# Cerner Corporation
## Fourth Quarter 2020
## Earnings Conference Call
## February 10, 2021

### Moderator

Welcome to Cerner Corporation's fourth quarter 2020 conference call. Today's date is February 10, 2021, and this call is being recorded.

The Company has asked me to remind you that various remarks made here today constitute forward-looking statements, including without limitation, those regarding projections of future revenues or earnings, operating margins, operating and capital expenses, bookings, new solution, services and offering development, and capital allocation plans; cost optimization and operational improvement initiatives; future business outlook; the expected benefits of our acquisitions, divestitures or other investments or collaborations; and the expected impact of the COVID-19 pandemic. Actual results may differ materially from those indicated by the forward-looking statements. Please see Cerner's earnings release, which was furnished to the SEC today and posted to the investor section of cerner.com, and other filings with the SEC for information concerning factors that could cause actual results to differ materially from those in the forward-looking statements. The extent to which the COVID-19 pandemic and measures taken in response thereto could materially adversely affect our financial condition, future bookings and results of operations will depend on future developments, which are highly uncertain and difficult to predict. A reconciliation of non-GAAP financial measures discussed in this earnings call can also be found in the Company's earnings release. Cerner assumes no obligation to update any forward-looking statements or information except as required by law.

At this time, I'd like to turn the call over to Brent Shafer, Chairman and CEO of Cerner Corporation.

**Brent Shafer**

Thank you, and good afternoon everyone.

I'll start with a few comments on our fourth-quarter and full-year performance before handing it over to our CFO, Marc Naughton; our new Chief Client & Services Officer, Travis Dalton; and then President, Don Trigg, for some marketplace commentary.

2020 was a remarkable year for all of us. Given the circumstances, Cerner delivered solid results by executing our plans and supporting our clients.

The pandemic challenged Cerner and our clients on several fronts. We continue to be extremely proud to support clients who are battling COVID on the frontlines each day. We're especially pleased with the way our associates seamlessly transitioned to a remote work environment last March and have remained productive and focused on our clients' success.

I'm also proud that Cerner recently began hosting a series of mass vaccination events at our World Headquarters through a collaboration with North Kansas City Hospital, Liberty Hospital, Clay County Public Health Center and cities within Clay County. The initiative, called Operation Safe, is being staffed by volunteers from Cerner, North Kansas City Hospital and several partners in the community. We have vaccinated nearly 5,000 people through one week, with additional events planned in the weeks ahead. I've often said that one of Cerner's strongest assets is how mission-driven our people are, and the willingness of our associates to rise to the challenge the pandemic has presented demonstrates that strong commitment.

In addition to supporting our clients and communities, we continued to advance our growth strategies and make operational improvements as part of Cerner's ongoing transformation in 2020.

As COVID accelerated health care macrotrends, it also validated our growth initiatives, including the creation and expansion of health networks, our Real-Time Health System capabilities and consumer-facing health strategies. Cerner is providing data-driven insights that can improve our clients' clinical, operational and financial outcomes.

Our recent investment in Elligo Health Research and agreement to acquire Kantar Health are examples of how we are deploying capital to advance Cerner's growth strategies. Don will provide more detail about how these investments accelerate Cerner's presence in life sciences and create a strong foundation for our Data-as-a-Service business.

We also continue towards our transformation goals. Cerner's transformation has been focused on simplifying the business, creating operational efficiencies and delivering profitable growth.

We are nearing $300 million in annualized cost reductions since beginning our transformation efforts about two years ago. We believe those efficiencies and our resilient business model helped mitigate the impacts of COVID on our business.

As part of our portfolio management process, we simplified our product set to go from offering more than 25,000 features to fewer than 400 products. We also divested the RevWorks outsourcing business and some non-core global assets.

Importantly, our work to deliver seamless care for 18 million Service members and Veterans remains on track. For the first time in history, the U.S. Department of Defense, the U.S. Department of Veterans Affairs and the U.S. Coast Guard are using the same electronic health record, and the number of patients in our Joint Health Information Exchange grew from 700,000 to 4 million since April of last year.

Finally, we have supported the evolution and transformation of our business by adding proven leaders who are already bringing a new perspective.

**Chief Technology Officer Jerome Labat** joined us in June, bringing more than 30 years of CTO and product development experience at Fortune 500 and leading global technology companies like Hewlett Packard Enterprise, Intuit and Oracle.

