

Baylin Technologies Inc.
Fourth Quarter and Full Year 2018 Earnings Conference Call

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PRESENTATION

Operator

Good morning. My name is Marcella (phon), and I will be your conference Operator today. At this time, I'd like to welcome everyone to the Baylin Technologies Inc. Fourth Quarter Results Call.

All lines have been placed on mute to prevent any background noise.

After the speakers' remarks, there will be a question-and-answer session. If you'd like to ask a question during that time, simply press *, and the number 1 on your telephone keypad. If you'd like to withdraw your question, press the # key.

At this time, I'd like to turn the call over to Mr. Randy Dewey, President and CEO of Baylin Technologies.

Randy Dewey — President and Chief Executive Officer, Baylin Technologies Inc.

Hello, and welcome, everyone. Thank you for joining us this morning for the fourth quarter and full year 2018 earnings conference call for Baylin Technologies.

Joining me is our Chief Financial Officer, Michael Wolfe. He will provide an overview of our financial results, and we will both be available for questions at the end of the presentation.

Before we begin our report, let me make it clear that our comments today will include statements and answers to questions that could imply future events, such as our 2019 prospects and financial performance, and could also include the use of non-GAAP and non-IFRS measures.

Though it is obvious these statements are subject to risk, uncertainties, and assumptions, accordingly, actual performance could differ materially from statements made today, so do not place undue reliance upon them.

We also disclaim any obligations to update forward-looking statements, except as required by law.

I ask that you read our legal disclaimers and refer to the risk and assumptions outlined in our public disclosures, in particular the sections entitled Forward-Looking Statements and Risk Factors in our Annual Information Form for the year ended December 31, 2018, and our other filings which are available on SEDAR.

Q4 and full year results were released after market yesterday. The press release, audited year-end financial statements, as well as MD&A and Annual Information Form are available on SEDAR and on our website at baylintech.com.

2018 was a pivotal and exciting year for Baylin. We made material progress on many key financial metrics, and we completed two strategic acquisitions in Advantech Wireless, as well as Alga Microwave.

We completed the move of Advantech Wireless' operations into the Alga Microwave facility in December of last year, and we expect to see improved manufacturing efficiencies and cost reductions through 2019. We have positioned ourselves well to play an important role in the deployment of the 5G network.

We are very pleased to report our third consecutive year of positive adjusted EBITDA, and as you will see from our results, all the major metrics of the Company continued to improve and are trending in the right and positive direction.

Fiscal 2018 revenue was 136 million, 48 percent higher than the prior year. Revenue in the fourth quarter was also 48 percent higher than the prior year. The increase is primarily due to the increase in sales of both our Embedded Antenna and Wireless Infrastructure product lines, combined with the addition of revenue from the two acquisitions that we closed in 2018.

The Wireless Infrastructure product line grew by 52 percent compared to 2017, despite a spending cut from one of its major customers in the third and fourth quarters. The Embedded Antenna product line grew by 11 percent.

Asia-Pacific revenue in Q4 continued to be positively impacted by successfully launching products with a major APAC customer.

Revenue from our SATCOM product line in the fourth quarter was slightly impacted by the disruption resulting from the Advantech Wireless move into the Alga Microwave facility and a raw material supply shortage. However, the sales backlog at the end of 2018 was at a record high level.

Gross margin continues to improve year over year, reaching 37.3 percent. Excluding the accounting for inventory that was required through the two acquisitions, which Michael will discuss further in the call, the gross margin was actually 40.1 percent in 2018.

Adjusted EBITDA in Q4 was 3.9 million compared to 1.3 million in the prior year. For the 12 months ended December 31, 2018, adjusted EBITDA was 15.3 million, which was a 10.3 million increase over the prior year.

Adjusted EBITDA as a percent of revenue increased to 11.2 percent in 2018 from 5.4 percent in 2017. The improvement was due to higher gross margins from all of our product lines as a result of product mix, product design improvements, and manufacturing process and capacity improvements in both China and Vietnam, combined with our focus on controlling expenses.

I'd like to turn the call over to Michael to provide you with more commentary and details on our financial results.

Michael?

Michael Wolfe — Chief Financial Officer, Baylin Technologies Inc.

Thank you, Randy. With all of the activity in 2018, our financial statements are not easy to review and get a clear understanding of the Company's performance in 2018.

