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Operator: Good day and welcome to the IntriCon Fourth Quarter 2017 Results Conference Call. Today's conference is being recorded. And at this time, I'd like to turn the call over to Scott Longval, Chief Financial Officer. Please go ahead, Sir.

Scott Longval: Thank you, Operator. Joining me on today's call is Mark Gorder, IntriCon's CEO.

Before we begin, I'd like to preface our remarks with the customary Safe Harbor statement. Today's conference call contains certain forward-looking statements. These statements are based on current estimates and assumptions of IntriCon's management and are subject to uncertainty and changes in circumstances.

Given these uncertainties, you should not place undue reliance on these forward-looking statements. Actual results may vary materially from the expectations contained in today's call. Important factors that could cause such differences include among others, those set forth under the headings Risk Factors and Management's Discussion and Analysis of Financial Condition and Results of Operations in our 10-K filing for the year-ended December 31, 2016.

With that, I'd like to introduce Mark for a strategic look at IntriCon's fourth quarter.

Mark Gorder: Thank you, Scott, and thank you, everyone for joining us today. I'd like to begin by reviewing key highlights and results for the fourth quarter. After that, Scott will cover the financials in more detail and then we'll take your questions.

By this time, most of you had a chance to review our fourth quarter press release. The company reported net sales of $22.2 million, up 25.2% from $17.7 million in the prior year period. Gains in medical and continued traction in the value hearing health market drove the strong performance, leading to record annual sales.

In addition, during the fourth quarter we further advanced our new direct-to-consumer channel to deliver superior outcomes-based, affordable hearing healthcare by completing our acquisition of HHE and continuing to deliver quarter-over-quarter progress. We also made further investments in Soundperience, a German-based provider of key self-fitting technology.

Looking at our three businesses, our medical business increased 27.2% in the 2017 fourth quarter from the prior year period. The gain was primarily driven by the ongoing production of Medtronic's MiniMed wireless glucose monitoring systems. We are well positioned with Medtronic for 2018, providing key system components, including the continuous glucose monitor, sensor assembly and related accessories. We anticipate system demand to increase throughout 2018.

Overall, our medical demand for Medtronic, as well as other key medical customers is strengthening. Over the last six months, customers have invested in or made commitments to invest in 3 plus million in capital equipment.

In response to these commitments, we are expanding our medical - manufacturing footprint. First, we are phasing out select legacy hearing health product lines in our existing Minnesota facility to free up manufacturing floor space. Second, in the current quarter, we intend to secure additional manufacturing floor space near our current locations in Minnesota to accommodate robotic assembly of medical components and systems.

In conjunction with the added space, we are also increasing our molding capacity. During the 2014 fourth quarter, we added six molding presses and have another five molding presses on order for delivery in the first half of 2018. The additional space and equipment will enable us to meet demand over the next several years. We expect to be fully operational in the additional space by mid-2018.

Turning to Hearing Health. Sales in this business grew 31.5% from the prior-year fourth quarter, primarily stemming from our growing traction in value hearing health, including 28% growth from insurance-based sales, the addition of new private label direct-to-consumer partners, and a $1.9 million contribution from HHE, partially offset by expected declines in conventional channel sales.

In December of 2017, we completed our acquisition of HHE, acquiring the remaining 80% stake of the direct-to-consumer mail order hearing aid provider. The terms of the transaction included $650,000 in cash and repayment of approximately $1.8 million in debt to HHE's 80% holder.

We continue to make progress integrating and optimizing HHE. During the fourth quarter, we further increased our marketing and sales assets by hiring a professional web developer and graphic designer. In addition, we submitted new strategic relationships with third-party direct marketing firms to drive sales.

These efforts helped drive key fourth-quarter metrics over the sequential quarter, including a 149% increase in new leads, a 24% increase in net new hearing aid customers, and a 6% increase in hearing aid orders, which represents a 173% increase over the prior-year fourth quarter.

These metrics demonstrate that our advertising investments continue to be successful and we intend to modestly increase our advertising spend during the first quarter of 2018 to further accelerate growth.

In addition to HHE, we made payments during the quarter to secure our 49% equity interest in Soundperience. Our current investment in this organization is $1.4 million. We do not anticipate the Soundperience business will have a notable financial impact on operating results, but rather it will provide us with exclusive access in the United States to critical software technology.

As a reminder, Soundperience has designed the Sentibo Smart Brain system, a sophisticated self-fitting hearing aid and brain training software technology that is being used in the German market today. Having access to self-fitting and ultra-low-power wireless technologies is a critical step in creating our high-quality, low-cost hearing healthcare ecosystem.

