

Lindblad Expeditions, Inc.

First Quarter 2017 Financial Results
Conference Call & Webcast

May 9, 2017 at 8:30 a.m. Eastern

CORPORATE PARTICIPANTS

Craig Felenstein - *Chief Financial Officer*

Sven-Olof Lindblad - *Founder and Chief Executive Officer*

Ian Rogers - *Chief Operating Officer*

PRESENTATION

Operator

Good day and welcome to the Lindblad Expeditions' First Quarter 2017 Financial Results Conference Call and Webcast. All participants will be in listen-only mode. Should you need assistance, please signal a conference specialist by pressing the star key followed by zero. After today's presentation, there will be an opportunity to ask questions. . To ask a question, you may press star, then 1 on your telephone keypad. To withdraw your question, please press star, then 2. And please note this event is being recorded.

I would now like to turn the conference over to Mr. Craig Felenstein, Chief Financial Officer. Please go ahead.

Craig Felenstein

Thank you, Ryan. Good morning, everyone. And thank you for joining us for Lindblad's first quarter 2017 earnings call. Joining me today is Sven Lindblad, our Founder and Chief Executive Officer and Ian Rogers, our Chief Operating Officer. Sven will begin with some opening comments, and then I will follow with some details on our first quarter results. You can find our latest earnings release in the Investor Relations section of our Web site.

Before we get started, let me remind everyone that the company's comments today may include statements about expectations for the future. Those expectations are subject to known and to unknown risks, uncertainties, and other factors that may cause the company's actual results and performance in future periods to be materially different from any future results or performance suggested by these expectations.

The company cannot guarantee the accuracy of any forecast or estimates, and we undertake no obligation to update any forward-looking statements. If you would like more information on the risks involved in forward-looking statements, please see the company's SEC filings.

In addition, some of our comments may refer to non-GAAP financial measures. A reconciliation of the most directly comparable GAAP financial measures and other associated disclosures are contained in the company's earnings release.

And with that out of the way, let me turn the call over to Sven.

Sven-Olof Lindblad

Thanks Craig, and good morning everyone and thank you, for joining us. I'm pleased to say that Lindblad Expeditions is off to a strong start in 2017, as the booking momentum we generated during the end of 2016 is accelerated into this year.

During our first quarter, reservations for future travel were record shattering, eclipsing the same period in 2015 by 31% and 2016 by 86%. And, this strength was very much broad-based with significant growth across virtually every one of our destinations. Increasingly, not only are we seeing increased booking activity for travel in the current year, but we are also generating significantly more demand for itineraries in 2018. The timing of marketing material versus a year ago certainly plays into this, but it's clear that the overall interest in our expanding offerings continue to grow and the increase demand further bolsters our confidence in our long-term growth plan.

2017 is significant for us. Symbolically, we're celebrating the 50th anniversary of my father's ground breaking expeditions to the Galápagos Islands, which followed last year's 50th anniversary of his historic first passenger expedition to Antarctica. These milestones remind us all of the heritage of expedition travel, and Lindblad in particular, a deeply rooted heritage that blends geography, knowledge, and a laser focus on providing our guests with the most fulfilling experience as possible.

It is a combination of these factors that I believe are critical to the relationship and trust we have developed over decades with our myriad constitutions. There is a vast community of people in the United States and abroad who created the notion of experience as core ingredient of their lives. They are willing to invest significantly in these experiences, provided they believe a company has the ability and the commitment to fill their desires. We have always known that; however, it is more important now than ever before.

Everyone in this organization is fully cognizant of that salient fact and committed to ensuring we deliver on that promise for each and every one of our guests at every step along their journey; in their first engagement through the booking process and travel preparations, during the actual expedition, whether on board or off, and once back at home. Our guests do not want to be passive tourist, and we foster active engagement with an experienced expedition team on vessels that are ideally equipped for exploration.

We also spend a significant amount of time and resources ensuring these vessels are rigorously maintained in accordance with applicable regulations, international conventions, and insurance requirements. Despite these steps, there are times when unforeseen repairs become necessary. In some rare cases, voyages that have already been heavily booked need to be cancelled. This was the case with the National Geographic Orion after the engine failure on December 27th in Antarctica.

An incident of this magnitude was unprecedented in our history, as we have never had calls to cancel the entire season previously. But I am pleased to inform you that the Orion returned to service April 19th, as planned, and guests are currently enjoying its European itineraries. Unfortunately, this past quarter, we also had an issue with an air-conditioning system on the National Geographic Sea Lion, which resulted in cancelling two weeks in Central America.

