# WILLDAN GROUP, INC.

Fourth Quarter Fiscal Year 2021 Conference Call

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*(edited)*

## CALL PARTICIPANTS

EXECUTIVES – WILLDAN GROUP

*Al Kaschalk – VP Investor Relations*
*Tom Brisbin – CEO & Chairman*
*Kim Early – CFO*
*Mike Bieber – President*

ANALYSTS / INVESTORS

*Moshi Katri – Wedbush Securities*
*Craig Irwin – Roth Capital*
*Chip Moore – EFHutton*
*Marc Riddick – Sidoti & Company*

## PRESENTATION

### *Jenny - Operator*

Good day and welcome to the Willdan Group Fourth Quarter and Fiscal Year 2021 earnings conference call. Today's conference is being recorded. At this time, I would like to turn the conference over to Mr. Al Kaschalk, VP investor relations. Please go ahead, sir.

### *Al Kaschalk, VP Investor Relations*

Thank you, Jenny. Good afternoon, everyone and welcome to Willdan Group's Fourth Quarter and Fiscal Year 2021 earnings call. Joining our call today are Tom Brisbin, chairman of the board and Chief Executive Officer, Kim Early, Chief Financial Officer and Mike Bieber, President. The call today goes on our earnings release, we issued after market closed today. You may find the earnings release and the investor report that accompanies today's call in the press release and stock information section of our investor relation website at ir.Willdan.com. Management will review prepared remarks and then we'll open the call up to your questions.

Statements made in the course of today's conference call, including answers to your questions, which are not purely historical or forward looking statements within the meeting of the private securities litigation reform act 1995. The forward looking statements involve certain risk and uncertainties and it is important to note that the company's future results could differ materially from those and any such forward looking statements. Factors that could cause actual results to differ materially and other risk factors are listed from time to time in the company's SEC reports including, but not limited to the annual report in form 10K filed for the year end of January 1st 2021.

The company cautions investors not to place undue reliance on the forward looking statements made during the course of this conference call. Willdan disclaim any obligation and does not undertake to update or revise any forward looking statements made today. In addition to GAAP results Willdan also provides non-GAAP financial measures that we believe enhance investors' ability to analyze business trends and performance. Our non-GAAP measures include net revenue, adjusted EBITDA and adjusted EPS.

Tom I'll turn the call over to you.

***Tom Brisbin, Chief Executive Officer***

Thanks Al and good afternoon, everyone.

We continue to build post COVID momentum. The fourth quarter and the year delivered results well ahead of our internal estimates. We see positive signs that the initial impacts of COVID are behind us. As stated previously, all our contracts have restarted and access to customers is open in all geographies we serve. I would like to repeat that no contracts were cancelled and revenue only moved out in time. Looking back at the year, we adapted well to the virtual work environment. As a professional service firm, our employees found many benefits working from home.

We anticipate most of our customers will be back in their offices over the next few months. We expect our employees to also to return to a hybrid model.

Our current challenge is ramping up the California IOU contracts. There are three key points I would like to make to help investors understand Willdan's position coming out of this pandemic. We have a record backlog of approximately $1.5 billion. We look at this simply as three years of work. Thus, we conclude that winning work is not the priority for many parts of the organization. The priorities are ramping up, growing organically, executing and collecting the money fast enough to offset the capital needs of organic growth. The second point is how will the customers respond post COVID to energy efficiency. We think we have a pretty good idea at this point. The really small businesses are struggling and for the most part, utilities are looking on how to help them. Our largest energy efficiency contract Los Angeles, department of water and power, LADWP, serving the Los Angeles area is now exceeding the weekly pre COVID revenue. Simply stated, we are doing more now than before COVID. This tells us that the commercial customers are buying energy efficiency. We expect to ramp this contract more throughout the year because we have excess budget that was not spent during COVID. The third point is we have an all-time high head count of 1,560 people, which is a 15% increase. At the same time, we only had 4% organic growth for the year. Thus, we have ramped up in personnel to deliver the California programs, but as planned, substantial revenue will not follow into the second half of 2022.

Looking at the rest of the operations, engineering, consulting, construction management, they are all well positioned for 2022. We do expect as Kim will point out, and as previously stated, that 2022 has a ramp throughout the year, mainly because of the late start and a ramping of the California contracts.

