Verano Holdings Corp. (Q2 2026 Earnings)
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Corporate Speakers:

- Steve Mazeika; Verano Holdings Corp.; Vice President, Communications
- George Archos; Verano Holdings Corp.; Founder and Chief Executive Officer
- Richard Tarapchak; Verano Holdings Corp.; Chief Financial Officer
- Aaron Meinels; Verano Holdings Corp.; Chief Investment Officer

Participants:

- William Kirk; Roth Capital Partners; Analyst
- Aaron Grey; Alliance Global Partners; Analyst
- Kenric Tyghe; Concordia Genuity; Analyst
- Frederico Gomes; ATB Comark Capital Markets; Analyst
- Neal Gilmer; Haywood Securities; Analyst

PRESENTATION

Operator^ Good morning. Thank you for standing by. Welcome to Verano Holdings' Second Quarter 2026 Conference Call. (Operator Instructions)

Please be advised that today's conference is being recorded.

I would now like to hand the conference over to your speaker today, Steve Mazeika. Please go ahead.

Steve Mazeika^ Thank you and good morning, everyone. Welcome to Verano's second quarter 2026 earnings conference call.

I'm joined today by George Archos, Founder and Chief Executive Officer; Rich Terapchak, Chief Financial Officer; and Aaron Meinels, Chief Investment Officer.

During this call we will discuss our business outlook and make forward-looking statements within the meaning of applicable U.S. and Canadian securities laws, which are based on management's current assumptions and expectations. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance, and achievements of the business or developments in the company's industry to differ materially from those implied by such forward-looking statements.

Actual events or results could differ considerably due to risks and uncertainties mentioned in our filings on Edgar and SEDAR, including our financial statements for the quarter ended June 30, 2026.

In addition, throughout today's discussion, we will refer to non-GAAP financial measures that do not have any standardized meaning prescribed by GAAP. Management believes non-GAAP results are useful to enhance the understanding of the company's ongoing performance, but these are supplemental to and should not be considered an isolation from or the substitute for GAAP financial measures.

These non-GAAP measures are defined in our earnings press release and available on our website at investors.verano.com which also includes the reconciliation of these measures to their respective most directly comparable GAAP financial measures.

Comparative market share, brand performance, and industry data that is mentioned during this call is derived from Hoodie analytics data unless otherwise noted. Lastly, all currencies in U.S. dollars.

I'll now pass it over to George.

George Archos^ Thank you and good morning, everyone. I'm thrilled to outline our strong second quarter results highlighted by organic growth and the third consecutive quarter of revenue gains that also outperformed the prior-year period.

We also strengthened the foundation for a U.S. stock exchange listing and opportunities to increase access to capital markets.

Over the past few quarters, we've completed key strategic initiatives including redomiciling Verano Holdings Corp. in the U.S., securing our $195 million credit agreement with favorable terms, repurchasing $2 million of company stock, and advancing Verano's path to listing on a U.S. exchange by executing a one-off, one-for-five reverse stock split.

Overall, we checked a lot of boxes in the second quarter and drove momentum for the business on multiple levels.

Second quarter revenue was $218 million, an increase of $10 million sequentially, and $16 million versus the prior-year period. The results reflect the success of the retail, new product innovation, and operational strategy we've been methodically executing. And I couldn't be prouder of our teams for keeping quality, hospitality, and innovation at the center of everything we do.

Retail continues to be a significant catalyst driving positive momentum and organic growth in 2026. In the second quarter, we generated $182 million in retail revenue, an increase of $10 million sequentially and $13 million versus the prior-year period.

Over the last year, we've enhanced retail hospitality, strengthened our loyalty program, introduced new dispensary formats, and implemented technologies to provide a best-in-class experience at Zenleaf and Moove. I am thrilled to see our efforts are generating positive results.

We also improved the revenue performance of our wholesale business in the quarter. Excluding insert segment eliminations, second quarter wholesale revenue was $80 million, an increase of $1 million sequentially and $6 million on an annual basis. The improved wholesale results reflect the success of our new product innovation and our ability to maintain supply levels during the high-demand 4/20 holiday window.

Second quarter adjusted EBITDA was $51 million or 24% of revenue, in line with the expectations we outlined last quarter.

