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Q1 2021 A. H. Belo Corp Earnings Call

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CORPORATE PARTICIPANTS

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CONFERENCE CALL PARTICIPANTS

Chris Mooney *Wedbush Securities - Analyst*
Jonathon Fite *KMF Investments - Analyst*

PRESENTATION

Operator

I would now like to turn the conference over to Katy Murray. Please go ahead.

Mary Murray ***A. H. Belo Corporation - EVP and CFO***

Good morning, everyone, and welcome to our first quarter 2021 investor call. I am joined by Robert Decherd, Chairman, President and Chief Executive Officer of A. H. Belo Corporation; and Grant Moise, Publisher and President of The Dallas Morning News, who are available for Q&A.

Yesterday afternoon, we issued a press release announcing first quarter 2021 results, and we filed our first quarter 10-Q. We have posted both of these on our website under the Investor Relations section. Unless otherwise specified, comparison views on today's call measure first quarter 2021 performance against first quarter 2020 performance.

Our discussion today will include forward-looking statements. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those statements. The company assumes no obligation to update the information in this communication, except as otherwise required by law. Additional information about these factors is detailed in the company's press releases and publicly available filings with the SEC.

Today's discussion will include non-GAAP financial measures. We believe that non-GAAP financial measures provide useful supplemental information to assist investors in determining performance comparisons to our peers. A reconciliation of GAAP to non-GAAP financial measures is included with our press release and posted on our website.

A. H. Belo reported a first quarter 2021 net loss of $2.8 million or $0.13 per share and an operating loss of $3.7 million. In the first quarter of 2020, the company reported a net loss of $1.6 million or $0.08 per share and an operating loss of $4.8 million. The 2020 net loss included a federal tax refund of $2.3 million permitted under the CARES Act.

Adjusted operating loss, which adjusts GAAP operating loss to exclude severance expense, depreciation, amortization and asset disposals and impairments, was $2.4 million for the first quarter. This is an improvement of $400,000 or 14.4% when compared to the adjusted operating loss of $2.8 million reported in the first quarter of last year.

For the first quarter of this year, total GAAP revenue was $36.8 million, a decrease of $3.5 million or 8.7% when compared to the $40.3 million reported in the first quarter of last year. Of the year-over-year revenue decline, approximately $1.6 million is in print advertising revenue and $1 million is in digital advertising revenue. Both have been impacted by the COVID-19 pandemic.

Digital circulation revenue was $2 million in the first quarter of this year, an increase of $600,000 or 46.5% compared to last year. The News ended the first quarter of this year with 50,852 paid digital-only subscriptions, an increase of 11,493 or 29.2% when compared to the first quarter of last year.

Print circulation revenue for the first quarter was $14 million, a decrease of $1 million or 6.9% compared to the prior year. We have experienced relative stability of our print member base as home delivery revenue declined only 4.3%. Single copy sales revenue declined 27.1%, primarily due to the significantly reduced number of locations selling the newspaper as a result of the COVID-19 pandemic.

Other revenue reported in the first quarter of 2021 was $4 million compared to $4.6 million reported in the first quarter of last year. The decline is due to a $600,000 decrease in commercial printing and distribution revenue.

First quarter 2021 total GAAP operating expense was $40.5 million, an improvement of $4.6 million or 10.2% compared to the first quarter of last year. The improvement is primarily due to expense reductions of $1.1 million in employee compensation and benefits, $900,000 in newsprint, $900,000 in outside services, $700,000 in depreciation, $400,000 in distribution and $300,000 in travel and entertainment.

The company recorded tax expense of approximately $300,000 this quarter relating to the Texas margin tax. As of March 31 of this year, the company had 713 employees, a decrease of 75 or 9.5% when compared to the prior year. Cash and cash equivalents were $38.1 million, and the company had no debt. As of April 23, the company had approximately $39 million in cash and cash equivalents. As a reminder, we do not have any mandatory pension payments in the next 10 years, and our pension plans are currently funded at 94%.

In the first quarter 10-Q filed yesterday afternoon, we disclosed in the subsequent events footnote that the company has signed a memorandum of understanding with Charter Holdings. This MOU outlines the company's required terms and conditions if we were to extend the due date of the note payable of $22.4 million from June 30 of this year to June 30, 2022.

