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SCSC.OQ - Q3 2025 Scansource Inc Earnings Call

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PRESENTATION

Operator

Welcome to the ScanSource quarterly earnings conference call. (Operator Instructions) Today's call is being recorded.

(Operator Instructions) I would now like to turn the call over to Mary Gentry, Senior Vice President, Finance and Treasurer. Ma'am, you may begin.

Mary Gentry - *Scansource Inc - Senior Vice President, Finance and Treasurer*

Good morning, and thank you for joining us. Our call will include prepared remarks from Mike Baur, our Chair and CEO; and Steve Jones, our Chief Financial Officer. We will review our operating results for the quarter and then take your questions.

We posted an earnings infographic that accompanies our comments and webcast in the investor relations section of our website. As you know, certain statements in our press release, infographic and on this call are forward-looking statements and subject to risks and uncertainties that could cause actual results to differ materially from expectations.

These risks and uncertainties include the factors identified in our earnings release and in our Form 10-K for the year ended June 30, 2024. Forward-looking statements represent our views only as of today, and ScanSource disclaims any duty to update these statements, except as required by law.

During our call, we will discuss both GAAP and non-GAAP results and have provided reconciliations on our website and in our Form 8-K.

I'll now turn the call over to Mike.

Michael Baur - *Scansource Inc - Chair of the Board, Chief Executive Officer*

Thanks, Mary, and thanks, everyone, for joining us today. Our business performed well this quarter. Each of our segments achieved year-over-year gross profit growth and higher EBITDA margins. As a reminder, we announced new segments in Q1.

As part of that change, we expanded the roles and responsibilities for our business presidents beyond sales, marketing and operations to include strategy, acquisitions, and setting the priorities for IT and finance. This supports our plan to increase our pace and accelerate profitable growth.

Our four business presidents are experienced technology leaders who understand the growth opportunities ahead in each of their markets. To capitalize on these growth opportunities, they are building new innovative programs and services like our recent AI Master Class, which is an educational opportunity for our Intelisys channel partners to learn about emerging trends and actionable strategies around AI, cloud, security, CX and wireless.

Hardware demand improved this quarter, along with the return of large deals. We performed better than our seasonal trend for our March quarter, with sales declining 6% quarter-over-quarter. This quarter, most of our technologies in North America grew year-over-year, including mobility and barcode, networking, physical security, payment terminals and wireless connectivity.

While the tariff policies remain fluid, we are passing through any price increases from our suppliers to our customers with minimal impact on our margins. We see momentum building in our business and opportunities to accelerate channel growth for emerging innovative technologies.

Last August, we created our Integrated Solutions Group, ISG, to provide high-margin products and services for channel partners to wrap additional value around their hardware offerings. We launched this group with our acquisition of Advantix, and in Q3, growth in wireless connectivity solutions with our channel partners continued.

As an example, Advantix's multi-carrier Smart SIM solution secured a win for a channel partner with a large utility company by delivering uninterrupted cellular data coverage for WAN-enabled tablets in their route delivery fleet. Like Advantix, our POS Portal payments business delivers high-margin value-added services for our channel partners that support mission-critical payment solutions.

Our POS Portal solutions are designed to provide high-value deployment and life cycle services on behalf of our financial partners across their merchant networks. POS Portal's offerings include comprehensive hardware and software integration, hot swap replacement, full life cycle management and customized end-to-end deployment solutions.

Building on our success with Advantix and POS Portal, we see similar opportunities for identifying emerging innovative technology growth companies that may not be utilizing the channel successfully today. Our Integrated Solutions group will be launching a new business development team this quarter.

This team will provide company-specific channel programs, sales expertise and market-building capabilities to propel emerging companies into scalable, go-to-market success. We believe this new program will attract many new suppliers who want to work with the channel but don't fit the traditional technology distribution model.

A recent example of a company that fits this model provides an AI-powered guest engagement platform designed for stadiums and other event venues. Opportunities with companies like this will serve as a catalyst for incremental growth across our business.

We will be announcing more details on the innovative program during Q4. At Intelisys, we are developing growth opportunities by attracting new suppliers that want to engage with our channel of trusted advisers.

During the past year, we added nine suppliers as part of our strategy to enhance our cyber and AI offerings. Two of the suppliers participated in our recent AI Master Class, where we launched our AIMC framework to teach advisers how to take customers from an AI idea to execution of a solution.