In September, **Chief Strategy Officer Will Mintz** came to Cerner after working with leading health care and technology businesses, including Aetna and Blue Cross Blue Shield.

You probably know **Chief Client & Services Officer Travis Dalton** from his leadership of our federal business. We are excited that Travis is now bringing the same leadership to our global client base while retaining oversight of our federal work.

**Mark Erceg** is our most recent appointment and will replace long-time Cerner CFO Marc Naughton on February 22.

Mark is a high-energy leader who will bring more than 25 years of financial leadership experience, including driving transformation across complex global operations and leveraging balance sheets to drive growth and shareholder value.

In addition to those leaders, we also were honored to have **Major General Elder Granger** join the Cerner Board of Directors in November. Dr Granger is a proven leader with experiences in clinical, military and business environments.

Before I close, I'd like to acknowledge that this is our last earnings call with CFO **Marc Naughton**, who after nearly 30 years of service and 101 earnings calls will be leaving Cerner at the end of the first quarter.  I know many of you share my appreciation for Marc and wish him the best of luck in his future endeavors.

In summary, I'm very pleased with what we accomplished in 2020. We delivered towards our revised expectations while driving a significant amount of change in what – to say the least – was an unusual year in health care. This was hard work, and I appreciate all Cerner associates for their contributions to this progress.

I'll now hand the call over to Marc.

**Marc Naughton**

Thanks, Brent. Good afternoon everyone. I am going to cover our Q4 results and future guidance.

This quarter we delivered all key metrics in line with our expectations.

## Bookings, Backlog and Revenue

I will start with bookings, which were $1.68 billion, over $30 million above the midpoint of our guidance range. Full-year bookings were $5.585 billion, which is down from $5.990 billion in 2019 primarily driven by the impact of the pandemic and divestitures of our commercial RevWorks and certain global businesses in Q3.

We ended the year with a revenue backlog of $13.04 billion, which is down 5% from a year ago due primarily to the impact of divestitures. Our backlog revenue, combined with other contracted revenue that is excluded from the ASC 606 backlog definition, still provides visibility to more than 85% of expected revenue over the next 12 months.

Revenue in the quarter of $1.395 billion was above the midpoint of our guidance range and represents roughly 1% year-over-year growth after adjusting for divestitures. Total revenue for the year was $5.506 billion, which also reflects approximately 1% growth from 2019 after adjusting for divestitures.

I'll now go through the business model detail and year-over-year growth compared to Q419 and full-year 2019.

- **Licensed Software** revenue in Q4 was flat year-over-year at $174 million. Full-year Licensed Software revenue declined 4% from 2019 to $656 million due to pandemic driven declines in traditional software, partially offset by growth in Software-as-a-Service revenue, which now makes up approximately 60% of total software revenue. To date, this shift has been driven primarily by growth in SaaS revenue related to *HealtheIntent*®-based solutions. Going forward, we expect this shift to continue and for additional factors to contribute, including changes this year in how we deliver and contract for *CareAware*® and CommunityWorks. Given the relatively small sizes of these businesses, the impact of the changes will not be significant, but we expect to use this transition as a guide for a broader move to SaaS with *Millennium*®, which will occur as we continue to advance our platform modernization.

- **Technology Resale** in Q4 was down 8% year-over-year to $56 million and in-line with our expectations. Full-year Technology Resale revenue was down 20% to $197 million primarily due to a tough overall environment for technology resale and impact of the pandemic.
- **Subscriptions** revenue grew 6% in Q4 to $98 million and grew 5% for the full year to $378 million.
- **Professional Services** revenue was down 6% in Q4 to $478 million and was down 3% for the full-year to $1.930 billion, due primarily to the impact of the pandemic, divestitures, the termination of our large RevWorks agreement in 2019, and lower third-party services. The declines driven by these factors were partially offset by continued strength in Federal professional services.
- **Managed Services** was up 2% in Q4 to $317 million and up 3% for the full year to $1.245 billion.
- **Support & Maintenance** of $263 million was down 4% in Q4 and down 3% for the full year to $1.071 billion due to the impact of divestitures, attrition and reduced hardware maintenance revenue.
- And finally, **Reimbursed Travel** of $8 million was down 63% in Q4 and down 71% for the full year at $28 million due to pandemic-driven travel restrictions.

