ISSUERDIRECT
Trading Under the Symbol: ISDR

Transcript of
Issuer Direct
Second Quarter 2020 Earnings Call
July 30, 2020

Participants
Brian Balbirnie – Founder & CEO
Steve Knerr – CFO

Analysts
Brock Irwin – Clever Investing
Mike Rundell – New Orleans Securities
Ian Cassel – Micro Club
Eric Weinstein – Chancellor Capital

Presentation

Operator
Ladies and gentlemen, thank you for standing by, and welcome to the Issuer Direct Corporation second quarter 2020 Earnings Conference Call. Today's call will be conducted by the Company's Founder & Chief Executive Officer, Brian Balbirnie and its Chief Financial Officer, Steve Knerr, before I turn the call over to Mr. Brian Balbirnie, I'd like to read you the company's abbreviated safe harbor statement:

I'd like to remind you that statements made in this conference call concerning future revenues, results from operations, financial position, markets, economic conditions, , product releases, partnerships and any other statements that may be construed as a prediction of future performance or events are forward-looking statements, which may involve known and unknown risks, uncertainties and other factors, which may cause actual results to differ materially from those expressed or implied by such statements. Non-GAAP results will also be discussed on the call. The Company believes the presentation of Non-GAAP information provides useful supplementary data concerning the Company's ongoing operations and is provided for informational purposes only.

With that said, Mr. Balbirnie?

Brian Balbirnie – Founder & CEO
Thank you, operator. Welcome everyone and thank you for joining us this afternoon to discuss the companies second quarter results. At the market close, we issued a press release announcing our results for the quarter. During today's call, we will be referencing these results as well as talking about the 2H of the year. For your convenience copy of the press release is now available in the Investor Relations section of our website and is also on our ACCESSWIRE Newsroom for you to reference during today's call.

We are thrilled with our second quarter results, in so many ways: Record revenues, which were up 18% yoy, Operating income, EBTIDA and Cashflows from operations were all also historical records. Thankfully, we have a great story to tell, this story resonates well within the markets we serve – in that regard, customers continues to expand to record levels this quarter, which allowed us to produce these P&L records across the board.

I'll now turn the call over to Steve, for a review of our second quarter. After his remarks, I will discuss some key metrics we're tracking from the 1H of the year and into the remaining part of the year.

Steve!

Steve Knerr – CFO
Thank you Brian, and good afternoon everyone.

As Brian mentioned, Issuer Direct had a record quarter in terms of revenue, operating income, cash flow from operations, EBITDA and customer count. However, this is not a time for us to rest on our laurels but instead to build on this momentum into the second half of the year and beyond. While the COVID-19 pandemic has been challenging for us, learning to work remotely, cancelling scheduled in-person conferences and slowing down overall market transactions and activity, it has also allowed us to pivot some of our products and caused some of our customers to lean more on virtual technology, which helped drive some of our increase in revenue during the quarter, something I will now discuss in more detail.

Total revenue for the second quarter of 2020 was $4,884,000, an increase of $746,000, or 18%, compared to $4,138,000 for the same period of 2019. For the first six months of 2020, revenue totaled $8.9 million, an increase of 7%, or $583,000 from the first six months of 2019. Driving the growth was revenue from our Platform and Technology revenue stream, which increased $640,000, or 24%, and $660,000, or 12% for the three and six months ended June 30, 2020, compared to the same periods of the prior year. The increase for both periods was threefold: First, we generated increased revenue from our virtual products, including virtual annual meetings, virtual conferences, and an overall increase in demand for our webcasting products, resulting primarily from the COVID-19 pandemic. Second, we generated additional revenue from ACCESSWIRE, which increased 19% and 10% for the three and six months ended June 30, 2020 compared to the same period of the prior year. This increase was due to both an increase in customers and an increase in revenue per release as we started to benefit from our digital marketing and e-commerce platform that kicked-off toward the end of the first quarter. Absent the investment commentary revenue from the first six months of 2019, Accesswire revenue for the first six months of 2020 increased 30% compared to the prior year. Third, we generated increased revenue from licenses of Platform id. The COVID-19 pandemic has created a headwind in terms of entering into new subscriptions as customers are more reluctant to sign annual contracts. As a result, we signed 35 new contracts with annual contract value, or ACV, of $225,000, down compared to the second quarter of 2019, which totaled 44 new contracts with an ACV of $322,000. However, we continue to net new contracts each quarter which has increased recurring revenue and led to our overall total of 295 contracts with ACV of just over $2.2 million, up from 255 contracts with ACV of approx. $2 million at the beginning of 2020. As a percentage of overall revenue, Platform & Technology revenue increased to 68% and 67% for the three and six months ended June 30,2020, compared to 64% for the same periods of 2019.