These mechanical issues have, of course, affected our financial results, which Craig will cover in a moment. However, it is important to emphasize that these incidents, while unfortunate, were in no way symptomatic of any long term factors; not age of the vessels, not lack of proper maintenance. They were simply events that rarely, but periodically, can and will affect a vessel.

Looking ahead, we are little over a month away from the inaugural voyage of the US-built National Geographic Quest; the first installment, if you will, of our long term growth plan. She is essentially sold out for our Alaska season, and it's gratifying to see that our other ships operating in the area are doing well despite the added inventory. It verifies our original thesis that adding to this geography was solidly rooted in excess demand. She will be the most sophisticated passenger vessel built in the US in decades, and we are incredibly excited to launch our first entirely new purpose-built expedition ship.

For sister ship, the National Geographic Venture, is on track for delivery in Q2 of 2018, and we are very close to selecting a shipyard for our planned blue water vessel for delivery in Q3 2019. This will, I believe, be the most thought out and equipped global expedition ship in the world, enabling us to penetrate regions inaccessible before in great comfort with an array of modern tools for enhancing the expedition's tours.

As we increase our capacity, we also continue to hone our human resources so that we don't skip a beat as this growth kicks in. At the end of the day, it's not all about hardware but about the people in the field;

captains, expedition leaders, chefs, naturalists, et cetera, who make these expeditions powerful and memorable. Recruitment, training, and development are key to success.

We have also significantly augmented our marketing and sales platform, adding field sales representative, broadening our communications tools, and developing partnerships to generate audience interest.

We also continued to see great promise in Natural Habitat, which is proving to be a valuable acquisition. This is particularly true as it relates to cross-selling, which has grown exponentially since May 2016. We will continue to look for opportunities to add companies or products where economics, brand fit, and management ability come together.

Along those lines, I've just returned from a two-week expedition in the South Pacific, with a writer, a film team, and dive experts to help craft another series of expeditions for our guests. This expedition will bring voice to a seven-month deployment of the National Geographic Orion, beginning in March of 2018. What I saw, the people I met, and the opportunities unearthed will add greatly to a multiple remarkable experiences with intent to provide.

Lindblad Expeditions is not a cruise company, with a dominant equity as our hardware. We are rather a mission-driven enterprise whose value is our ability to connect our guests with the world in deep meaningful thoroughly researched ways. The name Lindblad Expeditions is not meant to be taken that lightly, nor is our partnership with National Geographic. We are not only offering expeditions but live and breathe in that faith on a daily basis, which ultimately provides the greatest value of all; relevance.

And now, let me turn the call over to Craig to discuss our financial results in detail.

Craig Felenstein

Thanks Sven. As Sven mentioned, Lindblad has started 2017 with sustained operating momentum. Bookings continue to pace well ahead of a year ago, and given our average booking window over approximately nine months, the strength we are seeing today should translate into substantial revenue growth in the back half of this year and beyond. This, combined with the significant demand for our first new build, the National Geographic Quest, continues to give us confidence in the long-term growth targets we have laid out.

There are some short-term hurdles that will impact the current year, which I will discuss in a moment. But the growing demand for expedition travel, combined with our expanding capacity and Lindblad's distinguished track record in delivering unparalleled expedition experiences, has us poised to deliver increasing shareholder value in the years ahead.

Turning the first quarter, on a reported basis, Lindblad delivered revenue growth of 3% versus the first quarter of 2016, while adjusted EBITDA declined by 42%. These results included contributions from Natural Habitat, which was acquired during the second quarter of 2016, as well as the impact of several voyage cancellations in the current year. Excluding these voyage cancellations, we estimate revenue growth would have been 17% and adjusted EBITDA would have declined approximately 800,000.

The Lindblad segment reported revenues of \$53 million, \$8 million below a year ago, due to lower ticket revenue from the previously discussed cancellation of four voyages on the National Geographic Orion to perform necessary engine repairs, as well as the unplanned cancellation of two voyages on the National Geographic Sea Lion to repair the air conditioning system. All of these voyages were highly booked at the time of cancellation. So the revenue loss was significant at over \$9 million, \$11 million in ticket revenues offset by \$1.9 million of insurance revenue to cover certain expenses.

