Horizon Therapeutics plc
Third-Quarter 2021 Conference Call
Nov. 3, 2021

Tina Ventura
Senior Vice President, Investor Relations

Thank you, Anthony. Good morning everyone and thank you for joining us.

On the call with me today are:

- **Tim Walbert**, Chairman, President and Chief Executive Officer;
- **Paul Hoelscher**, Executive Vice President, Chief Financial Officer;
- **Liz Thompson, Ph.D.**, Executive Vice President, Research and Development; and
- **Andy Pasternak**, Executive Vice President, Chief Strategy Officer.

Tim will provide a review of the business, including our third-quarter performance. Liz will then provide a review of our R&D programs, followed by Paul, who will discuss our financial performance and guidance in more detail. After closing remarks from Tim, we'll take your questions.

As a reminder, during today's call we will be making certain forward-looking statements, including statements about financial projections, development activities, our business strategy and the expected timing and impact of future events. Our actual results could differ materially due to a number of factors, including the risk factors and other information outlined in our latest Forms 10-K, 10-Q and any 8-Ks filed with the Securities and Exchange Commission and our earnings press release, which we issued this morning.

You are cautioned not to place undue reliance on these forward-looking statements, and Horizon disclaims any obligation to update such statements.

In addition, on today's conference call, non-GAAP financial measures will be used. These non-GAAP financial measures are reconciled with the comparable GAAP financial measures in our earnings press release and other filings from today that are available on our investor website at www.horizontherapeutics.com.

I will now turn the call over to Tim.

Tim Walbert
Chairman, President and Chief Executive Officer

Thank you, Tina, and good morning, everyone.

We delivered strong results again this quarter across our business and continued to generate record performance for our key growth drivers TEPEZZA® and KRYSTEXXA®.

- The TEPEZZA relaunch continued to outperform our expectations, driven by rapid patient starts, strong new patient demand and an increasing prescriber base. As a result, we are increasing our full-year 2021 TEPEZZA net sales guidance to more than $1.625 billion.
- KRYSTEXXA generated another strong quarter, with new patient growth across rheumatology and nephrology, as well as continued acceleration in the use of KRYSTEXXA plus immunomodulation, which is now more than 45 percent of new patient starts. We are raising our full-year 2021 KRYSTEXXA net sales guidance to more than $550 million.
- We also generated strong growth from both RAVICTI® and PROCYSBI®.
- In total, our net sales increased 63 percent year over year, and adjusted EBITDA increased 54 percent year over year, underscoring our position as one of the fastest-growing biotech companies.

Given our outperformance, we are increasing our full-year net sales guidance to $3.16 billion to $3.21 billion and adjusted EBITDA guidance to $1.315 billion to $1.345 billion. The midpoints represent 45 percent and 33 percent year-over-year growth respectively.

Our strong performance was accompanied by several key achievements:

- We initiated our TEPEZZA randomized clinical trial in chronic Thyroid Eye Disease patients in September.
- We announced results from our KRYSTEXXA MIRROR randomized clinical trial that demonstrated that KRYSTEXXA plus the immunomodulator methotrexate resulted in a complete response rate of 71 percent at Month 6 – a more than 30-percentage-point improvement compared to KRYSTEXXA plus placebo.
- In line with our strategy to expand our pipeline for future growth, we announced five new R&D programs during our inaugural R&D Day in September.
- We presented new UPLIZNA® data at multiple medical meetings, adding to the compelling evidence supporting the use of UPLIZNA in neuromyelitis optica spectrum disorder (NMOSD).
- We acquired a new biologics drug product manufacturing facility in Waterford, Ireland to support the continued growth of TEPEZZA, KRYSTEXXA and UPLIZNA, as well as our development-stage biologics.
- From a talent and workplace perspective, we demonstrated gender and ethnicity pay equity for the second consecutive time based on a pay equity study conducted by Aon, a leading compensation consulting firm.
- We continued to be recognized as a best workplace, receiving 11 workplace recognitions this year, including being the highest-ranked company in the biotechnology and pharmaceutical category on Newsweek's inaugural "Most Loved Workplaces" list, which recognizes employee happiness and satisfaction at work.