Services revenue increased $106,000, or 7%, during the second quarter of 2020, as compared to the same period of 2019. The increase is partially due to an increase in revenue from our print and proxy fulfillment services due to an increase in projects related to annual meetings as well as an increase in revenue from transfer agent services primarily due to a one-time project that was pushed from Q1 to Q2 as a result of the COVID-19 pandemic. Additionally, revenue from webcasting services increased as a result of the increase in demand for our virtual webcasting products. These increases were offset by the continued decline of revenue from ARS services. For the first half of 2020, services revenue decreased $77,000, or 3%, compared to the first half of 2019. The decrease is due to the aforementioned decrease in ARS revenue as well as a decline in revenue from transfer agent services due in part to a slow-down of transaction processing from the Depository Trust Company and banks and brokers.

Moving to gross margin, our overall gross margin % was 72% and 71% for the three and six months ended June 30, 2020, compared to 70% and 69% for the same periods of the prior year. The increase in gross margin was led by expanded margins in our Platform and Technology revenue stream, which reported gross margin percentages of 78% and 76% for the quarter and six months ended June 30, 2020, compared to 73% and 74% during the same periods of 2019. The increase was due to scale in our webcasting business as the higher revenue on a relatively fixed cost structure lead to higher margins. Gross margin % from our Services revenue stream were 61% and 59% for the three and six months ended June 30, 2020 compared to 63% and 61% for the same periods of the prior year.

Switching gears to operating income, our operating income was $1,001,000 for the second quarter of 2020 and $1,249,000 for the first half of 2020, compared to operating income of $130,000 and $277,000 during the same periods of the prior year. The increase in operating income is due to the higher revenue and margins I just spoke about, as well as a decrease in operating expenses. General and administrative expenses decreased $125,000, or 9%, and $270,000, or 10%, for the three and six months ended June 30, 2020 compared to the same periods of 2019 due to a decrease in bad debt expense related to a large reserve that was taken during the first and second quarters of 2019 as well as a decrease stock compensation expense. These decreases were partially offset by increases in rent and personnel expenses. Product development expenses decreased $178,000, or 52%, and $321,000, or 47%, for the three and six months ended June 30, 2020 compared to the same period of the prior year, due to a decrease in headcount. Partially offsetting these decreases was an increase in sales and marketing costs, which increased 9% during both the three and six months ended June 30, 2020 due to an increase in personnel costs as well as digital marketing expenses I just spoke about.

On a GAAP basis, net income and income per diluted share more than tripled, as we generated net income of $772,000, or $0.21 per diluted share, during Q2 2020, compared to $212,000, or $0.05 per diluted share, during the Q2 2019. For the six months ended June 30, 2020, net income was $998,000 or $0.26 per diluted share compared to $417,000, or $.11 per diluted share.

Looking at some Non-GAAP metrics, EBITDA for the second quarter 2020 increased 146% to $1,354,000, or 28% of revenue, compared to $550,000, or 13% of revenue, during the second quarter of 2019. EBITDA for the first half of 2020 increased 78% to $1,976,000, or 22% of revenue, compared to $1,108,000, or 13% of revenue, during the first half of 2019. Non-GAAP net income for the second quarter of 2020 increased 104% to $974,000, or $0.26 per diluted share, compared to $477,000, or $0.12 per diluted share, during the second quarter of 2019. Non-GAAP net income for the first half of 2020 increased 38% to $1,372,000, or $0.36 per diluted share, compared to $995,000, or $0.26 per diluted share, during the first half of 2019.

Moving on to the balance sheet and cash flow statement, we generated record cash flows from operations as we generated an additional $1,477,000 during the second quarter of 2020, compared to $259k during the second quarter of 2019. On a YTD basis, cash flow from operations was $2,079,000 for the first half of 2020 compared to $795,000 during the first half of 2019. On the balance sheet, our deferred revenue balance increased from $1,812,000 as of December 31, 2019 to $2,015,000, an 11% increase.

Overall, as I mentioned, we achieved good results for the quarter, but this only motivates us for more. We believe in our team and our product sets and have seen the results of more scale within the platform. We will continue to enhance our products and work on achieving customer growth, while keeping our eye on the challenging markets we are currently facing.