We completed the acquisition of Advantech Wireless in January 2018, completed a financing with Crown Capital to provide funding for the acquisition, and completed a bought deal public offering of subscription receipts and convertible debentures in July 2018 to finance the acquisition of Alga Microwave. The acquisition was completed shortly after the financing closed.

The accounting treatment for all these transactions has resulted in significant balance sheet changes compared to 2017, as well as significant expenses and charges in the income statement, resulting in a net loss in 2018.

Intangible assets relating to the acquisitions in the amount of \$20.3 million and goodwill in the amount of 33.1 million were recorded on the balance sheet. Amortization expense of \$4.7 million relating to the intangibles was included in general and administrative expenses. Amortization for the full year was recorded in the fourth quarter of 2018 upon completion of the purchase price allocation for the Advantech acquisition and the provisional purchase price allocation for the Alga acquisition.

The convertible debentures, with a principal amount of 17.25 million, are recorded at fair value. As a result, a fair value adjustment expense of \$1.7 million was recorded in 2018. In addition, included in finance expense is \$1.1 million of transaction costs related to the debenture offering.

We've also recorded deferred tax assets in the amount of \$6.4 million, resulting from income losses for Advantech, primarily due to acquisition expenses and amortization relating to the intangibles, as well as IP transferred from our subsidiary in Israel. As a result, we had a significant income tax benefit in 2018.

We've also recorded deferred tax liabilities in the amount of \$2.3 million due to recognizing the Alga intangibles.

Acquisition expenses of \$4.3 million were incurred in 2018.

As Randy mentioned, gross profit was impacted by the requirement to record inventory acquired through the Advantech and Alga acquisitions at fair value rather than at cost, resulting in a lower gross margin on the sale of this inventory. The fair value step-up was \$3.7 million. Future sales of similar products will generate significantly higher gross margin.

At December 31, 2018, we had a cash balance of approximately \$20 million. During the year, we generated \$57.3 million from financing activities net of debt repayments, including the repayment of the mortgage and vendor loan relating to the Alga facility purchase. We used \$68.1 million for the cash portions of the purchase price of the Advantech and Alga acquisitions.

During 2018, capital expenditures of \$5.4 million were incurred primarily for plant enhancements and capacity increases in China and Vietnam and leasehold improvements and upgrades at the Alga facility to accommodate Advantech's operations.

At December 31, 2018, we had access to approximately \$11 million of credit, of which 0.4 million was utilized. In connection with the Advantech acquisition, we entered into a \$33 million term loan with Crown Capital.

During the third quarter we issued convertible debentures in the amount of 17.25 million. In total, we currently have short- and long-term debt in the amount of 50.6 million with an annual interest expense of approximately \$4.1 million.

At December 31, 2018, our net debt to trailing 12-month adjusted EBITDA annualized for the Advantech and Alga acquisitions was approximately 1.7:1. We believe this is a conservative amount of debt relative to our cash flow from operations. We expect the leverage ratio to decline as operating cash flow increases going forward.

I will now briefly comment on the fourth quarter results. Revenue increased to \$36 million, an increase of 48 percent from the same quarter last year. Gross profit increased to \$11.1 million, or 30.7 percent of revenue. As I discussed, gross margin was impacted by recording inventory acquired through the acquisitions at fair value rather than at cost. Without this impact, gross margin would have been 41.3 percent.

Adjusted EBITDA for the fourth quarter of 2018 was \$3.9 million versus \$1.3 million in 2017. EBITDA adjustments in the fourth quarter included the fair value increases applied to inventory, Advantech moving costs, and final acquisition-related expenses.

I'll now turn the call back to Randy for his concluding remarks.

Randy Dewey

The outlook for 2019 is still very positive. The position that we've achieved in small cell for LTE and the new 5G development contracts has really put Baylin in a great place.

The strategic acquisitions of Advantech Wireless and Alga Microwave will continue to accelerate growth and contribute to the diversification of the Company's revenue base.

We will continue to invest in our engineering operations to broaden our product offering in each of our product lines.

We will continue to focus on evolving our contract manufacturing efforts to ensure that we have the capacity we need to scale and at the same time meet or exceed the technical specs demanded by our customers.