Excluding the impact of these cancellations, we estimate Lindblad's segment revenue growth would have been approximately 1% versus the first quarter a year ago. Available guest nights in the quarter declined 18%, primarily driven by the cancelled voyages, partially offset by the additional charter nights from the launch of our expeditions in Cuba.

Occupancy in the quarter was 87% versus 92% a year ago, primarily due to the booking headwinds we saw during the early part of 2016 that we have discussed previously. Despite these headwinds, net yield remained in line with a year ago at \$1,008 per night, primarily due to the higher rates versus the first quarter a year ago. Given the high occupancy and price points of the cancelled voyages, they did negatively impact our metrics in the quarter. We estimate that occupancy would have been over 88% and net yield would have been approximately \$1,060 if not for the cancellations.

Turning to the cost side of the business, Lindblad's segment operating expenses were up 2%, primarily driven by \$2.9 million increase in stock-based compensation, mainly associated with Sven's distribution of his personal shares to the employee base. This was partially offset by accelerated depreciation a year ago due to the December retirement of the National Geographic Endeavour. For the full year of 2017, we anticipate approximately \$5 million of additional stock-based compensation versus 2016, but the vast majority of this increase related to the CEO distribution.

Excluding stock-based compensation and depreciation and amortization, total operating expenses were 1% lower than the first quarter a year ago, primarily due to a decline in G&A expenses from lower employee costs, which were mostly offset by an increase in costs of tours. The increased costs of tours reflects the addition of expeditions in Cuba and unanticipated reimbursement costs to guest due to the cancellation of the Orion and Sea Lion voyages, partially offset by lower fuel cost.

Fuel costs in the quarter were 34% below prior year, at 3.1% of revenue, compared with 4.1% of revenue in the first quarter of 2016. Adjusted net cruise costs, on a per night basis, increased 23%, but the majority of this increase reflected a decline in available guest nights due to the voyage cancellations.

Overall, on a reported basis, the lower revenue due to the voyage cancellations resulted in adjusted EBITDA that was \$7.7 million lower at the Lindblad segment versus the first quarter a year ago. Excluding the impact of these voyage cancellations, we estimate adjusted EBITDA in the quarter would have been approximately \$16.3 million or 7% below the prior year, reflecting the lower occupancy.

Total company net income in the quarter was \$0.6 million or \$0.01 per share, as compared with \$10.5 million or \$0.23 per share in the first quarter of 2016. The year-on-year decline was primarily driven by the lower operating results and \$2.9 million of higher stock-based compensations.

Turning to the balance sheet, we remain extremely well-positioned to invest in future growth opportunities. We ended the quarter with \$104 million in unrestricted cash. Free cash flow for the quarter was a use of \$20.1 million, which included \$17 million spent on the new builds and an additional \$3 million spent on vessels repairs that is expected to be reimbursed. Including only maintenance CapEx, free cash flow was a slight source in the first quarter.

Given the strength of our balance sheet, the confidence we have in our long-term growth opportunity, and the belief that the company's share and warrant prices are not reflective of the value of the company and our prospects, we repurchased 481,000 shares and 513,000 warrants for \$5.5 million during the first quarter under our \$35 million stock and warrant repurchase plan. As of May 1st, we have approximately \$13 million remaining under the existing plan. It is important to note that our first priority for capital allocation is investing in our existing businesses and external growth opportunities that will enhance our long term growth profile.

Turning to the full year 2017, the Lindblad segment is currently pacing \$12 million ahead of the same point a year ago, despite the voyage cancellations on the Orion and Sea Lion, and it is primarily due to the additional inventory from the anticipated launch of the National Geographic Quest in June and from the additional charter expeditions in Cuba. We are currently at 92% of our full-year projected ticket revenues for 2017, which compares to 93% of the 2016 full year ticket revenue at the same time a year ago.

Factoring in the estimated \$9.1 million in revenue and \$6.5 million in adjusted EBITDA impacts from the six voyage cancellations, we now expect total company tour revenue in 2017 between \$275 million and \$281 million, 14% to 16% growth versus 2016 and an adjusted EBITDA between \$47 million and \$49 million or 12% to 17% growth versus 2016. The change versus our original guidance is due to the impact of the Sea Lion cancellations and some unanticipated costs related to the Orion cancellations. It is important to note that these impacts are short-term and we remain on track to meet the long-term financial objectives that were laid out when the company went public in 2015.