On the CPG and operations front, we enhanced cultivation processes throughout the quarter in select markets that improved yields and output which helped meet increased demand. We plan to scale these best practices across our CPG footprint throughout the year.

The success of our product and retail strategy continues to strengthen our portfolio and market share positions across our footprint and in key categories. At the end of the second quarter, Verano's total house of brands held the number four national share position across all legal cannabis markets.

We also leverage the immediate success of our revolutionary hyphen VAPOD system and SwiftLifts pre-rolls launch by scaling both brands across additional markets, which contributed to our strong performance in the quarter. These efforts led to Verano commanding top five market share positions in a majority of our vertical markets at the end of the second quarter.

By the end of the second quarter, SwiftLifts were already the number five ranked free roll brand, and Hyphen commanded a number two share position in the specialty vape subcategory. At quarter end, we also held top four share positions in every product category we compete in including number one in topicals and number two in both edibles and pre-rolls.

And from a retail marketing standpoint, we increased online purchases, traffic, and engagement across our newly relaunched Zenleaf and Move websites and drove an 8% increase in overall retail transactions in the second quarter versus the prior year, which contributed to our strong results.

From a footprint perspective, we've strategically expanded our retail presence this year with new dispensary openings in Florida. Thus far in 2026, we've opened four new move dispensaries, elevating our retail footprint to 86 Florida locations and 163 nationwide.

Given the ongoing strength of our Florida business, we see tremendous opportunity for continued growth in the current medical market, and we plan to further expand our product portfolio and retail operations with new dispensary openings planned for the second half of the year.

I will now pass it over to Rich to provide additional detail on our financial results.

Richard Tarapchak^ Thanks, George, and good morning, everyone.

Second quarter revenue was $218 million, an increase of $10 million sequentially, and $16 million versus the prior-year period. As George mentioned, improved retail performance and high demand for our new products were the primary drivers of our strong second quarter results.

Retail revenue was $182 million in the quarter, an increase of $10 million sequentially, and $13 million versus the prior-year period. Strong new product sales and contributions from brand partnerships in select markets were key revenue drivers during the quarter.

Retail revenue improved in 11 of our 13 markets versus the prior quarter, highlighted by the continued strength of our Florida business and contributions from key markets including Ohio, Maryland, and Virginia.

On the wholesale side, excluding intersegment eliminations, revenue was $80 million in the quarter, an increase of $1 million sequentially, and $6 million versus the prior-year period. Focusing on third-party wholesale sales, revenue was in line with the first quarter and slightly increased versus the prior-year period, demonstrating the strength of our new products and brands. Additionally, our ongoing accounts receivable strategy continues to lower outstanding balances, which are now at their lowest levels since 2023.

Gross profit was $100 million, or 46% of revenue, an increase of $1 million versus the prior quarter, and a decrease of $13 million versus the prior year period due to promotional activity and price compression. Adjusted EBITDA for the quarter was $51 million, or 24% of revenue, and increase of $2 million versus the prior quarter and a decrease of $15 million versus the prior-year period.

SG&A expenses were $92 million, up $7 million versus the prior quarter, and $6 million versus the prior-year period, through primarily by one-time, non-reoccurring employee costs of approximately $7 million. As we continue our efficiency and cost management efforts, we remain confident in our ability to lower SG&A expenses throughout the balance of 2026.

We had a net loss of $13 million in the second quarter compared to net loss of $18 million in the prior quarter and $19 million in the prior-year period.

CapEx spending for the second quarter was $12 million, a decrease of $3 million versus the prior quarter. We're tightening our previous full-year CapEx guidance to range between $40 million to $50 million for 2026.

Turning to the balance sheet, after completing $16 million in tax payments in the second quarter, inclusive of refunds, cash flow from operations was $31 million, an increase of $12 million sequentially, and we ended the quarter with $85 million in cash and cash equivalent.

Our improved second quarter cash flow from operations was in line with our prior expectations, and we remain confident in our ability to drive further improvements in the second half of the year.

From a capital and finance perspective, we've been methodically executing our strategy to broaden access to U.S. capital markets and U.S. stock exchange listing opportunities.

We significantly lowered our cost of capital after executing several initiatives including securing $195 million [ph] credit facility earlier this year, which reduced interest expense by $3 million versus the prior year. We also completed our one-for-five reverse stock split in June and repurchased $2 million of Verano stock during the quarter after announcing the authorization of our share repurchase program.