I'll now hand it back over to Brian, who will provide some updates on the business and what we have planned in the second half of the year, Brian?

Brian Balbirnie – Founder & CEO
Well done Steve, thank you.

In our last call, we spoke a bit about how we were pivoting some of our product platforms to be virtual. I guess you can say that pivot performed well for the quarter – even though were candidly are still learning what the market needs, what we can provide, and most importantly how it can sustain and create new categories for us. We will spend more time discussing that in a few minutes, for now, I think it's prudent to provide some commentary on the results for the quarter that Steve just highlighted.

The Second quarter was likely the most interesting quarter in our history – virtually our entire team was remote. We continued to learn how to recruit, hire, develop, sell and deliver in this distributed way with what now illustrates great success. That alone is an accomplishment, but to do it and achieve record revenues of $4.9m is something our employees should all be proud of.

It's nice to have this energy moving into the back have of the year – our teams are excited as they come out of this quarter learning a lot about our customers, their needs and how to continue to adapt, improve and evolve ourselves in this world. Something we are all focused on achieving again here this third quarter. if you can't tell, I'm really proud of our team, and the commitment they have had in every life cycle of the customer journey. Last quarter we talked about record customer numbers. Again, on a year over year basis, our customer counts continue to show strong signs of growth in combination. Our private company business continues to outperform our expectations, where customers were up 39% from 997 to 1,390 yoy. Our public company customers also grew during the quarter a couple percent to 1,477 from 1,440 yoy. Again, in combination a record number of customers, total 2,867, or 18% over last year.

I don't think I need to comment anymore – except to repeat one thing I have continued to say over the last several quarters and that is ….the most important thing we can do is win new customers, we do that, and the rest takes care of itself. well we have done just that, revenues show, margin improved a couple percent. And our platform and tech business continues to grow as an overall percentage of our business like we have spoken about. But I will add one thing to this critical KPI of new logos – and that is something we are maturing into and that's a marketing leading communications company. a company focused on our newswire, events businesses and reoccurring communications technologies we license to our customers. When you look at that business, it tells us everything about where were headed. It has 30+% yoy growth, it drives higher gross margins and generates as good or better cashflows. So, point being, please understand we indent to align our reporting styles with this strategy to ensure our shareholders and prospective shareholders understand the value drivers of the business. The more legacy, lumpy and season types of solutions we have today will not go away entirely but will become essentially compliance and other revenues. We are working to try and get us there by year end in this presentation of financial information. We are excited about simplifying this, both for the investment community, but also as a refined strategy to the market.

This refinement comes with added investment into our digital marketing strategy – something we have had success with in the second quarter but know we will see even more customers subscribing to our communications offerings in the future because of this strategy. Today, were seeing this heavily swayed toward ACCESSWIRE, which were more than happy to take at this point, but our goal is to insure we broaden our communication offerings to our customers

In the second quarter we continued to learn more about how our platform could help our customers in a virtual way. We talked about this briefly in last quarters call. Little did we know it would be so impactful to our results for the quarter -

During the quarter we benefited from new product offerings we have spoken about in our prior quarter, Steve touched on these slightly. Our Virtual Product lineup consisted of our virtual annual meeting, NDR and deal road show solutions, analyst day and or investor days – all 100% virtual and delivered by our webcasting solution we acquired from Onstream at the beginning of 2019. In addition, we begin to see our investor conference business go virtual, but the lion share of that will come to us here in Q3. Most of these virtual products were new out of the gate in the last quarter and will become a permanent part of our product line up in the future.

Our news business has continued to show strong signs of growth since inception, just a little over 5 years ago. In that time, we have taken a handful of distribution points to thousands, revenues from a couple hundred thousand into several millions, customers from a couple hundred to thousands, and sustains gross margins in the high 70's. Albeit great, this is honestly small compared to where we believe this business can go.

When we look at the tam, we see $600M+ in newswire spend each year globally. Today were approx. 1% of that and honestly believe we can get to 3-5% by the end of 2022. This happens in two ways – 1) pure Sales & Marketing push and 2) product innovation via both organic and inorganic means. These product innovations will have two effects on the market, first, it will drive down spends for silo'ed pr firms do to our agile nature and competitiveness and two, create a virtuous force of customers seeking a entire story telling platform beyond just pr. We believe these coupled effects over the next 18-24 months will yield us these market share goals. Obviously, we have to innovate, be successful in sales & markets, and continue to push the envelope of our brand.