Please note that current expectations are for the second quarter results and metrics to be down year-on-year, while bookings year-to-date in 2017 are up over 60% versus the prior year, given the long lead time experienced in most locations. We are still seeing the impact of some of the booking softness during the first half of 2016. We will also be impacted by the timing of voyages, which will defer some revenue until the third quarter that was previously recognized in the second quarter in 2016.

Looking at the back half of the year, Q3 and Q4 results will benefit from the strong bookings over the last nine months and the launch of the National Geographic Quest. Additionally, Natural Habitat had seasonality to their results, with a significant portion of their revenue in the second half of the year and the majority of their annual adjusted EBITDA that will be recognized [papers being rustled].

Thanks for your time this morning. And, now Sven, Ian and I would be happy to answer any questions that you may have.

Question-and-Answer Session

Operator

At this time, we will begin the question-and-answer session. To ask a question, you may press star, then 1 on your telephone keypad. If you are using a speakerphone, please pick up your handset before pressing the keys. If your question has been addressed, you may withdraw from the queue by pressing star, then 2. We do ask that you limit yourself to one question and one follow-up. If you have further questions, you may re-enter the question queue.

Our first question today comes from Steve Pizzella with Deutsche Bank. Please go ahead.

Steve Pizzella

Good morning, guys. Thanks for taking my question. Any early read you can share with us on 2018 booking pace?

Sven-Olof Lindblad

Right now, we're seeing some significant strength in 2018 out of the gate. It's actually ramped up rather quickly compared to 2016 at the same time for 2017, about 60% greater this year than it was the same time year ago. Interestingly enough, the 2018 pace is also significantly ahead of where it was in 2015 for 2016. At that point, we're probably about 15% to 20% higher than that pace. So, we are seeing some significant bookings already for 2018, and it speaks to not only this strength today, but also to some of

the weakness that we were seeing a year ago at the same time.

Steve Pizzella

Okay. Great. Thank you. And, then, in terms of customer origin, any kind of outbound markets that you're seeing that are particularly strong or weak?

Sven-Olof Lindblad

When you say, outbound origins, the majority of our guest come from the US. In terms of the markets that today are strong, it's the market that traditionally we do really, really well in. We're seeing strength in Alaska, we're seeing strength in the Poles, and we're seeing strength in the Galápagos. So, we continue to see strength in those markets that our guests have been utilizing us for for a very long time.

Steve Pizzella

Okay. Thank you.

Operator

And again if you have a question, you may press star, then 1.

Our next question today comes from Greg Pendency with Sidoti. Please go ahead.

Greg Pendency

Hi guys. Thanks for taking my call. Just looking over to Natural Habitat, I believe the second quarter last year—was that a partial close when you did roughly \$6 million, or was that the full quarter? Just trying to understand the seasonality of the business.

Sven-Olof Lindblad

The deal closed towards the end of May, actually, it was more towards the beginning of May. But yes, it was a partial quarter. I think it May 6th was the actual date. So, you're seeing a partial quarter in Q2 and then a full quarter in Q3 and Q4.

Greg Pendency

And, then just as a follow-up, can you talk a little bit about what type of cross-selling, because I guess you didn't have any revenues from March last year? What type of synergies you are seeing. Are you seeing just from sharing, I guess, the database of clients?

Ian Rogers

So, one of the things we know is that the demographics of Nat Hab's clientele and ours, are quite similar, and also very much oriented to nature based travel. So, Nat Hab's offering our products to their audience and vice versa has proven to be very effective. We've been testing in a variety of different ways to see how that could be most cost effective in terms of distributing these ideas from our company to Nat Hab and Nat Hab to us. But, it's growing month-by-month, and we're finding a lot of synergy in that area.

Greg Pendency

That's helpful. Thanks a lot

Operator

Our next question today comes from Greg Badishkanian with Citigroup. Please go ahead.

Frederick Wightman

Hi guys. This is actually Fred Wightman on for Greg. I know that you said that most of the delta in the guidance is due to the cancellation from the Sea Lion. But, did you also say there were some unexpected

costs from the Orion? Any sense for how big that was?

Craig Felenstein

Sure. When you look at the original expectation that we had heading into the year, the expectation was that the Orion impact was going to be about \$3 million. The overall voyage cancellation impact so far, or I should say all-in for this year, is about \$6.5 million. The delta between those two things is pretty much split evenly between the Sea Lion and the Orion. The Sea Lion costs are significant from a cancellation perspective, because the cancellation was only for two voyages and did not exceed the 30-day window that we typically have for our loss of higher reimbursement. So the Sea Lion impact was partially because of that. It was partially because of additional costs that we utilized to take care of our guests down there that had already traveled down to where the Sea Lion was leaving from. So that was the impact on the Sea Lion.

