Transcript

Complete Solaria Inc — August 22, 2023

Corporate Speakers:

- Adam Gishen; Complete Solaria Inc; Board Member
- TJ Rodgers; Complete Solaria Inc; Executive Chairman;
- Will Anderson; Complete Solaria Inc; Chief Executive Officer;
- Brian Wuebbels; Complete Solaria Inc; Chief Financial Officer

Presentation

Adam Gishen^ Good afternoon, everybody, and welcome to our Q2 earnings call for Complete Solaria. This is our first as a public company.

With me today, I have TJ Rodgers, Executive Chairman; Will Anderson, Chief Executive Officer; and Brian Wuebbels, the Chief Financial Officer.

The format of the session today will be a presentation followed by Q&A. Please use the platform to submit your questions. We will get to them at the end of the discussion. For important disclosures regarding non-GAAP numbers, please refer to our Q2 financial report, which has been published earlier today.

With that, I will hand it over to TJ Rodgers. TJ?

TJ Rodgers^ Thank you. I'm the executive chairman. I don't run the company. I don't want to run the company but I was brought in seven weeks ago, full-time and though I'm not running the company, I am focusing and I'm talking full-time, organizing and building the business processes in order to get the company running properly, what I call an execution machine.

The problem that brought me in is that our fab, the Salt Lake plant that makes our jobs, and puts solar on houses across the country, got jammed up. It had 2,800 jobs in it, and in its entire history, it was only 1,200 jobs. The merger of the two companies through various mechanisms I'll talk about later actually brought in a huge jump in orders, and we mistakenly put them in our fab. That's an error.

I brought in three world-class experts from the silicon world. A person who has built and run multiple fabs. A quality manager who has managed a multi-billion dollar company for quality and built it up from zero so he understands quality at an atomic level. And an IT systems person to install the systems we need for the business processes to build the execution machine I was talking about.

Just so you know, even in seven weeks, the fab's been improving. The cycle time is starting to get better. It's still too high, but it's starting to get better. And in Q2, the one finished in June, we did $25.6 million in systems. The fab makes systems. We have a separate division that sells modules. This set a record for Q2 revenue. So we're happy that the fab is starting to improve. It's got a long way to go, but it's moving in the right direction.

Second, modules, the old Solaria. We are a merger of the old Solaria and the old Complete Solar, now Complete Solaria. The market is down below 40 cents a watt for panels, which is very low. The market gross margin is near zero. And we see this as being the new normal. This is a bunch of Chinese companies in a race to the bottom and it's a business we no longer want to be in and I will explain that in a minute.

So we chose in the second quarter to wind down the module business, that's not to reorder and restock. we did $18 million in Q1 and just doing that, our installation business, our system businesses as much our margin added 12 percentage points to gross margin. I'm going to give numbers here as a flavor. The details of the numbers will come to you in the CEO's presentation. I'm talking more about structure and directions.

And we made a strategic decision. We're going to shut down the module business. We're no longer going to sell modules as individual components. If you buy from Complete Solaria, you will buy a system. It will be designed. You will approve it, you will sign a contract, it will go on your house, it will be made to function, it will be licensed and turned on.

That uses modules as well. I'll talk about that also in a minute. By shutting down the module business, in addition to improving our margins, it allowed us to divest 25 people, which we are going to divest, not lay off. That will save us $4.7 million a year.

Then we looked at the rest of the company beyond the module division. We analyzed the organization with a technique I learned from McKinsey. We weren't organized well. We had a lot of extra mid-management. We laid off 34 people. That's done and behind us. That will save an extra $2 million to $3.2 million a year. So between the divestiture of the module group and the layoff that we did in the rest of the company, the total savings is $7.9 million a year.

So my job is to lean down this company, make it run right, and drive us toward a point where we can start looking at profitability.

The final post reorganization has 312 employees, including contractors that we pay as employees. The revenue per employee per year is a very respectable $480,000 per employee per year. Just to give you a comparison point from the silicon industry, a real good number is $350,000. On the other hand, if you're on the software side, you can get up to $1 million.