Other ways we are adding value to our channel is by equipping our sales partners with AI certifications offered through our Intelisys University, providing customized training on AI consultations and we're providing cybersecurity training at our regional events. We believe value-added investments like these will differentiate Intelisys from our competitors.

Our vision for Resourcive, our advisory business acquired last August, is to build the channel model of the future and drive more value by simplifying the complexity of technology choices for end customers. Resourcive has expertise and capabilities in cyber, CX and networks.

Our team provides product management and practice leaders to assist customers in deploying complex technologies. As a recent example of a significant win, we advised and recommended a solution for an enterprise customer who wanted to transform their existing contact center by adding the latest AI-enabled capabilities. This enterprise customer win reinforces the value of the trusted adviser channel. In Brazil, our team is experienced in navigating macro uncertainties over the years, while still achieving profitability and managing working capital efficiently. Our business in Brazil is well diversified, both from the supplier base and our customer base. With our strong market position, we believe we are prepared for growth when demand improves.

Now looking ahead, we are focused on driving profitable growth, organically and through attractive acquisitions in both segments. Our team's success with our recent acquisitions of Resourcive and Advantix gives us the confidence to make strategic acquisitions a higher capital allocation priority.

I'll now turn the call over to Steve to take you through our financial results and outlook for fiscal year 2025.

Stephen Jones - *Scansource Inc - Senior Executive Vice President, Chief Financial Officer*

Thanks, Mike. For Q3, we delivered strong profitability and free cash flow in an improved demand environment. While our net sales declined 6% year-over-year, our gross profit and adjusted EBITDA both increased 6%.

We saw strong gross profit margins led by a higher mix of recurring revenue which for Q3 represents 36% of our consolidated gross profits. Our more profitable mix and the contribution from our recent acquisitions translated into a higher gross profit margin of 14.2% and a higher adjusted EBITDA margin of 4.97%.

Non-GAAP net income increased 16%, while non-GAAP diluted EPS increased 25%. We remain focused on delivering profitable growth and free cash flow and believe that our Q3 results demonstrate the resilience of our business model.

Now turning to our segments. I'll start with our Specialty Technology Solutions segment. Net sales declined 7% year-over-year and 6% quarter-over-quarter, primarily from lower sales in Brazil, including recording more netted down revenue and FX headwinds.

As Mike discussed, most of our technologies in North America, including mobility and barcode, networking, physical security, payment terminals and wireless connectivity grew year-over-year. While revenues were down, gross profits increased 3% year-over-year, reflecting a higher mix of recurring revenue, including the contribution of Advantix and improved vendor program recognition.

For the segment, the percent of gross profit from recurring revenue increased to approximately 14%. Segment gross profit margins increased to 10.9% and adjusted EBITDA margin was 3.4%. In our Intelisys & Advisory segment, net sales and gross profits increased 16% year-over-year, including the positive contribution from the Resourcive of acquisition, while adjusted EBITDA for the segment grew 20% year-over-year.

Q3 end user billings for Intelisys increased 7% year-over-year to bring the annualized net billings to approximately $2.86 billion, including double-digit year-over-year growth in CX, which includes UCaaS, CCaaS and AI-enabled CX solutions. For the quarter, we generated $65 million in free cash flow, bringing our year-to-date free cash flow to $99 million.

Across our organization, we continue to build our cash culture and reinforce the importance of free cash flow generation as a key measure, demonstrating our improved business model. Then going a bit deeper on the balance sheet.

We ended Q3 with $146 million in cash and a net debt leverage ratio of approximately zero on a trailing 12 month adjusted EBITDA basis. Adjusted ROIC for the quarter is 13.6%, a two year high. Our Resourcive and Advantix acquisitions completed last August were accretive to both EPS and ROIC this quarter.

Q3 capital allocation again demonstrated our plan for both acquisitions and share repurchases. Share repurchases totaled $29 million for Q3, and we're pleased with the contribution from our two acquisitions and what they bring to our channel capabilities and our strategic plans.

We have an active pipeline of acquisition targets for both segments that would expand our capabilities across our businesses. They fit our preference for faster-growing, margin accretive opportunities that are working capital light, and we will maintain our discipline in evaluating these opportunities.

Today, we announced a new share repurchase authorization of $200 million. This is in addition to the approximately $42 million of current authorization remaining as of March quarter end. We believe there's room to do both acquisitions and share repurchases while maintaining a target net debt leverage of 1 to 2 times adjusted EBITDA.