Lastly, we are monitoring the Treasury Department for guidance on prospective full-year 280E tax removal, including the potential for further retroactive relief as recommended by the Acting Attorney General when medical cannabis was rescheduled in April.

With medical sales accounting for nearly 60% of our retail revenue, Verano is well positioned as a majority medical operator to realize tax benefits pending final guidance on 280E relief. We are currently recognizing the tax benefits of medical cannabis rescheduling in our financials, subsequent to the acting Attorney General's rescheduling final order. We may have the ability to recognize rescheduled medical cannabis tax benefits retroactively to at least January 1st of 2026, pending final IRS guidance.

George, back to you.

George Archos^ Thanks, Rich.

From a legislative standpoint, at the state level, we were absolutely thrilled that Governor Spanberger and General Assembly members reached a compromise to launch the south's first adult-use cannabis market in the great state of Virginia. After years of waiting, Virginia residents and visitors can finally celebrate this historic milestone on July 1st, 2027, when retail adult-use sales commence, which promises to deliver new career, revenue, and business opportunities across the state.

After completing five state conversions across the country since 2020 alone, no one is more experienced than our Verano team in executing a successful game plan transitioning markets from medical to adult use.

We will be excited and ready to rock on day one next summer during the height of the busy tourism season when we welcome thousands of new adult-use customers alongside our valued medical patients at our six Zenleaf dispensaries in southeast Virginia, including Virginia Beach, which has 14 million annual tourists.

In Florida, our business continues to generate significant growth, and with the medical program now approaching 940,000 registered patients, we remain very optimistic on our business trajectory within the current medical market.

We look forward to working with a new administration after this November's election. to discuss potential enhancements to Florida's medical program that would benefit patients, businesses, communities, and the state at large.

In Texas, officials continue laying the groundwork for the significant expansion of the TCUP program. Since last quarter, they've made progress by awarding more conditional cannabis licenses and banning Delta-8 hemp products after the state Supreme Court classified hemp-derived THC products as controlled substances.

We are working collaboratively with Texas officials as the licensing due diligence process continues and expect to commence operations in 2027. We've led the charge establishing new medical programs throughout our history and expect nothing less in Texas, where we anticipate being a leader and plan to scale up our operations ahead of future growth and expansion of the market.

On the federal side, we are encouraged by the ongoing momentum behind major cannabis reform. We submitted DEA registration applications in May for our state-licensed medical cannabis businesses and have been working collaboratively with government officials throughout the review process to advance our goal of becoming a fully federally legal business.

Following the conclusion of the ALJ hearing this summer, it was notable to see the federal government advocate on behalf of full rescheduling and that a potential Schedule III designation for the whole cannabis plant remains a viable outcome in the near future. With medical rescheduling and the ALJ hearing now officially concluded, we are hopeful that the Foundation is set for additional reforms to follow.

As Rich stated, given Verano is a majority medical retail business, Schedule III is already providing immediate tax benefits, and we expect to recognize additional tax relief pending formal guidance from the Treasury Department and the final outcome of the ALJ hearing.

We're also encouraged to see SafeBanking re-enter the conversation in Washington with endorsements from leaders including Senate Banking Committee Chairman Tim Scott, Congressman Dave Joyce, and the American Banking Association.

It's notable to see a chorus of prominent, government and business leaders united in their advocacy for common-sense banking legislation that would unlock greater access to capital, eliminate unsafe cash-only transactions, and remove undue burdens that currently hinder the growth of legal cannabis businesses nationwide.

Additionally, federal cannabis reclassification and banking reform movement is building momentum for our efforts to list any major US exchange and generating interest from new investors and institutions.

We are thrilled with the pace of cannabis reform this year and we're optimistic that further progress is within reach pending additional updates from the federal government, which has game-changing potential for Verano and the entire industry.

Lastly, we believe the intended closure of the hemp loophole later this year is already providing preliminary benefits to the legal, regulated cannabis sector. As an example, in Ohio, the regulated cannabis industry recorded a meaningful sales lift for the month of April after the state's preemptive hemp ban went into effect at the end of March.

Since Verano never entered the intoxicating hemp space, we have no liability with the pending loophole closure and have always advocated for a level playing field for hemp operators to adhere to the same stringent regulatory, tax, and testing requirements we've faced since inception.

