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Genesis Land Development Corp. TSX:GDC

FY 2013 Earnings Call Transcripts

Monday, March 31, 2014 1:00 PM GMT

S&P Capital IQ Estimates

	-FQ4 2011-			-FY 2011-		
	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS	ACTUAL	SURPRISE
EPS (GAAP)	0.01	0.05	▲400.00	0.21	0.25	▲19.05
Revenue (mm)	16.69	25.67	▲53.80	87.48	95.76	▲9.46

Currency: CAD
Consensus as of Aug-09-2011 1:13 PM GMT

Call Participants

EXECUTIVES

Bruce Rudichuck
Chief Executive Officer and President

Mark Scott
Chief Financial Officer and Executive Vice President

ANALYSTS

Brendon Abrams
M Partners Inc., Research Division

Jimmy Khing Shan
GMP Securities L.P., Research Division

Jonathan P. Brodsky
Advisory Research, Inc.

Joseph Lee Grant Matheson
Broadview Capital Management Inc.

Presentation

Operator

Good morning, and welcome to the Genesis Land Development 2013 Year-End Financial Results Conference Call. [Operator Instructions] The format of the call is a question-and-answer session for analysts and investors after a brief introduction by management. Media may monitor this call in a listen-only mode. They are free to quote any members of management but are asked not to quote remarks from any participants without that participant's permission. [Operator Instructions]

I advise participants that this conference is being recorded today, March 31, 2014. This call is also being webcast and will be available on the company's website at www.genesisland.com. I will now turn the call over to Mr. Bruce Rudichuck, President and CEO of Genesis. Please go ahead.

Bruce Rudichuck
Chief Executive Officer and President

Thank you, Chris, and thank you to everyone for joining us today. I am joined by members of our management team, including: Mr. Mark Scott, EVP and CFO; Mr. Rauf Muhammad, our Corporate Controller; and Mr. Virat Reddy [ph], our Manager of Financial Reporting.

Before we start, I'd like to remind listeners that certain statements made in this call are considered forward-looking in nature as outlined by securities regulations. Actual results may differ from expected future results as a result of various risk factors associated with our business. Accordingly, the forward-looking caveat contained in our March 28 news release is applicable to discussions and comments made during this call. I would refer you to the cautions appearing in our news release and in our annual and interim reports.

As you are aware, we released our 2013 year-end results on Friday. We're extremely pleased with what we've accomplished over the past year, and I'll use this opportunity to highlight the significant items, and then discuss our strategy and plans for 2014. As this is my first conference call as President and CEO, I would like to first express how pleased I am to have joined Genesis and how enthusiastic I am about the company's assets, its people, potential and its great future.

A little about my background. I've been involved with the real estate industry for over 20 years in a variety of roles, markets and products but with an emphasis on home building. In addition to having held Senior Vice President and CEO roles with real estate companies, I have, until recently, served on the executive committee of the board of the Building Industry and Land Development Association for the Greater Toronto Area.

While I've been fortunate to be involved with some great companies and individuals, I've rarely seen a company that has such unrealized potential and value as Genesis. This is one of the main reasons that I moved across Canada and -- for example, we are land-rich in a market where land development is being constrained and prices are increasing. Our vertical integration and increasingly efficient operations will allow us to benefit from a growing economy. We have an experienced and knowledgeable Board of Directors that are focused on realizing value and supporting growth. Our balance sheet strength and continuing strong cash flow allows for a range of options to increase shareholder value. Our people are in place and committed to growing the company and achieving the goals that we have set for ourselves. And Alberta's economic conditions continue to be strong, supporting expectations of a robust pace of activity in Calgary's home building industry throughout the balance of 2014.

These strengths have placed us in a unique position to benefit in the future and further enhance our overall value. Unfortunately, this value is not yet being recognized in the market. But we strongly believe that the results of our actions over the past year and implementation of our corporate strategy will impact it going forward. Although we experienced some challenges, we've already accomplished solid results in 2013 and recognized some early results on the delivery of our corporate strategy. In 2013, we achieved a turnaround in the home building business segment, achieving a small profit. This is a substantial accomplishment for Genesis as it represents the first time in several years that this segment has done so well and especially since we now allocate overhead appropriately to this business segment.

Home sales volumes increased by 80% to 164 units from 91 units in 2012, resulting in higher revenues and profitability.