In summary, we have the work and proof that the customers are buying energy efficiency. We also have all the people, the processes, the tools, the knowledge and the experience to execute the contracts. We expect about 20% organic growth in 2022.

Looking a little deeper, the market for reducing carbon continues to grow. Electrification (converting carbon fuels to electric is growing). The loads due to electrification and electric vehicles will be increasing for the utilities. Thus, the demand for energy efficiency will continue to be strong. As an example, we are starting work on a New York City Housing Authority facility. This $90 million three-year design-build contract reduces infrastructure related carbon in New York City. This new first of its kind program introduces innovative electrification measures to specifically lower the carbon footprint and improve existing infrastructure in public housing. Willdan's technical approach was selected competitively above all others and has application across the United States.

We have also started a two-year $75 million design build project for facility improvements for the Pueblo County School District 70. Willdan will provide engineering and construction management to update 19 schools and four district buildings. In 2022, we expect our construction management revenue to double from approximately $70 million to $150 million.

We have also gained ground in the IOU market. We were awarded a five-year $24 million energy efficiency program for a large Mid-Atlantic investor owned utility. We beat a major competitor to grow into this new geographic territory.

We have also won an expanded recompete with National Grid and New York.

Our programs have not been immune to the disruption in the supply chain and overall cost inflation. In terms of procurement, we have seen delivery schedules extended. From a cost inflation perspective, we expect to see salary inflation as well as higher materials and equipment costs, the latter we expect to recover. We are building the potential disruption into our delivery schedules.

The last two years of COVID have felt very stagnant. Most of our efforts have been on surviving and adapting. 2021 demonstrated we are emerging stronger. Our position in the clean energy space is strong, our dominance in New York, California, and the progressive carbon states is strong.

We expect this year and the future years to be our best years. We have been working many years to build a foundation in Willdan. Our team of people and diverse capabilities is exciting to watch, the growing opportunities in this clean energy disruption is accelerating. Willdan is well positioned. COVID is behind us and now back to the business of growing the company.

Thank you to our employees and shareholders for their perseverance and tenacity over the last two years.

I will now turn the call over to Kim to discuss our financial results. Kim.

### ***Kim Early, Chief Financial Officer***
Thanks Tom. Good afternoon, everyone.

Our Q4 results were strong, continuing the recovery begun in Q3 of this year. While Gross revenue for the fourth quarter declined by 4.8% from $96.9 million to $92.2 million, Net revenue - Net of sub-contractors materials and other direct costs increased 2.1% to $51.8 million versus 50.8 million in Q4 2020. The divergent directions for gross and net revenue are a result of a shift in the mix of revenue. The increased revenue from LADWP was offset by lower construction management revenue. The decline in construction management revenue is a result of project completions earlier in the year not yet being offset by the startup of new projects, despite the robust backlog of new contracts. Gross profit for Q4 of 2021 was unchanged from Q4 of 2020 at $34.5 million, though the gross profit margin was slightly better at 37.7% versus 35.6% in 2020 due to the change of mix of revenue.

G&A costs for the quarter were $6.6 million or 16.5% lower than a year ago, declining from $40.2 million to $33.6 million for Q4 of 2021. This was driven primarily by lower stock compensation and lower interest increasing charges related to contingent consideration adjustments made in Q4 2020. The lower G&A expense was the primary driver for the turnaround in income before income taxes from a loss of $5.9 million in Q4 of 2020 to income of $500K in Q4 2021. A $1.1 million noncash adjustment to our deferred tax valuation reserve related to certain state tax NOLs caused income tax expense to exceed pre-tax income for the fourth quarter creating a net loss of $900K compared to a loss of $4.0 million in the same period of 2020. For the quarter, adjusted EBITDA increased by 9.7% to $9.4 million, or 18.2% of Net revenue compared to $8.6 million or 16.9% of Net revenue a year ago. Our adjusted earnings per share were $0.47 cents per share for Q4 of 2021 compared to $0.46 cents per share in 2020.

