

THOMSON REUTERS STREETEVENTS

EDITED TRANSCRIPT

RSSS - Q3 2015 Research Solutions Inc Earnings Call

EVENT DATE/TIME: MAY 11, 2015 / 9:00PM GMT



CORPORATE PARTICIPANTS

Peter Derycz *Research Solutions Inc - CEO*

Alan Urban *Research Solutions Inc - CFO*

CONFERENCE CALL PARTICIPANTS

Chad Cooper *Digital Offering - Analyst*

Glen Alan *Glen Alan Advisors - Analyst*

Walter Ramsley *Walrus Partners - Analyst*

Tom Shaughnessy *Secret Caps - Analyst*

PRESENTATION

Operator

Good afternoon. Welcome to Research Solutions' Fiscal Third Quarter 2015 Results Conference Call.

(Operator Instructions)

Joining us for today's presentation is Research Solutions' President and CEO, Peter Derycz; and CFO, Alan Urban. Following their remarks, we will open up the call for your questions, then before we conclude today's call.

I'll provide the necessary cautions regarding the forward-looking statements made by management during this call, as well as information about the company's use of non-GAAP financial information. I would like to remind everyone that this call will be recorded and made available for replay via a link in the Investors section of the company's website.

Now, I would like to turn the call over to Research Solutions' Chief Executive Officer, Mr. Peter Derycz. Sir, please proceed.

Peter Derycz - *Research Solutions Inc - CEO*

Thank you, operator. Thank you all for joining us today for our fiscal third quarter 2015 earnings conference call. Our third quarter represented strong progress with our strategic initiatives designed to drive growth and shareholder value. We continued to secure key customer wins, double-digit growth in Article Galaxy customers, transactions and revenue, and now we've sustained this double-digit growth for ten consecutive quarters.

As our seasonally stronger quarter, revenue per Article Galaxy customer also increased over the prior quarter to a record level which helped our EBITDA growth by 167% over the same quarter a year ago. This momentum is continued into the current quarter, which was highlighted by a major pharma company win that is already on track to becoming our second largest customer based on their strong initial order flow in March and April. With this new win, our client base now includes over half of the Top 20 pharmaceutical companies in terms of global sales in 2014. And our active customer accounts increased by 17% to 775 accounts compared to 665 accounts in the same quarter a year ago. This is all good news.

Before I delve further into discussing the quarter and outlook, I would like to turn the call over to our CFO, Alan Urban, to first take us through the financial details for the quarter. Alan?

Alan Urban - *Research Solutions Inc - CFO*

Thank you, Peter. Earlier today, we issued a press release with our results for the fiscal third quarter ended March 31, 2015. A copy of this release is available in the Investors Section of our website at researchsolutions.com.



Starting with our income statement, revenue totaled \$8.8 million in the quarter, that's up 30% compared to the same quarter last year, approximately 35% of the increase was attributable to Article Galaxy, and 65% was attributable to Reprints. Article Galaxy, which accounts for approximately two-thirds of our revenue now, generated \$5.7 million of revenue in the quarter, increasing 14% over the same quarter last year. The increase was primarily due to increased Article Galaxy transactions from new customers with overall transactions up 23% to 159,719 compared to approximately 130,000 transactions in the same quarter last year.

Active customer accounts also increased 17% to 775 in the quarter versus 665 in the same quarter last year. We define active customer accounts as the sum of the average whole and partial customers for the respective quarter or year. A whole customer is one with at least one Article Galaxy transaction in every month of the respective quarter or year, a partial customer is one with at least one Article Galaxy transaction in one or more months but not every month of the respective quarter or year. Even though Article Galaxy services are charged on a transactional basis, customer order volume tends to be consistent from month-to-month in part due to consistent orders from our largest customers that require the implementation of our services into their workflow. So while Article Galaxy revenue is transactional, it consistently resembles recurring revenue.

