VieMed
Fourth Quarter and Year-End 2021 Earnings Call
March 8, 2022

Presenters
Casey Hoyt, Chief Executive Officer
Todd Zehnder, Chief Operating Officer

Q&A Participants
Brooks O'Neil – Lake Street Capital Markets
Prasath Pandurangan – Bloom Burton
Doug Cooper – Beacon Securities
Ed Sollback - Spartan Fund Management

Operator
Greetings, and welcome to the VieMed fourth quarter and year end 2021 earning calls. At this time, all participants are in a listen only mode. A question and answer session will follow the formal presentation. If anyone should require operator assistance during the conference, please press star zero on your telephone keypad. Please note that this conference is being recorded. I will now turn the call over to our host, Todd Zehnder, chief operating officer. Thank you. You may begin.

Todd Zehnder
Thank you, Diego. Please note that our remarks in this conference call may include forward looking statements under the U.S. Federal securities laws or forward looking information under applicable Canadians securities legislation, which we collectively refer to as forward looking statements. Such statements reflect the company's current views and intentions with respect to future results and events and are subject to certain risks and uncertainties, which could cause actual results or events to vary from those indicated in forward looking statements. Examples of such risks and uncertainties are discussed in our disclosure documents filed with the SEC or the Securities Regulatory Authorities in certain provinces of Canada.

Because of these risks and uncertainties, investors should not place undue reliance on forward looking statements. The forward looking statements made in this conference call are made as of the date hereof, and the company undertakes no obligation to update or revise any forward looking statements, except as required by law. The annual financial result news release, including the related financial statements, are available on the SEC's website.

Now, I'll turn it over to Casey to get things started.

Casey Hoyt
Thank you, Todd. Good morning, everyone. And thank you for joining our call today. We are extremely excited to share the fourth quarter results and discuss the drivers and trends that

contributed to the record breaking quarter. Underlying the success is the dedicated team of respiratory therapists, behavioral health specialists, staffing professionals, and administrative support staff who worked tirelessly to deliver the best in class care for our patients. By year end, our VieMed family of employees grew by nearly 23 percent over the prior year. Our people are our greatest asset, and our success is always based on this foundation. We thank our team for their continued commitment and contributions to another exceptional year.

Moving onto some of the themes from the fourth quarter, we witnessed positive traction from our investments into our industry leasing service model during periods of COVID decline. Increased access to referral sources allowed us to demonstrate the evidence based benefits of our high touch, high tech delivery model of home respiratory care. As a result, our growth trends during these periods indicate an incredible opportunity for post COVID expansion. We are also seeing stabilization of several COVID related risks and uncertainties that have faced our industry over the course of this pandemic.

In response to supply chain constraints and shortages, alternative manufacturers have introduced a number of new products during the second half of 2021, which we believe, in many cases, are improvements over some of our previously available offerings. Our strong relationships with these supply chain partners not only allowed us to secure orders when many others in the industry were facing or experiencing shortfalls, but also created a foundation for securing resources to support our future expansion. At this time, we are not expecting supply chain constraints to be limitations on modeled growth.

As it relates to our specialized labor force, COVID related obstacles appeared to diminish during the fourth quarter. We are now observing reduced pressures from the high paying short term opportunities that competed for our clinical staff during the year. As a result, clinical staffing levels remain healthy at year end, and we are optimistically looking forward.

While we fell short of our hiring goal of 60 new sales reps at year end, finishing at 49, it is important to note that we incrementally added five new areas in 2021, which contributed to our growth. Our goal for 2022 will be to be laser focused on netting 20 new areas as opposed to setting a hiring goal. With our improved training programs developed last year, evolved middle management, and a new recruiting platform inside of VieMed healthcare staffing, we are confident that we can achieve this 400 percent growth rate into new areas.

We have proven that, by aggressively growing our sales force, we continue to diversify the product mix in our portfolio of healthcare offerings. In 2021, oxygen and sleep lines grew faster than any other line within the business, and we expect these trends to continue. In September, a national coverage determination was finalized by Medicare for oxygen, which will expand home oxygen coverage and is now expected to reduce some of the administrative burden in the delivery of care. Overall, many of the regulatory changes announced during the fourth quarter provide a strong outlook for the industry. In addition to the market stability created by the cancellation of the 2021 competitive bidding program by CMS, in December, CMS finalized the

CPI adjustments to the DMB reimbursement rates, resulting in an approximate five percent increase for 2022.