For the year, Gross revenue declined 9.5% from $391 million to $354 million, but Net revenue increased by 3.6% from $195 to $202 million in fiscal 2021. The change in the mix of revenue sources, accounts for the differing trajectories of Gross and Net revenue. The mix of revenue also accounts for the improvement in gross profit margin when compared to the same period in 2020. Gross profit in 2021 increased 5% to $135.9 million or 38.4% of Gross revenue versus $129.4 million or 33.1% of Gross revenue a year ago. G&A costs for the year were essentially flat at $144.6 million versus $145.6 million in 2020, with higher salaries and wages being offset by lower facility and other expenses. The higher gross profit and flat G&A expenses were the primary drivers behind a 41.9% reduction in the reported net loss from a $14.5 million loss in fiscal 2020 to a $8.4 million loss in fiscal 2021. As a result of an increase in various deductions and credit, our effective tax rate was a credit 32.1% versus 26.3% in 2020. Adjusted EBITDA for 2021 was $27.5 million compared to $28.1 million a year ago, and Adjusted earnings per share were $1.55 compared to $1.30 in 2020.

The changes in our balance sheet and cash flow from a year ago reflect the changing mix of revenues, the impact of the restart of the LADWP program, the startup of the new California IOU programs and continued debt reduction. Cash provided by operations was $9.8 million for the year. Capital expenditures were $8.5 million for the year, primarily for software development and IT related equipment. Scheduled principle payments on our term loans and earn out payments resulting from successful acquisition performance comprised the majority of the $18.5 million used in financing activities.

On March 8th, we amended our credit agreement with our five bank consortium to better match our expected cash flows in related covenant metrics with our expected growth related working capital needs in 2022. Under the terms of the amendment we have drawn the remaining $20 million available under the Delayed Draw Term Loan facility, leaving the full $50 million line of credit available to support liquidity and expected growth during the year. The amendment also adjusts our covenants to ensure an adequate margin for compliance obligations through the end of fiscal 2022 when the amendment provides for a return to the covenants under the original credit agreement. We are pleased with the support and cooperation of our banking partners as we prepare for our expectations of substantial growth in fiscal 2022.

Looking ahead to fiscal 2022, we're expecting net revenues and adjusted earnings per share to grow by approximately 20% over 2021 and adjusted EBITDA to grow by about 50%. We estimate our effective tax rate will be approximately 25% for the year and weighted average shares outstanding will average 13.4 million. We expect the year to start slowly in Q1 and continue to ramp in each subsequent quarter as we ramp up the new utility programs and expand construction and management activities. We expect the first half of the year to provide about 25% of the full year earnings as revenues trail costs under the new programs and 75% of the earnings to be realized in the second half of the year. We expect that ramp to continue into and throughout fiscal 2023 and beyond on the strength of the contracted backlog.

Operator, we're now prepared to answer questions.

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## QUESTION AND ANSWER

### *Jenny - Operator*

Thank you. If you would like to ask a question, please press star one on your telephone keypad and if you're on speaker phone, please make sure your mute function is turned off to allow signal to reach our equipment. Again, press star one to ask a question and we will go first to Moshe Katri of Wedbush.

### *Moshe Katri, Wedbush Securities*

Hey, thanks guys, a nice quarter. Good to hear from you. So, just to confirm, we're going to have a bit of more than usual of a backend loaded year. Can you talk a bit about the costs associated with ramping some of the new contracts, how will that kind of impact margins during the first half? You have a lot of staff, I guess, still getting employed here that came on board. Maybe talk a bit about wage inflation and how that actually factored in some of the contracts that you have in terms of the ability to recoup some of that. Thanks.

### *Mike Bieber - President*

Sure, Moshe I'll start. This is Mike and Kim you fill in where I've missed something. first Tom mentioned, we have hired about 200 people in last year and now are at full strength to do the work that we have lined up for 22. All of those people have been hired. So, we already know what the cost is. There's not future cost risk we think in 22 on labor, because we've already hired those people. That’s first. Second, we're carrying roughly 150 people to operate the California utilities and we did approximately $1 million of revenue last year. Obviously, that cost doesn't cover those types of people. That cost is going to go with us throughout the first half of the year, the minimal contribution in Q1, a little more revenue in Q2, but the big contribution is in Q3 and Q4. That schedule is aligned with our contracts that we've signed with these California IOUs. They have very specific delivery schedules and milestones in them. So, we've built our forecast for 22 around those milestones in those contracts. There's not a lot of subjectivity or mystery about them at this point. We're well underway and we're pleased with the way things are ramping up. Does that answer your question?