These technologies, coupled with our HHE customer service, will help eliminate cost and other barriers of adoption in the US market. Look for announcements in the near future, highlighting advances of our ultra-low-power wireless initiatives.

Shifting to public policy. As previously discussed, there have been significant developments during 2017. Legislation was signed into law by President Donald Trump, which includes the over-the-counter or OTC Hearing Aid Act of 2017.

The legislation is designed to enable adults with mild to moderate hearing loss to access OTC hearing aids without being seen by a hearing care professional. Echoing what we have said before, this is an important step forward in hearing health. The OTC Hearing Aid Act is designed to provide greater public access to OTC hearing aids at a lower cost.

We believe that this new law can remove the significant barriers existing today that prevent innovation - innovative hearing health solutions, and provide affordable and accessible care to millions of unserved or underserved Americans.

By signing the OTC Hearing Aid Act into law, we've entered a new era in hearing healthcare. IntriCon is at the forefront in spearheading an effort to create innovative solutions that provide greater hearing device access at a much lower cost.

While it could take up to three years from when the bill was signed in August 2017 for this legislation to move through the necessary government channels, I just visited Senators' Warren's office again last week and we believe a draft regulation will be issued or commence in mid-2018.

Now I'd like to turn the call over to Scott.

Scott Longval: Thank you, Mark. I'll begin by reviewing our fourth quarter financial results in more detail. For the 2017 fourth quarter, we reported net sales of $22.2 million, up 25.2% from $17.7 million in the prior year period. The increase was primarily due to year-over-year revenue gains from our largest medical customer, as well as continued traction in value hearing health.

IntriCon posted net income attributable to shareholders of $518,000 or $0.07 per diluted share, versus a net loss attributable to shareholders of $1.8 million or $0.27 per share for the 2016 fourth quarter.

Fourth quarter gross profit margins were 30%, up significantly from 25.9% in the prior-year fourth quarter. The increase primarily stemmed from greater volume and stronger HHE margins in 2017, as more IntriCon devices are being sold through this channel. We expect this trend to continue in 2018.

Operating expenses for the fourth quarter were $6.1 million compared to $5 million in the prior year fourth quarter. The increase was largely due to the inclusion of HHE for the full quarter 2017 and key initiatives to drive the business growth.

For the year ended December 31, 2017, we reported net sales of $88.3 million, up 29.9% from $68 million in the 2016, and gross - and record gross margins of 30%, up from 25.1% in 2016. The company delivered net income attributable to shareholders of $1.8 million or $0.25 per diluted share, versus a net loss attributable to shareholders of $4.6 million or $0.71 per diluted share in 2016.

Turning to other highlights. During the quarter, we amended our credit facilities with CIBC Bank USA, formerly the PrivateBank and Trust Company. The revised lending structure gives us financial flexibility to move quickly on value hearing health opportunities that arise, and supports our thriving medical business and related working capital growth requirements.

As Mark mentioned, in December 2017, we completed the acquisition of HHE. Terms of the transaction included $650,000 in cash and repayment of approximately $1.8 million of debt to HHE's 80% holder. The acquisition resulted in $880,000 reduction in shareholders equity, but did not have an impact on net income.

Lastly, in terms of guidance, based on the information that's currently available, we anticipate the 2018 first-quarter net sales incorporating new revenue recognition standards, to range between $23 million and $24 million. For the year, we are increasing our estimates, as we now anticipate sales to range between $103 million and $107 million.

Now I'd like to turn the call back over to the Operator so we can take any questions.

Operator: Thank you. If you would like to ask a question, please signal by pressing star one on your telephone keypad. If you are using a speakerphone, please make sure your mute function is turned off to allow your signal to reach our equipment. Again, press star one to ask a question. We'll pause for just a moment to allow everyone an opportunity to signal. And we'll take our first question from Larry Haimovitch with HMTC.

Larry Haimovitch: Good afternoon, gentlemen.

Mark Gorder: Hi Larry. How are you?

Larry Haimovitch: Hey, doing great. Thank you, and congrats on a blowout year. I'm really happy for you guys. You've worked very hard. That's really great. A couple of questions. I'm not in front of my computer so I couldn't see what the year-end cash was. Would you tell me that please, Scott?

Scott Longval: So we're in a net debt position of approximately $11 million.