But for a company that installs stuff, this is a decent number. It can improve, and we will improve it. We're not done.

By the way, we believe the fab will set a record for jobs done in Q3, so the revenue record in Q2 will actually be exceeded in Q3, so we're moving in the right direction.

And based on the divestiture of the low-margin module business, we have a plan to move our gross margin to over 30% in Q3 and Q4.

Here's what I'm doing. So that's a pretty busy seven weeks. Reorganization, two layoffs, a merger talk signed, we have a letter of intent signed. What I'm doing now is I'm working on driving down our break-even revenue. That's really where you've got to get if you're a company, you've got to make money. And we've made a huge step forward with what I've already described.

Our financial reports are not intuitive and even though I'm an engineer by background, I like really good financial reports. I'm talking about line item daily details so people know what to do for the company. And we're working on those. We have several of them done already. For example, we now have a daily revenue report, a daily cash collection report, and a daily stats in the fab report. And those reports are compared against the quarterly plan, which is done on a daily basis.

So we've got some type of reporting, but we're not done yet. I want to be able to create specifications. I'm talking formal specs. That's what the IT guy is helping us with. Formal specs for every process we do in the company.

And then we've got some training to do. We've got some lack of knowledge and we've got some cultural issues. In the fab, we need to learn how to run production control so we don't do things like overloading the fab. Our yields aren't what they ought to be and they ought to get up to a very high percent. In this case, I'm talking about what's called first pass yield. We do rework. Sometimes something has to be designed two or three times, for example. And that's wasteful. We're going to get all that under control as we learn how to run the fab better.

Quality, as with most American companies, this company's not unique, it is something that's a little bit alien. And I've already given my first lecture on quality. Quality is life and death in the chip business. And we're going to learn about quality. And we're going to learn about the math of quality and the culture behind quality. That's a big one.

And finally, there is a technique called precision questioning and answering, PQ&A. I learned it from a business professor who was a consultant at Cypress years ago. He was from the business school at Stanford. And it is the most transformative way to change the way people communicate in a company and start getting people on the same wave.

Works in progress, that's what I got coming up for the next quarter before I talk to you again.

That’s all.

Will Anderson^ Thank you, TJ. My name is Will Anderson, I'm the CEO at Complete Solaria. This is a special investor presentation, we aren’t actually under obligation to report this quarter as we only weeks ago, de-SPAC’d public. But in the intervening weeks, some investors seem to have gotten the wrong idea about this company and the direction we're headed. This is understandable. Companies have come out and lowered their guidance and declared the sector is struggling. But we have a few announcements that should make it clear that this company is headed in the right direction.

With TJ providing guidance and me at the helm, we are a team capable of guiding this company into a leadership position for the industry.

Yesterday, we announced that we have agreed to terms to divest certain cash-consuming activities in our module segment to a top-tier solar panel manufacturer in exchange for cash consideration that will provide important stability as we grow the systems segment of our business.

In this presentation, I will discuss how refocusing our efforts toward the systems segment will benefit the business and our shareholders. This is a business and a business model that I started and have managed for 13 years. I know how to deliver beautiful, high-quality systems to customers.

TJ is teaching us how to scale that business. And with the added capital and focus that the shift away from manufacturing gives us, we are on the right path.

So let's get into the report.

For Q2, we delivered $32.2 million of revenue. This is down 9% from the previous quarter, but it is a tale of opposites. The system segment, as TJ already mentioned, generated $25.6 million of revenue, which is up 54% quarter on quarter and is a record for the systems.

Modules, on the other hand, was down significantly at 65% quarter over quarter. Our gross margins on a combined basis were 18%. This is up from 6%, actually, in the previous quarter. We'll go into that more in a moment. But the bottom line is the system segment is strong and growing. And it's continuing to grow with strong new bookings across the country.

This is unlike what others are reporting, which means we're taking share. And that is supporting strong revenue growth, but we're also doing it while increasing our margins.