Our gross profit totaled \$1.7 million in the third quarter, that's up 22% versus the same quarter last year, while gross profit as a percentage of revenue declined by 130 basis points from 20.6% to 19.3%. Approximately 55% of the decrease was attributable to Article Galaxy and 45% was attributable to Reprints. Gross profit from Article Galaxy, which accounts for approximately 84% of gross profit, was \$1.4 million for the quarter, an increase of 14% compared to the same quarter last year.

While gross profit as a percentage of revenue for Article Galaxy declined slightly by 20 basis points from the year ago quarter, from 25.2% to 25%, it remained on target with our goal of at least 25%. Our ability to sustain this target has been helped by reduced production expenses resulting from greater efficiencies, as well as decreased content acquisition cost due to greater economies of scale. We expect this percentage to remain on target or even exceed as we advance into traditionally stronger revenue quarters.

Total operating expenses were \$1.7 million for the quarter, declining approximately \$160,000 or 9% compared to the year ago quarter. The decrease was primarily due to a decrease in professional service fees. Net income from continuing operations for the fiscal quarter improved to a net loss of \$1,800 or \$0.00 per diluted share compared to a net loss of \$460,000 or 3% per diluted share for the same quarter last year.

In the third quarter, adjusted EBITDA increased 167% to approximately \$208,000 as compared to an adjusted EBITDA loss of \$312,000 in the year ago quarter, which represented a \$520,000 swing in adjusted EBITDA. We define adjusted EBITDA as net income or loss plus interest expense, other income or expense, foreign currency transaction loss, provision for income taxes, depreciation and amortization, stock-based compensation, and income or loss from discontinued operations. We use this non-GAAP measure because we believe it provides useful information in comparing our performance across multiple periods on a consistent basis by excluding items that we believe are not indicative of our core performance.

At the end of the fiscal third quarter, we had cash and cash equivalents totaling \$1.4 million compared to \$1.9 million at June 30, 2014. This decrease was roughly, evenly distributed between cash used in discontinued operations, operating activities from continued operations, investing activities from continuing operations, and financing activities from continuing operations, and the effective changes in the monetary exchange rates.

We believe that our current cash resources, borrowing availability under our existing line of credit, and expected cash flow from operations will be sufficient to sustain our operations for the next 12 months and beyond. As of the fiscal third quarter, there were no outstanding borrowings under our revolving line of credit with Silicon Valley Bank. The amount of the line is the lesser of \$4 million or 80% of eligible accounts receivables which equaled approximately \$2.56 million available at March 31, 2015.

In addition, our balance sheet remains fairly clean with cash and prepaid expenses comprising nearly all of our assets and accounts payable and accrued expenses representing nearly all of our liabilities, and we have no long term liabilities or debt.

This completes the financial summary. Peter?



Peter Derycz - *Research Solutions Inc - CEO*

Thank you, Alan. As Alan mentioned, in the third quarter, we maintained our target of 25% for Article Galaxy gross profit as a percentage of revenue. For those unfamiliar, our Article Galaxy product is used primarily to help research driven organizations obtain access to scientific literature that supports their research, as well as support their regulatory and intellectual property efforts, and all in a way that fits their internal workflows.

Our customers come from a broad spectrum of industries, from pharmaceutical, biotechnology, food and chemicals, to aerospace, engineering, electronics, semiconductor, automotive, environment protection and legal. Increasingly, our customers are also represented by academia. Through Article Galaxy, these customers receive broad access to key information resources on a robust platform that can integrate with our own internal networks, systems, and workflows 24 hours a day, 265 days a year. Article Galaxy also creates tremendous efficiencies and cost savings that can be measured and tracked.

As our results over the last several quarters demonstrate, Article Galaxy has achieved steady double-digit revenue and customer growth via rapid customer adoption. In the third quarter we officially launched the Article Galaxy Widget, which has received overwhelmingly positive feedback on how well it seamlessly connects any website to Article Galaxy with a single click. In fact, information industry analytics firm, Outsell, refers to the Article Galaxy Widget as the ultimate sophistication. Given unique tools like the Widget and a whole host of other technology we have developed, when it comes to scientific information, Article Galaxy is increasingly become the go to source that connects discovery with delivery. Paired with our sophisticated end-user authentication transaction management reporting and 24/7 best-in-class customer support, Article Galaxy is truly a disruptive technology compared to traditional methods of addressing STM content.