Looking at revenue by geographic segment, domestic revenue was down 3% from the year-ago quarter at $1.23 billion, and non-U.S. revenue of $161 million was also down 3% from the year-ago quarter, primarily due to the divestiture of assets in Germany and Spain. For the full year, domestic revenue was down 3% and non-U.S. revenue declined 4% due to the impact of the pandemic as well as divestitures.

Moving to gross margin. Our gross margin for Q4 was up 240 basis points from a year ago to 83.2%, and full-year was up 190 basis points over 2019 to 83.1%, reflecting improved revenue mix due to less outsourcing, third-party services, technology resale and reimbursed travel.

## Earnings

Now I will discuss spending, operating margin and net earnings. For these items, we provide both GAAP and "Adjusted," or Non-GAAP, results. The Adjusted results exclude share-based compensation expense, acquisition-related adjustments, organizational restructuring and other expenses, COVID-19 related expense, an allowance on a non-current asset, gains on the sale of businesses and other adjustments that are detailed and reconciled to GAAP in our earnings release.

## Operating Expense

Looking at our operating spending, our fourth quarter GAAP operating expenses of $987 million were basically flat compared to $982 million in the year-ago period. Full-year GAAP operating expenses were $3.879 billion, down 4% from $4.021 billion in 2019.

Our adjusted operating expenses of $860 million in the fourth quarter were down 1% compared to Q419, and full-year 2020 decreased 3% year-over-year primarily due to our continued cost optimization efforts, divestitures, and lower travel expense. Looking at the line items for Q4, Sales & Client Service expense decreased 2% year-over-year, driven by lower non-personnel expense and divestitures. Software development expense increased 4% from Q419, with gross R&D up 6% and a slight increase in net capitalized software. G&A expense in Q4 was down 9%, driven by a decline in both personnel and non-personnel expenses.

## Operating Margins

Moving to operating margins. Our GAAP operating margin in Q4 was 12.7%, flat to the year-ago period. Our GAAP operating margin for full-year 2020 was 16.6% compared to 10.6% in 2019. Our Adjusted Operating Margin for the quarter was 21.5%, up from 20.3% in Q419 and 20.4% last quarter, reflecting the impact of our cost optimization efforts and improved revenue mix. Our full-year Adjusted Operating Margin was 19.9%, representing 140 basis points of full-year margin expansion over 2019. We are happy with our operating margin improvement in 2020, given the circumstances, and expect to continue improving margins as we deliver ongoing optimization efforts and aim to realize a longer-term benefit from platform modernization.

## Net Earnings / EPS

Moving to net earnings and EPS, our GAAP net earnings in Q4 were $142 million, or $0.46 per diluted share, down from $0.49 in Q419. For the full year, GAAP net earnings were $780 million, or $2.52 per diluted share, and includes gains from divestitures and investment sales. Adjusted Net Earnings in Q4 were $241 million and Adjusted Diluted EPS was $0.78, up 4% compared to $0.75 in Q419. For the full year, Adjusted Net Earnings were $879 million and Adjusted Diluted EPS was $2.84, up 6% from 2019.

Our GAAP tax rate was 20% for the quarter and 21% for the full year. Our non-GAAP tax rate was 19% for Q4 and 20% for the year. For 2021, we expect our GAAP and non-GAAP tax rates to be in the 21% to 22% range.

## Balance Sheet / Cash Flow

Moving to our balance sheet, we ended the year with $1.06 billion of cash and short-term investments and $1.34 billion of debt. Our receivables ended the year at $1.17 billion, down $50 million from last quarter. Our Q4 DSO was 76 days, which is down from 81 days in Q320 and up from 72 days in the year-ago period. Looking forward, we expect DSO to remain in the 70s.

Operating cash flow in Q4 was very strong at $513 million, capital expenditures were $46 million, and capitalized software was $71 million. Free cash flow was a record high $396 million for the quarter. For the full year, operating cash flow was $1.437 billion, capital expenditures were $284 million, and capitalized software was $295 million. Full-year free cash flow was $857 million, which is up $290 million from 2019, driven by solid operating cash flow and a nearly $200 million reduction in capital expenditures.

For 2021, we expect an increase in free cash flow driven by operating cash flow growth and continued capex control. This growth is expected to be partially offset by the CARES Act payroll tax deferral ending and an expected increase in capitalized software related to some focused use of third-party developers to assist with platform modernization work. In total, these two items are expected to impact free cash flow by approximately $150 million, with over three-fourths being tied to payroll taxes.