The modules business has underperformed. In Europe, there's an oversupply of solar panels and extreme price erosion. That's where we had counted on a lot of our growth, where it simply did not happen. And then domestically, rising interest rates have harmed our long-tail installer customers. These are the people who buy our modules from our module segment.

Here, you can see a graph of both segments side by side. Over the prior three quarters, systems and modules had grown relatively together and fairly predictably, but they took divergent paths in the second quarter.

We expect that this will actually continue on into the third quarter, where we expect record growth in systems again and modules to hold relatively steady. So we're providing guidance for Q3 of $38 million to $41 million of combined revenue with another record for systems and an overall margin of 29%, which is another significant improvement over the prior quarter.

So with that, we've made the strategic decision to shift our focus towards systems.

We've already announced that we are selling certain assets from our module segment to a strategic buyer and we have that signed term sheet in hand. This is going to strengthen our balance sheet with non-dilutive capital to the business. Our focus on growing the system segment is going to be to continue to drive revenue into Q3 and we have the [inaudible] I'll go over those sales and the sales performance and backlog in our forecast, as well as how our margins are improving.

And then finally, I will discuss how we are fixing the fab, as TJ referred, by bringing our cycle times down, focusing on quality and scaling.

The next step in our strategy is to reduce our [inaudible] TJ has highlighted these points, but we have reduced our workforce by 34 people already in a layoff, and we will be transferring additional people with the assets from our modules division.

However, part of that is also going to be that we will maintain our access to our premium module supply at competitive costs, and this will allow us to continue to lower our COGS. This is all part of our plan to drive to profitability in the near term.

So let's go into our systems bookings. This graph shows you our bookings by month for the last year and a half, and then a forecast for the rest of this year. The second half of last year, we were doing a little bit over 200 monthly units. These are sales contracts with homeowners or small commercial customers. So far for this year, we are over 400 units per month, and for the rest of the year, we expect to be at about 500 units per month.

That growth is coming both from our core market in California, as well as, and even more so, from new markets that we've entered into and our other markets where we have typically had a much smaller presence.

As you can see on the left, California has grown 50% year over year for the first half of '23 compared to the first half of '22. And then [inaudible] two and a half X over an admittedly small base.

But the other point here is, it continues to grow post NEM 2.0, something that many [inaudible] and with [inaudible] we've added on and the growth that we're experiencing there, we are [inaudible] and upon our market of California. There's a lot more room.

To get into margins a little bit more, here you see in the bars our systems margin and the green line is our combined total company margin.

In Q1 we were at very low margin. This was due in part to certain audit adjustments that we had to put back from 2022 for finance fees. We've discussed that in a prior call. But in Q2, we did see an increase in the margins for systems. And that is due to the COGS improvements of being able to start installing more of our own Solaria modules.

Those improvements, or the percentage of projects that we are installing with our own Solaria modules has now increased in Q3, and therefore we expect a significant increase, again, on the systems, up to 32% gross margin.

Additionally, we have started to selectively utilize internal installation crews in markets where we have a lot of density. And so there, we're able to install for a cheaper cost than by using our traditional third party model. And then finally, the mix of the revenue mix of just more revenue from our higher margin systems compared to Solaria is what's driving that further growth in gross margin.

Overall, our systems is quite back to its historic levels, however, expect to be able to get back in the coming quarters. When we talk about fixing the fab, what we're really talking about is shortening our cycle times in order to improve our customer's experience.

Time to install and then time to be able to actually activate the system are two key markers for every customer and are critical for the customer experience. And so we are measuring that very carefully. We have over time and here you can see a graph that goes all the way back to 2019 where we were very fast, industry leading in getting to install it in under 30 days and getting the system turned on in [inaudible] over disruptions caused by COVID, the trade tariff case and increasing our volume with strong sales performance, which TJ has mentioned, has overloaded our fab, and it's caused us to operate far less efficiently and to make mistakes.

