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Bowman Consulting Group Ltd. NasdaqGM:BWMN

Earnings Call

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Call Participants

EXECUTIVES

Bruce J. Labovitz
Executive VP & Chief Financial Officer

Gary P. Bowman
President, CEO & Chairman

ANALYSTS

Aaron Michael Spychalla
Craig-Hallum Capital Group LLC, Research Division

Jean Paul Ramirez
D.A. Davidson & Co., Research Division

Jeffrey Michael Martin
ROTH MKM Partners, LLC, Research Division

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Presentation

Operator

Good morning, ladies and gentlemen. Welcome to the Bowman Consulting Group Ltd. Q1 2024 Earnings Conference Call and Webcast. My name is [Jacquetta]. I will be your moderator for today's call. [Operator Instructions]

I would now like to pass the conference over to your host, Bruce. Please go ahead.

Bruce J. Labovitz
Executive VP & Chief Financial Officer

Thank you, Jacquetta. Before we get started, please note that many of the comments made today are considered forward-looking statements under federal securities law. As described in the Company's filings with the SEC, these statements are subject to numerous risks and uncertainties that could cause future results to differ from those expressed, and the company is not obligated to publicly update or revise these forward-looking statements.

In addition, on today's call, the company will discuss certain non-GAAP financial information, such as adjusted EBITDA, adjusted net income and net service billing. You can find this information together with the reconciliations to the most direct comparable GAAP information in the Company's earnings press release and 8-K filed with the SEC and on the company's investor website at investors.bowman.com.

We will deliver prepared remarks today, after which we will be taking live questions from published research analysts. Throughout the call, attendees on the webcast may post questions for management to answer on the call or in subsequent communications, but there will be no live Q&A for the webcast attendees. Replays of the call will be available on the Company's investor website.

With that, I'm going to turn the call over to Gary Bowman.

Gary P. Bowman
President, CEO & Chairman

Thank you, Bruce. And good morning, everyone, and thank you for joining the Bowman Consulting Group Q1 2024 earnings call. As he introduced, with me this morning is Bruce Labovitz, our CFO.

We want to welcome all of our new shareholders and thank everybody for taking time to participate this morning. We also want to welcome all the firm's new employees, including everyone who joined us recently from Surdex and Moore Consulting Engineers.

As usual, I'm going to start off with a quick business update, then Bruce will discuss our financial results. After that, I'll talk about our markets and pipeline before opening the line for questions.

The first quarter of 2024, along with the start of the second quarter, have been both busy and impactful to our long-term journey. Turning first to the results of the quarter, I'm pleased to report that our net service billing rebounded from December's drop-off with 3 consecutive months of revenue increases. With year-end 2023 now in our rearview mirror, we are on track as expected for a healthy growth in 2024.

As mentioned in our press release last night, demand for engineering services remains strong in all of our markets. While it's certainly notable that backlog is up $78 million or 31% year-over-year, I think it's more relevant to note the $24 million increase in gross backlog during the first quarter, represented an increase of 8% over 3 months. The bulk of that increase was generated through new orders with transportation commitments being a meaningful component of the quarter's sales.

As is typically the case in consequential election years, we see an uptick in urgency to produce transportation-related projects as local, state and federal administrations promote infrastructure accomplishments.

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Since the end of the quarter, we have significantly increased our capital resources through a follow-on equity offering, an increase in availability under our primary revolver and the refinance of the Surdex aviation and imaging assets.

As of today, we have access to nearly $100 million of deployable capital between cash on hand, available debt and free cash flow. As such, we are well positioned to continue to execute on our current strategic growth initiatives.

At this point, I'm going to turn the call over to Bruce. Bruce?

Bruce J. Labovitz
Executive VP & Chief Financial Officer

Thanks, Gary. Just as a reminder, we refer to net service billing and net revenue interchangeably. This is a non-GAAP revenue metric that nets subcontractor and outside production costs from gross revenue. A reconciliation of all non-GAAP metrics is available in the press release we issued last night.

As of the end of March -- at the end of March, we completed a $57.5 million equity offering, which included $51.1 million of gross primary proceeds after exercise of the issue.

Due to the timing of the offering, with respect to Good Friday, the offering closed on Monday, April 1, 2024. As a result, the offering will be accounted for entirely as a second quarter event and none of the associated activity is reflected in Q1.