We realized that the pandemic has had an impact on the timing of commercial development, and thus, capital constraints in commercial real estate markets may exist. If an agreement is reached, the note payable will bear interest of 4.5% payable quarterly, generating approximately $1 million of additional interest income over the next 12 months. The company will also maintain its secured first priority lien interest.

I will now provide some operating updates. Belo + Company's first quarter shows strength in clients increasing digital marketing services investment, and print advertising began to return to pre-pandemic levels. We continue to focus on customer service and campaign performance within Belo + Company, which has resulted in our highest account retention rates in the past 5 years. Belo + Company is also focused on growing its portfolio of marketing services as our strongest clients emerge from 2020 and look to us to increase their own market share.

The year-over-year growth in digital membership volume has begun to return to pre-COVID levels, while revenue per user for both print and digital continue to increase year-over-year. Compared to 2020, the average print membership rate has increased 8% from $8.95 to $9.70 per week. And our average digital membership average rate has increased 21% from $2.76 per week to $3.35 per week. While print subscriptions have declined, we have seen an improvement of 17.5% in print membership retention for new subscriptions when compared to last year.

We are very pleased with the financial results and the progress we are making in growing our digital-based revenue, both in advertising and in circulation.

I will now turn the call over to Robert.

Robert Decherd ***A. H. Belo Corporation - Chairman, President, and CEO***

Katy, thank you, and good morning, everyone. We're looking forward to your questions about the operating side of the business. And as Katy noted, Grant is here with us to address those.

Just a couple of points on the way there. We are seeing a return of advertisers. When we say to pre-pandemic levels, that's not fully baked at this point, but they're encouraging signs. And we would expect to see that trend continue through this year. That, together with the stability in home delivery and the increase in our digital membership, gives us some confidence that we can maintain the membership or circulation cash flows coming out of traditional or legacy members and build up our digital side, including through pricing.

Pricing is going to be very important, as you know. So the equilibrium between the way we did conduct business and our reliance on print as we migrate to a digital majority, if you will, both of members, and ultimately revenue, is how we need to manage the company down to this smaller company environment that we've talked about so often.

We're encouraged that the balance sheet reflects the stability that we've observed in the last 6 months. The idea of growing digital revenue is ultimately how we go cash flow positive again. The press release noted that we have announced a VSO, or voluntary severance offer. That's just one of many levers we're using to get our expense structure properly sized to the company we've become and the company we will be.

In terms of cash, I'm impressed that we are still at $39 million, $40 million despite what's occurred in the last 12 months. And the conversation around the Charter extension, while it's not resolved, is probably a good scenario for us if that works out. It's $1 million of income we would not otherwise be assured. And as we get back on track with the transition to a digital-first company, if you look at 2020, rather, as a gap year, it's not that it didn't exist, but it certainly didn't enable anyone in the legacy business to advance towards that digital state that is so important.

Katy also mentioned the pension. We've seen that hold up very well during the market volatility of 2020. We're very significantly hedged in that portfolio now, so sitting there at 94% funded. As opportunities present themselves going forward, we should be able to manage that and deliver on the promise we made long ago to our pensioners that we're going to have a stable pension plan that they can rely on for the long term.

As you know, we're going to hold our annual meeting virtually again. It'd be at May 13 at 9:30 a.m. Central Time. We are very optimistic that we'll be together in person a year from next month. The items that are on the agenda that are non-typical, as you know, are the name change of the company, which is a timely and important undertaking for us. I'm sure we'll get that done and make that transition quickly.

And then on the reverse stock split, both ISS and Glass Lewis have now issued the report supporting the proposal, and in fact, all 4 of the proposals that are up for voter -- shareholder votes at the meeting. The underlying rationale for the reverse stock split is we have to have the flexibility to remain actively traded on one of the prominent exchanges. And we believe -- the Board believes that's the way to achieve that flexibility. So happy to talk more about the rationale, if you wish.

And of course, from the standpoint of expecting or looking forward on dividends, we would adjust the dividend if we do effect the reverse stock split such that the payout is essentially the same as today. It'll be very close in dollar terms, just depending on how many shares someone would own after the reverse split, should it occur. And the Board obviously is going to look at that timely if given the authority at the annual meeting to consider the split.

Let me pause there. Katy, see if there are questions about anything you and I have said, and of course, other questions that Grant and Katy can address.

Mary Murray ***A. H. Belo Corporation - EVP and CFO***

So Gloria, we are ready to open it up for questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) We'll go to the line of Chris Mooney with Wedbush Securities.