Before I move on to our third-quarter performance, I also want to highlight the announcement we made this morning regarding the retirement of our CFO, Paul Hoelscher. Paul is planning to retire in May of 2022 and will stay on in an advisory role through May of 2023 to ensure a smooth transition. Aaron Cox, who has been named EVP, Finance, and has been my chief of staff and head of corporate development for the last four years, will be taking on the CFO role. Paul has been a tremendous partner to me over the last seven years, and I am very grateful for his leadership and dedication to Horizon. I am equally pleased to name Aaron to the role of CFO. Aaron has a deep knowledge of the business, he's been a leader in many of our major strategic efforts, he's led our capital markets activities and has a strong financial background. I'm confident that Aaron, along with our experienced financial leadership team, will continue to drive our long-term strategy at Horizon.

Moving on to the third-quarter results, beginning with TEPEZZA…

TEPEZZA

Third-quarter TEPEZZA net sales were $616 million, with year-over-year growth of 115 percent. With the year-to-date TEPEZZA net sales of $1.072 billion, TEPEZZA became our first medicine to generate a billion dollars in annual net sales.

We continued our strong execution on the relaunch that followed the government-mandated first-quarter supply disruption. Since then, we have helped patients whose treatment was disrupted resume their treatment, we've successfully converted new patients added during the disruption, and we continue to see strong new patient demand for TEPEZZA.

We attribute this strong growth to the fact that:

- We have continued to add new prescribers and further penetrate our existing prescriber base, deepening the penetration among ophthalmology subspecialists prescribing TEPEZZA – such as oculoplastic surgeons, neuro-ophthalmic surgeons and strabismus specialists. We also continue to expand our reach to ophthalmologists and endocrinologists who refer to a TED specialist upon diagnosis.
- We also continued to significantly invest in direct-to-consumer marketing initiatives, including our branded and unbranded television campaigns, which have been effectively increasing awareness about TEPEZZA and TED. Our goal for these national campaigns is to increase awareness of TEPEZZA and accelerate the speed to diagnosis and treatment of TED.

We are also starting to proactively engage physicians on the use of TEPEZZA in chronic patients. As we noted last quarter, we now have six publications citing the successful experience with TEPEZZA treatment for a total of more than 50 chronic TED patients – surpassing the number of TEPEZZA acute patients studied in the Phase 3 clinical trial. The commercial team is leveraging these new publications to educate physicians about the efficacy of TEPEZZA in chronic patients – with the goal to expand the use of TEPEZZA beyond the acute patient population.

We remain very enthusiastic about the prospects for TEPEZZA to help more patients address the serious, debilitating and sight-threatening aspects of TED. Given the third-quarter's better-than-expected results and continued strong new-patient demand, we increased our full-year TEPEZZA net sales guidance to more than $1.625 billion, which is a near doubling of net sales in our second year of launch, despite the supply disruption and other limitations from COVID-19.

Our guidance continues to assume that the third quarter is the highest net sales quarter for TEPEZZA in 2021. This is a function of three factors:

- First, disrupted patients who resumed treatment beginning in the second quarter;
- Second, patients with patient enrollment forms (PEFs), generated in the fourth quarter of 2020 and the first quarter of 2021 who started treatment after supply resumed in April; and
- Third, new patients who started treatment in the second and third quarters.

Our increased full-year guidance positions us for year-over-year growth of more than 60 percent in the fourth quarter. We estimate that the vast majority of fourth-quarter growth will be driven by PEFs generated after re-initiation of supply in April.

We continue to see significant opportunity ahead for TEPEZZA, both in the acute patient population as well as in the untapped chronic population. We remain well on track for our TEPEZZA peak global net sales estimate of more than $3.5 billion.

KRYSTEXXA
KRYSTEXXA delivered another quarter of strong performance, generating net sales of $158 million. As a result, we have increased our 2021 net sales guidance to more than $550 million, representing year-over-year growth of more than 35 percent.

We were very pleased to announce topline data from our MIRROR randomized controlled trial last week, demonstrating that 71 percent of patients randomized to receive KRYSTEXXA plus methotrexate achieved a complete response compared to a 40 percent response rate for patients randomized to receive KRYSTEXXA plus placebo.

Our clinical team is working to complete the analysis of the results to submit a supplemental biologics license application (sBLA), in the first quarter of next year. We anticipate a standard 10-month review. An approval would allow our commercial team to proactively promote KRYSTEXXA plus methotrexate to physicians. In the meantime, our medical affairs and clinical teams are working to present the MIRROR trial results and additional analyses from the trial at medical congresses next year, and we will be engaging with key opinion leaders on the data as well.