This means the share counts reflected on the balance sheet and the P&L will not reflect the dilution, but the share count on the cover of the 10-Q we filed tonight will reflect all shares issued in connection with the offering, along with subsequent acquisitions and other stock-related activities.

From a revenue perspective, the first quarter was a good rebound from the end of the fourth quarter for sure. We generated just under $95 million in gross revenue and just under $86 million in net service billing for roughly [Technical Difficulty]

Operator

Ladies and gentlemen, please standby as we connect Bruce's line. Again please standby. Again ladies and gentlemen, please standby. Ladies and gentlemen, please standby. We should have Bruce join momentarily. Again, please standby. [Technical Difficulty]

Bruce J. Labovitz
Executive VP & Chief Financial Officer

I'm going to start with me again. All right, put us in.

Operator

We now have Bruce here, you may proceed.

Bruce J. Labovitz
Executive VP & Chief Financial Officer

Okay, okay. We're sorry, folks. Looks like we had a little bit of a technical problem with the audio. So, I'm going to start my portion of the script again. Hopefully, we're not repeating too much.

At the end of March, we completed a $57.5 million equity offering, which included $51.1 million of gross primary proceeds after exercise of issue.

Due to the timing of the offering, with respect to Good Friday, the offering closed on Monday, April 1st, 2024. As a result, the offering will be accounted for entirely as a second quarter event with none of the associated activity reflected in Q1. This means the share counts reflected on the balance sheet and the P&L will not reflect the dilution, but the share count on the cover of the 10-Q, we will file tonight will reflect all shares issued in connection with the offering, along with subsequent acquisitions and any other related stock activities.

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From a revenue perspective, the first quarter was a good rebound from the end of the fourth quarter for sure. We generated just under $95 million in gross revenue and just under $86 million in net service billing for a roughly 90% net to growth ratio. As Gary mentioned, net revenue increased sequentially each month throughout the quarter with a higher ratio of bill to earn this quarter, meaning the change in our net contract assets was a smaller percentage of total net revenue as compared to fourth quarter.

It's important to highlight that even though gross revenue was relatively flat compared to Q4, net revenue, the revenue earned by our workforce, and from where we make most of our profit, increased nearly 7% over Q4.

Gross margin for the quarter was in line with prior periods at 51% on gross revenue. Gary mentioned in the press release that we believe we have sufficient labor in place to deliver the revenue growth throughout the remainder of 2024.

We believe some of our margin expansion during the remainder of the year will come from increased gross margin based on the value of work in backlog.

At $44.7 million, SG&A was up about 140 basis points as a percentage of gross revenue in the quarter as compared to full year 2023. We believe SG&A as a percent of gross revenue revert to below last year's percentage as revenue grows during the year.

We continue to monitor progress on the U.S. Senate with respect to the potential repeal of the R&D tax amortization and expense rules. For now, we continue to maintain our uncertain tax position with respect to current period expensing of costs that could otherwise be construed as qualifying for R&D capitalization.

It's a bit complicated, but suffice it to say that recent IRS guidelines treat 2022 positions and 2023 positioned differently. In connection with the portion of the UTP relating to 2023, we have accrued $1.3 million of penalties and interest in the first quarter that could be levied if we maintain the position and do not prevail in the long-term. That brings the total to about $6 million accrued to-date for P&I.

We have until October of this year to decide on our position. If we choose to unwind the UTP, we will recover the accrued P&I. We estimate the 2024 cash exposure to a change in our position to be roughly $15 million. We will keep you posted as this evolves.

Adjusted EBITDA for the quarter was $12.1 million or 14.2% of net revenue. Our adjusted EPS for the quarter was $0.22 basic and $0.20 dilutive as compared to $0.28 and $0.26 respectively for Q1 2023. This is a relatively new non-GAAP metric we recently introduced to help normalize earnings comparisons.

To calculate adjusted EPS, the company adds back non-recurring expenses specific to acquisitions, non-cash stock compensation expense associated with pre-IPO grants, and other expenses not in the ordinary course of business.

With respect to the elimination of any non-cash stock comp expense, the Company computes an adjusted tax expense or benefit, which accounts for the elimination of any periodic windfall or shortfall tax effects resulting from the difference between grant date fair value and vest date value.

With respect to all other eliminations, the Company applied its average marginal statutory rate, currently 25.6%, derived the tax adjustment associated with the eliminations.