### *Moshe Katri, Wedbush Securities*

Yeah. And then, so just to confirm, any sort of recruiting costs that will actually let you ramp and 22 has already been factored in the PNL at this point?

### *Mike Bieber - President*

Yes, it has. Correct. We don't expect substantial hiring from this point forward. We have the people on staff we need.

### *Moshe Katri, Wedbush Securities*

Understood. And then, do you measure attrition within your current staff? Has that been changing anyway?

### *Mike Bieber - President*
It has. We monitored it and like a lot of companies it did go up somewhat, in 20 and 21, the two COVID years. That was consistent with all of the industry data that we looked at and so in spite of that attrition, we replaced all of those people and added 200 more.

### *Moshe Katri, Wedbush Securities*
Okay. And where are we on the attrition level right now?

### *Mike Bieber - President*
Voluntary was coming down last I saw, it was around 15% voluntary.

### *Jenny - Operator*
And if you have any further questions, please, rejoin the queue at this time. We'll go next to Craig Irwin of ROTH Capital Partners.

### *Craig Irwin, ROTH Capital Partners*
Good evening. And thanks for taking my questions. So, can you maybe clarify for us in your guidance, what you expect this year, as far as revenue from the California IOU contracts that you signed, in the last 18 months, how much of Willdan's 2020 guidance is from these contracts?

### *Mike Bieber - President*
Yeah. At the gross revenue level, that'll be approximately 50 million.

### *Craig Irwin, ROTH Capital Partners*
Okay. Understood, so, you're pretty clear about the higher costs of the startup, of this business. How do we gauge confidence or how do we gain external confidence that this theme of higher costs will taper down? This is something we've been talking about I think for two years now, higher cost. I know COVID was a horrible thing for everybody to deal with, but what gives you the confidence that we'll see the execution on higher costs becoming less high costs in the back half of the year?

### *Mike Bieber - President*
I'll try to take that Craig. Two primary costs to our business that we'll separate. We'll talk about labor and then equipment and materials. The labor cost now, we've already defined for the business. We know what that is going in. We didn't know necessarily in Q3 or even in early Q4 of last year, but now we do and we factored that into guidance and you see that flowing through most of the Q4 results actually. So, that's labor, that's the largest component. Second largest component of course is equipment and materials. Those costs have raised, depends on what you're doing, anywhere from 5% to as high as 15, 20%. The costs in general have been able to be passed through our business, onto the customer. We've been able to do that. We have not seen margin erosion at the project level thus far. What has happened though is the second part, which is, supply chain duration delays. We think that, I would say that as a percent complete basis, we would be 10% or so ahead of where we are right now, were we not waiting on equipment to be delivered at our project sites around the country. So, that's the biggest change that has occurred. It's the delay of materials that we install on job sites at this point. Does that answer your question?

### *Craig Irwin, ROTH Capital Partners*
Completely. So, last question, if I may, many of your shareholders own the stock for more than a billion dollars in additional work that's expected to be awarded over the next couple of years, both in California and in other markets and your leadership, as far as your very healthy share that you took of the IOU work for California energy efficiency. What would have you maybe, bid differently on this work, this scope of work that's in front of us? What would have you bid differently, maybe to pursue higher natural margins, or at this point is there nothing that you would change as far as the way that you are chasing the broader, longer term opportunity?

### *Tom Brisbin, Willdan Group*
Well, I would love to tell you what we would change, but we would be telling our competitors what we negotiated.  There wasn't a lot of negotiating room.  There were variables, let's call it, that the state, the PUC, the utilities had said, we need to meet this number and if you don't meet this number then – it came in at the TRC, primarily, Total Resource Cost.  So, we had to put in measures that are cost effective is what that's saying.  There wasn't a lot of negotiating around us.

### *Craig Irwin, ROTH Capital Partners*
So, Tom, usually the public utility commissions, right, when you do NC work and things did not contain the profit profile that is forecast, you can go back and get change orders, right?  And this is done regularly.  Some transmission line companies are more liberal in their pursuit of change orders.  They bid more aggressively on the price upfront and then go for change orders, others bid higher and are known to bid higher and are not very frequently in front of the commission asking for change orders.  Is there an opportunity for us maybe to see remediation on the profitability of these projects, with change orders, given that, things are obviously tracking below what was generally expected when all this work was let out to bid?