Larry Haimovitch: Okay. And as the CFO, how do you feel about running the business when you're in that kind of cash position? I know one of my companies just raised money in part because the CFO felt very uncomfortable with such a thin cash balance. How are you feeling about that and how does the Board feel about running the company, which is growing very rapidly, with such a tight cash position?

Scott Longval: Yes, I would say this, Larry. You know, obviously we're very excited with how the year ended. We're very excited with the opportunities we have in 2018. As we look at those growth opportunities, we think right now we have the ability under our current lending structure to meet those needs.

Now, that being said, we're always looking at exploring different ways to allow us to be nimble, and I would say all those different activities are on the table, but to date, no decisions have been made as to, you know, moving forward, how we want to restructure the balance sheet.

Larry Haimovitch: Okay. And last time we talked, it was mid fall and you recall that I said I thought the ducks in Minnesota were quacking and they ought to be fed. And I am going to reiterate my comment one more time, which is your stocks had a tremendous run. The ducks have been quacking loudly.

And I as a shareholder, although I never like to see my companies raise money at these prices, I wholeheartedly would support you guys in raising some equity capital there. You've got a really beautiful business. It's growing nicely and extra cash would give you flexibility and comfort day to day.

Scott Longval: Yes, we appreciate those comments and again, we're taking kind of all different aspects into consideration.

Larry Haimovitch: I am going to ask one more quick question then I am going to jump back in queue. The hearing aid business did very, very well, but give me the apples-to-apples number backing out the contribution of HHE, because that was purchase accounting if I am not mistaken, and therefore added incrementally to the growth. Will you back that up for me please?

Scott Longval: Well, so if you're just looking quarter-over-quarter Larry, you'll have an apples-to-apples comparison. So in 2016, we did a little over $1 million of revenue from Hearing Health Express. And then in the fourth quarter of this year, we did roughly $1.9 million.

Larry Haimovitch: Okay. So last year's fourth quarter was - 2016 Q4 was $1 million, Q4 2017 was $1.9 million.

Scott Longval: Correct.

Larry Haimovitch: Okay. And that was all organic growth. That wasn't because of consolidating the acquisition at 100% or anything like that?

Scott Longval: Correct. It's all the organic growth and the reasons why those metrics that Mark had laid out were so impressive, led to that growth.

Larry Haimovitch: Great. Okay. I'll jump back in queue. Thanks guys.

Scott Longval: Thanks Larry.

Operator: And next, we'll go to (Sam Levine) with (Wevco)

(Sam Levine): Hi. I'd just like to make a corollary comment to the previous question, gentlemen and that's about the lack of cash and equity. You stock is very low float. It's very hard to get certain funds to get involved because the float is so incredibly low. If feels like now is an ideal time to raise cash and increase the float. Is that something that you're considering at all?

Mark Gorder: Yes. Again, we're considering all aspects. I think as we look at the idea of accessing the equity markets for capital, for us it has to cover more than just bringing in additional funds. It would have to bring in the right type of investors, expand our investor base and presumably help with the float. So we take all those aspects into consideration and again, we have discussions on that on kind of an ongoing basis.

(Sam Levine): I have just a few more corollary questions. If you go to a Costco, you'll see that they have a section in the store devoted to the optometry and visual eye wear. Have you thought about approaching a company like Costco and getting them to do a section of the store devoted to the ear and hearing aids, that kind of thing? Because if you were to do any kind of tuck up with a company like Costco, it would just explode your sales dramatically.

Mark Gorder: Well, the issue with Costco is that the store-in-a-store concept is built to the basic bricks and mortar retail panel that exists today. Our approach is to build an alternative channel because we feel that's the only way we can pull cost out of a very inefficient system.

What Costco does is basically they cut a contract with the very large manufacturers. They buy in large volume and they pass that on to the customers, but the method of distribution is still exactly the same as the traditional model. So we’re - our thinking is to build a different channel that's much more efficient and we're primarily focused on driving growth into HHE and other similar type direct-to-consumer businesses.

(Sam Levine): Channel simultaneously, the channel that you're developing plus a hook up with a retail like Costco which would explode your growth?

Mark Gorder: Well, we're providing technology and products to other direct-to-consumer businesses that don't conflict with our HHE channel, and we think that's where our real opportunity lies. The Costco model is basically dominated by the oligopoly that controls the traditional channel, the six large hearing aid manufacturers.

(Sam Levine): Well, then you go into a store and here is a section devoted to the eye and here is a section devoted for the ear, that's all.

Mark Gorder: Yes, and that's totally controlled by the large oligopoly.