## Capital Allocation

Moving to capital allocation. In December, we announced an agreement to acquire Kantar Health for $375 million in cash, subject to adjustment. As Don will discuss, this acquisition is a strong complement to our existing Data-as-a-Service efforts and represents a meaningful entry to the pharmaceutical market. We expect the transaction to close early in the second quarter.

We also resumed our share repurchase program in Q4 and repurchased 1.5 million shares for $107 million. This brings our total for the year to 10.6 million shares repurchased for $757 million, at an average price of $71.07, and leaves us with $927 million remaining on our current authorization. Subject to Board approval, we currently expect to repurchase up to $1 billion plus this year, with the exact amount depending on the amount of cash used for other purposes, such as acquisitions beyond the previously discussed Kantar Health deal.

Moving to our dividend program, in October we paid a dividend of $0.18 per share, or $55 million. In December, we announced a 22% increase to our quarterly dividend, bringing it to $0.22, which was paid on January 12th.

In summary, we expect to increase capital deployment in 2021, as we fund additional share repurchases, the increased quarterly dividend, the Kantar Health acquisition, and possibly other acquisitions or investments. We expect these actions to make better use of our balance sheet after getting to a low net leverage position in 2020 as we paused repurchases during the pandemic and received large cash inflows related to divestitures and investment gains.

## Guidance

Moving to guidance. As we've previously discussed, while we have executed fairly well through the pandemic so far, a considerable amount of uncertainty still exists so please note that our guidance remains subject to a higher than normal amount of risk.

I'll start with revenue:

- We expect revenue in Q1 to be between $1.370 and $1.420 billion. As a reminder, Q120 included about $45 million of revenue from our commercial RevWorks and global divested businesses, which is not included in Q121 revenue. The $1.395 billion midpoint of this range represents 2% growth from Q120 after adjusting for these divestitures.
- For the full year, we expect revenue between $5.750 and $5.950 billion. In addition to the $45 million of revenue impact from divestitures in Q1, the remaining headwind is approximately $40 million in Q2 and about $4 million in Q3, for a total of approximately $90 million. More than offsetting this impact for the year is an expected contribution from the Kantar Health acquisition, which we expect to contribute approximately $125 million in Q2 through Q4 based on an anticipated closing in early Q2. The $5.850 billion midpoint of the 2021 guidance range represents 6% growth over 2020. Adjusting for both the divestiture headwinds and the acquisition also results in 6% growth.
- Moving to EPS, we expect Q1 Adjusted Diluted EPS to be 72 to 76 cents per share. The midpoint of this range represents 4% growth over Q120.

- For the full year, we expect Adjusted Diluted EPS to be $3.10 to $3.20, with the $3.15 midpoint reflecting 11% growth over 2020.
- Moving to bookings guidance, we expect bookings revenue in Q1 of $1.150 billion to $1.350 billion. The midpoint of this range reflects 15% growth over the first quarter of 2020 which included some initial impact from the pandemic, which took hold in the last part of the quarter.

In summary, our 2021 outlook reflects a return to mid-single digit revenue growth, with over 100 basis points of margin expansion driving double-digit EPS growth. This guidance is consistent with the long-term framework we shared at our last investor day and referenced again when we previewed 2021 on our Q320 call. We note that current Adjusted EPS consensus is slightly above our guidance range but is impacted by a couple of estimates that are not consistent with this framework. Adjusting for these estimates would result in consensus being in our guidance range.

Note that we don't plan to do an investor day as we want Mark Erceg to have time to get up to speed. However, we have updated our long-term plan that is the source of our financial messaging at investor meetings, and the updated plan reflects similar revenue growth, margin expansion, and EPS growth as the framework we shared last year. We also continue to expect our organic topline to be driven by our Federal and Strategic Growth businesses and likely augmented by M&A. Mark will work with the team to determine the best timing for our next investor event, but our strategy and long-term plan remain consistent with past communication, so we think it makes sense to hold off for now.

In summary, we are pleased with our solid results in the fourth quarter and full year as well as our positive outlook.

Before turning the call over to Travis, I wanted to say one more time how much of an honor it has been to be CFO at Cerner. Having spent time with Mark Erceg ahead of his upcoming start date, I am confident he is going to step in and quickly add value to Cerner, our clients and shareholders.