### *Tom Brisbin, Willdan Group*
Yeah.  We have seen the utilities, talk about, change order may be the wrong word, but changing the contract terms because of COVID.  So, what we've done is we're kind of sampling the marketing in some of these contracts and showing and proving that, let's take the real small business.  They are just not interested in energy efficiency.  So, there is room for renegotiation when you can prove to the utility that the world has changed and the utilities are coming to the table saying, the world has changed.  So, does that answer your question, Craig?

### *Craig Irwin, ROTH Capital Partners*
Well, Willdan is a very special company, right?  Your execution and energy efficiency is highly unique and you're committed to the success of what the California utility commission has set as far as some pretty aggressive goals that reach beyond some underperformance in the utilities over the last many years and this special status of Willdan, is something as a company, either public or private, there's a legitimate expectation that you can earn a minimum level of profitability on your contracts and it seems like, with the guidance, maybe just being a little bit lighter the than most we're looking for, that that would be a very clear and fair thing to get in front of the commission with given that they want people to actually bid on the next round of work instead of refusing to do it and let them go back to the dysfunctional models that they were using to execute so-called energy efficiency in the past.  Do you follow my logic?  I'm looking for potential ways to get the recourse where, some serious effort and engagement from one of the leading experts is compensated fairly and it doesn't seem like that with the guidance that you shared with us today.

### *Tom Brisbin, Willdan Group*
The guidance, I remember I was right with you until you said that guidance we shared with you.

### *Craig Irwin, ROTH Capital Partners*
Corporate outlook for 22.

### *Tom Brisbin, Willdan Group*
You mean, you think the margin should be higher, you think the revenue should be higher?  What are you saying?

### *Craig Irwin, ROTH Capital Partners*
I think the margins are tracking below where they should be and there's probably frictional costs below the margin line that are probably not included in the contracts that should have been in the first place and the startup costs really need to be carried as a burden by the utilities because that is a functional piece of the total equation and if California is committed to the success of their energy efficiency programs, they

need to take a holistic view and they've got the best guy in the market working on this, but the profitability is not what many people would believe fair, natural profitability should be, given that you are carrying on your P&L, the expense of these employees in startup when there should be not the impact of dilution, but maybe, break even or modest profit ahead of a very large scope of work that has to get done. There's a lot that they really want to see you do that I know you're going to do a great job on, you follow my logic?

### *Tom Brisbin, Willdan Group*

Oh yeah. We love startup costs, but this contract didn't include it so we got to include it in our price that we gave them and we have to deliver. So, what we're working on Craig is we're just getting started. Once we deliver I think our voice will get stronger and we'll have a better negotiating position. Do you want to add anything to that? I'm trying to ---

### *Mike Bieber - President*

So, the other thing Craig is that the way the programs are actually designed and the way they were bid, the volume of revenue we can claim in the first part of the year is very low, not covering our cost. Margins pick up substantially as that volume comes up. So, we don't have a margin problem when we hit, even close to the run rates that these programs will perform over the few years and even in the back half of this year, as we're ramping up. Remember that as Kim pointed out, 50 million in revenue is 1/3 of the average volume we have to have on these projects over the next four years. So, we're going to have a substantial round to even in 23, we just were unable to convince them to pick up the startup costs. That's the way they were designed. So, there hasn't been anything that we didn't expect or that was out of the design of the programs as we signed the contracts. We just need more volume and that's time, we're behind; we're behind because of COVID, we're behind it because of California was delayed and we started and the world did not start. So, we'll catch it up.

### *Jenny - Operator*

And thank you, Mr. Irwin, if you have any further questions, please rejoin the phone queue. We'll go next to Chip Moore of EF Hutton.

### *Chip Moore, EFHutton*

Good evening. Thanks for taking the question guys. Wanted to follow up that one on the California IOU revenues, so, 50 million in 22, to your point about 1/3 of the average volume over the next four years, that's a pretty significant step up. Obviously in the coming years, are there any really, factors, sort of what's a realistic figure for 23, if you will, that you could hit if everything's coming?

### *Mike Bieber - President*

Yeah Chip in 23, the number will be between 150 and $200 million revenue from the California IOU contracts, something like that and that's set forth in the goals of the contracts.

### *Chip Moore, EFHutton*

Got it. Okay. And just a couple minor ones for me. You talked about LADWP. They have some unused funds from when that program was shut down, any way to think about potential magnitude and would that be potential upside?