Also, in December, legislation was signed into law which further extended the two percent Medicare sequestration. We believe that these positive trends in reimbursements result in the critical role that we play in the delivery of healthcare inside the home. We actively support and commend our industry associations, which have been extremely active and a major driver of the positive regulatory changes for the industry.

The results of our growth, we have generated significant cash flows, which enable us to be strategic and deliberate with our capital planning and management. Volatility in the public and the private markets have created both opportunities and risks. We continue to perform careful and systematic evaluations of the prospects within our M&A pipeline. Ultimately, we aim for the deployment of our excess capital to be focused on long term value and not for short term or nearsighted opportunities. In recent periods, our most significant opportunities to create strategic long term value came from internally generated investments. We previously announced the formation of VieMed Healthcare staffing, which is now fully operational in generating staffing resources for our own internal needs as well as revenue producing external projects.

Additionally, our joint venture with Solvet Services is producing impressive returns. As a reminder, Solvet provides self care support for state and federal governments, including the VA, and in 2021, resulted in $1.2 million of incremental income for VieMed.

We also believe that investments in our care delivery model are creating revenue synergies with our traditional revenue streams. For example, VieMed Clinical Services, our behavioral health division, with the help of Engage, our remote patient monitoring and telehealth platform, is contributing to a measured increase in NIV patient compliance, resulting in longer lengths of service and measurable improvements in clinical outcomes. We also expect our standalone behavioral health revenues to grow over time as the demand for these services continues to rise.

As we begin to see a trend towards returning to our historical growth rate and traditional product lines, we are incredibly excited to continue to innovate and expand our services to meet the evolving needs of patients. With more on our operations, financials, and the regulatory landscape, I will now turn the call back over to chief operating officer Todd Zehnder.

Todd Zehnder
Alright. Thank you, Casey. In reviewing the financial results, all figures are in U.S. dollars, and then full results have been made available on the SEC website as well as SEDAR.

Our core business generated net revenue of $29 million during the fourth quarter of 2021 as compared to net revenues of $26.1 million in the fourth quarter of 2020, which equates to an

11 percent increase. Our sequential growth for our core business was four percent. We've, once again, seen solid growth in our major product lines being vents, PAPs, and oxygen.

During the fourth quarter, we generated approximately $3 million of revenue from our other sources, primarily the vaccine and contact tracing revenue generated during the quarter with our established call center. We continue to serve as a resource for vaccine tracing and will do so as long as our resources are needed. We have an established unit in place at this time, and we can scale up or down in a very short period. Therefore, we will continue to pursue opportunities in the future.

For 2021, our core businesses ended up in a record high of $108.5 million, a 12 percent increase over prior year. And our total revenue came in at $117 million. Our margin percentages, both gross and EBITDA, are once again very healthy and are primarily influenced by our core business. As our product lines continue to diversify, there might be some influence on these margin percentages. But, notional growth is the main priority for the business.

Our gross in EBITDA margins during the quarter came in at 62 and 30 percent, accordingly. Our fourth quarter gross in EBITDA amounts came in at $19.7 million and $9.5 million, respectively. For the year, we generated $29.3 million in EBITDA, which funded our capex and bolstered our liquidity. The oxygen and PAP businesses continue to benefit from our national rollout and the ongoing PAP recall. And we were encouraged to see all of our major product lines continue to show organic growth. Our fourth quarter revenue from vents was approximately 76 percent of our core, as compared to 81 percent in the fourth quarter of 2020.

Our SG&A for the quarter totaled approximately $14.2 million, as compared to $12.3 million in the fourth quarter of 2020. Annual SG&A costs for 2021 and 2020 came in at $54.9 million and $52.8 million, respectively. This is the last comparison to 2020 which had significant cost and volatility related to the COVID-19 pandemic. We expect to continue hiring people to serve more patients around the country and expand our organic growth model to new areas.

The labor market has continued to be challenging. But, it appears that the need for traveling clinical folks has somewhat abated as the recent variants have not had the draw to epicenters like prior variants. We continue to seek out superior clinicians and professional folks to help support our business.

For the year, we invested approximately $20 million on capital expenditures. The capex was spread across our vent fleet, our stationary concentrators and POCs, as well as our significant purchases of PAPs to support our suite growth. The POC marketing is the only one of our major product lines that has seen some recent disruptions. But, we continue to work through that with our major suppliers. We also purchased two other buildings that serve as our primary shipping hub and main location for our call center operations.