Turning back to revenue. We continue to advance our efforts on our revenue diversification with roughly 55% of revenue in the quarter derived from building infrastructure, 19% from transportation, 20% from power, utilities, energy and the remaining 6% from other emerging markets.

For the remainder of this year, Surdex related revenue will be included in other emerging markets, until such time as it either emerges from that category to be its own standalone category, or is aggregated into another new or existing market category. Standby on that front.

Before moving on, I want to take a moment to address organic growth. Organic growth of net service billing was around 3% compared to Q1 last year. With no acquisition closing in the first quarter of 2023,

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we had no revenue to add to the organic basis for year-over-year comparison this year, meaning all organic growth was based on acquisitions we had closed prior to 2023.

Despite having experienced organic growth since acquisition, all revenue from the 2023 acquisition class is nonetheless reported as acquired revenue during Q1, because none of them have reached the 1-year mark yet.

When you consider the organic growth embedded in the acquired revenue of the 2023 acquisition, however, our year-over-year organic growth rate for net revenue increases to over 4%. While this is low for us historically, the trajectory of revenue suggested by our 2024 guidance and backlog growth suggests that there is increased organic growth on the horizon this year.

As mentioned earlier, the equity offering does not reflect on our March 31 cash and stock outstanding. As of today, we have approximately 17.6 million shares outstanding, including all unvested restricted stock grants, but exclusive of 570,000 performance stock units that could vest over the next 3 years based on total shareholder return.

At the end of the quarter, our net debt was $84 million, and cash on hand was $12 million. Our leverage was 1.7x trailing 4 quarter's adjusted EBITDA, but that was all prior to the equity offering, which reduced net debt by more than half.

Last week, we closed on a $100 million replacement revolver with BofA as administrative agent and TD Bank as syndication agent. This new line not only adds $30 million of borrowing capacity in the short run, but it also restructures our revolver to accommodate additional syndication participants as it grows.

This is an important evolution in the character of our borrowing. We also entered into a new $11 million aggregate facility last week with Honour Capital and [lease buyer] to refinance the aviation and imaging assets of Surdex. With the new equity and the recycled capital, our cash position today is approximately $25 million, with roughly $75 million of borrowing available under the new revolver. We believe this should be sufficient to advance our current growth plans.

Finally, we're increasing 2024 net revenue guidance to a range of $382 million to $397 million based on recent acquisitions, and the projected recognition of revenue from those companies post-closing. We are likewise increasing our 2024 guidance for adjusted EBITDA to a range of $63 million to $69 million. This includes all acquisitions closed as of today, but does not contemplate future acquisitions. Gary?

Gary P. Bowman
President, CEO & Chairman

Thank you, Bruce. It's been about 6 weeks since our last market update and frankly, not much has changed in that time with respect to our markets. I'd like to take a moment to address organic growth.

Since Bowman's founding in 1995, we've been all about growth. Results ebb and flow over time and growth has not always been at a consistent pace, but we've always managed to deliver dependable growth over the long run and are committed to continuing to do so.

As we grow ever larger, we're taking proactive steps by bringing on highly experienced and well-connected talent devoted to continually increasing revenues in absolute terms so as to ensure continued healthy organic growth rates.

Reiterating what I said in the press release, with the bulk of our organic growth anticipated to occur during the balance of 2024, we're confident we have sufficient revenue and backlog and a rightsized organizational infrastructure to deliver expanding margins as we realize the increased benefits of scale throughout the year.

In April, we closed on the Surdex acquisition, our largest since McMahon back in 2022. This is an exciting expansion of our geospatial services portfolio as it now includes high altitude aerial imagery as a complement to our existing terrestrial and low altitude imaging capabilities.

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Furthermore, the addition of our extensive unmanned drone fleet, mobile scanning, and licensed surveying crews from the Surdex suite of services will be immediately accretive to that business.

The integration of imaging fleets and capabilities is well underway with our professional services teams becoming familiar with each other and the breadth of our expanded capabilities. Our business development resources are actively exploring synergies with clients. We've already seen the fruits of this effort with a new $3 million -- approximately $3 million award in Oregon to start sometime later this year. While the Surdex business is complementary to ours, it's important to recognize some differences that affect the timing of revenue. Much of Surdex's high altitude aerial imaging business has 2 distinct seasons referred to as leaf-on and leaf-off.

Certain contracts can only be performed during one of the other seasons. So depending on the mix of backlog at any given time, revenue can be a bit more seasonal than in our legacy business. Weather also plays a bigger role in the timing of revenue in the high-altitude imaging business.