So for 2019, the themes and the trends that I'd like to encourage the market to watch for are, first, revenue growth for each quarter year over year as we benefit from the LTE densification and the small cell rollout and the aggressive strategy that the carriers are deploying now; second is the EBITDA margin improving year over year as revenue and gross profit continue to increase and we continue to

focus on controlling operating expenses; and third is R&D expenses for new DAS, small cell, base station, and 5G products will be higher in 2019 with the benefit of the increase becoming evident in revenue growth as these products hit the market.

We face risks, of course, and certain areas of concern, but we have good tactical plans, and we are executing to mitigate on each one of them. And I am confident in our strategy and the management team, and I look forward to updating you as we progress through this year of 2019.

So, Operator, that concludes my final remarks. And with that, I'd like to open up the call for questions.

Q&A

Operator

At this time, I'd like to remind everyone in order to ask a question, please press *, and the number 1 on your telephone keypad.

Your first question comes from the line of Kevin Krishnaratne from Paradigm Capital. Your line is open.

Kevin Krishnaratne — Paradigm Capital

Hey, there. Good morning, guys. Question for you on Infrastructure. Randy, you noted in the prepared remarks a dynamic related to maybe CapEx spend not coming in Q3 and Q4. Can you talk about do you expect that revenue to come back in Q1? How does that shake out?

And then secondly related to Infrastructure, you came off of 50 percent growth in 2018. How do you think about the growth profile for 2019?

Randy Dewey

So we're certainly very confident in the consensus numbers that have been put forward for sure for the infrastructure group. And to your point there's been good growth from '17 to '18. We're expecting good growth from '18 to '19. There's no doubt in Q3 and 4 that one of the larger carriers in the US had some CapEx constraints. Those have lightened up for sure. We've already seen the order book fill in for some of those projects that were expected to be done in Q3 and 4 that are now getting done more towards the end of Q1 and certainly well into Q2. So first half of the year I don't anticipate that revenue that rolled from Q4 into this year that that will get delivered on in the first half of this year, so quite confident in that.

I think that answers most part of your question, but was it something more specific that you wanted to know about the Infrastructure roll from last year to this year? Or does that cover your question?

Kevin Krishnaratne

That broadly covers it. And then maybe if you can dig in a little bit deeper since the last call if you've seen any—how are your discussions going with carriers and integrators on potential 5G rollouts? I know it's early, but you are starting to hear carriers talk more and more about it and pricing plans being announced, and so I just want to have any thoughts on how the dynamic may have changed with your discussion with carriers since we last chatted.

Randy Dewey

Yeah. There's no doubt that it's not quite hit a fever pitch yet, but certainly the amount of discussion around the deployment of 5G is significantly increased over where we were even at this time last year. You look at all the conferences that we go to, 5G's the headline of every single conference, so it is certainly discussed. And you'd probably seen the press release yesterday of Verizon and the cities that

they've selected and some of the increase in the rates. So there's no doubt that there's—and of course, Samsung launched their S10 with the 5G in it.

So we're at the early stages, but we're certainly seeing a significant amount of rollout. And there's a lot of work and preparation being done by the carriers, of course, not just with the phones, but as well with the network and some of the densification of LTE is done with the anticipation that 5G's coming. So there's a lot of work that's going into sort of the planning of the deployments of LTE so that they can augment and assist some of the 5G rollouts.

So yeah, there's no doubt a lot of investment that is going to be ramping up this year in advance of that. But I also want to remind you that the IEEE, the body that sets the 5G standards, will not finally put the pin into the full standard until March of 2020.

So though we know vastly what the standards are going to look like, there's still a fair amount of work that has to be done to finalize that. But everybody's pretty certain on the frequencies and some of the performance requirements, so.

But we're, as I mentioned last year, that we have 5G development contracts. We're in the conversations. We're working with the carriers to make sure that we have the product line that will dovetail with the final decisions for sure.

Kevin Krishnaratne

Right. Thanks for all of that colour, Randy. I guess kind of switching gears, maybe also tying into 5G, though, with Alga and Advantech you mentioned a record high backlog. I know historically these units had kind of been humming along, and I think in 2018 they were maybe flattish. Can you talk about what you're seeing out of those two units in terms of the growth profile there '19 to '18? And then second, how you are leveraging their technology potentially right now into deployments with 5G?