(Sam Levine): One last question and I won't take up your - any more time, but in terms of the investment in Germany, I tend to wonder about companies that start to digress from their focus, and I’m just trying to understand the rationale for that investment. What is the synergy to what you already have?

Mark Gorder: Well, the channel that we're trying to develop is based on two aspects. We have - first of all, when the OTC legislation passes, it will allow the use of innovative technologies to allow hearing aids to be fit remotely, even by the consumer themselves. And the self-fitting technology, coupled with our low-power wireless, allows us to build an infrastructure that allows us to create this ecosystem of care, linking our call centers in the direct-to-consumer directly to an individual's home or to other accessible locations like drugstores or quick clinics like medi-clinics. And we think that's the - where the future lies for us.

(Sam Levine): Can you elaborate a little bit on that?

Mark Gorder: Well, what the self-fitting technology allows you to do is either - we would load an app on to your smart phone or smart device, or you would have access to a PC and you would be able to interact with our call center and use the software, either on the PC or on an app, to directly fit your hearing aid.

And so the - all the science of audiology is built into the algorithm so that as you're manipulating the app, you're basically fitting a hearing aid and we have done extensive trials in Germany to show that that methodology is as good or better than going through the traditional model for the vast majority of hearing loss attributable to ageing.

(Sam Levine): Okay. Thanks.

Operator: And we'll take our next question from Dick Ryan with Dougherty.

Dick Ryan: Thank you. Hey Mark, you mentioned investments in the other medical channels. Can you elaborate a little more? I mean I think if you look at that space, it's kind of been, I don’t know, 10, 11 million per year revenue sort of generator. Are we at the cusp of some, you know, inflection there where you see some growth in that business?

Mark Gorder: We've seen growth in that area of our business with customers like Smith and other customers in that area, some of our medical coils, as well as Medtronic. And what we're trying to do is take use of our core competencies, which includes not only the micro miniaturization and assembly of miniature devices, but also automation and robotics to assemble those products.

We're seeing increasing demand from people to provide high quality assemblies of tight tolerance medical products. It's something we're very good at, and we think there's a tremendous growth opportunity down the road to expand our support of that area.

In the short-term we're seeing growth from the existing customers, but we would like to invest in additional capability to bring on new customers, enhance the expansion of our capacity for that end. The new facility will be primarily devoted to handling a robotic assembly of medical components and assemblies, and that would support companies like Smith as well as Medtronic. We're seeing tremendous opportunities there.

Dick Ryan: Okay, great. Could you give us a sense of how your digital hearing aids are selling through the HHE channel? I know it's still probably early, but any early reads on the success there?

Mark Gorder: Well, you saw the number that showed the hearing aid growth quarter - year-over-year. I think it was 173%. And during that time period, HHE has transitioned from the old analog hearing aids that were in their portfolio when we purchased them, to almost entirely use of IntriCon digital hearing aids. So that growth in digital hearing aids has been taking place during the course of the year and is primarily responsible for that increase in growth, I would say.

Dick Ryan: Okay. What sort of experience have you had on returns with the digital hearing aids?

Mark Gorder: Well, one of the things we know from our work with our insurance segment is that product quality is not an issue. Our return rates are less than 0.5% due to any product issues. And so, with HHE, your problem primarily is going to be working with consumers to gain acceptance of hearing devices. And what we know is that new users have a much more difficult time adapting to hearing aids than existing users.

So, as we're driving new customers into our database, you're going to see higher return rates than you will with existing users. So, for example, if you look at any direct-to-consumer offering, whether it's on Amazon or companies like First Street or MD Hearing or HHE, you're going to get a 50% return rate with first-time users.

That's also been documented by Sergei Kochkin, who was a leading expert in the hearing health market where he's done numerous studies to verify that number. With the existing users, the return rate is far less and the keep rate is 65% or a 35% return rate.

We think that we can significantly improve that as we put additional technology like wireless connectivity and self-fitting, we can improve those numbers even further. But that's where the numbers sit today, but those returns have nothing to do with product quality because we know that from our insurance segment that using the same product, we only get about a 0.5% return. Does that answer your question, Dick?

Dick Ryan: Yes. It sure does. So moving self-fitting to the US, is that dependent on getting through the FDA draft or can you do that prior to that? And then like what's the sequence that we should expect to see?

Mark Gorder: The way we're using that technology in Germany today is through the acoustician. And the market in the US is not quite as strict as Germany, but very similar. So without the OTC legislation, without the regulation being written and adopted by the FDA, there are still state issues that you have in having a consumer self-fit their hearing device.