Surdex's operations managers work hard to maintain utilization by repositioning assets as weather changes, but it's not a perfect science. And sometimes the weather can impact short-term timing of revenue recognition. We're very pleased with the access this acquisition gives us to an expanded universal public sector clients, and we look forward to using these relationships to expand our public sector revenue.

Many of our utility, transportation and development clients use high altitude aerial imaging at the outset of projects, when relationships are established that last throughout the project. By offering these services, we expect to have more opportunities to get in on the outset of projects, thus enhancing our incumbency position, which will enable us to secure more wallet shares through longer-term assignments.

I'd like to take a moment before turning the call over to questions to talk about where our leadership team is currently focused, as we approach our 5-year goal of $500 million in annualized revenue in high teens margins.

First and foremost, our most tangible return comes from relentless attention to tuning our utilization and rate multipliers to leverage the highest possible return from our labor.

Across the organization, we are broadening our strategic focus on adjacency beyond just acquisitions to encompass all investments we make including technology, equipment, integration, business development and facilities. Labor optimization and cross utilization of resources are critical to our long-term success.

In operations, we remain steadfast in our commitment to fostering work sharing and collaboration amongst our teams. Our leaders flatten silos when they see them forming and they challenge our employees to share best practices where they are identified. At every opportunity, we expose our employees to technical training and professional development opportunities that empower them to identify not just good, but exceptional solutions for customers.

In IT, we are investing in systems, platforms and processes that accelerate our ability to deliver more efficiently, to iterate more extensively and to apply learning quickly throughout the company. We're investing in a constantly improving in multidimensional production and communications environment, where our collection of extended resources operates both independently and as interconnected contributors in the delivery results that delight our customers.

With regard to development of new business, we are adding well-connected rainmaking talent to our team. These folks bring along existing relationships and have the ability to leverage the resources of Bowman to form new relationships and expand our leaders -- expand our networks in the marketplace.

We're recruiting highly connected senior professionals who run things, are well networked, and know how to close deals. These foundational investments in people are critical to ensuring continued healthy organic growth.

As seems to always be the case, our pipeline of M&A opportunity shows no sign of slowing down. If anything, the volume of opportunities enables us to be more discriminating as to what deals we take past the initial indication to intent stage. So far this year, we've closed on nearly 2/3 of the revenue we closed

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on last year. I'm confident that we'll continue to be successful in finding adjacent deals for our acquisition program.

With that, I'm going to turn the call back to the operator for Q&A.

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Question and Answer

Operator

We will now begin the question-and-answer session. [Operator Instructions] The first question comes from the line of Aaron Spychalla with Craig-Hallum.

Aaron Michael Spychalla
Craig-Hallum Capital Group LLC, Research Division

First for me, on transportation, you've had a big focus on expanding the capabilities there to provide more services to DOTs. It seems like you're starting to see more traction given activity this quarter. Can you just talk about how you're feeling about your offering, the outlook there? And is it still pretty early in those IIJA dollars kind of flowing from the states in the market?

Gary P. Bowman
President, CEO & Chairman

Aaron, yes. Certainly, our position is expanding, and we're seeing the results of that. I would say the flow of the IIJA dollars is early. However, it's advancing. And clearly, some of the activity we 're seeing with the deals that have been closed, and deals -- prospects that are in the pipeline as a results of IIJA activity.

Bruce J. Labovitz
Executive VP & Chief Financial Officer

I think its good news is that, almost all the money now is at least at the states. And so that positions it now at the starting gate. And certainly, some of it has left the gate, but it's lining up and as we do think that there's still a lot of tailwinds to it.

Aaron Michael Spychalla
Craig-Hallum Capital Group LLC, Research Division

And then on backlog, good to see that you're getting close to that 50% level outside of building infrastructure, but not really at the expense of growth there. Can you just talk a little bit about the outlook in building infrastructures as we move through the year, where you're seeing some good prospects for growth in any areas that might be a little more challenged in the near term?

Gary P. Bowman
President, CEO & Chairman

It's good news on that. Certainly, starting with our data centers, which is a small part of it, but increasing, that market is just on fire, lots of orders there. we're seeing notable increase in activities in the residential market, both single family -- single family has started recovering at the beginning of the year, and we're seeing some nice green shoots in the multifamily here in the recent month or so. All of the other segments are holding their own. The retail is still very robust. So in the building infrastructure market, still looking for very strong year.

