in 21 equal monthly installments. The amendment provides for an extension of the maturity date from June 1, 2023 to June 1, 2024. Pursuant to the amendment, the company pre-paid $20 million of the $60 million outstanding under the term loans along with associated accrued and unpaid interest fees and expenses. I now will turn the call back to Paul.

Paul Edick

Thanks Barry. I want to once again summarize some of what we believe you can see with our company. We believe the fundamentals of our company are truly stronger than ever.

If you think about our performance thus far and specifically in the second quarter, we had a great quarter. We're seeing early success in the Gvoke HypoPen launch in the month of July.

We are advancing our pipeline programs, reporting our positive data on four programs in just the second quarter and we continue to add new opportunities to our development pipeline coming out of our labs.

We also have enough cash to get us to cash flow positive.

So once again we believe the fundamentals of the company are strong. And with that, I'll turn it over to the operator for questions.

Operator

[Operator Instructions] And our first question comes from the line of Ami Fadia with SVB Leerink. Go ahead please, your line is open.

Unidentified Analyst

Hi, good morning. This is Ethan [ph] on for Ami. Thanks for taking my questions. Three quick questions if I may on the auto-injector launch.

First, you know we've seen – we can see an IQVIA of the weekly Gvoke scripts, you know are now basically doubling what they were Pre-Auto Injector launch. Maybe can you speak to where this growth is coming from? Like are these from practices that had prescribed the Pre-Filled Syringe and are adding the auto-injector now or are these places, growths from practices that we're sort of weaning out for the auto-injector to be available? Second, just with the back-to-school season, you know but with sort of COVID-19 and a bit of the mixed reopening across the country, how do you think this might affect sort of the typical glucagon prescribing volume up-ticket that we typically see at this time of year? And then maybe third, just in terms of the you know sort of getting used to this virtual – sort of this virtual sort of physician interaction, how do you think that's – you know have you think we've sort of reached a sort of a new normal in terms of position receptivity to this type of marketing, and as a result maybe even if we see it sort of a COVID intact prolonging into the future, that we would still sort of see – you know sort of in the market, sort of expand with the availability of these new glucagon options. Thank you.

Paul Edick

So thanks.

Let me try to take those in order. Where are the prescriptions coming from? It's across the board. We're getting prescriptions from people who have prescribed the Pre-Filled Syringe historically, we're getting prescriptions from people who hadn't prescribed Pre-Filled Syringe. We're also adding – if you remember, we added 1,000 new prescribers just in the second quarter. In the third quarter so far with the auto-injector in July we continue to add new prescribers by the hundreds.

So you know also keep in mind, the Pre-Filled Syringe or Gvoke in general was launched at the very end of last year, pretty much almost the beginning of this year. We really only have about 2.5 months of open and free time in the field in detailing, until we went into a virtual world in the Middle of March.

So what the Pre-Filled Syringe is in terms of prescribing versus what it could be, nobody knows, but we continue to drive increases in the second quarter, set ourselves up very nicely for the third quarter and for the HypoPen.

So all-in-all, pretty good and we're getting prescriptions across the board. Into the back-to-school, there is going to be some version we think of back-to-school. Obviously it's not going to be the normal back-to-school, but when you really think about it, parents have to be prepared. Whatever the schooling is going to be, parents need to prepare for their children to either be in school, at home, partially in school, I think we're going to see a variety of things across the country and parents are going to need to be prepared for all of them. Will it be the same level of peak that we've seen historically? We just don't know.

We are anticipating it could very well be or it could very well be even higher, given the kind of things that – I mean parents are worried right now.

So I think they are taking extra precautions, but we'll see how that plays out.

In terms of the virtual world, it will be part of our new normal without question. There will be more – we will have an ongoing virtual interaction with customers over time, we believe.