So our emphasis, our focus on improving our quality in order to improve our efficiency, limit rework, and getting our systems processed and out the door and up and producing power faster is going to drive customer sentiment and allow us to be able to continue to drive strong sales growth.

On the cost side, we've talked about the operations, the OPEX cost reductions due to the headcount reductions and transfer of certain headcount with modules asset sale.

This will yield $7.9 million of annual savings. Our COGS actions include the module costs being lowered by 27 percent. Again, this is largely driven by the switch to utilizing our own Solaria modules, but the overall market for pricing for modules has gone down, which benefits the systems business.

The selective use of internal install capacity, this has reduced our overall install cost by 12%. Our operating loss from Q2 was $15.8 million dollars but this is improving quickly in Q3. That's a big number and it's not acceptable. The difference, a big difference between Q3 and Q2, is there are a number of expenses that were taken in Q2 that we will not recur in Q3. These include one-time de-SPAC costs from the public listing. They also include an aging reserve that we took due to the prior fab slowdown. As projects get older we reserved against those projects in case they cancel or become uncollectible. As we increase our speeds or reduce our cycle times through the fab we don't expect to have to take the add to that reserve.

And then finally the shifting revenue mix to systems which is operating at above 30% gross margins compared to modules which has been below 10% is falling to the bottom line and will improve our operating loss significantly in Q3.

To conclude, our system segment continues to grow and is strong and it's increasing its margins. We're ramping down our modules but we are maintaining [inaudible] to our premium module supply through our new partnership. We've taken action to reduce our costs and this is lowering our break-even point and we are fixing the fab. As cycle times come down, we will generate more revenue, create happier customers and be able to add to our sales pipeline.

We're strengthening our balance sheet through the asset sale by reducing our burn and lowering our break-even. This is how we're going to be able to proceed into the coming quarters and become the market leader that we intend to be.

That's all of my prepared remarks for today. I thank you for listening. We will have a question and answer session but all of these materials plus a published report are available on our investor relations website and we do encourage you to reach out to our investor relations contacts.

We're happy to answer your questions independently, but we would love to take your questions now as well.

So Adam I'll turn it over to you to moderate questions.

QUESTIONS AND ANSWERS

Brian Wuebbels^ Thanks, Will, this is Brian, I'll be moderating.

So the first question that came up here, it says there's been some suggestions in the forums that additional financing will be needed to sustain operations and continue growth. Could you address that concern?

Will Anderson^ Yeah I'm happy to take that and Brian you can you can direct these questions as you'd like if they're finance related feel free to take them as well, but so first off, we expect to bring in additional capital through this transaction that we've announced for the modules assets so that will certainly strengthen the business.

However, the cost reductions that we've already taken in addition to the improved margins are going to have extended our runway significantly. So we expect that between these actions, our cash position is going to be okay.

Brian Wuebbels^ All right, the next question here is, is Complete Solaria fully leveraging the benefits of the Inflation Reduction Act and the bump in the ITC for US-made equipment and additional subsidies?

Will Anderson^ Great question.

So I'm going to tie this back to the strategy behind what we're doing with the modules first and then address it for systems.

So on modules, we were not able to make the kinds of investments that we wanted to, including domestic manufacturing, in order to really pull the value out of that business that's inherent. Our new partner does have that capability, however, and that was part of our attraction to doing a deal with an at-scale manufacturing partner.

So from that perspective, yes, we will have much more opportunity to take advantage of some of those factors of the ITC, or I'm sorry, of the Inflation Reduction Act. On the system side, the biggest benefit was the 30% income tax credit for our customers, which is now priced into our finance products and flows through to our customers to help support demand there.

So from that perspective, yes, we are taking full advantage and there's more yet that we can do in order to be able to utilize more American-made equipment in order to increase those income tax credit benefits.

Brian Wuebbels^ All right. Thank you, Will.

Another question here on the TAM. Are there any definable numbers with the systems group for TAM and our goals around TAM?