The Orion impact, there was additional costs that we decided to take on to take care of our guests from cancellation costs that they had on airfare, cancellation cost that they had on the hotel side of thing. There were also some charter costs that we had to pick up that previously we were looking to get rid of. So, there was some additional cost on the Orion side that certainly took place in the quarter.

A lot of the costs related to both of these things, related to taking care of our guests that were inconvenienced because of these things. Sven why don't you go into a little bit of this in terms of that.

Sven-Olof Lindblad

Well, at the end of the day, what became paramount in terms of our priority was to make sure that every single individual who was inconvenienced, some were greatly inconvenienced, i.e. they're already down there when it became apparent they could not continue their voyage. So, what we just wanted was to make sure was that we treated all those people as well as we possibly could in order to maintain long term relationships with them. Interestingly enough, more than 75% of the people who were cancelled off the Orion and Antarctica, within weeks re-booked on another voyage.

And I think that is a reflection of the fact that we took care of them very, very well, and some of the costs related to that certainly exceeded our expectations. And, certainly the airlines were not nearly as cooperative as one would have liked in circumstances like this in terms of imposing cancellation penalties and such. But, just to be clear, whenever, and fortunately it's extremely rare that we do have an incidence like this, it's critical for us to take very, very, very good care of our guests. In certain instances, we paid for them to stay down in Argentina for several days so that the transition back to the United States was as easy as possible. Certainly, we weren't obligated to do that, technically, but we chose to do that as it relates to maintaining those relationships.

Frederick Wightman

So, just on a related note, I mean, do you think that these cancellations are hurting the brand among your potential customers? Or do you think that that 75% rebooking figure is a positive overall?

Sven-Olof Lindblad

One thing I've learned over the years is that, if and when anything bad happens and you deal with people respectfully and with a notion that they are the priority, they become the most loyal clients you could possibly have. Every single time, and there have been few incidences, but it could be something weather-related or whatever, whatever it is that inconveniences the guests, if you take care of them well, they become your greatest advocates. So, I believe that these people will be talking to tons of other people about how they were treated in a bad circumstance and that will reflect well on the company.

Frederick Wightman

That makes sense. And, I think towards end you mentioned that costs in Cuba were little bit higher than you anticipated. Could you just talk about what the feedback from that market has been so far? Was that comment relative to your plan or just relative to the existing book of business previously?

Craig Felenstein

I'll let Sven talk about how Cuba is going. But in terms of the cost, the costs actually came in line with our expectations. They were just higher than last year, because we did not have the Cuba voyages a year ago. So when you look at things year-on-year, there is additional costs related to that. But the costs themselves came in very much in line with what expected this quarter.

Sven-Olof Lindblad

Well, I think that probably answered the question. Did that answer the question or is there an additional element that you'd like covered?

Frederick Wightman

Just broadly speaking, any feedback from it? Are you still satisfied with what you're seeing in the market? Anything that's different than you expected?

Sven-Olof Lindblad

Well, I think in Cuba, almost everything is different than expected, because, when you walk into a country like that or develop an idea in a country like that, as new as circumstances are in a country like that, there are plenty of surprises. Fortunately, we have a very strong team on the ground that's been actively engaged in monitoring every aspect of what's going on there and able to adjust accordingly. It will take a while before Cuba is really stable from the perspective of reliability. That mean, if you would compare it to let's say a European context, it has and will continue to provide some surprises. But the general appreciation of Cuba as a destination is high from the perspective of our audience understands the fact that not everything works like clockwork in this country. And, they really appreciate access to an unusual program in this most interesting of countries.

Frederick Wightman

Great. Thank you.

Operator

Our next question today comes from George Kelly with Imperial Capital. Please go ahead.

George Kelly

A couple of questions for you. First, if I could start with the Quest. I was wondering if you could talk about how the pricing and booking patterns played out versus your initial expectations before you started selling it. And, then, if you could quantify expected revenue contribution from that shift this year?