As we finish the last quarter of our fiscal year, if the improved demand continues, we expect a more typical quarter-over-quarter increase for the June quarter. We are updating our FY25 outlook to net sales of approximately $3 billion and adjusted EBITDA to range between $140 million and $145 million. In addition, we continue to expect to deliver free cash flow of at least $70 million.

We'll now open it up for questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions)

Adam Tindle, RJ.

Adam Tindle - *Raymond James - Analyst*

Okay, thanks. Good morning. I wanted to start, Steve, with the implied guidance here for Q4. I know you gave a lot of bread crumbs. But if I look at what it needs to be from Q3 to Q4 in terms of growth in order to hit the $3 billion, it's kind of a high single-digit sequential improvement.

And if I compare that to what happened last year, it was more flat sequentially. So I just wonder if you could maybe walk through some of the parts that make that sequential growth a little bit higher in Q4 this year than the year prior.

And if you could maybe dovetail some comments. I don't know if Mike wants to weigh in here. But some trends in the month of April or the early start of Q4 that might help to give us a little bit more confidence in that higher uptick.

It sounds like large deals are picking up. So if you can kind of compare what's going on in April versus January, February and March, that would be helpful.

Stephen Jones - *Scansource Inc - Senior Executive Vice President, Chief Financial Officer*

Yeah. Thanks, Adam. Let me maybe start by talking about our guide update of $3 billion and where we are. So we've got the benefit right now sitting here at May 8, and we've got April in the books. So that's kind of our starting point of how our Q4 started out.

When we look at the, why we think the sequential improvement kind of returns to more of our historical average, is when we really peel back the Q4 of last year. One of the things that we started seeing is we started reporting more netted-down revenue in our Specialty Technology Solutions segment.

And so that compare that, we will lap that compare this year in Q4. So that will help our year-over-year confidence and why we believe that we'll see a growth in Q4.

And to your point, Adam, this will be the first quarter that we're at the end of the fiscal year. And so this will be a quarter that we believe clearly that we're going to see growth in our $3 billion guidance.

Adam Tindle - *Raymond James - Analyst*

Can I just ask a follow-up?

Stephen Jones - *Scansource Inc - Senior Executive Vice President, Chief Financial Officer*

Sure.

Adam Tindle - *Raymond James - Analyst*

Okay. So I wanted to follow up, I mean, I'd be remiss, and you know me if I didn't ask about the share repurchase authorization. So I saw the headline and I heard you talk about it, obviously, the $200 million I was going back through, I think it might be double the prior authorization that you did.

So I think that headline obviously was very positive the way that it read. But then Mike, you also talked about in your prepared remarks, strategic acquisitions will be a higher capital allocation priority, I think, is what you said.

So, just looking to maybe see if you could flesh out how Mike, how you and the Board are thinking about capital allocation priorities, take us through that decision to announce a larger share repurchase authorization. And Steve, if you can maybe just talk about how you're thinking on timing of going through that authorization.

Michael Baur - *Scansource Inc - Chair of the Board, Chief Executive Officer*

Great, Adam. Yes, thanks for the question about the acquisitions because, as we said in our prepared remarks, we have confidence from the two acquisitions we did in Q1, Advantix and Resourcive, that we understand the opportunities that are out there and are available to us. And one of the things I also talked about, I think, for the first time on this call was the fact that we now have these four business presidents.

And we've really tasked each one of them with how do you grow your particular market in the best possible way. And each one of those presidents has part of their strategy for next year is an inorganic strategy that includes acquisitions that are specific to their markets in areas that we believe will continue to add higher margin opportunities, and as Steve said in his remarks, generally in a working capital-light model.

And the success we've had year-to-date of Advantix and Resourcive that give us confidence that if we do more acquisitions like those that will do nothing but add more value to our business and more shareholder value as well. And so I think our Board felt like if we could continue to not only continue share repurchases, which we have indicated, but if we find more than one or two acquisitions over the next year, we want to do them.

And we want to do them in a way that doesn't stress our balance sheet. As Steve said, we've got a target leverage of 1 to 2 times. And as we all know, we're at zero right now. And we have an active pipeline of acquisition targets that we think are very, I would say, important to our strategy.

And so we believe that for us to grow the way we want to in '26, we're going to need to start now and bringing in those acquisitions. So really, it's a question of for our Board was how do we start setting up ourselves for the next four quarters. And that's why we're prioritizing the acquisitions while maintaining a strategy of share repurchases.