Randy Dewey

Well, there's two parts to your question. So the first part of your question I also made comment that we had a raw material supply issue. So we did have some impact to our deliveries last year. Lead times stretched out a bit on the back of some raw materials that were a problem. It was a bit of an—it was an industry-wide issue with the one supplier. So it wasn't just us; it was a number of the competitors as well that had an issue with the raw material.

So though it was, as you said, flattish, it wasn't for lack of having the back orders for there. It was a matter of trying to get the resolution on the supplier side, which we are through the thick of it, there's still going to be some tail-on as they catch up and we catch up with some of our back orders. But we're really pleased with the back orders and the velocity of sales in that business for sure. We just need to smooth out some of the supplier issuers that affected us last year to this year.

So then the second half of your question was related to the millimetre wave and the reasons—

Kevin Krishnaratne

Mm-hmm.

Randy Dewey

—and one of the primary reasons that decided to buy Advantech and as well Alga. The millimetre wave component of it is still really early in the 5G evolution. We don't know exactly which slices of frequencies in those upper slices of the spectrum that are going to be used for 5G deployment, and as well, exactly how those millimetre waves are going to be used within the network itself.

So we are certainly well prepared because we have these assets and we have skilled and capable people that are used to using those high frequencies, and they have products that are well accepted and decades of experience. So we're prepared for sure when those pieces get identified. It is helpful that we have the type of experience and capability in these assets and the people to help up with

the conversations that we're having with the carriers when it comes to millimetre wave and some of the deployments, so.

Though the fullness of that is still too early to talk about, we are seeing the benefit, I should say, the benefit of having these assets and the skill and capability in this area is going to help us certainly down the road.

Kevin Krishnaratne

Right. Okay. Thanks for all of that, Randy. And then I guess just the final comment or question that I have for you is any commentary you can provide with perhaps how your discussions may have changed with the carriers or customers outside of North American on the back of some of the issues with Huawei? And then I'll jump back in the queue. Thank you.

Randy Dewey

Sure. So two parts to your question there is outside of North America for sure we're making significant roads, and we've hired some people in Europe. And we're starting to get quite a bit of enquiries for some carriers in the European market, which is fantastic. And we've added some resources there to help us with those opportunities.

The second half of your question on Huawei, we have never had business with Huawei historically. And of course, with the way things are going with Huawei, it would create an opportunity for Baylin for sure if Huawei was banned from certain countries in which we are present in, such as Canada, which is the one we're in. That would certainly telegraph to an opportunity, particularly for our customers and some of the radio guys that would be moving into this space. And we are working with all of the notable guys in that segment of the market.

So if that certainly happened, then probably it would benefit our customers, which ultimately benefit us.

Operator

Your next question comes from the line of Steven Li from Raymond James. Your line is open.

Steven Li — Raymond James

Thank you. Randy, for 2019, should we expect most of your free cash flow to go towards debt repayment? Or are there other uses of that free cash that you're anticipating?

Randy Dewey

I'll turn the question over to Michael, actually.

Michael Wolfe

Well, at the moment we are exploring opportunities to reduce our cost of capital. Currently, the Crown loan that we have doesn't have amortization, so we are just paying interest. The other items that free cash flow will go to are capital expenditures. And our maintenance capital expenditures are not that high, but in each year we seem to have something that does require some capital.

So, for example, as I mentioned, in this year with the move of Advantech into Alga, we had significant capital expenditures in 2018, which are done now, so they don't appear in 2019. But one of the things we are doing at Advantech is putting in a new or upgrading their ERP system, so that'll be a significant capital expenditure for this year.

So we are expecting CapEx in and around where we finished off 2018, which obviously is a use of our cash flow, and then there may be some select opportunities to look at financing some of those capital additions rather than cash flow, depending on other uses that we have for the capital.

Steven Li

Okay, Michael. That's helpful. And a question on the Wireless Infrastructure. So your outlook section references new small cell antennas at your Mexico facility. Are these new customers? And is it a quick ramp in 2019? Thank you.

Randy Dewey

Yeah. We believe those products will actually have an impact in 2019, and they are for customers that we historically had had in our fold, so to speak. So it is incrementally good opportunities for us. Those products, as well, can be used in our regular customer base. They weren't designed specifically for one customer, but the need originated from a customer that we hadn't had historically.

So we continue to add as a result of being approved by certain carriers, of course, in particular in the US with a neutral host model where others can actually build out the network as long as they're using approved product. We continue to add new and interesting customers as the proliferation of the network continues.