Our 775 active accounts come from all over the world, and by active accounts we mean accounts that spend money with us every single month. Through these accounts we serve ten to thousands of end users. These customers had learned about Article Galaxy through our increased sales and marketing efforts, but more importantly, via word of mouth. As recently demonstrated by a new big pharma customer that we signed in March, one satisfied customer just brings on another. Also during the third quarter, Panacea Pharma Projects, a UK based outsourced pharmacovigilance and regulatory affairs supplier adopted our new Article Galaxy Widget for easier literature access as they service their clients across Europe and around the world. The company's business development manager provided a strong public endorsement of our technology and how it helps their workflow.

This European win also demonstrates the global appeal of Article Galaxy and the strong leverage in our operating model. It shows how we confine and then generate revenue 24/7 from all types of customers around the world and can continue to expand this global base but without the incremental cost from opening and maintaining dozens of regional offices or requiring extensive and expensive intercontinental travel.

However, to better address our global around the clock global sales opportunity, during the third quarter we did expand our sales staff by more than 60% globally, from six sales people to ten. Our sales efforts now include more activity addressing not just new global regions but also other important end markets beyond our traditional corporate world such as academia. In fact, a good portion of our sales effort is now dedicated to these academic markets which is starting to show solid results. During the quarter we secured agreements with four major library consortia that opens the door to more than 233 academic libraries across the country.

By the end of the quarter Article Galaxy academic customer accounts reached a record 75 or up 127% over the same year ago quarter. This growth also significantly contributed to our overall customer account during the quarter, with academia accounting for 68% of new Article Galaxy customer assignment. This activity with academic customers appears to be driven by the increasing demand from member libraries or critical contents that cannot be obtained in a timely manner over licenses or reuse rights do not exist, and conventional channels can take too long to source and obtain. While usage and revenue generation from academia is still very much of a nation stage, and this is not expected to change overnight, it still represents a \$4.5 billion greenfield market opportunity that is 9X the size of our traditional corporate market.

Given the positive disruptive nature of Article Galaxy and it's uniquely capable browser Widget, we also enjoy a strong first mover advantage in the realm of digital information access for academic STM researchers. In contrast to the corporate world, academia has a different long established methods and systems for accessing and budgeting for STM content. So we have adopted specialized strategies designed to make our technology that defacto standard practicing STM content in this market. One of these strategies include tapping into existing college research consortia and

systems like the agreements we signed with Greater Western Library Alliance and other consortia, as well as establishing unique technology integrations that make our offering very sticky, like our integration with the allied system.

As we now pass the halfway point in our fourth fiscal quarter, we see Article Galaxy continuing its upward trajectory with new customer wins and increased usage by existing customers producing double-digit revenue growth. In fact, in the April we tracked Article Galaxy revenue growth of 13% versus April 2014. We look forward to further improving user experience with our new website which just went live on Friday, as well as meeting with existing and potentially new shareholders at the upcoming 16th Annual Briley & Company Investor Conference being held this week in Los Angeles, California, we hope to see you there.

Now with that, we're ready to open the call for your questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions). Our first question is from Chad Cooper with Digital Offering. You may begin.

Chad Cooper - *Digital Offering - Analyst*

Hey Peter, hey Alan, congrats on the quarter.

Peter Derycz - *Research Solutions Inc - CEO*

Thanks.

Alan Urban - *Research Solutions Inc - CFO*

Thanks, Ted.

Chad Cooper - *Digital Offering - Analyst*

Couple of questions, I was wondering if you can maybe walk through some of these alliances on the academic side like the GW Library Alliance and Illiad too, just help me understand what that relationship means and how that should sort of manifest itself for the next several quarters?