This likely is a good time to talk about some of these planned product Innovations coming in the 2H of the year.

In our events business, we continue to learn from what we have done. As an example, we launched a virtual annual meeting product in mid-March – high aspirations given there are only two real companies that provide an enterprise produce in this space, Broadridge and Lumi, Issuer Direct being the third and late to the game, as the other two have spent years trying to commercialize this product offering. We generate subscription and services revenues of approx. $250K in the quarter from this new product, found brand new customers, upsold some current customers, which is now set forth a new product in our platform for years to come. We estimate there are approx. 6,000 + annual meetings in North America. Majority were planned and set forth by the time we came to market, so were excited to see what this product does for us next year. we are laser focused on doubling this business next year and being an even more competitive option than the incumbents.

Our physical event business, many refer to as our investor conferences is easier to ascertain, no one is traveling anywhere and as we said in the past quarter that pipeline evaporated entirely. Thankfully were starting to see momentum here virtually, as I believe it just took time for customers to come to grips with no physical events, and exhausting all possible delays into what is now a heathy Q3 for us in booked events. We believe that a virtual component is going to be a prevalent way to conduct meetings in the financial space at least until Q2 next year and perhaps even hybrid options beyond. Regardless, we working our way deep into banks, organizations and conferences event managers, virtual now or physical later – we just care about being the platform they have chosen and are thankful for this opportunity to grow and adapt with them.

I'd like to go back to Accesswire for a min. when we think about product innovation, we think about the story telling process, this is at the heart of every company. When telling this story, we all use essential applications like google docs, Microsoft word, or apple pages. We are compatible with these drafting tools, but so is every other newswire. In order to be different, we need to push the boundaries, we need to give our users the ability to collaborate, track changes, ask each other questions in real-time – create a platform where they don't want to leave, agencies and customers can collaborate, as would IR practitioner and executives. Then add to it our dynamic distribution and delivery system – where customers can select from hundreds of different combinations of distribution globally. And lastly, extend the story to all mediums, wire, website, social medial and journalists. We intend to roll most all of this out by the end of the year – further driving value to our customers.

I think many of your know – that many of the incumbents have not innovated in decades, while some have done so through small advancements, acquisition and brand changes. We are committed to this innovation, the process and our plan. This Innovation in key to our growth strategy, it will help us retain our customers, continue to add new and further disrupt the industry.

Moving along, I think it's important to discuss the company's capital allocation strategy – obviously there are essentially 5 areas in which a company could contemplate or formulate their strategy - M&A, Invest in organic growth, Repurchase shares, Pay down debt, and Pay dividends. We are committed to three distinct portions, that we feel will provide a prudent path to ongoing operational growth, long term shareholder value and sustainable earnings power.

In order to achieve these three things, we need to do the following:

Leverage our balance sheets, to do acquisitions when they present themselves – it's important to be prudent here, and we feel optimistic about the opportunities were doing work on. Invest in the business, people, technology, sales & marketing to tell our story in a bigger way to grow our overall business, and thirdly; Buy back our own stock – where and when possible – but it back. Utilize the cashflows from operations to do it unabated, and when the repurchase plan authorized has been completed, consider adding to it.

That being said, as you will read in our quarterly filing here before 5:30, we have approx. $450K remaining in our repurchase plan of the $2M the board allocated sometime back. We are committed to fulfilling our commitment here and will consider adding to it in the coming quarters. To accomplish this, we have adjusted some elements of the plan, and will sensibly be in the market buying back our stock.

To touch on M&A, because I know many of you are focus on this possibility – as we are. We have been busy doing work on several stories that we feel can add to our platform of becoming a market leader in the communications space. I think it is fair to mention this as transparent as we can be – given our obligation for material non-public disclosure. But there is no secret, we are optimistic to do something that complements our communications businesses. These opportunities will round out our offerings, provide for a sticker client, with an eye toward build this value to increase the average spend – not because we raise prices, but because we integrate and out innovate our peers.

In closing, I want to thank everyone for listening to today's call. Although we had a great second quarter, we are as motivated as ever to keep this up the best we can in what could be a challenging 2H of the year. This is a risk known by all of us. Like last quarter, I will say the same thing to you - I feel good about our platform, our ability to pivot and stay agile – I love the grit we have to battle for customers and win a good percentage of the time, and if we are going to lose, make our competitor feel our presence by pricing them down. We have a leading newswire that gains customers virtually daily. We have a webcast platform and conference product that has plentiful demand and opportunities, these are the here and now - and not forgotten is our entire ecosystem, for when issuers can once again focus on strategic the decision, our Platform id product offering will be there for them. Operator, could we please begin the Q&A portion of our call.