The MIRROR results are the culmination of a significant investment we have made in immunomodulation for the last several years based on our long-held belief in its potential to increase the complete response rate of KRYSTEXXA, which MIRROR has now substantiated. Immunomodulation is the core element of our strategy to maximize the value of KRYSTEXXA, because it allows more patients with uncontrolled gout to benefit from the medicine – the only biologic approved for treatment of this debilitating disease. We have been seeing increased adoption of the approach and estimate that KRYSTEXXA plus immunomodulation is now being used for more than 45 percent of new patients.

The KRYSTEXXA team is continuing to drive strong PEF growth and adoption by both rheumatologists and nephrologists. We are seeing results in the growth of our prescriber base – by October, more rheumatologists have prescribed KRYSTEXXA this year compared to the total number of prescribers in all of 2020. In nephrology, we significantly grew our prescriber base compared to 2020 – to date exceeding the total of full-year 2020 prescribers by 30 percent.

UPLIZNA
With UPLIZNA, our humanized monoclonal antibody B-cell depleter, we generated strong third-quarter net sales of $18.7 million.

Given the timing of UPLIZNA approval last year at almost the height of the pandemic, we are executing a full relaunch of the medicine, leveraging the patient-centric approach we used for both TEPEZZA and KRYSTEXXA.

We've made significant progress:

- We completed the expansion of our commercial team in the third quarter. Our new team, with deep neuroimmunology experience, relationships and market knowledge, is now fully onboarded and started meeting with key physician targets early in the fourth quarter.
- In less than six months, we developed and launched a new brand campaign based on key opinion leader feedback and market research. Our goal here is to drive awareness about UPLIZNA and NMOSD, reduce the time to diagnosis and highlight the urgent need for treatment.
- We have put a robust commercial structure in place, designed to support the complex aspects of the UPLIZNA patient journey.
- We've also bolstered our site-of-care and reimbursement support, and have been receiving positive feedback from both physicians and sites of care.

A critical part of our strategy is to drive physician and patient preference for UPLIZNA based on its differentiated mechanism of action, strong clinical data and clear patient benefits – which we are doing through our investment in medical and scientific engagement to develop our scientific leadership position in NMOSD, which Liz will discuss in more detail shortly.

It takes time to effectively launch an infused rare disease medicine and educate stakeholders about the new medicine. We are off to a good start with UPLIZNA and expect to see the benefits of our new commercial organization and investments as we head into the new year.

I will now turn the call over to Liz.

Elizabeth Thompson., Ph.D.
Executive Vice President, Research and Development

Thank you, Tim, and good morning, everyone.

The third quarter of 2021 marked another quarter of great progress in R&D. In addition to advancing our existing pipeline programs, we significantly expanded our pipeline, announcing the addition of five new programs during our inaugural R&D Day in September. All told, our pipeline today has the potential for 10 new medicine or new indication approvals in the second half of the decade.

The R&D Day also gave us the opportunity to showcase our talented and experienced team. It was a pleasure to be able to talk more about our R&D strategy, in particular how we're expanding our pipeline with early-to late-stage programs for sustainable growth, in three ways:

- First, by acquiring and developing medicines for indications that address unmet needs in rare, autoimmune and severe inflammatory diseases, particularly those in our therapeutic areas of focus;
- Second, by leveraging our internal research as well as research-based partnerships and collaborations to drive earlier-stage innovation; and
- Third, by maximizing the range of potential diseases our pipeline molecules can impact.

I look forward to continuing opportunities to discuss our progress in each of these areas.

Today, I'm going to recap some of our key programs, similar to recent calls. I'll start with daxdilimab, or HZN-7734.

Daxdilimab (**HZN-7734)**
Daxdilimab is the first and only plasmacytoid dendritic cell (pDC)-depleter in clinical development. pDCs are found in high concentrations in diseased tissues of individuals with certain autoimmune and inflammatory diseases, and this results in the significant inflammation and tissue damage which are the hallmarks of autoimmune disease.

In addition to our ongoing Phase 2 trial evaluating daxdilimab for the treatment of systemic lupus erythematosus, we announced in September four new indications we are exploring: two are lupus-related – discoid lupus erythematosus and lupus nephritis; the other two are alopecia areata and dermatomyositis.