We expect a further 40% growth in home sales to 230 in 2014. This level of growth can cause growing pains, but I'm proud to say that our team is delivering and proving their value. For example, our deficiencies at closing have declined substantially over the past year. One of the reasons for our strong sales growth is that we're really focusing on product types that are at the deeper end of the market and designing a standard product that better meets consumers' wants and consistently delivering on it. We substantially completed our asset rationalization, establishing a process to sell all noncore assets and completing the sale of the largest asset by value in February of this year. We worked to improve our processes and organizational efficiencies across the company, resulting in cost reductions and improved profitability.

We're further building on our strengths as we implement the various aspects of our strategic plan, which we just announced. The overall focus of our strategic plan is to build our existing land development and home building businesses. We believe strongly that the successful execution of this objective will maximize shareholder value and position the platform for future growth.

In order to achieve our strategic goals, we'll pursue the following objectives in 2014: continue to build a sustainable and highly profitable home building business, looking to increase home sales to 300 per year to improve net margin and profitability; continue to grow land development operations by selectively acquiring mid-term land for future development; continue the sales program for noncore assets that are either outside the Calgary Metropolitan Area or do not have development characteristics that fit within our core business; continue to simplify and streamline the organization to manage cost and improve efficiency. An example of efficiency is the installation of a new accounting and CRM system that replaces multiple older systems and a focus on financing strategies to ensure the optimal allocation and use of our capital resources and achieve a prudent capital structure and long-term returns.

Going forward, our objective is to better match the term of financing with the underlying land asset. A simple example, we do not plan to finance long-term land with short-term debt. We're going to create liquidity for shareholders. In management's opinion, Genesis' share price does not currently reflect the underlying net asset value of the corporation. In a determined effort to help reduce this significant gap, we will be considering various alternatives for the return of capital to shareholders. And we're going to capitalize on new opportunities involving potential land acquisitions, our multifamily home building business and multiuse development projects.

Through the successful execution of this strategy, we expect to emerge an even stronger company, one that is delivering on its commitments and maximizing value of its assets. We believe that 2014 is going to be a year of growth and profitability as we execute on this plan. The framework is in place, and we can make rapid progress in our development. Building on what we started in 2013, we have a lot of initiatives that we're working on this year and are looking forward to seeing the results of our efforts. In 2014, we expect continued growth in home building and land development with our home building business becoming larger and more profitable. Revenues and volumes have increased to date. And more growth is expected in the future as our strategic plan is implemented and the benefits are realized.

Turning to our residential land development business segment. We're focused on better matching lot product with market demand. This will create increased integration between land development and home building. We're in the process of reconfiguring our 71-acre Sage Hill Crossing mixed-use development. To give you some history, the area was zoned years ago, but we're reevaluating the properties to increase value. We have a design team in place that's focused on reconceptualizing the plan to better deliver what we believe the market wants and deliver that value to shareholders. The advancement of this approval process is expected to assist in the more rapid development of Sage Hill Crossing.

Sage Hill and North Conrich in the Northeast sector of Calgary represent some of the best located and developable mixed-use lands in the Calgary Metropolitan Area. We have made significant headway with the recent noncore asset sale and expect that the remainder of the noncore assets will be sold in the normal course of business. And lastly, we're looking -- sorry, lastly, we're in the process of creating a strategy to build a multifamily home building business to extract value from our large portfolio of land, appropriate for 4-story, multifamily development.

Looking ahead, I'm excited about Genesis' future. The company has the assets and the people to create substantial value both in the long term and the short term. I'm looking forward to applying my skills and experience as I work with the board, management and staff to move Genesis forward with its strategic plan to the benefit of our customers, shareholders and other stakeholders. I'm also pleased to be working with the new board, who provide strength and guidance and input towards the strategic direction of the company.

In closing, I'd like to thank all of our shareholders for their support in what has to be called some interesting times. I look forward to reporting on our progress and the future of Genesis in the months ahead. At this time, I'd like to open the call to questions from the investment community. Our team will be pleased to answer any questions that you may have. Thank you.

Question and Answer

Operator

[Operator Instructions] Your first question comes from Brendon Abrams, M Partners.

Brendon Abrams
M Partners Inc., Research Division

First thing I'd just like to get to is the home building business. Maybe you can just provide some insight into your conversations with the board as to why is it important to have that integration between the development side and the home building side and why not just focus on maybe the higher-margin development side and given the time, energy, resources the home building segment takes.

Bruce Rudichuck
Chief Executive Officer and President

Sure. Well, look, land development for us has been a high-margin business because the land has been held so long. I think we look at the operations as more of an IRR situation. And home building, if executed correctly, in fact, I believe, has a higher IRR than land development. And when we're in a situation as we're in, in Calgary, where land with approvals is constrained, the ability to capture both margins, we believe, gives us an edge. And quite simply, from a business perspective, if the IRR -- is a different type of business from land development. Land development is -- there's not a lot of labor involved, but it's capital-intensive and it's high risk and takes time, whereas home building business is very high turnover, a low level of capital and very intensive on labor. The trick is just managing both -- recognizing the differences between both businesses and setting up the teams to manage those different businesses accordingly.