<u>Operator</u>
At this time we'll be conducting a question and answer session. [Operator instructions]. One moment while we poll for questions.

Our first question comes from Brock Irwin with Clever Investing. Please proceed with your question.

Q: Hey guys. Great job on the virtual annual meeting product that you guys got out this quarter. I know your team put in a lot of work to get that thing on the door and I think it really speaks to the nimbleness of your team and also the ability to pivot quickly when an opportunity presents itself.

Anyway, getting to my question, I was a bit surprised to see the decrease in expenses related to product dev headcount. Can you just talk about the reasons for that? Is that just a one-time thing or do you expect that to continue going forward?

Brian Balbirnie – Founder & CEO
Thank you for the comments, Brock. I appreciate it. Nice to talk with you as always.

That's a great question. I think if you look at the last couple of quarters we've seen an up and down on our product dev spend categories. We looked to outside consultants to help come in to get to bigger lifts on some of our projects and tend to scale back down. We've made new investments in that platform again and that team that you may see that come back up again here in Q3 as we ramp up for some of the items we talked about in the back half of the year.

A lot of our platforms are really frontend driven changes. Backend architecture and infrastructure is built, so the heavy lifts there are done and in wonderful shape. So a lot of the things that we're doing today are very frontend focused, then we can tend to bring staff in and out as needed.

Q: Okay, great. That helps. Thanks for answering that question. Just one more question. So last quarter you talked about new ecommerce self-service platform that you're working on. I think primarily for private company customers. Can you just give us an update on how that's going and what kind of things are you learning from your customers, and maybe compare and contrast what their needs are with your public company customers. Thanks.

Brian Balbirnie – Founder & CEO
Yes, the second quarter we saw a significant increase in the majority of our private company customers came to us from this ecommerce initiative and digital strategy. We want to continue to learn there, figuring out from first touch to first release the total cost and roundtrip times that it takes and really what the right recipe is for us to crank that along and move it faster. So I think in quarters' past we would see a 14 to a 30 day sales cycle sometimes in a private company we're seeing come down to sub four to five days now. If we can continue that trend, we'll continue to spend and increase it, obviously increase the headcount to support that in hopes of enlarging some of those clients.

What we're learning a lot about today is, what are the additional needs beyond that story? What's that first item that they came to market with and what are the additional products that they may need to help them tell that story or engage a journalist? Those are some of the products that we're looking at innovating here, inorganically as well. Right? On the M&A side, are there things that we could bolt-in that helps keep this customer using our platform more often perhaps than maybe every quarter just telling a story, but conceivably be involved in using the system every month so eventually it ends up being more of an MRR type of engagement to some of these folks. That's where we're headed and where we're focused there.

Q: Great. Thanks.

Operator
Our next question comes from Mike Rundell with New Orleans Securities. Please proceed with your question.

Q: Hey, guys. This is Lou Courtinan [ph] for Mike today. Congrats on the record-setting quarter. Sounds like you guys killed it.

So for progress on the Accesswire, how soon after the TD Ameritrade transaction can you be integrated with Schwab? And then how is the activity with the others currently using Accesswire?

Brian Balbirnie – Founder & CEO
Appreciate the comments. The catalyst for TD Ameritrade was really our public company clients. We began to see the answer of the question: Do you go to all of these trading platforms and brokerage terminals? We were able to answer that with TD. Last quarter we did do that with Schwab in their professional trading platform, which also further helped us and keep our customers consistent with our platform and use on our newswire system.

I think we're answering these questions now. In other words, can you pick up distribution like *USA Today* and do that? Can you pick up specialty circuits? We continue to do those every month. And not that they're not important distribution points; we tend to not talk about them on calls like this, but we're getting to the point now where the public company engagement sales process doesn't have some of these ghost objections anymore about not using our platform because you don't go to a single point of interest. It really is now down to we view you as a viable competitor and solution option for us to consider.

So now as you move upstream into the enterprise style accounts or more mid-cap to large-cap, it becomes contracts and pipeline management and being able the move the sales process through that. So we refined our sales teams to have a little more SDR [ph] kind of executive behaviors along with our strategic account teams to be able to accomplish that.

Thankfully on the private company side we don't see distribution as an obstacle there. The only obstacle, candidly, is us learning that private company business at a quicker pace than we have so that we can continue that ramp up and our aspirations of increasing our market share from where it is.