Once the legislation has been enacted into the regulations, the law states that no state shall pass any regulation that prevents the distribution or sale of an OTC hearing aid. So this allows - this opens the door for us to use wireless and self-fitting technology in the market for the sale and distribution of OTC hearing aids.

And awe mentioned, we're not expecting a draft regulation until midyear 2018, and then it's anyone's guess as to whether the FDA will take the full three years that they have to adapt the regulation. We think it will be sooner rather than later, but that's based on our ongoing surveillance that we're doing in DC, calling on all the principals there to keep up-to-date on the current goings-on.

Dick Ryan: Okay. One last one for me. Can you give us an update on the NHS? What's currently going on over there?

Mark Gorder: We - as we - I think we mentioned on the last call that we have a new device that was, I think first on the contract in September of last year, our 940D product, which is a very versatile hearing aid. So we've just started marketing that device in the UK. We have some initial orders that we're trying to get into the system.

There are some issues with software. A lot of the NHS computers run on very old, outdated software. Our hearing aids are based on the current latest software technology. So we're having some issues there getting what we call drivers that allow the software to program a hearing aid on the older PCs, but we're making progress there.

Slower than we would like, but our goal is still to try to build a position selling hearing aids into what we feel is the largest single market for hearing aids in the world, which is the UK market; 1.4 million hearing aids per year. And we still think we have to have a position there in the long run.

Dick Ryan: Okay. Thank you.

Operator: And next, we'll go to Scott Billeadeau with Walrus Partners.

Scott Billeadeau: Hi guys. Thanks for taking my question. Good quarter. Could you - you mentioned with guidance for Q1 that there was some revenue recognition changes. Scott, I'm wondering if you could flesh those out and what's the impact of those?

Scott Longval: Yes. It's very minor. We have a couple of revenue streams within our business that requires us to recognize revenue slightly different than we have in the past, but we don't envision any of those revenue streams to be - or changes to be material.

Scott Billeadeau: Okay, great. And then - sorry?

Mark Gorder: No. I just want to make it clear in there that we were complying with the new 606 revenue recognition.

Scott Billeadeau: Yes. Okay. And then so HHE, is it, is - kind of now going forward, is it pretty much all IntriCon devices being distributed? Maybe give us a mix of where that is now in terms of what's in the, you know, I guess the HHE catalog so to speak.

Mark Gorder: Correct. There's nearly all the devices within that portfolio are IntriCon devices. There may be a select device that we keep in there that's not an IntriCon device, but does actually have our amplifier within the device, but overall the 80-20 will be IntriCon devices.

Scott Billeadeau: Great. And then on the self - in terms of software, can you apply that to a personal hearing assist device? You know, to a certain extent, kind of solving - maybe using a hammer to put - or a sledgehammer to put a little nail in. But is that a way where you can enter the market with a software tunable device, but it's - apply it to the personal hearing assist device instead of a, "hearing aid?" Where is the line or how is that drawn and what can you do there?

Mark Gorder: Well, the FDA defines a personal sound amplifier as one that does not make a claim that it will address hearing loss. So, the line between a personal sound amplifier and a hearing aid is one of marketing claims as defined by the FDA.

In answer to your question regarding using self-fitting technology, one could apply that technology to a personal sound amplifier, as long as the product was not claiming to address hearing loss. But clearly you buy audio products in the market and they're used for people trying to hear better in difficult environments.

You could even envision someone with good hearing trying to listen better in a noisy environment. And so clearly, Scott, you could apply this technology like that as long as you are careful not to make claims about using it for hearing loss.

Scott Billeadeau: Right. Yes. I was just wondering if that's a way you could at least start to play - you know, try to see if the technology works by someone buying one and you sitting remotely and having them tune with it before actually making the claim that I'm helping you, but to try to engage. Again, I don't know how many you could sell, but I'm just curious as to if you could implement that software saying hey, let us help with your personal sound amplifier and kind of knowing that you're going up the learning curve on that. Is that - can you do that or is that something you're thinking of?

Mark Gorder: You can clearly do it, and what we've done in the past with personal sound amplifiers is really the same product we use for both personal sound amplifiers and hearing aids. So the product is built under FDA specifications, and we market it to people who sell it as a personal sound amplifier. And there's nothing illegal about that. That's perfectly acceptable.