### *Mike Bieber - President*

It is. I don't know if this is a public number, so I'm not going to give that. We know the number. There's more than $100 million of additional unspent money. How about that? they've given us all the numbers, they have recently expanded the scope that we're serving and we continue to look, with the customer at ways to expand the program so that we can fully spend the dollars they have in the contract and have charged the public for. The customers' supportive in doing that and so there is potential upside there.

### *Chip Moore, EFHutton*

Yeah. Okay. Then none of that is in the guidance?

### *Mike Bieber - President*
None of that is in the guidance, correct.

### *Chip Moore, EFHutton*
Got it. Okay. And just one last one, IA software, I think you were talking about 10 million for the year, is that where it came in and are you expecting sort of similar for this year?

### *Mike Bieber - President*
Yeah. They were a little above that, Chip. I think they were closer to 11 million for the year. They had an outstanding 2021 and we would expect that number to grow, frankly in 22, the pipeline of opportunities for software is very good and even into, Q1, Q2 I think we'll sign some new licenses and bring in some new customers, looks good.

### *Chip Moore, EFHutton*
Got it. Okay. No, that's helpful, appreciate it. Thanks guys.

### *Jenny - Operator*
And as a reminder, please press star one if you would like to ask a question. At this time, we'll go next to Mark Riddick of Sidoti.

### *Marc Riddick, Sidoti*
Hey, good evening. Wanted to touch on a couple of things, first of all, appreciate the guidance provided, as far as the visibility, I wanted to touch a little bit on that because it seems as though with all the pieces that you've kind of mentioned there, it seems as though, overall visibility for you is meaningfully improved over the last three to six months and from that vantage point, is there any kind of swing factor that you're looking at, that is still a bit iffy to you as to how you're looking at numbers going forward, not just around the 22 guide, but specifically, is there any particular issue that you're looking at as a major swing factor to what you're currently expecting?

### *Mike Bieber - President*
No, there's not Mark. I would say that we've never been in this position before. We've booked, I won't say all, but, the overwhelming majority of work that we need to book this year, and we've never been in a stronger position as like this, so it's unusual and it's not only this year, it's throughout 2023 and even in 2024. So, it's all about execution right now. It's really not about winning work. We've never been in this position before, so, very good.

### *Marc Riddick, Sidoti*
Excellent. And then the extra piece, and I appreciate you mentioning some of the, supply chain constraints on sort of where you are on timing and things like that. I was wondering if were there any meaningful or any visible impacts from Omicron that slowed things down as well, as far as operations.

### *Mike Bieber - President*
Supply chain has slowed certain projects, especially when you're delivering more complex equipment, like custom built boilers, chillers, large gear for universities and hospitals, that type of equipment is being delayed. We're working closely with our customers. As I mentioned, we might be 10 or so percent ahead on those projects on average, if we didn't have those types of delays. The customers are, understanding. It has not resulted in cost escalation though for that complex equipment.

### *Marc Riddick, Sidoti*
Okay. And any Omicron impacts?

### *Mike Bieber - President*
Those are abetting. I can't think of any that were substantial in Q4.

### *Marc Riddick, Sidoti*
Okay.  All right.  I appreciate it.  Thank you.

### *Jenny - Operator*
And we will go to our next question from Richard Eisenberg, a private investor.

### *Private Investor*
Richard Eisenberg: Hi, good afternoon. Yeah.  Since you expect in 2023 for the contribution from California to increase between 150 million and 200 million isn't it logical to assume that you should make more than $3 in EPS and 2023?

### *Tom Brisbin, Willdan Group*
That's a long way to ask for guidance.  So, you can apply your logic.  We're not going to give guidance that far in advance.  We told you where the revenue is expected to go, but that's where we leave it.

### *Private Investor*
Richard Eisenberg: Okay.  Thank you.

### *Tom Brisbin, Willdan Group*
Thank you.

### *Jenny - Operator*
And with no further questions in the queue, I would now like to turn the call back over to Tom Brisbin for any additional or closing comments.

### *Tom Brisbin, Willdan Group*
I'd just like to thank all our investors, employees who are on the phone and we'll see you again in next quarter.  Thanks a lot.

### *Jenny - Operator*
And so, this concludes today's call.  Thank you for your participation.  You may now disconnect.