Chris Mooney ***Wedbush Securities - Analyst***

I've got like 8 questions, if there's not a lot of other people in queue. I'll just start, and you can tell me to get back in queue if you need to. So digital subscribers and with -- I know there'd have to be some assumptions thrown into this, but where is there -- what level of subscriber do you need to get to a breakeven cash flow?

Grant Moise ***A. H. Belo Corporation - Publisher and President, Dallas Morning News***

Chris, it's Grant. I'll answer that. I mean there's obviously 2 levers that have to be pulled, as Robert was referring to, on digital subscriptions: one is the volume; and two is the price. I know that there are some companies out there who have gone over 100,000 digital subscribers. But I think when you look at the rate that the average rate that they're charging, I think it's difficult to get yourself to the kind of revenue needed to support the business.

The way we look at it is, I think what we're trying to do, first, Chris, is to get our cost of our newsroom covered by digital subscriptions. And I would say that's really always the first hurdle that a major metro newspaper is trying to achieve. And roughly speaking, our newsroom is about a $15 million expense to cover the kind of market and the size of the DFW market at scale.

But obviously, in terms of reaching cash flow digital subscriptions is just one of so many levers in the company that I would be guessing at something. And so I don't want to do that, but I think it is clear for us that at least the nearer-term goal that we're trying to reach is to hit that $15 million mark on digital subscriptions.

Robert Decherd ***A. H. Belo Corporation - Chairman, President, and CEO***

And Chris, it's a blend, of course, between print, advertising and circulation revenue and digital. So we're not suggesting we have to go to a 100% digital base, but we need for it to grow -- continue to grow significantly, and as Grant pointed out, price opportunistically. You can get big numbers with no price. That's a nonstarter. That does not work.

So for the long term, it's managing that equilibrium I have mentioned between our legacy revenue and the digital. It underscores the importance of our relationship with our long-term print subscribers and how we ultimately migrate them either to receiving the printed newspaper in a different form or going all digital. Not all of that cohort is ready for that, but we are making plans to bring them along.

Chris Mooney ***Wedbush Securities - Analyst***

That was useful. I appreciate the sort of color on the background there. The VSO, you've got 15 jobs open on your website. And the VSO seems to come a year after the pandemic started. So are you -- did you waste a good crisis? Or can you give us more details on the goal, the costs and the cost savings expected?

Robert Decherd ***A. H. Belo Corporation - Chairman, President, and CEO***

Chris, it's a very important question, and I would characterize our decision-making during 2020 (corrected by the company after the call) is we acknowledged that it was a crisis and made sure that our employee cohort was properly cared for and supported. And now that things are more stable, we're looking at what do we need to do to continue this pathway to being a smaller company. A lot of people were in a lot of pain in 2020. As you know, we, initially, when things looked very dire, implemented an across-the-board wage decrease, but we restored that, because we're in this for the long haul. There is no more important aspect of our success than the people who make up this company.

And I think as a consequence of the way we worked our way through that, we're in a position now where we can make the adjustments on the expense side in a way that is much more consistent with the company we are and the company we need to be. And the key in this first step is it's voluntary.

So if we're able to provide an exit for folks who have been here for a long time, that's good. And then as we see revenue patterns evolve during 2021, Grant and Katy and their teams can evaluate how we continue to work through the expense side of the equation. Obviously, we've got to be a smaller business. That doesn't take 3 case studies from Harvard Business School to figure out.

Chris Mooney ***Wedbush Securities - Analyst***

And are there any details which you can give us as far as goal or cost or cost savings expected?

Mary Murray ***A. H. Belo Corporation - EVP and CFO***

Hey, Chris, this is Katy. So first, you asked about the open headcount. There is open headcount in the company. We are hiring in the newsroom. We are hiring within Belo + Company. And then we're also hiring developers. And so again, all areas that are focused on our strategy around digital growth and both on the advertising and on the membership side.

What we did on the VSO was we offered this to really, what I would say, kind of more of our shared service back-office areas, the North Plant, finance, accounting, consumer revenue, IT and areas like that. Right now, it's voluntary, as Robert mentioned. And so at this point, we're in a -- really seeing what comes in and taking an opportunity to look at those that have made a decision that it's time for them maybe to retire or do something differently.

And at that point, we'll take that information and decide what we need to do going forward. But there's not a specific target or goal that we gave out to the company. This is a let's see really where we are for all these organizations and make a decision on how to move forward.