Steven Li

Hey, Randy, do you still manufacture small cell solution in China?

Randy Dewey

Yes. We do.

Steven Li

And so you expect Mexico could come close to reaching in terms of output in 2019?

Randy Dewey

Not anticipating that. We have a fair amount of capacity in Wuxi for sure. So we are able to supply a lot of our own needs within our own capability and our own manufacturing reach. However, as I mentioned earlier, scale into 2019 and certainly into 2020 if we hit certain levels, we would need to depend on our CMs a little heavier than what our capacity can generate for us. But we're good for—

Steven Li

Okay.

Randy Dewey

—we're good for 2019, but we certainly want to have good qualified CMs to help us as we continue to grow, and we don't want to bear all the CapEx of expansion of plant and equipment.

Steven Li

Okay. And last question for me, any changes you're seeing in your margin profile for Infrastructure?

Randy Dewey

No. No. We're not seeing any changes to the downside, for sure. We are continuing to command the margins that you've got in your models.

Steven Li

Okay. Thank you.

Operator

Your next question comes from the line of Gavin Fairweather from Cormark. Your line is open.

Gavin Fairweather — Cormark

Hey, there. Good morning.

Michael Wolfe

Hi.

Randy Dewey

Gavin.

Gavin Fairweather

Wanted to chat a little bit about the Embedded division to start out. When we look at the performance through the first nine months of the year, it had been growing at about 15 to 20 percent, but it looks like it did about 11 percent on the year. So just wanted to get some colour from you on what's going on in that business and how you're thinking about the outlook into 2019?

Randy Dewey

So we've had ... we've continued to evolve that business unit from what was just historically a router business doing embedded antennas to, of course, the onset of set-top boxes and the move of Wi-Fi in the homes from routers into set-top boxes. And then as we continue to move forward, as I think we press released last year, that we moved into automotive and now into cellular Internet of Things in a number ... a host of different types of IoT devices. And that requires some, I would say, additional seeds to be sown and R&D to be spent and some efforts to be put into being able to break into certain new markets that require the type of technology that we can provide.

So I would say last year was an interesting year for us. Particularly in the second half we were able to get certain certifications and certain new customers that was helpful but, of course, in the early stages of those relationships requires a little bit of extra effort relative to the revenue that you see from it.

So though we were, as you suggested, about 4 percent down from the growth expected historically, I don't see any issues with the numbers that the analysts have in the model for Embedded for 2019. And I think that some of the fruit will be demonstrated in the second half of the year for some of those efforts that we put into the second half of last year.

Gavin Fairweather

Okay. That's helpful. And then I just wanted to circle back on the inventory chain. So if I'm understanding this correctly, the inventory at Alga and Advantech that was acquired was held at fair value instead of cost. But then when we think about this business going forward, will you be carrying any inventory acquired at cost, so the gross margins should be kind of how we've normally been thinking about that segment?

Randy Dewey

I'll let Michael take the question, but yeah, you're right.

Michael Wolfe

Yeah. That inventory that was acquired has all been sold now, both from Advantech and Alga. So we won't see that same impact in 2019 at all, and it will be historical or expected margins for both of those product lines.

Gavin Fairweather

Okay. That's great. And then just lastly, in your prepared remarks you talked about R&D expenses. It was about 4.7 million in Q4. Is that a decent run rate as we go into 2019? Or as you work on some of your new products will that be moving a bit higher?

Michael Wolfe

I mean, we had said we're going to continue to focus on R&D expenditures, and we really think that as a percentage of revenue it will stay really in line where we've been in the last couple years. So we are expecting an increase in 2019, but not necessarily as a percentage of revenue.

Gavin Fairweather

Okay. That's very helpful. I'll pass the line. Thank you.

Operator

Your next question comes from the line of Andrew McGee from the National Bank of Canada. Your line is open.

Andrew McGee, your line is open.

Andrew McGee — National Bank of Canada

Hi. Good morning, guys. Sorry. I was on mute. My first question is looking into the 2019 Infrastructure growth, I was hoping that you could give us some insight into what's driving your

confidence; whether or not that's booked backlog or customer indications. And secondly, is a lot of your confidence being driven by the small cell deployments or any success in the base station products?