Bruce J. Labovitz
Executive VP & Chief Financial Officer

Yes. And we have -- we aren't involved in high -- in urban high-rise that -- that market is not something we're engaged in. We've seen any change in that, you know, we're not suddenly getting pulled into it, but still, everything suburban and ex-urban has been very popular.

Operator

The next question comes from the line of Jeff Martin with Roth.

Jeffrey Michael Martin
ROTH MKM Partners, LLC, Research Division

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Wanted to dive in a little bit more on the shift from Q4 to Q1. You mentioned sequential increases throughout the quarter. I was just curious if you could highlight which areas were particularly improved by segment?

Bruce J. Labovitz
Executive VP & Chief Financial Officer

I don't think it was necessarily that granular. I think that -- what we're sort of getting with the sequential is that, as we said in December, we kind of had across the board drop off at the end, and during the course of the first quarter saw an evenly distributed recovery from the end of the year back to the revenue levels above.

I don't think, Jeff, it was necessarily any one segment that drove any more so than usual during the period with -- again, transportation has been a solid, and power, utility have been solid, catching up to -- in terms of building their market share. But the reference to growth is in the aggregate that as we had characterized at the end of last year, it would rebound and revenue would revert. It was just an episode.

Jeffrey Michael Martin
ROTH MKM Partners, LLC, Research Division

And then on the Surdex acquisition, that's your largest to date. I was just -- curious if you could talk us through kind of integration timing, what may be different from integration from past acquisitions relative to its size and perhaps a bit more complexity?

Bruce J. Labovitz
Executive VP & Chief Financial Officer

So, Jeff, we think of integration as having 3 prongs to it. The first being, let's call it, financial systems integration; second being, IT network integration and the third being, operational and organizational integration. And they happen in different timings, time periods.

We would expect the financial integration to happen during the course of this year. Again, our ultimate goal for all of our acquisitions is one P&L, one operating environment from a finance and reporting perspective. But it takes a little longer with some acquisitions. This one shouldn't be too different than the others, and it will get in queue and get integrated.

IT networks, some of their systems are a little bit different. The amount of data that they process exceeds the amount of data that we process by multiple terms, just in terms of the imaging. So that will take a little bit of time to get the networks integrated. And that's when we're sharing really accelerates is when we have everybody on a common platform. But operationally, I like Gary talk to the -- it's well underway.

Gary P. Bowman
President, CEO & Chairman

Yes. I'll speak to that. I'll call it the social integration, which is -- what is on my radar stream the most. And I would say this acquisition excited our leaders throughout the company as much or more than any about the potential of cross-selling. And we've already had some joint strategy planning sessions. So, I see that going -- early on, indicators going as well, as well as any of our integrations on that aspect of the deal, which enures to revenue synergies.

Jeffrey Michael Martin
ROTH MKM Partners, LLC, Research Division

And then one more, if I could. On the SG&A in the quarter, you had quite a bit of unusual or non-recurring items. You mentioned that you expect it to be -- you experienced operating leverage year-over-year for the year on -- but maybe just wanted to give you an opportunity to kind of dive a little deeper into SG&A in Q1, and particularly stock comp looked like a bit of an outlier?

Bruce J. Labovitz
Executive VP & Chief Financial Officer

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Yes. I think I'm not sure that there's a whole lot more color than sort of usual on it. We continue to grow the infrastructure of the company. We've talked in the past about how we're growing some of the infrastructure as we prepare for next phases of our graduation from emerging growth company status.

So, there's some investment there as Gary talked about, and we've been announcing, we've made some high-level business development investments, and as we acknowledge that nominal growth doesn't have to be bigger in order to achieve similar rate type growth.

Stock comp expense continues to have some drag from pre-IPO, but it is an aspect of our compensation philosophy that we continue to use to attract talent in the market. But I don't know that there's any one category necessarily, Jeff, of SG&A, they say, okay, well, that's almost over with. It's really -- again, we sort of continue to grow into and try to maintain as lean an organization as we can.

Operator

The next question comes from the line of Jean Ramirez with D.A. Davidson. Your line is now open.

Jean Paul Ramirez
D.A. Davidson & Co., Research Division

This is Jean Ramirez for Brent Thielman. Starting with Surdex. Could you talk a little bit more about that seasonality compared to Bowman's business? And perhaps if you could provide some details about the margin profile, whether it's lower or higher than Bowman expected or any details around that?