Chris Mooney ***Wedbush Securities - Analyst***

Okay. Let's see. Have you -- are you receiving now payments from either Facebook or Google in their sort of global support to news creators industry?

Grant Moise ***A. H. Belo Corporation - Publisher and President, Dallas Morning News***

It's Grant, Chris. We are receiving some payments from Facebook specifically, which was part of something that, I believe, if my memory serves me correctly, was started in 2019. However, those are more of a revenue share type agreement that was done industry-wide at that point. Obviously, that's quite different than the types of licensing agreements that have been reported in countries like Australia and France and we hope are coming soon to more companies here in the United States. But we do have current payments with Facebook that we're receiving, but not from Google.

Chris Mooney ***Wedbush Securities - Analyst***

Okay. And just looking at where we are now, is there any change in the trends of subscriber trends or ad trends for both printed and digital? Since the...

Grant Moise ***A. H. Belo Corporation - Publisher and President, Dallas Morning News***

Yes. Let me -- I'll start on the subscription side, what we call as membership side of the house, Chris. The print has become quite stable for us. Sue Kerr, who runs that group, has done a very good job getting that stabilized for us. I feel like we've kind of reached, especially on the home delivery side, kind of a very healthy equilibrium between volume and price. Obviously, as Katy had mentioned in the earnings script, our single copy channel is extremely pressured, being down 27%.

On the digital subscription side, obviously, in this kind of high 40% range, we're very pleased with that. But obviously, you could -- on our Investor Relations tab, we have shown the net gain or kind of incremental gain volumes have been softer than they were in the early stage of the pandemic in the second and third quarters of last year. But we believe we've got some strategies here on the horizon that are going to really help us on the -- on that subscription side of the house. We've hired some talent out of Boston who really helped The Boston Globe reach some significant levels, and we're in the middle of deploying those. And so feel good about kind of where that -- that we're going to be able to get ourselves back to some volume increases in the near term.

On the advertising side of the house, Chris, as we mentioned, I'd say it really has reached what I call that pre-pandemic level where print, on average, was down around that 10%, 11% range on print advertising. That is about where we settled in the first quarter, which is far better than where we were last year, obviously, with the pandemic.

What we're seeing on the digital side of the house is a very quick rebound in things like search and things like programmatic advertising. Those are kind of easier to turn on and off, but not as profitable for us as some of our other lines of business, which we call our strategic services or our advertising on dallasnews.com. However, we do believe that as more categories and industries of advertisers come back on online that we will see that improve as well.

Travel and tourism is an example of that. The event business is another one of those where these are obviously just parts that are really lagging as the economy in pandemic and hope to return to normal. Those are important categories for us, and we're starting to see signs of them reaching out to us and having an interest in advertising once again.

Mary Murray ***A. H. Belo Corporation - EVP and CFO***

Hey, Chris, I was going to see if Gloria, our operator, if there was anybody else in queue for a question, but if not, we could continue. So Gloria, is there anyone else in queue?

Operator

Yes, ma'am. You have Jonathon with KMF Investments in queue.

Mary Murray ***A. H. Belo Corporation - EVP and CFO***

All right. Chris, do you mind if we move to Jonathan and come back to your next 4 questions?

Chris Mooney ***Wedbush Securities - Analyst***

Not at all.

Jonathon Fite ***KMF Investments - Analyst***

Just had 2 quick questions. Given the cash balance and the desire to grow the digital subscription business, do you see meaningful capital allocation investments this year over the next 18 to 24 months, $5 million, $10 million, $15 million worth of the cash balance to accelerate the digital transition? Or do you just see that progressing more steadily? And then I had a follow-up question as well.

Robert Decherd ***A. H. Belo Corporation - Chairman, President, and CEO***

We -- Jonathan, we would be in the progressing steadily camp. As folks who've been along for this ride for the last decade now, we are very focused on our balance sheet and maintaining significant cash balances. We did do, I'll say, some one-off investments in the mid-2015, '16 time frame that were intended to accelerate our digital presence, but actually turned out to be pretty significant distractions.

So as we've focused again on the core competencies and the opportunities around those that ultimately translate to a large digital presence, we may invest, but not in the orders of magnitude you're describing. If we had the right kind of internal investment opportunity, whether it's software or talent or a combination of the two that we think would measurably increase the rate of our growth in digital membership or in digital advertising, we would do that.