Peter Derycz - *Research Solutions Inc - CEO*

Yes, so basically, these library consortia are sort of buying groups, university libraries, and we mentioned in the call the Greater Western Library Alliance, there had been others, the Midwest Collaborative for Library Services, Pennsylvania Academic Library Consortium, University System of Maryland, and other such consortia, but that does, it really basically gives us access to start talking to those member organizations, and we're sort of like a preapproved vendor. So that sort of opens the door for our ability to actually start going and opening up accounts within their member organizations and having them start testing our systems and testing the waters, so that's on the business side of these consortia deals.

On the technical side is, these number of libraries and universities of these consortia use preexisting systems to try to get access to different information resources, and what we've done is try to integrate with these systems so we can have the business arrangement on the one hand, already sort of on its way while having the technical integration already accomplished as well. So, the Illiad integration is one of the key integrations



that we wanted to accomplish last quarter which we did. So now that -- we should have the door opened in my books, technical side and the business side with these consortia deals and the technology integrations.

Chad Cooper - *Digital Offering - Analyst*

So does that mean that the member universities of these consortiums now have effectively Article Galaxy, they are like the front-end or the back-end on their system?

Peter Derycz - *Research Solutions Inc - CEO*

The back-end would be basically ready to go, but with each individual member, what the consortia would have to do is sign their own individual agreement with us and get the system started at their organization, so it opens the door to the member organization, for each member organization to last a contract with us. We're just sort of a preapproved vendor if you will.

Chad Cooper - *Digital Offering - Analyst*

Got it, okay. Anything new on the enterprise addition or SAS model or any update you can give us in terms of potential out there?

Peter Derycz - *Research Solutions Inc - CEO*

Yes, we have been selling Article Galaxy as a software platform, the revenues on that are still low six digit, we talked about step up during the past, we don't disclose it as separate business line yet. As it grows and becomes meaningful revenue line, then we'll start disclosing it, but we're making advances on the technology front so that we can differentiate between what you get for free on Article Galaxy and what you get as a premium subscription based model. And those system enhancements should be coming out over the summer quarter which will allow us to really start differentiating with an Article Galaxy basic [indiscernible] from an Article Galaxy enterprise edition .

Chad Cooper - *Digital Offering - Analyst*

So until that sort of summer time period hits, we shouldn't expect any additional contribution from that source?

Peter Derycz - *Research Solutions Inc - CEO*

Yes, I think we should have meaningful contribution. I mean there is a contribution there already, but it's not significant enough for us to disclose a separate line, so as that D I guess that reaches seven figures, then we'd probably talk about disclosing it as a separate line.

Chad Cooper - *Digital Offering - Analyst*

Got it, thanks guys, congrats again.

Peter Derycz - *Research Solutions Inc - CEO*

Thank you.

Operator

Thank you. Our next question is from [Glen Alan] with [Glen Alan Advisors]. You may begin.

Glen Alan - *Glen Alan Advisors - Analyst*

Hi Peter, congratulations on another strong quarter, momentum has certainly been continuing to be good for you and all of us, so well done there. I was curious as to D in terms of the margins, while they have gotten pretty strong last few quarters and consistently so, I was wondering is there any pricing power you've with publishers and owners of the content at this point to push for another couple of 100 basis points on average obviously, it could have a significant impact at these operating levels for you.

Peter Derycz - *Research Solutions Inc - CEO*

Yes of course, the bigger business we're, the more revenue we have got flowing. Definitely, we get more leverage with our suppliers including publishers. That's incremental and we negotiate hard every time we meet up with publishers, certain conferences and meeting dates we end up negotiating the next year's renewals, the next year's rates and so on and so forth. On that side, it's just something we are continuously striving to achieve I guess we're continually obtaining as long as our revenue keeps growing, and it's just an onward process constantly. But definitely that's a possibility there, that's something we have done in the past and we will continue to do.

Glen Alan - *Glen Alan Advisors - Analyst*

And switching gears just a bit, more toward the government's realm, last year we had some fits and starts around when you all were considering a reverse split which I believe authorization but that has expired. Going forward, you obviously can't say definitively what you would do or not do, but is that something you still consider as a strong viable option for achieving wider audience for the stock?