- Discoid lupus is a scarifying disease that can be significantly disfiguring; it can also result in hair loss.
- One of the most important manifestations in lupus is the involvement of the kidney. pDCs can promote kidney damage and are associated with more advanced disease, which is why we are pursuing lupus nephritis.
- Next is alopecia areata. Patients with this disease, for which there are no FDA-approved therapies, experience baldness to varying degrees. Alopecia areata can involve the entire scalp or even the entire body.
- And finally, we will be studying daxdilimab for dermatomyositis, a rare condition that manifests as severe skin rash and disabling muscle weakness.
- We expect to begin Phase 2 trials for these four new indications in 2022.

Dazodalibep (HZN-4920)
Moving to dazodalibep, or HZN-4920, our CD40-ligand antagonist designed to block a central pathway involved in many autoimmune and inflammatory diseases. Dazodalibep is currently in Phase 2 trials for three indications: Sjögren's syndrome, rheumatoid arthritis and kidney transplant rejection.

During R&D Day, we announced a new indication for dazodalibep in focal segmental glomerulosclerosis (FSGS), a progressive kidney disease with high unmet need and no FDA-approved treatments. We expect to begin a Phase 2 trial for FSGS in 2022, as well.

HZN-825
HZN-825, our oral selective $LPAR_1$ antagonist, has shown early signs of clinical impact in fibrotic disease. We expect to initiate two pivotal Phase 2b trials for HZN-825 by the end of this year – one in diffuse cutaneous systemic sclerosis, and the other in idiopathic pulmonary fibrosis. For both of these disease states, we've worked closely with leading experts to incorporate learnings from prior trials to optimize trial outcomes.

UPLIZNA
Moving to UPLIZNA, our anti-CD19 humanized monoclonal antibody, we are currently enrolling patients in two Phase 3 randomized controlled trials – one in myasthenia gravis (MG), and the other in IgG4-related disease. MG is a chronic, rare autoimmune neuromuscular disorder that affects the voluntary muscles of the body, especially those that control the eyes, mouth, throat and limbs. IgG4-related disease refers to a group of disorders marked by tumor-like swelling and fibrosis of affected organs, such as the pancreas, salivary glands and kidneys. We expect data for both trials in 2023; however, because the IgG4-related disease trial is event-driven, the readout timing may extend beyond 2023.

UPLIZNA is indicated for neuromyelitis optica spectrum disorder (NMOSD), a rare and devastating neuroinflammatory autoimmune disease that attacks the optic nerve, spinal cord and brain stem. NMOSD is severe and relapsing, and because attacks can result in blindness, paralysis and other disabilities, often permanent, it is critical to prevent relapses.

We are rapidly building a base of compelling data to support the efficacy and safety profile of UPLIZNA. This growing body of evidence is a key component of our clinical strategy to establish scientific leadership in NMOSD. We shared data this quarter at key neurology congresses, including presentation of a new data analysis from our Phase 3 NMOSD clinical trial. The results demonstrated the correlation of B-cell depletion and improved outcomes in patients receiving UPLIZNA – showing that the greater the B-cell depletion, the better the patient outcome – providing additional evidence of the central role B cells play in NMOSD. At another neurology conference we presented data showing that UPLIZNA may provide durable efficacy and a favorable safety profile for Blacks with NMOSD, who often have earlier onset of the disease with more severe relapses. Finally, a new analysis of data from the open-label portion of the Phase 3 trial was published in the *Multiple Sclerosis Journal* that highlighted a positive sustained effect on attack risk in people with NMOSD treated with UPLIZNA for four or more years.

TEPEZZA
For TEPEZZA, we began enrolling patients during the third quarter in the Phase 4 placebo-controlled trial evaluating TEPEZZA for use in patients with chronic Thyroid Eye Disease (TED). TED, a serious, progressive and potentially vision-threatening rare autoimmune disease, begins with an acute phase during which inflammatory signs and symptoms – such as eye pain; swelling; proptosis, or eye bulging; and diplopia, or double vision – progress over time. The acute stage is followed by a chronic phase in which inflammation is no longer present or has markedly diminished; however, significant signs and symptoms may remain and continue to negatively impact patients' quality of life. As a reminder,

TEPEZZA has a broad indication for all TED patients, and physicians can prescribe TEPEZZA for chronic patients today. Our objective for the chronic TED trial is to generate clinical data to better inform payers and physicians about the efficacy and safety of TEPEZZA in people with chronic TED. We expect topline results in the second half of 2022.