With that, I will turn the call over to Travis.

## Travis Dalton

Thanks Marc. Good afternoon everyone. Today I want to share my focus as I step into the role of Chief Client and Services Officer and provide an update on our Federal business.

First, I would be remiss if I didn't express my gratitude to John Peterzalek for his steadfast commitment to Cerner's mission and to Brent and our Board for the trust they have placed in me as I take on this role. Though many of you know me as the leader of our Federal business and I have had the opportunity to speak with you in that capacity, I am entering my 20th year at Cerner and have had the privilege of working across every area of our client and services organization over that time.

Moving forward, I have several guiding principles that will be used to drive our business decisions and lay the foundation for our success:

**First, we exist to serve our clients.** Our clients remain at the center of everything we do, and we must earn the privilege to serve them every day. That means doing what we say we are going to do and providing end-to-end solutions that enable our clients to solve their most pressing challenges and achieve their missions.

**Second, we will play as One Team with a focus on delivering value.** We need to make it simple for our clients to do business with Cerner. This requires clarity of purpose, alignment of structures, and focus on a common set of goals and objectives that are collectively focused on delivering value and improving client satisfaction.

**Third, we must produce the right business results.** Results clearly matter and we will ensure clear lines of accountability with data-driven transparency in pursuit of top and bottom line. We will hold ourselves and teams accountable for results.

**Finally, we will play to WIN and strive for excellence.** We have lost some key clients in recent years and <u>that's unacceptable</u>. We will bring passion and energy to our work, connect our product strategies to our client needs, and embrace internal transformation as a mechanism to achieve excellence for our clients. We are going to aggressively defend our market presence, go on offense in pursuit of competition, and continue to innovate while pursuing opportunities to expand our footprints.

I couldn't be more excited about the opportunity to step into this role and look forward to working with our clients around the world to positively impact healthcare.

## Federal

Turning to our Federal business, Q4 wrapped up a historic year for the U.S. Departments of Defense, Veterans Affairs, and the U.S. Coast Guard. As Brent mentioned, for the first time ever, three federal agencies are now leveraging the same EHR and a new joint Health Information Exchange. Despite facing the challenges of a global pandemic, we delivered on our promises and *Cerner*® solutions enabled our federal clients to more effectively manage through the crisis. Cerner's mass vaccination solution, included in MHS GENESIS deployment, continues to be utilized across DOD and Coast Guard sites live with the new system.

As a core member of the Leidos Partnership for Defense Health, Cerner continued our work with the DOD and Coast Guard, and we are now live at 20 DOD Commands and 4 Coast Guard sites. As we move into 2021, we expect to continue our momentum with multiple wave deployments and ongoing sustainment of live facilities.

On October 24, the U.S. Department of Veterans Affairs announced the first successful go-live for their new EHR at Mann-Grandstaff VA Medical Center in Spokane, WA and its four community-based outpatient clinics in Montana, Idaho and Washington. This go-live event also included the West Consolidated Patient Account Center, a VA business operations facility, in Las Vegas. We are pleased with this progress and continue to work with Mann-Grandstaff on sustainment and system optimization. This work followed the successful implementation of our scheduling solution in Columbus, OH and our DoD, VA and Coast Guard Joint Health Information Exchange go-lives via eHealth exchange and CommonWell earlier in 2020.

VA and Cerner are actively moving forward and preparing for multiple site deployments planned for 2021, including conducting Current State Reviews, site localization, testing, completing required interfaces and working with providers at those locations.

Cerner, along with our partners, will continue to focus on providing a lifetime of seamless care for our nation's Service members and Veterans.

With that, I'll turn the call over to Don.

**Don Trigg**

Thanks, Travis.

Providence Health in Seattle was ground zero for Covid-19. The first patient that presented at Providence noted to a nurse practitioner that he had a cough. She would learn, through the documentation process, that he had recently returned from overseas. He was tested and, a day later, admitted.

Providence CEO Rod Hochman tells the story of a whiteboard drawing. As the crisis grew in Seattle, Hochman wrote three acronyms spread evenly across his board: BC (Before Covid), DC (During Covid) and AC (After Covid). It was Hochman's effort to simplify the complex and drive strategies to manage it. Amid hundreds of different client stories in 2020, Hochman's framing stuck with me.