As previously mentioned, we funded all of our capex with discretionary cash flow and also strengthened the balance sheet during the year. As we sit at year end, we had a cash balance of

$28.4 million and an overall working capital of $29.5 million. Our total long term debt is down to $4.3 million, which leaves us with an approximately 0.15 debt to EBITDA ratio. We have once again grown the company and stayed very underleveraged, which gives us the tools needed to significantly grow the company through our organic efforts and inorganic efforts.

Moving on to the ongoing OIG and CMS issue related to our NIV claims--we are continuing to work with CMS and its contractors through the appeal process to assess the medical necessity of the patients audited by OIG. We filed with the qualified independent contractor, known as QIC in the fourth quarter, and are awaiting their review of these claims. We are hopeful that this round will have more of an individual clinical review, rather than adopting the OIG position.

As a reminder, due to the four year look back window, the total exposure of this issue is approximately $9 million. But, we do not believe that this money is owed. Of the 39 patients in that issue, 15 of them have been detail reviewed by CMS in prior audits. And all of them passed a complex medical review. The company has not accrued any liability related to this ongoing matter as it continues to believe these patients qualified for the CMS rules. And it eventually will be overturned by the appeals process, which includes reconsideration and ALJ and will take some time to ultimately work to a final resolution.

During Our ongoing discussions regarding this issue, we decided to attempt, for the first time ever, to establish formulary rules related to NIV. Based on the most recent science that has been reviewed, we believe that the proposed rules that we have given to CMS will be seriously considered, and if adopted, could help increase patient access to NIV. We have just recently submitted our NCD reconsideration and look forward to working with CMS during this process.

Moving onto the first quarter--we have provided net revenue guidance in the $29.2 million to $30.2 million range related to our core business and have also guided approximately $1.4 million to $1.8 million of revenue related to the COVID-19 pandemic. Our organic revenue is guided up 15 to 18 percent over the first quarter of 2021.

The first quarter of each year always has a number of billing pulls due to insurance reauthorization and many patients changing insurance. But, we are working through those in due course The COVID revenue is related to the vaccine tracing work that we continue to fulfill.

Also, this morning, we announced that the board has approved a stock buyback, up to five percent of our outstanding shares, with totals approximately 1.984 million shares. As we have discussed in the past, we look at capital deployment across several different vehicles. With the pullback of our stock, the buyback has risen in the ranks of our opportunities. We still have the capital and the plans to grow aggressively with our organic plans and are still looking at inorganic opportunities. However, our current valuation is at a level where we see significant shareholder value in the buyback. We will update the market as to our purchases in our quarterly filings.

We have once again been visiting with current and prospective investors through industry conferences and non-deal roadshows with our existing analysts and banking relationships. As always, we appreciate the ongoing support from those on the buy and sell side during the year.

At this time, I'm going to turn it back over to Casey to wrap things up.

Casey Hoyt
Thank you, Todd. There are a few points I'd like to reinforce in my closing remarks. First, the significance of our investments into behavioral health and staffing stand to play a major role in our offerings for 2022. Aside from the current demand and track record of successes with both of these service lines, our team views these divisions as clinical needle movers for your patience. The improved access to clinicians that our staffing division has provided to our company and our referral resources puts us into a position of strength as we look to partner with larger health systems.

On the behavioral health front, we are seeing our patients returning to their doctors as changed individuals with a more positive outlook on life, one filled with ease anxiety as they learn to live and cope with these diseases in a healthy environment, resulting in less stress for their family members. These two lines of services will help us broaden our scope of care for patients in the home.

Secondly, the challenge of disputing the OIG report may seem like our largest headwind on its face. But, we consider it to be our greatest opportunity once we reach a resolution. Our published data shows that with every six patients we save an ER visit, for every 8.8 we save a hospitalization, and for every five and a half, we save a life. We know that a patient is three times more likely to die in the first 90 days if they do not receive our care immediately after diagnosis.

Unfortunately, for the patients, we also know that we have a less than five percent market penetration number for the folks who qualify for our care in this country. Unclear guidelines are confusing government agencies on how to properly treat these patients and, ultimately, are limiting access for care for the 95 percent of patients who need home ventilation. We need to get this right from a policy standpoint, and I am confident we will through the development of formulary rules through the national coverage determination.

And lastly, I'd like to reiterate that we remain driven and committed to always doing what is right for the patient. We will continue to be laser focused on solutions that will drive positive outcomes and savings, which will put us into position to be a premier provider in an ever evolving value based world. While today we are enabled by fee for service reimbursement offerings, we will be in a very strong position and realize further value for VieMed in a value based world.