Then I'll turn it over to Steve for more color on the share repurchases.

Stephen Jones - *Scansource Inc - Senior Executive Vice President, Chief Financial Officer*

Yeah. When we think about our capital allocation priorities and in any way that you would you think about acquisitions, they're going to be a little bit more lumpy. And so it's all about the timing.

And so we feel like right now, to Mike's point, is a great time for us to be executing on some acquisitions that are really strategic for us. And so when I think about the timing, it's not that we're not going to do both.

It's just that we would be focusing on that 1 to 2 times lever. So if we lever it up, we'll focus on de-levering back down to our target ranges, we may pause some of the share repurchases at that time. But if you think about it from the longer perspective, we think there's room for both as you can see, we're generating more free cash flow on a regular basis.

Adam Tindle - *Raymond James - Analyst*

Okay. Can I just expand on that real quick, Mike. If you were to kind of think about the framework that investors should expect in terms of valuations on some of those acquisitions, I know, some of them have net revenue.

It's a little bit different. I'm just looking at it relative to buybacks and saying you've got a stock that's trading at book value, double-digit free cash flow yield on kind of a normalized free cash flow, I think.

So that would be effectively the hurdle that you're overcoming in order to not repurchase your own stock versus going and buying something. So maybe just help investors understand how you would be thinking about valuation frameworks for these acquisitions that you have in the pipeline for this coming year relative to buybacks?

Michael Baur - *Scansource Inc - Chair of the Board, Chief Executive Officer*

Well, one of the ways I'll frame it today is that we really like the structure of the two acquisitions we made last year. We believe using an earnout structure allows us to maintain our ability to still do other things with cash while also being able to provide the sellers an opportunity to show us what that business really can become, because in general, we're buying companies that are maybe smaller or younger in their life cycle and for us to pay a value higher than ScanSource value.

They need to be able to show us that they can add additional profitability and capabilities that we can leverage over time. And so we love the earn-out structure. We think it accomplishes, we can go after some of these acquisitions and execute on them faster because we can give the sellers the opportunity to not only make more money, but also, we want to buy where we can, a management team that wants to stay in the business for a few years.

And we think that also de-risks the investments we're making is when we're buying an operating management team that can come along with that business.

Adam Tindle - *Raymond James - Analyst*

Thank you very much.

Operator

Greg Burns, Sidoti.

Gregory Burns - *Sidoti & Company - Analyst*

Morning. Can you just talk a little bit more detail about the demand trends in Brazil and what's causing the weakness there? Obviously, we saw a nice rebound in the Americas here, but what's holding Brazil back?

Stephen Jones - *Scansource Inc - Senior Executive Vice President, Chief Financial Officer*

Yeah, Greg, this is Steve. In Brazil, while they have the same macroeconomic issues that the world is facing in terms of tariff concerns and some other macro concerns, they also have an FX and our business there works a little bit differently with the way FX impacts the top line.

And when we think about Brazil for us, we're pretty insulated from profitability because we have cost there as well. And remember, Brazil is less than 10% of our total revenues for the company. But the way to think about the Brazil performance is thinking about it on a constant currency basis and really think of it in two things.

We talked about the netting down effect of our revenues there. And so they're going through similar transitions with some of their key suppliers where they're reporting it under a net basis.

And so that's a bit of a headwind. And so we dropped down and look at gross profit as well and to make sure that we're doing the right things as well as the profitability and the return on working capital in Brazil as kind of our measures for the success even in these turbulent times.

Gregory Burns - *Sidoti & Company - Analyst*

Okay. Great. And then you mentioned some of the programs or new initiatives you have in place to kind of accelerate growth on the Intelisys side and some of these more recurring areas. I don't think you mentioned Channel Exchange.

Can you just maybe give us an update there or any progress you're seeing on that front? Any traction there selling more SaaS type revenue streams?

Michael Baur - *Scansource Inc - Chair of the Board, Chief Executive Officer*

Yeah, Greg, it's Mike. Channel Exchange is a key part of the way we can transact business. So certain suppliers having Channel Exchange allows them to operate the way they want to operate.

So really Channel Exchange was created, so if suppliers for the Intelisys channel don't want to bill the end user if they want the channel to bill the end user or frankly, Intelisys, we can do that through Channel Exchange. So view Channel Exchange as a tool that we use to facilitate the transactions.