One of the elements of that is, early on when we went to virtual, not a lot of the physicians did, but physicians have a business to run as well and it's the only way they can communicate with their patients, is virtually or by phone or by video or by face time. They are getting used to it as well, the offices are getting used to it, and as they get used to running their business and doing good work with our patients on a virtual basis, they also get more comfortable interacting with us virtually, so I think there's going to be a piece of that. Around the country we're going to have some reps that are in the field, some that are in the field some of the time and virtually some of the time and in some parts of the country, we're going to have reps that are still virtual.

So I think it's going to be all the about. Long winded answers, but great questions. Thanks.

Unidentified Analyst Thank you.

Operator Our next question comes from the line of David Amsellem with Piper Sandler. Go ahead please your, line is open.

Zach Sachar Hi, this is Zach on for David. Thanks for taking my questions.

Just one follow-up on the HypoPen launch. Could you maybe speak to the extent that you've been providing free samples early in the launch for physicians to sort of gain experience with the pen presentation, and the extending plan on providing samples throughout the rest of 2020. And then quickly on the diazepam program, I was just hoping to get a quick update on the progress you've made at looking for a co-development partner and if you could provide an update on maybe the timing for the start of a Phase 3 program, that would be great. Thank you.

Paul Edick So a couple of things. Thanks Zach. The extent of samples, we are not sampling the auto injector.

We have demonstrators all through – any physician, educators, nurses in the office can get from our sales representatives a mock auto-injector, a mock HypoPen that can be used repeatedly, so that they can demonstrate to patients how it is to be used. Keep in mind, it's fairly simple.

You pull the red cap off, you press the yellow cap down, so it's pretty easy to do, but they will have demonstrators that they can teach patients with. The pre-filled syringe, we chose during that launch to do samples, simply because we wanted to get the product into doctor's hands in an environment where there was less managed care coverage, less reimbursement, so that they could provide the samples to patients whose coverage was not there yet. We're not in that place with the auto-injector, we've got great managed care coverage, so we didn't need to.

As far as diazepam is concern, we have just started looking for a partner and when the Phase 3 study will start, will depend [Audio Gap] if and when we can get a partner.

Zach Sachar Great, thanks.

Operator Our next question comes from the line of Difei Yang [ph] with Xeris Pharmaceutical. Go ahead please, your line is open.

Unidentified Analyst Hi, good morning and thanks for taking my questions.

Just a couple. I'm wondering if you are able to make comments with regard to the net price realized on both PFS and HypoPen. And then secondarily, with regards to the PFS samples, what amount do you believe as you unconsumed with the physicians? Then finally with regards to the Clinigen, I'm not sure if I'm pronouncing the company's name correctly, but for the European licensing deal with R&D, PFS portion, would you be able to comment high level deal times. Thank you.

Paul Edick Hi Difei, thank you for the question.

We have not and we don't plan to talk about our net pricing. I mean, if you do the math, in the second quarter our costs were a little bit higher because of some of the programs we initiated and were very aggressive with in terms of helping patients and helping prescribers, hospital hubs [ph], etc., etc. The pre-filled syringe, we think – from what we can see, pre-filtering syringe samples, from what we can see, those have all moved through – we put about 5,500 out there.

You know they've all moved through into patients hands. We don't know that there's many sitting around in doctor's offices. A lot of physicians kept one or two for emergency use in their offices, so we know that's the case. We know some of them have actually been used for patient emergencies in office, so it's great that they have them. In Clinigen, that's a named patient program only. It's not really a commercial partner and it's a distributor relationship, the details of which we have not made public.

Unidentified Analyst Thank you for taking my question. Then just a quick follow-up. There's the zero dollar copay program for both, the pen and PFS and do you plan to keep that for a longer time or is that a temporary program?

Paul Edick We have not decided if that's going to be longer term. We know its temp – it's going to be in place for the next couple of

months. We'll see how that goes.

Unidentified Analyst Thank you, Paul.

Operator Our next question comes from the line of David Steinberg with Jefferies. Go ahead please, your line is open.

Ed Chung Hi, it's actually Ed Chung on for Dave. A couple of questions here. Can you comment in terms of the – for the scripts, are you now pretty much at two syringes per scripts or are you somewhere still in between, you know want to have two syringes, and then I've got a follow-up after that.