For now, we will continue to evolve as leaders in disease management, clinical retention, recruiting, and patient satisfaction as these are the main contributors to our organic growth engine.

Thank you to all of our shareholders for our continued trust and investment into our mission. This will conclude our prepared remarks. We'll now open it up to further questions.

Operator
Thank you. And at this time, we'll be conducting a question and answer session. If you would like to ask a question, please press star one on your telephone keypad. A confirmation tone will indicate that your line is in the question queue. You may press the star key followed by the number to see if you would like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up your handset before pressing the star keys. Once again, to ask a question, press star one on your telephone keypad. We'll pause a moment to poll for questions. Thank you.

Our first question comes from Brooks O'Neil with Lake Street Capital Markets. Please state your question.

Brooks O'Neil
Thank you. Good morning, guys. Congratulations on the finish for a great year in a tough environment.

Casey Hoyt
Thank you, Brooks.

Todd Zehnder
Thanks, Brooks.

Brooks O'Neil
So, I have a couple quick questions. First, you gave us quite a lot of detail. But, would you say that you're facing shortages of respiratory therapists out there? Was the shortfall in the sales hiring related to that? Do you think you can overcome it as we get into 2022?

Casey Hoyt
Yeah, I think the end of the year--December really locked us up pretty good on finishing the year strong, I guess, with the holidays. It was just kind of like a dry month for hiring, unfortunately, Brooks. What we're seeing in the first quarter is a return back to our normal growth of our hiring goals, if you will. And it's really--I want to start talking about this in terms of netting new areas in 2022 and focus less on our sales hires because what's happened last year, Brooks, is we evolved on how we hire these salespeople. There's different levels of sales folks. We have hunters. We have farmers. We have home sleep reps. We have behavioral health reps and so on and so forth. And so, it's going to get very convoluted and confusing for you guys to track. We're just going to start talking about the net new areas that we have

incrementally added as we go forward. And that'll be something that you guys can kind of wrap your brains around rather than tracking all these new hires.

Brooks O'Neil
Great. And I assume that there's plenty of new areas that you can target as you go forward to continue the strong organic growth you've demonstrated historically.

Casey Hoyt
Yes, there are many--think about what we added last year. Five new areas doesn't sound like a lot. But, we added a lot of farmer type sales reps into areas that we were already in. We're projecting that we're going to be in 20 new areas in 2022. So, that's--as I mentioned, it's a 400 percent growth rate, and we feel like we can bite that off just with the trends that we're seeing in Q1, which we'll report on later.

Brooks O'Neil
Great. Fantastic. So, I was talking to a friend of mine over the weekend who is involved with a ventilator company, and he told me that ventilator sales are pretty soft right now. Is that what you're seeing? Do you view that as an opportunity, or is that just sort of the ebb and flow in the business that goes on out there?

Casey Hoyt
It's not what we're seeing. We're seeing a return back to our previous historical growth rate as COVID releases access--or frees up access to our referral sources. I do consider that an opportunity if we have others out there that think that the ventilator market is soft right now. The only hiccup is we're still waiting on Phillips to make a decision on the recall of the back of the Trilogy 100. That hasn't affected us. We've taken other measures to have inventory in the palace. But, once that does occur, that will free up some of our inventory that's on the shelf.

Brooks O'Neil
Great. And then, the last question I had--historically, I used to think of you as 25, 30, maybe even 35 percent organic grower. Do you think, as we move--I mean, assuming we're moving past Omicron and COVID and assuming we're beginning to see normalization in labor markets and supply chain, do you--is that a number--a range you think you can get back to?

Casey Hoyt
Well, we always have wanted to be that number, and we've faced--we've been facing a lot of headwinds, most of which you just now said. And so, assuming all those things go away, our intention would be to get back to that. We're a lot bigger company than we were before the pandemic. So, just the law of bigger numbers becomes more difficult. But, before the pandemic, we never really had an inorganic norm either. So, from organic only, that would be a great goal. It's not our guidance. But, I think between inorganic and organic efforts, we should definitely be able to get back to that as things continue to normalize.

Brooks O'Neil

Great. Congratulations. Keep up all the great work, guys.

Casey Hoyt
Thanks, Brooks.

Todd Zehnder
Thanks, Brooks.

Operator
Thank you. And another reminder, to ask a question, press star one on your telephone keypad. To remove your question, you can press star two on your telephone keypad. Our next question comes from Prasath Pandurangan with Bloom Burton. Please state your question.