So we could clearly develop a self-fitting hearing aid and market it as a personal sound amplifier, providing all those accessories to allow the consumer to do their own adjustments to their satisfaction. We just have to be careful on the marketing claims.

Scott Billeadeau: Yes. I guess that …

Scott Longval: The other thing that I would just add on top of that is clearly we want to stay on the - kind of the regulated hearing healthcare side of the ledger here that's going to be regulated by the FDA and all the quality management that need to be in place. That's where we have the competitive advantage.

I would say that if for some reason, we don't foresee this happening, but the FDA drag their feet on getting any sort of regulation into the marketplace, that would be something that we would have the option to do and we would look at doing that with a personal sound amplifier. But today, with what we know and the timing of the regulation, we prefer to stay on the hearing loss side.

Scott Billeadeau: Yes. No, I wasn't thinking that you would use - certainly you want to go at the regulated market. I was just saying gee, could you in the six - well, it's going to be six months before it's out and there will probably be another three-month comment period. So we're talking a year before it's out there, the regulation I'm just thinking. In the meantime, just to learn and be able to get - build the knowledge base of how people use it, not that that's your ultimate end market. I was just thinking that would be the way to …

(Crosstalk))

Mark Gorder: Well, one of the things we are - and I agree with you. I think that's worth looking at. The one thing we do feel though is that once the OTC legislation passes, the only reason that this personal sound amplifier category has existed is because people looking for an affordable solution has simply gone around the FDA regulated channel and found a less expensive solution. The OTC category I think will pretty much eliminate the need to go to this kind of quasi legitimate channel. I guess that was my only comment on that.

Scott Billeadeau: Yes. Okay. Thanks guys. Appreciate it.

Mark Gorder: Thanks Scott.

Operator: And we'll hear once again from Larry Haimovitch with HMTC.

Larry Haimovitch: Scott, any particular changes in the tax bill that have a noticeable impact on IntriCon?

Scott Longval: No, not really. I mean obviously the medical device tax that was kicked out has an effect on us more because we're part of the supply chain. So that could only be a positive. And overall, what we can use for our NOLs going forward is a little bit different than the past where you can only use a percent for a given year. But on balance, I would say those are the two main items. None that I would say has a material impact on our business.

Larry Haimovitch: Okay. And then second, we've talked for some time now about hiring an Investor Relations firm and I haven't heard any updates on that recently. Could you give us a quick update?

Mark Gorder: Yes. Again, I think this kind of plays into - we have a number of activities going on and clearly that's one. As we kind of got through 2017 with the legislation getting passed, we've put in all the assets now kind of in place for us to move forward on the Hearing Health Express direct-to-consumer offering.

We know that we need to do better in that area, and we've got to put more intention and focus. So that's something that is an issue that we have that's important to the management team and the Board alike for the first half of 2018.

Larry Haimovitch: Great. Thank you.

Mark Gorder: Thanks Larry.

Operator: And we're back with Scott Billeadeau with Walrus Partners.

Scott Billeadeau: Oh, hi guys. Just a quick comment on the capital. I mean if you can get capital from your lenders and you can cash flow that, I don't - I wouldn't raise capital. Other than that, I'd just as soon have you borrow it, pay it back, all the value accretes to us, the equity shareholders. I'm way in favor of that.

Scott Longval: I appreciate your comments on that. And I'll just state, I'm sitting next to, if not the largest, one of the largest shareholders in Mark and obviously he holds equity very near and dear to the heart. And I think arguments can be made on both sides, and these are the things that we're in constant discussion about. We want to make sure that we're in a position to grow this business quickly and we're taking all those factors into account.

Scott Billeadeau: Great. Thanks.

Mark Gorder: Thanks, Scott.

Operator: And now, I'd like to turn the call back over to Mark Gorder, Chief Executive Officer for closing remarks.

Mark Gorder: Thank you, Operator. Once again, we appreciate you taking time out of your day to join the call. In closing, I'd like to reiterate that I'm excited with the direction we're headed. 2017 was a transformational year for IntriCon. We posted record topline growth in our key medical and value hearing health businesses, and importantly, we began to strip away the significant barriers that prevent innovative hearing health solutions.

And through HHE, we're now in a position to provide affordable and accessible care to millions of unserved or underserved Americans. We enter 2018 with the assets in place to deliver superior outcomes based, affordable hearing healthcare, drive continued growth in our medical business, and reward our shareholders with value. Thanks again for participating in our call. Look forward to visiting with you again next quarter.

Operator: And this concludes today's conference call. Thank you all for your participation. You may now disconnect.