Randy Dewey

So the answer to your question is actually both. One, we have a very decent backlog, and we've seen a significant pickup in that backlog, I would say, as of February 1st. So a lot of those deployments that were held last year are now being released and planned for deployment in Q2. So we're bullish on the fact that the softness of Q3 and 4 is come back and those deployments will be rolled out in this year. So one is that.

Secondly is on the back of small cell, some carriers have announced that this year is the year of small cell for a number of them, and I believe that to be true if I look at all the work that we're doing on the engineering side for some of these deployments. So small cell is definitely an area that is going to be helpful.

And then thirdly is the base station antennas. We just launched our base station a few products, four products in Q4 of last year. We have orders now against those units, and we're now deploying our first base station antennas this quarter, so we anticipate a good pickup on base station antennas this year. And we've reached certain approvals that has been very helpful for us to be able to deploy those, so we're expecting good things out of our BSA product line for 2019.

As well, we'll be rolling out new products, and you'll see press releases as we finish up those designs and launch those new base station antennas. So there's an effort to launch both new small cell and as well as new base station antennas in 2019 as well

Andrew McGee

Okay. That's helpful. And I'm just wondering, you've already mentioned that Q1 and Q2 related to the CapEx at one of your customers, but as you think about the back half of the year, do you believe

that the growth rate of your Infrastructure business will be higher than the first half of the year? Or just kind of how do you think of the cadence of how we should expect the Infrastructure success to kind of build out through the year?

Randy Dewey

Well, traditionally like historically just that division, Q1 was always a softer quarter because of the deployments are particularly in the United States or Canada are somewhat to weather conditions, right? And of course, as we all know, this has been a pretty hard winter. Even in the United States they had more days under zero in most states than historical. So there was a—part of the slowdown wasn't just CapEx constraints by some of the carriers. It was also weather-related, and so end of Q4, beginning of Q1 where historically there was a falloff and then as weather broke, things were ramped up.

So Q2 and Q3s are always stronger for Infrastructure than Q4s and Q1s, so just talking about that division in isolation.

Andrew McGee

Okay. That's helpful. And then now that the facility integration is complete, how do you feel about your \$5 million synergy target? Were you able to maybe identify anything further to that target? Or are you still comfortable with that number?

Randy Dewey

Yeah.

Andrew McGee

And then the second question on that is as you think about your operating expense profile for 2019—maybe this is a question for Michael—do you expect us to see kind of a trend downwards as you realize these synergies? Or can you give us any sense of what you believe that normalized profile looks like? Thank you.

Randy Dewey

Go ahead, Michael.

Michael Wolfe

Did you want to go ahead on the first part?

Randy Dewey

Oh, sure, yes. So the first half of your question is on the synergies. So we in effect were able and successfully closed the three facilities related to the acquisitions last year, one of which was in Quebec, one was in Ontario, and another was in the UK. And we consolidated all those efforts into the new facility we bought at Alga. So just from a facilities perspective, we were able to get the closures completed. As well, there was some reductions in OpEx. And we're still comfortable with the target, and we're driving to it.

Obviously there's stuff that ... efficiencies that because we got into the facility only at the end of last year, there's some operating efficiencies I think alluded to in my prepared statements, some operating efficiencies that still need to be worked out in order to improve the throughput. But we are, yeah, we're comfortable with the number and we're driving to the target. And I don't see anything holding us back at this point.

Michael Wolfe

And on your question on G&A expenses, as you know, you have to take a close look at what was in both 2018 in the full year and in the quarter and back out some of the nonrecurring items to get an idea of run rate. But in 2019, Alga was only included in 2018 for six months, so there's the additional G&A costs associated with Alga, but those will be offset by the synergies and other cost savings that we are going to—that we are expecting to achieve in that facility.

So as a percentage of revenue, we would expect it to decrease in 2019, not a huge amount, but certainly lower.

Andrew McGee

Great. Thanks for taking my questions.

Operator

There are no further questions at this time. I turn the call back over to the presenters.

Randy Dewey

Well, we'd like to thank everybody, of course, for your support in 2018. We're pretty excited and bullish about where things are going in 2019 and the opportunities that we see for sure with 5G and the positioning that we've got ourselves here in, it's fantastic.

So anyways, again, thank you very much for all your support. And we look forward to reporting our quarters going forward.

Take care. All the best.

Operator

This concludes today's conference call. You may now disconnect.