Our person-centric push to integrate the health system enterprise, advance the Health Network and create a data-driven health economy commenced well Before Covid. We rallied as an organization to progress those strategies During Covid. We see an unparalleled opportunity to lead in all three areas in the After Covid decade ahead.

At the health system enterprise level, our focus is simple. Every client is working to increase the revenue of key service lines, lower unit costs and manage within a larger health network to lead in the zip codes where they operate. *Cerner* solutions must enable an Integrated Delivery System with One Record, One Plan, One Bill.

Over the course of 2020, several health system enterprise solutions delivered During Covid impact. Our Real-Time Health System business drove over $110 million in booked revenue in full year 2020, representing over 85% growth year-over year. Workforce and Capacity Management, Hospital Operations and Provider Communication have been essential crisis response capabilities and will be pivotal to tackling total cost of care beyond the pandemic.

In the Revenue Cycle space, we launched our Engage and Access offering in the fourth quarter. It provides clients the tools they need to drive access management as they respond to Covid disruptions and begin to rethink how scheduling and registration should work within a digital-first enterprise.

Finally, our Consumer business sought to build a unified experience centered on the person. The business generated more than $175 million in booked revenue in 2020, growing at more than 15O% year-over-year. Our clients need us to move even faster on our "whole person" solution suite in 2021; David Bradshaw and his team are bringing strategic urgency to those efforts.

The biggest trend in provider health care –before, during and after Covid—centers on the push for vertical integration beyond the four walls of the hospital. This mix of owned and affiliated physician practices, post-acute care facilities and the home as venue are critical nodes on the health networks being built out in every community. These health network strategies have diverse contractual frameworks and disparate technologies. *HealtheIntent* is purpose-built to integrate and manage them.

Amid the market disruption of Covid, our Health Network business delivered more than 20% bookings growth year-over-year. Kim Hlobik and team added 23 new *HealtheIntent* footprints, almost one-third of which were outside of our *Millennium* base.

As the Health Network team looks out After Covid, our strategic objectives are framed as "1,2,3 by 2023."

- One, we have to grow our share of the Health Network wallet, adding lives and solutions to each client relationship.
- Two, we have to continue to expand into new geographies in the U.S. and in our five global focus regions.
- Three, we have to win new buyers, including traditional payers, employers and governments.

They are the "1,2,3 by 2023" work to be done to build a $1 billion dollar Health Network business by 2025.

Our multi-decade efforts at the health system enterprise, and now at the health network level, have created a set of strong "only Cerner" differentiators. Cerner has an industry-leading ability to aggregate and normalize the first-mile data of provider health care. It is the "structure, store, and study" promise of the systems thinking that we built Cerner on in the 1990s and 2000s.

We also have a deep understanding of the last-mile provider workflow. It is the "close the loop" connection that allows us to deliver the right information at the right time in the right place to drive right outcome.

Over the course of 2020, Art Glasgow and team launched a *Learning Health Network*™ that attracted 55 client members representing almost 100 million patients and more than 500 million encounters. They launched our Covid data cohort, attracting some of the most notable names in academic research and generating dozens of peer-reviewed studies. They advanced our strategic objective to build out a total solution offering for late-stage clinical trials.

As Brent noted, we differentiated the *Learning Health Network* by winning new business with UBC, signed a new partnership and investment in Elligo Health Research and announced our agreement to acquire Kantar Health.

Before Covid, Real-World Evidence (RWE) was beginning to disrupt traditional clinical trials. During Covid, regulatory response to the pandemic has accelerated this shift in how therapeutic discoveries are advanced. After Covid, Cerner's large provider client base, and first and last mile data expertise, offer us a compelling opportunity to reimagine this market.

For leaders on the front lines of the Covid crisis, the stories stick with you. Our clients tell us about the first cases at their health systems. They recall families being forced to check on relatives on FaceTime because they couldn't be at the bedside. They worry about their caregivers as hospitalizations and case fatality rates become the tough daily work to be managed.

And yet, for all of the health and economic impact of the pandemic, CEOs can't leave a Teams call without seeing post-pandemic possibilities. They all have some version of the Before Covid, During Covid, After Covid framework in their head. Our broad market opportunity is the same one that we are advancing today at Providence around areas like Xealth and new digital therapies and applications as well as the deployment of our new well-being platform as Covid redefines employee health.

With that, I will turn the call over to the operator for questions.