Will Anderson^ So we've always defined TAM as homes or small businesses that can benefit by going, that can have an economic benefit by going solar. And we've pegged that number to be over 90 million homes plus over a million or multiple millions of commercial buildings.

And so we and others have reported that the penetration rate in that total available market is still only at 4%. And so the available TAM is, for all intents and purposes, what we've been able to do over the last 20 years. It's 20x that. So from a TAM perspective, this is an enormous market. Now the key to, or what makes TAM important, is knowing whether or not you, or figuring out how to be able to access that entire addressable market.

And so that's where fixing the fab, lowering our cycle times, improving the customer experience is critical. And if we're able to do that, then the people who can benefit from solar will be willing to go solar.

Until that happens, industry, we've still got a lot of work to do in order to make sure that that customer experience is [inaudible].

Brian Wuebbels^ All right, thank you, Will.

There's another question here on the de-SPAC. Can you provide some clarity on the amount of capital that was raised during the SPAC, during the de-SPAC?

Will Anderson^ Yes. So we generated, actually Brian, I don't want to misstep on the number. Do you have precise numbers?

Brian Wuebbels^ It's $19.7 million, and I believe we actually, in the press release that we put out just at the beginning of this call, that lays out clearly how much capital we raised, which was $19.7.

Will Anderson^ $19.7 was the net capital that we took in after expenses. I was going to try to give the gross number as well, but that was the net capital to the business.

And we also announced that we have a $63 million forward purchase agreement that would be available to us in the future.

Brian Wuebbels^ All right.

Next question here is what do you know -- you said that you've lowered the break-even level. What do you expect that new revenue level to be?

Will Anderson^ We haven't given public guidance on this yet. Previously we thought it to be at about $80 million, but I will say it's significantly below that with more of the revenue coming from systems and our margin profile.

Brian Wuebbels^ All right. There's a question here about quality.

Any concerns that you have about utilizing third-party installers versus your own installation crews vis-a-vis quality.

Will Anderson^ Yes, of course, there's always concerns. One of the ways that we've been able to address that is by vetting our dollars thoroughly of course but then they depend on us for their business[inaudible]unlike if they were to contract directly with a homeowner, let's say, if you met with a homeowner, then you have a[inaudible] owner, but [inaudible] they're not going to be doing the rest of the work for the rest of that month or year.

However, with us, if our installers[inaudible] poor job, then it could jeopardize all of the future work that they get from us. And so, we do hold them to high-quality standards. That is not to say that we haven't had our problems there. It's one of the qualities that we've really started to focus on is to make sure that the on-site quality and this isn't just did they do a good job or a bad job, did they design the systems exactly as it or build the system exactly as it was designed. Did they do it at exactly the right time as when they were supposed to be there and did it get done quickly and effectively? Did they clean up their site afterwards?

So these are all things that we're measuring in addition to just did they do all of the attachments correctly.

But the fact of the matter is there are highly skilled builders across the country that operate locally and are really good at building things. They may not be as good at sales or administration or marketing or filing with the utilities or many of the things that we do, but by utilizing them for their skill set and what they're particularly good at, we're able to get a really strong group of build partners who can deliver quality systems for us.

TJ Rodgers^ Brian, let me talk a little bit about quality.

On my question screen, I see a woman named Mary Wheeler. She said that she had an installation and it's been a long time, and the installation's on a roof but not turned on yet, and then she followed up. She asked about installers, and then she followed up with installation and accountability issues.

Let me talk about the problem. If this problem didn't exist, there's a couple of quality questions here. Our fab slowed down. It takes almost three-quarters of a year from the time you sign a contract until the time the process is done and the switch gets flipped on. That also requires interaction with people in our fab several times. For example, you have to order it, they have to create a design, you have to look at the design and sign it off, we have to get a permit from your local group all over the United States, they're all different, checkerboard, we have to get that, we have to get a permit to install from the utility.

Then we go and hire a local installer. I'll just say that I don't think we have that much trouble. Will said it in kind of long form. These are small businessmen and if they don't do a good job they go out of business.