We also continue to advance our TEPEZZA subcutaneous administration program as well as our clinical program for TEPEZZA in Japan. We have submitted our trial design to the Japanese Pharmaceuticals and Medical Devices Agency and anticipate a trial start in the first half of 2022.

In addition, long-term data from our TEPEZZA OPTIC-X open-label extension trial were recently published in *Ophthalmology* that showed high rates of maintained response for proptosis, Clinical Activity Score (CAS) and diplopia with no new safety signals. And as a reminder, the OPTIC-X patients had longer disease duration than those in the OPTIC Phase 3 clinical trial. We also shared longer-term follow-up results from OPTIC at the annual meeting of the American Thyroid Association in October that reinforced previously reported data showing the sustained response in the majority of people treated with TEPEZZA. We plan to continue to share TEPEZZA data at upcoming medical meetings over the coming months.

KRYSTEXXA

And finally, for KRYSTEXXA, we were very pleased to recently announce the positive results of our MIRROR randomized controlled trial evaluating immunomodulation with methotrexate. The trial, which met its primary endpoint at Month 6, demonstrated that 71 percent of patients who were randomized to receive KRYSTEXXA plus methotrexate achieved a complete response compared to 40 percent of patients randomized to receive KRYSTEXXA plus placebo.

The results of the KRYSTEXXA plus placebo arm was very similar to the 42 percent response rate previously demonstrated with KRYSTEXXA monotherapy in the Phase 3 program, a consistency that helps support the robustness of the trial results. The addition of methotrexate resulted in a 31-percentage-point improvement in the complete response rate over monotherapy. Seeing such a substantial improvement to a response rate is rare – and it reinforces the positive results of KRYSTEXXA plus immunomodulation we have seen from multiple published case series, as well as our own open-label trial evaluating KRYSTEXXA with methotrexate.

This important milestone is the culmination of significant investment over the last several years, with the goal of enabling more people living with uncontrolled gout to benefit from KRYSTEXXA. And we continue to explore ways to improve outcomes and identify new paths for treatment with KRYSTEXXA, as exemplified by our shorter infusion duration, monthly dosing and retreatment trials. Beyond these substantial efforts, we also continue to invest in developing new approaches that target the underlying cause of gout, such as our Arrowhead and HemoShear preclinical programs.

As Tim mentioned, we expect to submit an sBLA application in the first quarter of 2022 to incorporate the MIRROR trial data into the prescribing information, and we expect a standard 10-month review.

Finally, we will be announcing the results of the KRYSTEXXA PROTECT trial at this week's American Society of Nephrology Kidney Week. This trial evaluated KRYSTEXXA in the management of patients with uncontrolled gout who have undergone kidney transplants.

Conclusion

We look forward to providing additional details on our key pipeline programs as well as updating you on our continued progress in the coming months. I will now turn the call over to Paul.

Paul Hoelscher
Executive Vice President, Chief Financial Officer

Thanks, Liz.

My comments this morning will primarily focus on our non-GAAP results, unless otherwise noted.

Third-Quarter 2021 Financial Results
Third-quarter net sales were $1.037 billion, representing year-over-year growth of 63 percent, driven by the record performances of our key growth drivers, TEPEZZA and KRYSTEXXA, as well as the strong performance of our other rare disease medicines.

Our orphan segment generated net sales of $951 million, a year-over-year increase of 78 percent and representing 92 percent of total Company third-quarter net sales. Orphan segment operating income was $476 million.

Net sales for the inflammation segment were $86 million, with segment operating income of $34 million. We continue to focus on maximizing the cash flow generated from this segment to reinvest in our growth drivers and our expanding pipeline.

Our non-GAAP third-quarter gross profit ratio was 85 percent of net sales.

Non-GAAP operating expenses were $375 million. This included non-GAAP R&D expense of $74 million, or 7 percent of sales versus 4 percent of sales in the third quarter of 2020. Non-GAAP SG&A expense was $301 million.

Third-quarter adjusted EBITDA was $509 million, representing year-over-year growth of 54 percent.