Craig Felenstein

Look, I'll handle the second one first. We're not going to into specifically individual revenue contribution for a specific vessel. When we did go public in 2015, we laid out that for the first year, because it was the half year, you were looking somewhere in that \$13 million to \$15 million of revenue for the vessel overall. So, I'm not going to say much more than that, because that's been out there in public domain. So, we're going to shy away from talking about individual vessel contributions. But, Ian, why don't you talk about the booking patterns?

Ian Rogers

Quest has been extraordinarily well-received in the market. We have experienced very strong bookings from the moment we announced the vessel, and that pattern continues through to launch at the end of

June. And we're excited. It's the newest US flagged vessel in anyone's fleet, built to a very high standard, built in the US, and all of our travel partners are excited, as well as within the company, around this. Bookings has been strong from all segments of our business.

George Kelly

Okay. Thanks. And, then, the second question on the growth metrics you provided about the first quarter in bookings, in which it sounds like a very strong environment. That includes Natural Habitat, correct? And, is there any way you could take Natural Habitat out of your booking numbers for this year's first quarter to compare them with last year.

Craig Felenstein

George, so when we talk about bookings, we talk about booking specific to the Lindblad segment, to the Lindblad fleet. So, when we talk about the 50% growth positive that we're seeing in the first quarter, that just relates to the Lindblad fleet and does not include Nat Hab. Interestingly, we certainly have more available inventory. We can talk about the Quest and talk about Cuba, but we didn't have the offsetting negative this time out associated with the Orion and Sea Lion. So, the 60% plus booking trend that you see in first quarter, that Sven spoke about, is really just an indication of how strong things are looking forward to future travel. So, we feel very optimistic about things once you get past these voyage cancellations that we have to deal with in the first quarter.

George Kelly

And, then, the last question on potential acquisitions. Can you talk about the pipeline? Do you have a full pipeline? Are you happy where you're at with potential acquisitions?

Craig Felenstein

When it comes to acquisition, the company has, from even before went public, been very open and honest about the fact that we are open for business. We are always looking at new and, I would say, compatible ways to expand the business opportunity for us in the long term. We think we have a significant amount of growth still embedded in our existing fleet, especially with the additional inventory that we're adding over the next three years. But, like we did with Natural Habitat, we continue to look at a lot of opportunities at any given moment to expand that growth profile.

To be frank, we pass on a lot of things, mostly because they don't fit with the ethos of what we do or we just don't think it's a sustainable long-term growth opportunity for the Company. The pipeline today, I would say, is normal. It's not as robust compared to where it was a year ago nor is it depleted. I think there're several things we're looking at, at any given moment, both from a fleet perspective as well as from a differential perspective, and we'll continue to explore those as they present themselves.

George Kelly

Thank you.

Operator

And just a reminder, if you have a question, you may press star and then 1 as we look to reassemble our question and answer roster.

Next question today comes from Mordechai Yavneh with Focus Capital. Please go ahead.

Mordechai Yavneh

Hi. I just had one thing to ask about the thinking behind your buyback, specifically, the split between the share buybacks and the warrant buybacks. As I recall, when you started buying back the first few quarters, you bought just warrants. If you had expectation of significant price appreciation in the stocks

or warrants, buyback would seem to be better bang for the buck in terms of staving off share dilution in the future. Wondering what's going to [indiscernible] most of the buyback on the shares?

Craig Felenstein

Sure. So, when we do our buyback, we actually look at the intrinsic value of the warrants at every individual share price. So, we compare the intrinsic value of one to the other and look at what the best value is at any given moment. It doesn't mean that we will stop buying one versus the other. It means that we're just going to take advantage of the bigger opportunity at any given moment. And, that is why you've seen a little bit of a shift from the warrants to the shares. We are still happy to buyback warrants if they present themselves at the right price. But we're also going to compare that to what the share price is at any given time. And, that's how we take a look at it.

Mordechai Yavneh

In Q1, how many warrants are in the hands of the sponsors?

Craig Felenstein

I forget the exact number. I'll tell you what, we'll get back to you with that number after the call, okay?

Mordechai Yavneh

Okay. Great. Thank you so much.

Operator

And we are currently showing no further questions. I'd like to turn the conference back over to Mr. Craig Felenstein for any closing remarks.

Craig Felenstein

Thank you everybody for joining us today. If you have any follow-up questions, please give me a call and I will be happy to get back to you as soon as possible. Thank you.

Operator

And ladies and gentlemen, this concludes today's conference. Thank you for attending today's presentation. You may now disconnect.