But Schwab is scheduled, to get back to the latter part of your question, to complete the full roll out by the end of this quarter. So I think that's pretty much it when it comes to that distribution element that we can close the door on and really roll up our sleeves and get to work there.

Q: Awesome. One more here. So for sales and marketing it sounds like it's sitting with enough capacity right now, so what about the tech and product development? Are there any new hires needed here?

Brian Balbirnie – Founder & CEO
Yes. We made one critical one here right at the end of the quarter, a private manager and scrum leader, very senior individual to help drive some of these projects. We do have some open roles coming in the back half of the year there. We have probably an additional three to five head sales counts as well planned for the back half of the year. So as we talked about, one of the areas of spend and investment for us is going to be continuing to push our sales and marketing, product and innovation team to be able to keep up and put the company in the best position possible.

Q: Awesome. Thanks, guys. Congrats on the quarter. I'll hop back in the queue.

Brian Balbirnie – Founder & CEO
Thank you very much.

Operator
[Operator instructions]. Our next question comes from Ian Cassel with Micro Club. Please proceed with your question.

Q: Hi, Brian. Thanks for taking my question. My question is about Accesswire. I saw that it grew around 19% to 20% year-over-year. I'm just curious, that 20% growth, is how investors should be thinking about Accesswire into the future or do you hope to accelerate that number? Thank you.

Brian Balbirnie – Founder & CEO
It's a good question. One should be satisfied with that, but I think that [indiscernible] but we're not. Candidly, I think the number needs to be about 30% to 35% to get to the growth numbers that we want to get to. As we were talking about in some of the comments and previous questions, the spend and investment definitely have to be there in order for that to happen. Digital sales strategy as well as investing in headcount there to make that happen. I feel confident that that product brand as it sits can achieve that and we can get to those percentage growth numbers. Then with the add-ons of additional products can even accelerate that further in the future.

Q: Excellent. Thank you.

Operator
Our next question is from Eric Weinstein with Chancellor Capital.

Q: Thanks. Fantastic quarter.

In terms of Accesswire, I'm guessing that normalized growth was actually better than reported growth because of probably still some headwinds from investor commentary from last year, maybe a couple percent there. Do you have the number for what investment commentary was in last year's second quarter?

Brian Balbirnie – Founder & CEO
Yes, we didn't actually even talk about that, that's a good point, but it was negligible, Eric. It was sub $50,000. It wasn't that significant. The materiality really fell off after Q1.

Q: Great. Then in terms of increasing market share, how do you guys view that in terms of investing in growth? Is it direct sales? Is it more spending on marketing and digital advertising? Are there distribution partners in the works? What's the plan for growth?

Brian Balbirnie – Founder & CEO
It's kind of a bifurcated process. The first is, not to continue to say the same thing, but digital sales and digital ad spend is a big part of how you achieve and find private companies. That's where we've experienced success.

To a second point, our agency business, we have a direct to agency sales that is entirely focused on newswire distribution to agencies across North America. We're beginning to build traction there, starting to see some revenues come that are meaningful to our business. So we're going to invest in additional headcount there to help that direct channel and build that agency program.

We candidly believe that the $600+ million spent in news, that 20% to 25% is directed and controlled by agencies. Absent up until the last couple of quarters, we really haven't been focused on the agency side of the business. So having additional headcount there and content marketing being driven into those folks, that's going to be a second part.

And a third part I think candidly is still not ignoring our public company practice. We still do well there and we believe our communication subscription led by Newswire will continue to find ways of value into the small and mid-cap space as we continue to make headway with. So I think it's a little bit of all three, but not definitely just one.

Q: Great. Thanks a lot.

Operator

[Operator instructions]. Ladies and gentlemen, we have reached the end of the question and answer session. At this time I would like to turn the call back over to your host, Brian Balbirnie.

Brian Balbirnie – Founder & CEO
Rob, thank you. We appreciate it very much. You and the team do a fantastic job for us, and especially during this time of year when you're also terribly busy, so appreciate that.

I just wanted to close with one final comment. I've begun to see several people talking about these tropical islands that are enticing remote workers to come stay for a year. Although very tempting, I'm sure it would benefit our entire staff and they'd love it, but not to worry, it's not something that we're going to spend money on there. But for those of you that do, please enjoy it, stay safe and we'll talk to you soon.

Operator
This concludes today's conference call. You may disconnect your lines and have a great day.