Peter Derycz - *Research Solutions Inc - CEO*

Well obviously we would love to be on a better exchange, we would like to get on NASDAQ one day that's definitely part of our goal, but as you mentioned on just right now -- about a year ago we did try to reverse split, approve a reverse split to try to get on to NASDAQ. We never went through it, so we never reverse split the stock, and the sort of the retail investor response was quite negative, so we lost some retail shareholders as part of that announcement, so we basically pulled back from doing it because the stock price suffered, and we do not want to do that to our shareholders at a lower stock price.

So basically -- we're always interested in improving the exchange we're on but at this point we do not have any plans to do reverse split.

Operator

Thank you. Our next question comes from Walter Ramsley with Walrus Partners. You may begin.

Walter Ramsley - *Walrus Partners - Analyst*

Got a couple of follow-ups here, the reprint business that revenue is really strong, obviously the margin is not that high. I mean do you expect that to drift back down again or I mean what happened there?



Peter Derycz - *Research Solutions Inc - CEO*

You know that reprint business line it just have gotten stronger, it's not something we really necessarily predicted but we -- unlike Article Galaxy where we're able to consistently view as a recurring revenue model, the reprints business just continues to fluctuate up and down, yes this year it's been fluctuating up and so it's just difficult for us to predict. Alan's got some numbers that he would like to point out.

Alan Urban - *Research Solutions Inc - CFO*

Yes, as Peter mentioned both Article Galaxy and reprints are transaction revenue models but as we have mentioned in the past they are very different, the Article Galaxy when you look at it and when you look at it's history, it really acts and performs like a recurring revenue model or larger customers tend to order the same amounts consistently month after month and then when you switch gears to reprints it is a truly transactional model, we sell these sort of one at time and there is no guarantee that you will get a second sale so it is very difficult for us to project if it's going up or if it's going down. Right now it's going up, we're up 17% for the nine months ended March 31, compared to the same period in prior year. Will it continue that way? I guess it's sort of anyone's guess we really don't have an incredible amount of ability to forecast that number unfortunately.

Walter Ramsley - *Walrus Partners - Analyst*

Okay, I think I understand the situation. The big pharmaceutical company that signed up in March, I mean is that going to have a big contribution in the fourth quarter?

Peter Derycz - *Research Solutions Inc - CEO*

Yes we will definitely have a contribution, it's a large account and if you were all excited about having that company join us, it's a big brand name and we're proud and excited that they have chosen as their prime [squire] for scientific information access. So we do expect to have a contribution, I'm not sure if Alan has got any comments on the--

Alan Urban - *Research Solutions Inc - CFO*

It usually takes a couple of months for us to really determine what the typical volume is, it's sort of a ramp period so right now that customer is in the ramp mode. We saw them push through a lot of orders in March they have pushed through even more orders in April and we're sort of waiting to see what happens for the remaining months of the year. I believe that this customer may end up being our second largest customer, so yes it should assist our growth.

Walter Ramsley - *Walrus Partners - Analyst*

So altogether for the quarter, it looked like you had 17% increase in customers and a 14% increase in while the Galaxy revenue put it that way. Do you expect those numbers to kind of flip where you're expanding your existing accounts more and getting like more revenue from your existing customers?

Alan Urban - *Research Solutions Inc - CFO*

It's hard to predict but it is true that with the addition of a very large customer, yes, those numbers could flip. But typically Peter has mentioned before we're adding one or so new accounts per day, obviously those aren't all top accounts. Some of those accounts aren't very large. So barring an addition of a very large customer I think that dynamic where the customer count grows at a greater percentage than revenue is probably where we will -- is probably accurate and we will probably see that frequently. However when there is a large customer it could flip so I'm curious myself to see how it will end up next quarter.



Walter Ramsley - *Walrus Partners - Analyst*

And just kind of more technical things, there was a \$58,000 currency loss during the quarter, was that realized and did you have some unrealized gains to offset that or was that really just lost money?