But we have to be convinced that it has that potential and that we have metrics in place to evaluate that in fact it is having that positive effect. This is -- seems contrarian, but in a digital world that moves so fast and changes so predictably, this is a focused, grinded-out, long-term strategy to determine whether a distinguished local journalistic organization can make this happen. And we think we have all the components to do that.

So circling back to your question, if we invested $5 million or $10 million again in something outside our core business, it would have to be an opportunity that's so obvious, and the line around the building to invest in it would crowd us out.

Jonathon Fite ***KMF Investments - Analyst***

Understood. I appreciate that commentary. One other, I guess, just a more strategic question. Now if we look at the digital subs in the 50,000, 60,000 range, but then you look at your Twitter followers, well north of, I think, 700,000 the last I saw, right, it's a great top-of-funnel channel for the paid subs. But just wondering, how do you drive higher conversion between that number that's close to 1 million followers on the Twitter side versus the paid subs? And Twitter has -- is launching more subscription-based products for content owners. Have you evaluated kind of revenue-generation opportunities through that platform?

Grant Moise ***A. H. Belo Corporation - Publisher and President, Dallas Morning News***

Twitter, specifically, Jonathan, is -- I have a person who basically manages all of our kind of -- what we call social media top of the funnel. We have a social media top of the funnel, and then we also have an e-mail top of the funnel, where obviously, we're trying to capture e-mail addresses so that people can get into kind of a relationship of receiving our content, whether that be through social or through e-mail.

But Twitter and the other social media platforms all have -- part of what we do is not only have a relationship with them directly, but we're also talking to our peers about what type of conversion rate they are seeing of not only onetime subscribers, but those that stick with us to make sure that we can not only bring someone in, but make sure that, that really turns into monthly recurring revenue, not just a onetime hit. And we just continue to study it.

But what we have found is, and especially, I kind of mentioned we're stealing a little bit from that Boston Globe playbook, Boston has found themselves well north now of 200,000 digital subscribers, and we're really trying to stick to a lot of the basics of finding -- allowing ourselves to get from this 50,000 range, first over 100,000 and then kind of in the long term.

And so social has played a part in that strategy, but I would call it more of a lighter role than more of a dominant role. I would say the e-mail acquisition and building a relationship through registration has probably been that primary top of the funnel strategy that we're following. But obviously, we're keeping our eye on everything, and we've got great relationships directly with Twitter, with Google, with Facebook, and we're trying to make sure we're on top of anything that's cutting edge that can help us.

Robert Decherd ***A. H. Belo Corporation - Chairman, President, and CEO***

I'd just add one thing in the larger context, which is our content depends on users, members who are able and willing or interested in time on site. So our content is not really as geared to the quick hit as it is a slightly longer time on site. And the longer we keep people on site, the greater the chance of converting them. So how we present content and how that content is differentiated from the avalanche of content in the social world is really key to our strategy long term.

Mary Murray ***A. H. Belo Corporation - EVP and CFO***

Gloria, is...

Operator

(Operator Instructions) We'll go back to the line of Chris Mooney.

Chris Mooney ***Wedbush Securities - Analyst***

Interesting questions. So I'm glad you got him in. Let's see, related to that last question, do you have a -- what's the CapEx budget for this year? And it sounds, based on where you exited the first quarter and currently now, you seem to be building cash slightly again. Is that your expectation for the year?

Mary Murray ***A. H. Belo Corporation - EVP and CFO***

So Chris, from a CapEx perspective, our budget is less than $1 million, consistent with last year, really focused on a lot -- anything with the North Plant, things like that, obviously, any kind of replacements and things like that. But there's nothing significant on a brand new CapEx perspective.

What I'll tell you from a cash balance perspective, anything we can do to minimize expenses, to minimize capital, any kind of outlay, anything we can do to preserve the cash balance is what we're doing. And so we've had a really, really strong first quarter in collections. I would say that collections have now turned back to kind of pre-pandemic where we saw some -- maybe some people who weren't as familiar about how to work remotely and pay their bills in Q2 and Q3 of last year, but they figured that out and now people coming back.

So collections is definitely playing a significant portion -- a significant role in that as well, which I'd call out. But look, we are still losing money, but everything that we can do to minimize expenses, the VSO, CapEx, we are doing that to preserve cash.

Chris Mooney ***Wedbush Securities - Analyst***

Okay. And Grant, can you give us a little more color and update on Belo + Company?