Typically, the quality problems I see are look in the mirror kind. They're not our problem. So when they're on the sideline, they're on the sideline because for example[inaudible].. Okay, why is all this happening?

The answer is we go back and forth because as fab slowed down, and we lose chunks of time between those steps, significant chunks of time. And then the last one is when we get financing for you, and we do that for almost every customer, we get rearranged for financing or a power purchase agreement for them. Those agreements all come out with a specific timeframe. That is they're good for 180 days or some number like that. And when your cycle time goes from less than 100 days to over 200 days, sometimes the financing expires just because the time clock ran out, not because there's anything wrong.

The net of that is the slowness of our reaction is causing a lot of different problems that have all that one root cause. That's what we're working on to fix. That's what's wrong is our problem. We're going to fix it but it's not a myriad of screw-ups and it's not the guys with trucks, they're just ordinary businessmen all over the United States trying to do a decent job. We're working on that, we understand it, I've got chief quality officer of one of the one of the biggest American electronics -- solar electronics companies in my group of people and I'm working with and I work on quality every day.

And I've already given my first quality lecture at the company. This is going to get fixed. It's a problem with small companies. My company, my chip company had it when it was small.

So we understand this, we acknowledge it. It is not hard to understand and we are going to fix it.

Brian Wuebbels^ Okay, next question here. Thank you, TJ. Next question, did the SPAC process and market reaction to the listing go as you expected?

Will Anderson^ That's a good question. Yeah, I mean, just to be, I guess, really frank, a lot of SPACs trade down, companies after they de-SPAC trade down pretty shortly after. And that was maybe fitting, but not entirely surprising, I guess.

The more surprising part was after other solar companies started making their quarterly announcements, we saw a pretty big sell off across the sector. And that's what I wanted to get out in front of and address today. Because at least from the core part of our business, the systems segment, we are going in the opposite direction of the rest of the market and of the rest of the stock prices. So those numbers are real. The increase in sales is tangible and the fact that we are now processing those better, not perfect, not even great yet, but we're starting to improve on the way that we're processing those orders and getting them out the door. We've got a really tremendous runway in front of us. So having said that, yeah, the sell-off in the sector I think is interesting, but not entirely relevant to what we're doing.

Brian Wuebbels^ All right, here's another question. Let's pivot back to the market.

Any high-level thoughts on the 2024 Resi solar market? Estimates from third-party providers seem pretty gloomy. How does Complete Solaria plan to outpace the market and take share?

Will Anderson^ Well, we're already starting it. I'll answer the question, though. We've seen from our module segment what's happening out in the market. Orders are down, demand is soft, borrowing rates are high. Yet on our system side, we've been able to overcome that by using, by switching to more third-party owned financing like PPAs that are lower cost than loans typically are right now.

By improving our performance in the fab, and by bringing on good partners who know how to present the value proposition to homeowners. Despite higher borrowing costs, it's still more cost-effective to buy your power using a loan, using a solar loan, from your own solar system than it is to buy power from the utility company.

So we just have to get that message out there more effectively. For the market broadly, yeah, it seems to be soft and we experience that on modules. But for systems, we've figured out how to address that and are growing very quickly. 54%, as I said, from last quarter. And then this quarter's going to beat that.

Brian Wuebbels^ So there's another question here on liquidity. What do you expect to do with the funds that you'll receive from the announced transaction on the module business? Is that to continue to grow the business or bolster the balance sheet? How do you expect to use those proceeds?

Will Anderson^ Yeah, well, it certainly strengthens our balance sheet and gives us a lot more runway. You know, we intend to be able to become profitable and cash flow break even without having to raise additional capital beyond that.

Brian Wuebbels^ And that answered one of the other questions which is after the $15.8 million operating loss in Q3, do you see the need to raise any additional capital before you break even?