Given the estimated multi-billion-dollar size of the intoxicating hemp market, if the loophole is closed later this year as intended, we believe we are in a great position to drive organic growth by welcoming hemp consumers at our dispensaries and offering them our wide variety of award-winning, safe, lab-tested products grown and produced right here in the USA.

After more than a decade navigating the dynamics of this business, I'm amazed at how much progress has been made in just the last few months, and beyond excited for the opportunities that lie ahead for Verano and the industry.

It's incredibly gratifying to see the highest levels of government not only recognize, but actively advocate for what we've known for years: cannabis has proven medicinal value and the legal industry creates jobs, generates revenue for communities and supports the health and wellness of millions every day.

2026 has the potential to be the watershed year that changes history by unlocking the full medical and economic potential of America's next great industry, and we've never been more excited for the journey ahead.

Operator, you may now open the line for questions.

QUESTIONS AND ANSWERS

Operator^ At this time, we will conduct a question-and-answer session. (Operator Instructions)

Our first question comes from the line of Bill Kirk of Roth Capital Partners. Bill, your line is open.

William Kirk^ George, you talked about the work on improving yields and efficiencies.

Can you help us with where maybe yields sit today on your preferred metrics, the magnitude in which they've increased so far?

Then finally, how much further can metrics like yield go for you?

George Archos^ Bill, we don't like to give specific data on our yields. What I can say is they have been increasing year over year.

There's different methods in cultivation that we've been deploying from R&D efforts over the last few years. We anticipate we could probably hit another 10% to 15% higher than where we're at today, which, across the national footprint is a big number, and we're excited to make that happen.

We're hoping that that's all implemented by the end of this year.

William Kirk^ That's what I was looking for. Then on Texas, obviously very big, very exciting.

I want to get a sense for planning with the possibility of interstate commerce. How do you weigh making investments and the timing on new states like Texas where there's an initial state-specific vertical structure, but it could give way to a different, less capital-intensive dynamic?

So how do you plan Texas with the potential, I guess for interstate commerce out there?.

George Archos^ Well, they say everything is bigger in Texas, right?

So we are planning on going big in Texas. That being said, we will deploy the plan that we've done in multiple other markets. We'll look for a facility that we can grow into and not have to deploy all the CapEx day one.

So as the market matures and additional patients are added and more form factors are added and market grows, we will grow with it.

So we don't expect to deploy heavy capital out of the gate, but we will work with the legislature there and the medical cannabis program operators to add on to the program and continue to grow it, and we will scale accordingly as we have done in Florida and Illinois and multiple other markets across the country.

Operator^ Our next question comes from the line of Aaron Grey of Alliance Global Partners. Aaron, your line is open.

Aaron Grey^ Congrats on returning to year-over-year growth for sales.

In that line, I just want to talk some more about top-line catalysts, specifically Virginia. Great to see that retail bill get finalized.

As we prep for July 2027, could you speak to how well you leave the regulations ended up for you as a legacy medical operator?

And given you've seen a number of conversion states, how much of a lift do you anticipate you could see, or maybe what state do you feel like would be as a good comp for first sales, lift their margin profile there?

George Archos^ Aaron, I was waiting for this question.

Listen, VA has been a target for us here at Verano for many years. We are thrilled to get that deal done, and it's been a great state for us.

We recently just received our approval for our second cultivation site which is now built out, so we expect a big sales lift in Virginia. I would compare it to New Jersey as far as out of the gate being a much better program.

I also think longer term it will be better because what happened in that compromise, although not everyone gets what they want, at least they're going to put metrics around deployment of new stores. Now we're waiting to see that and we're working with the state on it.

So we believe that long term and short term it will be a huge catalyst for Verano and the other operators in that state. And it will also be a successful program for all the new entrants, versus some other states where we've seen no real license caps.

Then you see people open, lose their capital, run out. I think Virginia is going to be the opposite. The other thing that we've seen, Virginia is a big tourism population, especially in the region that we're in. Virginia Beach gets 14 million tourists a year.

So we expect to be a catalyst there. We've built out the second facility. Our first facility has undergone all of its renovation. We're going to be moving a couple stores to high-profile locations so we can catalyst there on the tourism and the population coming into our area.

So we see big things ahead in 2027 and beyond for VA.

Aaron Grey^ Okay. Great. Appreciate that color.