Non-GAAP income tax expense for the third quarter was $74 million. As we have seen in prior years, there can be variability in our tax rate across quarters. We continue to expect the tax rate in the fourth quarter to be in the mid-teens to bring our full-year tax rate in line with our projected low double-digit rate.

Non-GAAP net income for the quarter was $414 million, and non-GAAP diluted earnings per share were $1.75. The weighted average shares outstanding used to calculate third-quarter 2021 non-GAAP diluted EPS, were 236 million shares.

Third-quarter non-GAAP operating cash flow was $432 million.

As of September 30, cash and cash equivalents were $1.1 billion, giving us significant flexibility to invest in our growing operations and to further expand our pipeline, including additional strategic transactions. The total principal amount of our debt is $2.6 billion, with the earliest maturity in 2026. As of September 30, our gross debt-to-last-12-months adjusted EBITDA leverage ratio was 2.0 times, representing achievement of our gross leverage target of 2 times well ahead of our year-end 2021 goal.

2021 Guidance
Turning now to our guidance, this morning we announced that we are increasing our full-year 2021 net sales guidance range to $3.16 billion to $3.21 billion, from $3.025 billion to $3.125 billion. This reflects our strong performance across all business units in the third quarter, as well as our increased full-year 2021 net sales guidance for TEPEZZA and KRYSTEXXA.

For TEPEZZA, our updated full-year 2021 net sales guidance is for more than $1.625 billion, representing year-over-year growth of more than 98 percent. As Tim noted, we continue to expect the third quarter to be the highest net sales quarter of 2021 for TEPEZZA.

For KRYSTEXXA, our updated full-year 2021 net sales guidance is for more than $550 million, representing year-over-year growth of more than 35 percent.

In our inflammation business unit, we expect less than $5 million of DUEXIS® fourth-quarter net sales in our 2021 guidance, given the at-risk generic launch that occurred in the third quarter.

We are also increasing our adjusted EBITDA guidance range to $1.315 billion to $1.345 billion from $1.26 billion to $1.30 billion.

We expect our non-GAAP gross profit ratio for the full year to be approximately 87 percent.

Our updated adjusted EBITDA guidance assumes an increase in non-GAAP operating expenses in the fourth quarter, driven by additional SG&A expense to support the UPLIZNA relaunch and continued investment in TEPEZZA. We expect full-year 2021 R&D expense to approach double digits as a percentage of net sales.

We continue to expect non-GAAP net interest expense for the full year to be approximately $75 million.

We continue to expect a full-year non-GAAP tax rate in the low double digits. We estimate that our cash tax rate will be in the mid-to-high single digits in 2021. As always, our tax rates could change significantly as a result of any acquisitions or divestitures we may make, or any changes in tax laws.

We expect our full-year 2021 weighted average diluted share count to be approximately 236 million shares.

With that, I will turn it over to Tim for his concluding remarks.

Tim Walbert
Chairman, President and Chief Executive Officer

Thank you, Paul.

The third quarter was another excellent quarter, marked by strong commercial execution, continued progress on our strategy and multiple achievements.

- We generated record financial results, driven by TEPEZZA and KRYSTEXXA, as well as robust performance from our other rare disease medicines, where we see continued strong underlying demand.

- We increased guidance for full-year TEPEZZA and KRYSTEXXA net sales, total Company net sales and adjusted EBITDA.

- We continued to expand our pipeline with the addition of five new Phase 2 programs.

- We announced positive topline results for our KRYSTEXXA MIRROR immunomodulation trial and will be submitting an sBLA to the FDA in the first quarter to update the KRYSTEXXA label.

- We completed the commercial expansion of UPLIZNA and relaunched it early this quarter.

- And we continued to demonstrate the value we place on our talent, demonstrating gender and ethnicity pay equity once again and receiving multiple additional workplace rewards.

Horizon remains one of the fastest growth and transformation stories in biotech, and we continue to generate significant value not only for our shareholders, but also the for thousands of patients living with rare, autoimmune and severe inflammatory diseases. We are excited about Horizon's future and remain focused on realizing the tremendous opportunity we see for the Company ahead.

With that, we will now open the call up for questions.

Tina Ventura
Senior Vice President, Investor Relations

Thank you, Anthony. That concludes our call this morning. A replay of this call and webcast will be available in approximately two hours. Thank you for joining us.