Paul Edick So for the – I think we're right about two on a unit per prescription. It tends to go up and down at down. At one point we were as high as 2.9 with the pre-filled syringe. Over time we think it's going to be somewhat higher than two, but you know time will tell.

With the auto injector, keep in mind the only thing we're marketing currently is a two pack.

So every prescription right now should be for a two pack and that's the only configuration we have for the auto-injector, the HypoPen.

Ed Chung Got it, thank you. And last question here; you know you've had a fair amount of success here with your glucagon clinical programs, and you know – I mean seemingly you could have multiple programs going into Phase 3 next year.

So you know what – how will you prioritize the different programs given your current resources, you know if the end of Phase 2 meetings come back positive.

Paul Edick Yes, so hopefully I was really clear in my opening remarks.

We will take diazepam forward and pramlintide insulin co-formulation forward into the next phase, call it Phase 3 hopefully for both, only if we have a partner, a funding partner. We do not plan to take those forward into Phase 3 on our own nickel.

We will prioritize our funds to continue to advance our Glucagon franchise in the short term and to bring new assets through our laboratories into first demand, and prioritization of those will depend on what we get in terms of feedback from the FDA between exercise induced or PDH or both.

Ed Chung That's great, thank you.

Operator Our last question comes from the line of Daniel Busby with RBC Capital Markets. Go ahead please, your line is open.

Daniel Busby Hey, good morning. Its Dan Busby on for Randall Stanicky. Two questions for me.

First, can you provide some high level thoughts on how you're thinking about the market opportunity for Gvoke in Europe relative to the U.S.? And second, from a competitive standpoint, we could see a dasiglucagon auto injector launch as early as the first half of next year. How are you thinking about the potential competitive impact on Gvoke? Are you doing anything now to prepare for that? Thank you.

Paul Edick Good questions.

So the market opportunity in Europe, demographically there's as many diabetics in Europe than you know – as many people on insulin as there are in the United States.

So overall the opportunity is large. What you will see in Europe however is pricing for glucagon is extremely low, to the point where we – if you want reimbursement in Europe for a product, for glucagon in particular, you are going to have to be extremely low priced.

Our approach to Europe will limit the market opportunity for us, because we do not plan to sell at reduced prices like has been traditional in the pharmaceutical industry. We think it's wrong. We don't think it's good business, and our plan is to seek a partner in Europe who will – that we can partner with as a distributor at costs in Europe similar to the U.S. That will cause a fairly significant tightening of the opportunity for us that we will be looking at people who are willing to pay out of pocket, have private insurance, etc. We – our plan is to not seek government reimbursement at extremely low prices.

In terms of dasiglucagon, I would say if they launch that product and position it for the diabetes community; they will continue to add to the positive momentum of the growth in the category and the true goal of getting as many of the 6 million people on insulin as possible to have glucagon handy. The real goal that we should all have, there are 6.2 million people on insulin and all 6.2 million should have glucagon handy for a potential emergency low blood sugar. And I think all three companies, Lily, them and us can support that and work towards that goal. At the end of the day whether they want Lilly's nasal or the other auto injector or the other pen, and I don't know if it'll be an auto injector or our Gvoke HypoPen will be a patient choice, and if you look at what's happened with just the nasal and the pre-filled syringe and our auto injector thus far, the market has grown. A lot of people have come into the market and it continues to grow.

We will get our fair share of that. At the end of the day, do we think when you look at all of those products, do we have the best one and will we have the best one once they launch their version of the pen? Yes, I believe we will.

So we believe we'll do very well over time.

Operator And with that, I'd like to turn the call back over Mr. Edick for some closing remarks.

Paul Edick Okay, thank you very much. Thanks for joining us this morning, thanks for your questions. Once again, I can only repeat that we believe our company is in a very strong position, the fundamentals are sound, we continue to make great progress and we're very optimistic about the second half of 2020. Thank you very much.

Operator This concludes today's conference call.

You may now disconnect.