Peter Derycz - *Research Solutions Inc - CEO*

Unfortunately it really was lost money. We hold a little bit of cash in euro and obviously didn't do that well last quarter. But I think the greater -- the source for greater amount of the adjustment was the fact that we offer our customers the ability to pay us in euro while all of our billing is in dollar, many customers especially Europeans one sort of require that we accept payment in euro.

So we will invoice the customer in dollar and give them an amount that they can pay that invoice in euros and that's usually a big -- at the exchange rate when we issue the invoice and the customer may actually not pay that invoice for a couple of months and when they finally pay it they are paying us in euro and that amounts to less dollars if the exchange rate decreases at least which it has been consistently for quite a while now. It amounts to less dollars than what we have on our books, so we have to book a transaction loss.

I think the -- what I've been hearing and reading is accurate. I think the euro may sort of -- there maybe a little more stability in the euro and the downward rate against the dollar may stabilize, so if that's the case I don't think we will see those nuances again but when the euro drops that hurts us a little bit. We don't bill in euros so it doesn't hurt as much as would other companies that actually have billings in euros but even the amounts that we are paid in euro can hurt us a little bit.

Walter Ramsley - *Walrus Partners - Analyst*

And following up on that I guess you had to lower your prices in Europe because of the increase in the dollar?

Alan Urban - *Research Solutions Inc - CFO*

No we have not and so far we have not had any pressure on the customer side, so we're paying close attention keeping our eyes and ears open for any noise in that arena. We have not noticed that yet, and it could be that a lot of the customers we deal with in Europe are global companies and they are used to -- they probably have quite a few vendors so they probably have their own ways to hedge against fluctuations since they are larger organizations. But so far no noise on that front but it is something we're attentive to, just in case.

Walter Ramsley - *Walrus Partners - Analyst*

And then just one final thing, I know from an accounting standpoint the company wrote-off that discontinued operation a while ago but it sounds like it's still putting a little drain on the case. I mean how much more cash are you going to have to spend on that.

Alan Urban - *Research Solutions Inc - CFO*

Actually no, when we talk about the uses of cash we're talking about for the nine months ended July 1 to March 31, so we have to take some of those uses of cash from discontinued operations that occurred in our first quarter into account but that discontinued operation has not caused us any cash since the first quarter of our fiscal year and we do not expect it to cost us any more cash. We do have an accrual of about \$200,000 on the books as a contingency but as of today it looks like we may not need that, we may end up reserving that shortly. But the wind-down and liquidation is not complete yet but so far initial indication is that we may be off the hook when it comes to that liability that is on our books. Hopefully that's the case. Yes we will have no more cash used for that discontinued operation.



Operator

(Operator Instructions). . Our next question is from Tom Shaughnessy with Secret Caps. You may begin.

Tom Shaughnessy - Secret Caps - Analyst

Just a few quick questions, a few milder ones were answered already but just getting back to the basic enterprise breakdown you guys were of speaking of earlier, is that something that can be easily rolled out to your existing customers. I know it's sold to the software, so I don't know if it would some type of update or something that could easily asses I mean to your benefit if you charge more for the premium service.

Peter Derycz - Research Solutions Inc - CEO

Yes basically what that, just to give you a little bit more I guess detail on what that's about is -- Article Galaxy overtime has become a stronger platform that it was in the past and the strength that it comes from our ability to add innovation to it through new modules and features and customers find useful. And so as we add those modules and features Article Galaxy has become more powerful and we're able to start to go back to our existing customers and who may find one of these new features, one of these new modules to be interesting and charge them for it as part of let's say an Article Galaxy annual software license.

And so yes the existing customer base is part of the story, on generating new revenue for that line of business for us but it's also about new customers as well. So the stronger than more powerful that Article Galaxy becomes the easier it becomes for us to sell and market the product and so in addition to the existing customer base we do feel that some of this new functionality will attract brand new customers that have not been with us before and we can see that happening already, we're already in discussions with new accounts and even larger ones that want to use the platform because of these features and functionality.