And so we're always recruiting and looking at suppliers that need that. We didn't have that capability before Channel Exchange. So that just knocks down one of those obstacles to signing new suppliers.

As we said, we've signed nine new suppliers, most of them are in the AI area. And many of these companies, they're not large enough yet where they want to set up the systems to bill either the channel partner or bill the end user, and so Channel Exchange allows us to do that.

So actually, Channel Exchange is helping us recruit these new suppliers that I mentioned for Intelisys. So it's going very well.

Gregory Burns - *Sidoti & Company - Analyst*

Alright great thank you.

Operator

Keith Housum, Northcoast Research.

Keith Housum - *Northcoast Research - Analyst*

Good morning guys, and good job on the profitability. Mike, I'm trying to reconcile the top line performance. There's a lot of optimism in the commentary that a lot of the technologies are growing. But yet, if I look at the year-over-year performance in North America, it's still like we have a substantial decrease year-over-year.

And as I compare it to some of your larger vendors, there's a difference in performance there as well. So can you help me bridge that gap?

Michael Baur - *Scansource Inc - Chair of the Board, Chief Executive Officer*

Well, back in September, I said August, I wasn't going to talk about technologies, but I guess I got convinced otherwise. So Steve and Mary were great at saying, hey, Mike, we need to talk about where we see strength.

And what we decided not to do is talk about where we actually had weaknesses because there are some areas, we mentioned the ones that are that grew and there's still a couple that did not in North America. And some of those, no surprise, have been around a long time in a declining mode and continue to decline.

And then one other piece to that, Keith, just and Steve said this, and Steve, you'll have to help me be clear about whether it's a year-over-year metric or not, as this netted down revenue continues to be part of the headwind to a growth year-over-year. Steve, is that fair for this quarter.

Stephen Jones - *Scansource Inc - Senior Executive Vice President, Chief Financial Officer*

Well, that's exactly right. It's true for Brazil. It's more pronounced in Brazil, but it's true for North America as well.

Michael Baur - *Scansource Inc - Chair of the Board, Chief Executive Officer*

Yeah. So that's part of the comparable Keith, is the netted down revenue is making it look like we're not growing as fast, even for those that grew.

Keith Housum - *Northcoast Research - Analyst*

Okay. I appreciate that color. You mentioned the nine new suppliers added for Intelisys, understanding that some of them are very well small. How does that compare to other prior periods?

Michael Baur - *Scansource Inc - Chair of the Board, Chief Executive Officer*

We're way up. And again, I give credit to the team. Ken has done a great job, again, focusing on Channel Exchange. That was one of the things we didn't have.

We didn't have a program that some of these new young small suppliers they're not the Comcast and the big Lumens that had programs already to pay agency commissions. And so we're enabling those new suppliers by providing a program like Channel Exchange.

So we're excited about them. And so some of these are going to become immediately contributing to our business. I mean we've already landed deals with a couple of these small suppliers already because they're basically providing these new AI add-ons, if you will, primarily in the contact center space, where we're very successful.

And as Steve said, that business for us grew double digit, the CX space in Intelisys. And so these AI CX applications are adding to that growth rate. And so we're really excited about that.

Keith Housum - *Northcoast Research - Analyst*

Okay. I appreciate that. And I appreciate the color that you guys provided on the presidents and expansion of their responsibilities. I'm assuming with that also comes the way you're incenting them, right? So they are more incentive now on the bottom line as compared to the top line, correct?

Michael Baur - *Scansource Inc - Chair of the Board, Chief Executive Officer*

Well, that's right. And that was actually part of their plan for last year, too. I think the real other big change, Keith, is this idea of setting the priorities for what the IT budget should do in their particular business. Now what are the IT items that they want to focus on and each one of them has different priorities for IT tools and systems.

And secondly, from an acquisition standpoint, I want four smart people out there looking at acquisitions, not just one team within ScanSource Inc. And so that's another big reason why we wanted to focus on acquisitions today is we've got four separate work streams underway for acquisitions.

Keith Housum - *Northcoast Research - Analyst*

That's helpful. And then last question for me, the AI Master Class that you're offering for Intelisys vendor or partners, how quickly can you monetize that? I mean is this more investment in the future? Or do you think you're going to immediately expand the relationships and help drive the revenue immediately?