Second question for me, I just want to talk about the gross margin profile and how that looks going forward. I know you called out some promotion and pricing pressure during the quarter which we've seen for a while. Was there something unique to the quarter?

I did see the inventory balance come down. So do you feel like there was something specific to the quarter to where there was some heavier promotion, and do you feel like there's levers going forward to where we can get some margin expansion?

This will be the margin level probably in the near term until we do have a lift from an adult-use state like Virginia?

Richard Tarapchak^ It's Rich, Aaron. From a gross margin perspective, I think you touched on some of the things that are impacting it.

I mean there is still price compression out there. We did take the, I'll call it the WIP inventory down. That does have an impact on our margin. We anticipate a little bit more of that coming into Q3.

So really, from a margin profile, we're going to look similar Q2 to Q3, but then in the fourth quarter you're going to start seeing a lift in the margin as all of the things that we've been working on start coming and really flowing through the income statement.

The earlier piece that's happening though, and I think you can see, is our cash flow improved quarter over quarter, and you'll start seeing that even go with more improvement in Q3 and Q4.

So the cash flow is coming first. The margin will come second here. And again, what you'll see from revenue and adjusted gross margin profile, Q2 and Q3 are going to look fairly similar.

Operator^ Our next question comes from the line of Kenric Tyghe from Concordia Genuity. Kenric, your line is open.

Kenric Tyghe^ Congrats on the quarter, George. Just wanted to follow up on your Virginia commentary. You spoke to your readiness. Perhaps you could help us better understand broader market readiness.

What are the potential biomass shortages in the market doors of retail?

How quickly can that ramp such that the participants are able to fully capture or more fully capture the opportunity that is Virginia ‘27 through ‘28, given the fact that we're obviously understored and very limited canopy approvals in states so far?

George Archos^ Kenric, as far as market readiness, I know -- listen, we know we're ready.

All right? So that's my first and number one priority. As far as the rest of the market, I believe there's a couple of other operators that are also ready.

We saw a new entrant into the space. I know they're readying themselves as well. The onus is on us as the operators in the state to do the best to our ability to be able to bring on all the new customers. That being said, the market does need additional stores and some additional canopy. We don't know when that's going to come online. I know the state wants to have a successful program, so I know they're readying new applications to come out, and we'll see what the timeline looks like.

But from our perspective, Verano's priority is that we're ready and we're able to take care of our stores and wholesale, so whatever we can to make it a successful launch, which is what we've done in the past and we're going to do again.

Kenric Tyghe^ Great. Then, George, you called out Ohio. I think we've all seen the Ohio print in the BDSA data this quarter. But could you speak to on-the-ground shifts in consumer -- consumer behavior on that hemp line lock?

I mean is it a case of you needing to sell the value proposition of the legal market as a fairly natural migration?

Because clearly that's something that not only will accelerate in Ohio over the coming quarters, but certainly would be expected to accelerate even further on a potential full headband exiting the year.

George Archos^ Yes. I think you hit the nail on the head.

I think it's going to accelerate. Like anything else, when you see change, it takes time for it to really take place and ramp up.

So what we're seeing in Ohio is something I think we will see across the country. I think it will accelerate after hemp has been removed from all shelves everywhere.

That being said, we're going to wait and see, right? I know that we're selling safe, legal cannabis products. They're available at our dispensaries and others across the country, and we welcome the hemp consumer that has been confused by what they've been purchasing and what's going on.

So I think in 2027 and beyond, we're going to see real organic growth across the cannabis industry.

Aaron, you want to add to it?

Aaron Meinels^ Yes, Kendric, I was just going to say, if you actually look at the ban going in effect at the end of March, Q2 had basically a mid-teens growth for the cannabis industry in Ohio as a whole. I mean April was up $24 million year over year.

So again, is it correlation, causation? But you are seeing an uptick in markets like Ohio, but as George mentioned, over time I think it's going to start to take root and people will start to understand what the legal channels of cannabis look like. But when you actually look at Texas, we have never launched into a market that's been accustomed to buying a cannabis-like product.

So when you think about the size and the potential consumer base in Texas and then us having the expertise to launch into a medical program the size of Texas, we're really excited about that market as well.

George Archos^ Ohio is pretty unique where they're being – they're actually cracking down on the hemp operators, right?