So as that occurs we do want to start differentiating between what you can get for free on Article Galaxy as a basic platform and then what you can get as an enterprise platform and we think that these enhancements are just starting to take shape now and then we have a new release of Article Galaxy coming in the summer quarter which will further create that opportunity.

Tom Shaughnessy - Secret Caps - Analyst

And these enhancements, I mean will these viewable on the basic platform like teaser to attract premium users or?

Peter Derycz - Research Solutions Inc - CEO

Yes actually we do have a little thing like that in Article Galaxy, if you're an administrator on Article Galaxy you can go in and there is page that shows you what's on and off for you and your users and so that helps -- in a way the piece of information that know what's on in Article Galaxy but it is a bit of teaser as well.

Tom Shaughnessy - Secret Caps - Analyst

And then just switching gears a little bit, back when you said the buying group proves you guys as a preapproved vendor and then the individual entities that signed with you guys. Can you give us a little insight on how many preapproved vendors there are based on that company or just in general?

Peter Derycz - *Research Solutions Inc - CEO*

I don't know how many preapproved vendors they have but basically for us we know that these members of these buying groups do have a need for this kind of information that we provide through Article Galaxy. That's for certain.

We also know that the academic market is the large market that we want to go after and we haven't figured out entirely, we're in the process, we did some research in March where we had focus group from the academic market come in and educate us about what their needs were, what their budget cycles were, where their approval processes were like and so on. So, we're in the process of learning but we know there are certain things you do -- certain hoops you do have to jump through and one is you do have to become approved with these library consortia groups if you want to have an audience to go sell to and we would also know that there are certain technical integration that you should also embark on which is also another thing that we're doing.

So there is a two parts of multi-pronged strategy but they are critical parts and I think they are must haves to be able to come to the table and we think that as crack the code, little by little on the academic market by doing these things that we will turn this into a good market for us, a great market for us and potentially larger than our corporate market.

Operator

At this time this concludes our question-and-answer session. I would now like to turn the call back over to Mr. Peter Derycz for closing comments.

Peter Derycz - *Research Solutions Inc - CEO*

I just to say thanks to everyone for joining us on our call today. We appreciate the support from you, our shareholders. I would also like to extend a huge thanks to our customers, our suppliers and our team who are all critical contributors to our success. And lastly if you weren't able to address all of your questions on today's call, please feel free to contact us, we available as is our investor relations from the Liolios Group, who would be happy to answer them. We really look forward to speaking with you again soon. Operator?

Operator

Before we conclude today's call, I would like to provide Research Solutions' Safe Harbor statement that includes important cautions regarding forward-looking statements made during this call, as well as a statement regarding the company's use of non-GAAP financial information. Examples of forward-looking statements on this call include statements related to our new strategic focus, product verticals, anticipated revenue, and profitability.

Such matters involve risk and uncertainties that may cause actual results to differ materially, including the following, changes in economic conditions, general competitive factors, acceptance of the company's products in the market, the company's success in obtaining new customers, the company's success in technology and product development, the company's ability to execute its business model and strategic plans, the company's successes in integrating acquired entities and assets, and all the risks and related information described from time to time in the company's filings with the SEC, including the financial statements and related information contained in the company's Annual Report on Form 10-K and interim quarterly reports on Form 10-Q. The company assumes no obligation to update the cautionary information in this presentation.

Today's presentation also includes financial measures defined as non-GAAP financial measures by the SEC. The presentation of this financial information is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with generally accepted accounting principles accepted in the U.S., otherwise referred to as GAAP. Please refer to a more detailed discussion about the company's use of non-GAAP measures and their reconciliation to the nearest GAAP measures in today's earnings press release, which is available on the company's website at www.researchsolutions.com.



Finally, I would like to remind everyone that a recording of today's call will be available for replay immediately after the call and through May 18, 2015. Please refer to today's press release for dial-in instruction.

Thank you for joining us today for our presentation.

DISCLAIMER

Thomson Reuters reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes.

In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES THOMSON REUTERS OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2015, Thomson Reuters. All Rights Reserved.