Prasath Pandurangan
Hi, good morning. Thanks for taking my question and congrats on the quarter. Firstly, as the business continues to evolve, what are some of the other operational metrics, apart from the number of (inaudible). You mentioned new areas. That would be indicators of sustained revenue growth. And do you plan to disclose them on a quarterly basis?

Casey Hoyt
We will likely disclose how many new areas we are in, Prasath. It's maybe not an audited number. So, it might just be conversational. The other things that are starting to become--I mean, none of them have gotten to a point of a material nature to disclose. But, when we talk about our other revenue sources, just the net number of oxygen patients or the net number of CPAP patients on rental or CPAP patients that are in the resupply program. Those are all important to us. But, none of them have risen to a level of disclosure at this point.

I think the other thing that you will see that has a potential of becoming significant quickly is the ramp up of VieMed Healthcare staffing. And as that continues to evolve and grow, hopefully that will be a disclosure that we're making. We're just not at the point where the other revenue sources have become material enough to put those operational items in.

Prasath Pandurangan
Got it. That's useful. And then, second, looking at the cash portion of the SG&A number, is this a good one to assume on a normalized basis for 2022?

Casey Hoyt
I think so. You know, there is some volatility in there as far as our quarterly numbers. But, I think it has begun to normalize some. I mean, obviously, we're going to continue to grow our headcount as we continue to grow our patient count. And you've seen that happen throughout the year. IT's been a pretty consistent growth number. So, just looking at it in total, I would expect it to go up some. But, I would also expect it some time that our revenue growth will once again outpace our G&A growth as we're used to pre pandemic.

Prasath Pandurangan
Got it. Thank you.

Casey Hoyt
Alright. Thanks, Prasath.

Operator
Our next question comes from Doug Cooper with Beacon Securities. Please state your question.

Doug Cooper
Hey, good morning, guys. Congratulations on a nice quarter. Just a question, Todd, on the EBITDA. IF you strip out of the COVID revenue, what was the EBITDA from your core business from a margin or dollar perspective?

Todd Zehnder
Well, there were two things this quarter. If you take out the COVID piece--but, you also have to take out--I mean, it's part of our core business. But, we received provider relief funds, like a lot of people who work in the rural areas. And you'll see that in our other income amount. And that came in at a little bit shy of $1.5 million. So, I think if you exclude all of that and obviously exclude the COVID revenue when you're doing that, we would have been kind of in the low 20s percent. I don't have an exact number in front of me, Doug. But, the core business has consistently been running in the low 20s.

Doug Cooper
And just to--on the OIG issue--I think you stated--well, on the call in the filing, $9 million will be the maximum penalty. IS there any--let's just say it's resolved and even if you have to pay some money--is that done like all patients now are compliant, there shouldn't be an issue going forward? Like this should be finalized and done with once it's settled, one way or another?

Todd Zehnder
Well, I guess the answer to that is--we would say yes because we don't think any of our patients currently that are on service are improper. but, we also didn't think that any of the 39 at issue were improper either. So, I say the answer somewhat bullishly but also that I think their position is very incorrect, which is why we've been so vocal in our opposition to it.

But, with that being said, I think the most important thing is we have now been engaged with CMS. We continue to do more research on the effects of NIV. And we're hopeful to publish another study here within the next couple of months that will show some new benefits and some cost information that's pretty intriguing. If we're able to come out of this with whatever we resolve with the OIG issue but we come out with an NCD, that will be the single biggest, I guess, win for not only VieMed but also the patients who benefit and the entire industry, for that matter.

Doug Cooper

It’s remarkable. I look at this sector--you used to trade basically eight to 12 times EBITDA kind of thing. And as of yesterday’s close, you’re trading three and a half. Owens & Minor took out Apria. I think it was around seven or seven and a half, which I would have thought would be the sort of bottom of the range. What do you attribute to--I mean, you guys aren't the only ones that are trading three and a half times. Obviously (inaudible) and some of the other ones have had issues as well. What do attribute to the complete collapse in the valuation of the sector?

Todd Zehnder
Well, there’s more people out in the market that are better at valuations than we are. We focus on treating patients and growing our business profitably. And that’s what we’re doing. We disagree with where the multiples are. I don't really know exactly why the sector has come down. But, when we see the pullback, it’s why we authorized the buyback because it’s an unrealistic multiple, in our opinion. The business is growing organically at a significant rate, once again. And we do it profitably and we do it by building liquidity. So, there was no better use of our proceeds right now than to start buying it back.