Michael Baur - *Scansource Inc - Chair of the Board, Chief Executive Officer*

Well, we had two of the new suppliers there. And one of them is called Poly AI. We've already announced them and then was called Glia, and we've already closed deals with both of them. And so our partners were excited to see how they can understand how these applications can help them now.

So we're already closing business and I think we're doing these regionally. I think the one they had last week, we had 30 channel partners attending, and it was very well received.

And really, the key was we're not only showing telling them about it, we're actually giving them this framework for how do you talk about AI, then how do you actually provide the right information to the end customer so they can then make a decision. So this actually takes it from, okay, what is all this to, here's actionable strategies for how do you close business. So I think closing business is what this master class is focused on.

Keith Housum - *Northcoast Research - Analyst*

Great thank you appreciate it.

Operator

Guy Hardwick, Freedom Capital Markets.

Guy Hardwick - *Freedom Capital Markets - Analyst*

Hi, good morning. I'm just wondering how you're finding the competitive environment for acquisitions. I mean, certainly, there's a lot of anecdotal evidence suggesting that private equity firms have struggled to finance new deals due to higher rates. Are you finding pricing coming down for certain deals or just less competitive?

Michael Baur - *Scansource Inc - Chair of the Board, Chief Executive Officer*

Guy, this is Mike Baur. I think from our perspective, our history with doing acquisitions, and we made about 30 over the years is we have found success in getting to know the company and we generally aren't participating in auctions. And so we really get to know the company, their strategy, their people, what their goals are.

And we found that, that really facilitates a very comfortable acquisition, including a reasonable multiple when we can come close to terms when we're ready to start talking terms. And part of it is our experience has been these companies want to be part of ScanSource Inc.

I think that's the difference is we're acquiring companies, and then we're going to help them grow faster and provide opportunities for their employees that they wouldn't get otherwise. And so most founders love that. They love that.

And we've got a history of, frankly, leaving them alone enough to where they still feel entrepreneurial. And I think that entrepreneurial feeling is something that I'm really proud of that we've been able to solve over the years and been very successful at acquisitions.

It doesn't mean that we do get some that we have to pass on because the valuation is too high. And I think we've got a history of being disciplined about what we're willing to pay. But we also believe that the market for us to find acquisitions is vast right now. There's a wide group of targets for our team.

Guy Hardwick - *Freedom Capital Markets - Analyst*

Great. Just as a follow-up. Can I ask about large orders, particularly as it relates to gross margins because obviously, gross margins moved up in both segments, both sequentially and year-on-year.

And I think the press release says hardware demand improved late in the quarter along with return of large deals. So did large deals did not have any impact on gross margin in the quarter, but will they have an impact next quarter and perhaps early into next fiscal as well as they return?

Stephen Jones - *Scansource Inc - Senior Executive Vice President, Chief Financial Officer*

Yeah, Guy, this is Steve Jones. Typically, large deals have a lower margin profile for us. So as the percentage of large deals increase, that will put some pressure on our gross profit margins.

The good thing is, is we've got these acquired businesses Advantix in that space and more recurring revenues in those segments that help offset that. So our business model looks better even with the large deals in them.

Guy Hardwick - *Freedom Capital Markets - Analyst*

And just sorry, one follow-up. Just a follow-up for me. On free cash flow, certainly since you didn't raise the free cash flow guidance, I believe, does that imply that you have an outflow in Q4?

Stephen Jones - *Scansource Inc - Senior Executive Vice President, Chief Financial Officer*

Yeah. When we were thinking about the guidance on free cash flow, the one thing that we've had a hard time picking is when the sales happen in the quarter. And so if sales happened very late in the quarter, that will increase our accounts receivable and will impact our period point free cash flow.

So that's one of the things that we're thinking about as we gave that guidance. Now we're quite comfortable with the at least $70 million guidance, but we didn't want to get too far over our skis.

Guy Hardwick - *Freedom Capital Markets - Analyst*

Thank you.

Operator

(Operator Instructions) And I'm showing no further questions. So I will turn it back to Steve Jones for closing remarks.

Stephen Jones - *Scansource Inc - Senior Executive Vice President, Chief Financial Officer*

Okay. Thank you, and we like to thank you for joining us today. We expect to hold our next conference call to discuss June 30 quarterly and full year results on Thursday, August 21 at approximately 10:30 AM.

Operator

Thank you for your participation in today's conference. This does conclude the program. You may now disconnect.