Bruce J. Labovitz
Executive VP & Chief Financial Officer

So as I guess, we telegraphed in the press release about it, their margin profile is slightly higher than Bowman's overall organization. But I don't think that, that will necessarily be a pull because it's a small percentage of our overall business. So, certainly contribute positively, we believe, from a margin perspective. They've traditionally operated around a 20% margin or so. So, it's helpful, but it's not overwhelming in size that it will necessarily fully impact us.

From a seasonality perspective, we typically don't think of our business as having seasonality to it. But we -- we experienced some, let's say, calendar, holiday oriented seasonality. But this is more of a sort of foundational way they do business. So, when you're trying to image the earth, there are seasons where imaging becomes more challenging because of the foliage. Now in some cases, that is what the customer is looking for them to image, its changes in the green scape, let's say.

So -- but the -- there is a little bit more, let's say, lumpiness to their revenues around what could be, depending on the contracts that they are executing, whether there is more, let's call it, leaf-on oriented or leaf-off oriented work to be done, it could affect the timing. Not the gross amount of work, but just sort of how the work phases. And weather can be -- can impact that business more than it generally would ours in the overall aggregate.

Jean Paul Ramirez
D.A. Davidson & Co., Research Division

Understood. And if I could, one more, talking about the revenue guidance increase. What sort of -- what is the low end and high end of the new guidance range you consider? And what sort of handicap -- what is sort of handicapped at the low end of the range?

Bruce J. Labovitz
Executive VP & Chief Financial Officer

Well, we look at our backlog, we look at the ability to deliver revenue. We narrowed that gap as we go through the year. Historically, we start with a slightly wider gap. It is a people business. It is a business that is often dependent on the timing of funding, the timing of public interactions. Even when they're private clients and private sector work, it often intersects with public activities, whether that's commissions, boards and approvals.

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And so, we start with what we are confident on the low end that our backlog and momentum will produce, and we look at where we think on the high end if things go right we can squeeze the additional revenue in and narrow that throughout the course of the year. It's not really a handicapping of any one event or 2 events. It's early in the year. It's 2,200 people billing work to customers that require milestones and approvals. So sometimes we just -- as we get closer, we have better visibility.

Jean Paul Ramirez
D.A. Davidson & Co., Research Division

That makes sense. And just adding on to that, with the organic growth rate of the company that has recently slowed down, and you mentioned a couple of reasons why, do you still expect low to mid-teens in 2024? And do you have that line of sight today?

Gary P. Bowman
President, CEO & Chairman

Yes. Probably in the low teens or high-single digits is what we 're looking at for organic growth rate in 2024.

Bruce J. Labovitz
Executive VP & Chief Financial Officer

Yes. We have -- we look at our backlog. We know where backlog is coming from. And as companies we've acquired roll through their annual -- through their anniversary date, their revenue becomes organic revenue. So, there's sort of 2 ways we know that it's going to improve because we know we 've had organic growth inside the acquired revenue that will convert to organic growth over the remainder of the year. And with the backlog and knowing where the delivery of the guided revenue is coming from, and knowing that by the end of this year, it will all, but what we have acquired this year, will be treated as organic growth. We're confident that we will achieve the same kinds of numbers we have historically.

Jean Paul Ramirez
D.A. Davidson & Co., Research Division

And just to clarify, according to that conversion or transition, what was your exit organic growth rate for March?

Bruce J. Labovitz
Executive VP & Chief Financial Officer

I'm sorry, what's that?

Jean Paul Ramirez
D.A. Davidson & Co., Research Division

I guess, just like so exiting March, the organic growth rate, you said it was 4% earlier, if they had converted -- previous acquisitions kind converted in Q1?

Bruce J. Labovitz
Executive VP & Chief Financial Officer

There was additional organic growth that was embedded in the acquired revenue, that would have been the pro forma end of March. Yes.

Operator

There are no additional questions waiting at this time. So, I would now like to pass the conference back to management for any additional or closing remarks.

Gary P. Bowman
President, CEO & Chairman

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Thank you, operator. I just want to close by thanking everybody for participating in the call this morning and certainly for bearing through our technical difficulties here. And thanks, again, for your attention and for all the hard work for those who are part of the company and for investing in us for those of our shareholders. Have a good morning.

Operator
That concludes today's conference call. Thank you for your participation. You may now disconnect your lines.

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