I would assume that healthcare coming out of COVID has changed. People are looking at it. Everything is different on the backside of the pandemic. But, as to why our sector has a lower multiple versus where it was pre--I don't have a good enough answer for you on that.

Doug Cooper
Is inflation--what would the impact be if inflation continues to be prolonged and elevated? What’s the impact of that on your business?

Todd Zehnder
Well, it’s two fold. One is that the cost of our services--cost of our products will go up, obviously, with supply chain issues and so forth. And we’ve seen some of that, although not drastic. The labor costs, like everybody is seeing, have gone up some. But, the nice thing is that the Medicare rules have a CPI adjustment. So, we look at inflation on a trailing basis. But, all the inflation that we’re seeing this year likely pushes a nice grade increase for at least the Medicare price of our business in 2023. Casey alluded to it in our comments. I think the exact number was 5.1 or 5.4 related to this year. And as we all know, inflation was starting to happen, but nothing like we've seen right now. So, it will push both revenues and expenses up. But, I think the net impact should be okay.

Doug Cooper
And just one final one for me just sort of circling back on valuations. When you’re talking--when you’re looking at inorganic growth opportunities, what are the valuation expectations of the private (inaudible) I guess, you’re looking at? Are they still--just wondering, obviously, are you at three and a half? Are the private guys still looking for five or six?

Todd Zehnder
Well, they’re looking for higher than where we were trading. And it’s hard for us to step out with where our stock is. So, that’s why we instituted the buyback. So, where we’ve seen lately

is above even where we were trading 60 days ago, which was probably four or five times what people are expecting. Now, like you said, there was a very large transaction last year that has the benefit of scale that came in at seven. So, that--we're not sure where we should stop. But, we're not going to chase those multiples with our equity trading where it is right now.

Doug Cooper
Thanks very much, guys. Congratulations. Nice work.

Todd Zehnder
Thanks, Doug.

Operator
Our next question comes from Ed Sollbach with Spartan. Please state your question.

Ed Sollbach
Good morning. Good quarter. I'm glad to see you announced the share buyback with the balance sheet that's really stronger and the share price, which is super disappointing. Just on the share buyback--can you talk about how aggressive you plan on being? A lot of companies announced share buybacks. But, a year later, you look at it and they bought like a couple thousand shares. It's not really significant. So, I man, I think from a balance sheet point of view, your shares are super undervalued. So, I'd love your thoughts on that.

Todd Zehnder
Yeah. So, Ed, thanks for the comments. We agree. It is undervalued. We are regulated by a restriction on how many shares we can buy. We are executing this--at least the beginning of this buyback on the NASDAQ. So, we're regulated by a daily amount, which is up to 25 percent of the prior four weeks trading average. So, as we sit here today, the number is plus or minus around 30,000 shares. So, that's the maximum that we can buy. Obviously, we can't talk about the exact prices that we were buying at. We will disclose that.

But if you look at our--we've only had this happen one other time. And I guess I would just refer you to that. We were pretty aggressive, and we were pretty successful in buying them back in a pretty quick manner. So, we don't want to say the cadence of what we're buying. But, we see this as a very attractive price to buy. And if it's there for a period of time, you should expect to see us get some shares put back.

Ed Sollbach
And just for point of reference, previous share buyback they instituted--how many shares did you end up buying after a year?

Casey Hoyt
I want to say that it was about 600,000 in the first quarter that we had it and then maybe a couple hundred thousand. We probably got about half of it put away from the original. I don't have those numbers exactly. But, I just remember, at that point, the stock really started taking

off. And we just--we ceased buying at that point. But, I want to say probably about half--50 percent of the allocation was bought back.

Ed Sollback
Oh, fantastic. I mean, it's one of those things that--if the shares go back to $10--it's one of those things to keep--you see it all around, especially with this bear market. Let's be honest. It's a bear market, right? A lot of shares are just suffering from lack of liquidity. So, if a company has a healthy balance sheet, they can provide support. And I think that gets other shareholders--gives them a little more confidence too when they see the company in there buying with real money.

Casey Hoyt
Sure, sure.

Ed Sollbach
Well, thanks very much.

Casey Hoyt
Alright, Ed. Thank you.

Operator
Thank you. There are no further questions at this time. I'll turn it back to management for closing remarks.

Casey Hoyt
Alight. We want to thank everybody for listening in. As always, follow up. And we look forward to talking to you guys in the future.

Operator
Thank you. This concludes today's conference. All parties may disconnect. Have a good day.