Grant Moise ***A. H. Belo Corporation - Publisher and President, Dallas Morning News***

Sure. I think the number one thing that we've been celebrating internally, Chris, is the retention of our key clients. Eric Myers, who is running that organization for me, has been hyper-focused, I would say, in customer service and what we call campaign management. And so to understand what those clients need in terms of the kind of their KPIs to make sure that these campaigns are performing well. As you know and as we all saw as a trend last year, and it's not slowing down, is the adjustment of our clients from a brick-and-mortar model to e-commerce.

And that's what's nice for Belo + Company is because we build websites, because we can help them with their own top-of-the-funnel strategy of how to drive commerce to their sites, that has been a very big focus of ours. And it's allowed us to build a kind of relationship with these clients that has them staying with us. And I'm very proud, because 2 to 3 years ago, that was not our strength.

We just were not hitting the kind of performance standards levels that these clients needed in order to feel that we were a partner and a strategic partner of theirs. We were really a vendor that they felt like they could kind of trade in and out. And so that's what I'm most pleased. As we all know, you can't build a business unless you're retaining your clients and you're growing the investment from those clients. And that's exactly where we are right now.

I'd say what I mentioned earlier in terms of the lines of business, programmatic video and search are the largest tools that they're using to grow their e-commerce lines of business. And we're just trying to make sure that strategically, we keep getting dallasnews.com in what we call our owned and operated assets to become more of a meaningful part of that mix.

And that just has a lot to do with some of our technical capabilities that we're trying to upgrade as well, which basically that comes down to targeting, how well can we target the customer that they need while also preserving those people who entrust us as members, their privacy is critically important to us. We only want to target what we think is responsible to those people who entrust us as paying members.

Chris Mooney ***Wedbush Securities - Analyst***

Okay. And Katy, one sort of cleanup item for me. Advertising contra revenue was much larger.

Mary Murray ***A. H. Belo Corporation - EVP and CFO***

It was. And that goes back to what Grant was talking about on some of these lines of business, the cost of sale really is just a complete pass-through, whether we're using Google, other types of partners to be able to provide for our clients what they're looking for. So to Grant's point, those lines of business, while growing and important in establishing a great client relationship because they're not just looking for one thing to be able to advertise on, they need multiple different types of advertising capabilities, and that's just one of them. But it is a high COGS, has a little bit of a lower margin, and that was the spike that you saw.

And right now, to Grant's point, we're seeing a lot of that revenue coming in. So I would say that the COGS that you're seeing this past quarter is probably going to be a trend we're going to see for a bit longer.

Chris Mooney ***Wedbush Securities - Analyst***

Okay. My final question relates to the Ray Washburne note. Did you all approach him? Or did he approach you? And it almost sounds like you all approached him.

Robert Decherd ***A. H. Belo Corporation - Chairman, President, and CEO***

Well, we may have presented, but that's not what happened. Now Ray had a -- as you know, with everyone in the commercial real estate and events business, he is -- one of the main sources of cash flow is a large restaurant business across several brands. Things were pretty tough a year ago, and that's why the first quarter payment in 2020 was extended. And we were in touch with his colleagues through the year. He broached this not long ago.

And as we thought about where we are from a balance sheet standpoint and getting the business back in a progress mode, the timing is fine with us and the income is important. So if we were paid in full or if we are paid in full in June, that's fine. But we don't have an immediate strategic plan for that cash. We're very mindful of the concept of distributing capital to our shareholders. That's the whole dividend plan and why we paid an above-average dividend rate and percent payout for a long time.

And once the business has progressed further and ultimately that payment is made, whether it's this June or slightly later, that gives the Board a number of choices that we've discussed with you and all of our shareholders for several years. So we're listening, I'll put it that way. We're all ears, and the MOU makes it very clear what we would expect, which would be the 4.5% interest rate and getting everything current.

Mary Murray ***A. H. Belo Corporation - EVP and CFO***

Gloria?

Operator

There are no questions at this time.

Mary Murray ***A. H. Belo Corporation - EVP and CFO***

All right. Well, thank you, everybody. And as Robert said, thank you for the questions. They were great questions today. We hope to see everybody virtually at our shareholder meeting on Thursday, May 13 at 9:30 and our next quarterly earnings call, which will be later this summer. Thank you. Bye-bye.

Operator

Thank you. Ladies and gentlemen, that does conclude our conference for today. Thank you for your participation and for using AT&T TeleConference Service. You may now disconnect.