Will Anderson^ Yes, as I said in my presentation you know there's a you know a good portion of that that that were not cash losses they were accounting losses with the reserve for example and so in Q3, that's going to be much lower and as I said we have the ability to get to cash flow break-even. That doesn't mean that we wouldn't raise capital in the future, so I won't say that we're not going to raise capital, but with our increasing margins, capital coming in from the transaction, we feel pretty good.

Brian Wuebbels^ All right. We've probably got just a few more questions here.

First one is, how much will the grid become the rate-limiting factor to the growth of Complete Solaria?

Will Anderson^ Not for a while. Yeah, it won't be the grid. It'll be, and it won't even really be how fast can we bring in orders. I think we've shown that we can bring the orders in. It'll be how effectively can we process those orders through our production line.

So, you know, the question's asking, you know, solar produces power primarily, or exclusively during the day. You need power at night. In some places where there's high concentration of solar, you have more power than you need on the grid in the daytime and less at night. And that was the big cause for the net energy metering change in California.

Now that that's been imposed, we are seeing a rapidly increasing number of our systems having battery attachment accompany them. And what that does is it shifts when that power can be used. And it makes the grid much more flexible.

So, and we're growing in California. So that does not seem to have been a limiter for us. I don't expect it will be in the near future.

Brian Wuebbels^ Yep, there's another question that dovetails right off of what your answer was. So talk about the battery storage as part of the system in California, and how are we as Complete Solaria addressing that?

Will Anderson^ Well, we're selling more systems with batteries. That's kind of the bottom line. The way that NEM changed the dynamics for solar, people going solar, is that you're getting compensated far less for the power that you send back to the grid during the day. And then costs of power at night are much higher.

So by combining a solar system with a battery, you're able to produce during the day and charge your batteries and then use the power that's sitting in the batteries at night and get the economic benefits still.

So we're seeing that it has raised our ASPs, our average selling prices, which is good for us, good for the customer, but we've also been looking at ways of kind of lowering our costs for the customers too in order to make a really appealing position to the customer and the customers have responded positively so far to that.

Brian Wuebbels^ TJ, there's a question here for you.

TJ, what drew you to get involved in Complete Solaria?

TJ Rodgers^ I came in from the Solaria side. I had been an investor in them for two years before the merger and then I joined the board of the combined company. I've always been interested in solar. Cypress Semiconductor, my chip company, owned SunPower, the original important American solar company, which we took public in 2005. So I've worked on solar cells, I built solar fabs that making actually the cells and the panels. I think in the ESG debates, I think there are many things about the debate that don't rest on facts, but I think one thing that is clear is that taking sunlight and turning it directly into the electricity and using it to lighten the load you have in utilities, obviously good.

So it's a place where I can meld in with the ESG movement and do something that we both agree on.

So I've always liked, and by the way, I have three other companies that are solar companies in one way or another. I'm on the board of Enphase, make solar inverters. I'm on the board of a little company in Rochester that makes solar glass that actually multiplies the photons as they go through it. So it's the new silicon for me.

Brian Wuebbels^ All right, if there's any other questions, please provide your questions.

Will, it doesn't look like there are any more questions at this time.

Maybe you want some final comments?

Will Anderson^ Yes, happily, thank you. First off, I just wanted to start by thanking TJ Rodgers and the several consultants that he's brought in to help us identify opportunities to improve our manufacturing, to improve our, I'm saying that in terms of the systems in particular, our production line for systems to improve our quality.

And so I'm just very grateful for the support that we are getting there. We are a young company. We're a small company still. But we are growing fast, and we are implementing large company principles in order to make sure that we scale appropriately so that we can become the leader in the solar industry.

As I stated during the presentation, our growth prospects -- our growth to date should speak for itself. Our ability to turn that growth into profitable results is starting to manifest itself. And I'm grateful to all of those investors who have stuck with us and invite them to continue to support the business.

We wouldn't be here without you and we are looking forward to making your investments turn into really strong returns. Just enormous gratitude and thank you for listening today.

And we will present on each of these numbers again next quarter.

Thank you.