So we need to see that across the country in every single state where they're actually going in and shutting down these operators that are selling these illegal products.

So we're going to be working with our state AGs and making sure that happens and that everyone in each state is getting safe products.

Operator^ Our next question comes from the line of Frederico Gomes of ATB Comark Capital Markets. Frederico, your line is open.

Frederico Gomes^ First question about Florida. You mentioned the strength of the Florida business that you're seeing. How much more room is there for growth there in terms of new dispensaries relative to your capacity, I guess?

And what about M&A in that state? That something that you've looked at and considered?

George Archos^ Fred, listen, we believed in Florida for a long time. We did a great acquisition there with a phenomenal team. We've continued to expand there. We readied ourselves for an AU launch, which has now given us really solid growth in the medical market.

As far as how much growth could be had there, I think there's a substantial amount of growth. We've had an administration there that hasn't been too favorable to the cannabis operators.

I think with a new administration coming in here at the end of the year, there might be an opportunity to expand the medical program with all different sorts of form factors, reciprocity, et cetera.

So we'll be working on that diligently, because Florida has a massive population, massive tourism population, and I think we could see big growth in the medical market. And fortunately for us, we're ready for it.

We have our third facility ready, willing and able to open, and we have stores that are coming online, and I believe that there's additional room for growth on the storefront, and we have the cultivation component ready to be able to fill those shelves.

So we're looking forward to a solid 2027 and working with the new incoming administration to make the program bigger and better than it is today.

Frederico Gomes^ Second question on capital allocation, I guess, and valuation as well.

I mean you continue to trade at a – I guess at a discount to peers despite the meaningful pre-cash flow generation that you're seeing and that you expect for the remainder of the year. You obviously have the buyback in place and bought back some stock during the quarter.

I'm curious how more aggressive could you get on that buyback if this discount persists, especially as we're close to very significant regulatory reform here with rescheduling.

George Archos^ Well, we believe Verano's stock is sorely undervalued and that's always an opportunity for us. That being said, we have to weigh all of our opportunities, right, whether it be M&A, organic growth, investing in our current markets and the buyback.

So we're constantly looking at that and we're deploying dollars wherever they make sense for the best of our shareholders and our company.

So we'll continue to get more aggressive there if it makes sense, or we'll be investing the dollars somewhere else where we get a better return.

Operator^ Our next question comes from the line of Neal Gilmer of Haywood Securities. Neal, your line is open.

Neal Gilmer^ Lots been covered here, but maybe talk a little bit more on the wholesale side of things. Obviously we saw some growth there. It's been a topic of conversation probably over the past five, six quarters with respect to the collections, and the AR levels is nice there.

So what are you seeing in the dynamics there?

You've obviously got some customers that you're comfortable with. Are you expecting to see that continued growth over the next couple of quarters as just how some of your customers or however you're remaining current in their payables?

George Archos^ Neal, listen, we were probably one of the first to be really aggressive with our wholesale strategy. Our AR levels are at the best they've been and we feel very comfortable with the current base of customers that we have.

Obviously we want to continue to grow that, but we want to grow it at a slow pace where we're comfortable with what we're putting out. Demand is increasing across the country, so we have to be careful where we're selling our product. We want to make sure we're getting paid for our product and we're not being taken advantage of.

So right now we've built a very strong base, wholesale is back to growth, and we'd don't see tremendous growth there. We want to be careful about it, but I think we can anticipate some slow growth in wholesale and momentum.

Neal Gilmer^ Then maybe a small one here. You tightened up your CapEx guidance range, brought up the lower end of that. Was there any particular projects that you guys decided to move forward with, or is there any CapEx investment required in Virginia, given the developments there?

George Archos^ Yes. We have some additional stores that will be opening at the end of the year.

Now that Virginia is final and it's launching July 1st, we just got the second facility approved, we're going to be deploying some additional capital there as well as some other markets making some cultivation improvements and opening some additional stores.

So we are raising that a bit, and obviously that's for a good reason. So we're looking forward to the output from those investments.

Operator^ This concludes the question-and-answer session. I would now like to turn it back over to George Archos for closing remarks.

George Archos^ Thank you, everyone, for joining us today. Look forward to seeing you next quarter. Enjoy the rest of your summer.

Operator^ Thank you for your participation in today's conference.

This does conclude the program, and you may now disconnect.