Brendon Abrams
M Partners Inc., Research Division

Okay. When you talk about improving that IRR, is that from margin expansion, margin improvement? Or is that a factor of scaling up the business to 300-plus homes you've spoken about?

Bruce Rudichuck
Chief Executive Officer and President

Both. If you think about just the structure of the business, you've got more or less a fixed cost in establishing the platform and maintaining it. There is some variability as you grow the operation but not -- it's not a one-to-one direct drive kind of variability. So the increased volumes will drive profitability as well as scale gives us the capability to contract more effectively and therefore, drive higher margins through just better cost management.

Brendon Abrams
M Partners Inc., Research Division

Okay. And then just part of your strategic plan, you mentioned liquidity for shareholders and returning capital. Any insight into that in terms of does that infer a dividend, one-time recurring? Does that infer share buyback? Where is the management and the board on that?

Bruce Rudichuck
Chief Executive Officer and President

I'll let Mark Scott answer that.

Mark Scott
Chief Financial Officer and Executive Vice President

We haven't decided on any particular alternative at the moment, but we're going to be considering all of those options that you just mentioned. And I would say over the next 4 to 6 months, we'll be looking at those options and deciding. The board will be deciding on what direction we choose.

Brendon Abrams
M Partners Inc., Research Division

Okay. And then just in terms of -- you published your NAV, call it around $7, and narrowing that discount. First off, can you give any insight into the methodology behind the appraisals in getting to your NAV estimate?

Mark Scott
Chief Financial Officer and Executive Vice President

There are generally 2 ways of valuing land in a portfolio. And it's really only the real estate asset. We haven't valued the home building business itself. So there are 2 ways. One is a comparable basis, and that's usually for land that's longer term because the development horizon isn't close. And those lands that are under development now are very close to being developed do use the development approach. And that's a discounted cash flow approach and very similar to analyzing any kind of business. And those values are aggregated to come up with the NAV, of course, deducting any other liabilities or adding other assets to that.

Brendon Abrams
M Partners Inc., Research Division

Okay. And just finally on Sage Hill Crossing, one of your bigger assets, can you just provide maybe an update on that? I remember maybe last we spoke or last I heard, you're considering going through the process of rezoning it or making it more to today's conditions. Can you just provide an update there?

Bruce Rudichuck
Chief Executive Officer and President

Sure. The issue with the property, it is a great located property, the existing zoning is quite aggressive for that market. And what we're looking to do is reconfigure the site and bring the product, what we believe the product offering should be closer to where we believe the market is, and we've got a design team in place working on that. What we're looking to achieve out of that process is to the extent possible, not to have to rezone the property or parts thereof. Doing that, while it may achieve the same value in the long run, will require time, effort and cost. And to the extent we can avoid that and utilize the existing zoning, we'll be in place -- will give us an opportunity to develop the property a lot sooner. That process is ongoing. We're in the middle of it right now. I would expect we would look to be a lot closer to the final site plan later this year.

Mark Scott
Chief Financial Officer and Executive Vice President

And it will be a combination of retail, office and residential in some form. It's just like when Bruce says there are challenges with the zoning, it's zoned to be very large, high-density, high-rise developments. And we're looking at that to make it more viable for that kind of market, suburban market.

Brendon Abrams
M Partners Inc., Research Division

And sorry, just back to the NAV, when you say independently appraised, was that an internal or external appraisal?

Mark Scott
Chief Financial Officer and Executive Vice President

Those are valued externally by Altus and by Cushman & Wakefield.

Brendon Abrams
M Partners Inc., Research Division

Okay. And then just looking forward, just on the G&A, it's been about, call it, $10 million a year the past 2 years. Would you say that's kind of a reasonable estimate going forward? Are you looking to maybe reduce that or...

Mark Scott
Chief Financial Officer and Executive Vice President

I think that's probably a pretty good estimate going forward. But there are some, as Bruce mentioned, some variable costs and there's going to be some increase in platform costs as we move forward.

Operator

Your next question comes from the line of Jonathan Brodsky, Advisory Research.

Jonathan P. Brodsky
Advisory Research, Inc.

Just a couple questions. We've heard now a couple of times that it's become more difficult to get zoning for lands in the Calgary Metropolitan Area. Can you talk a little bit about why that's happening?

Bruce Rudichuck
Chief Executive Officer and President

I think that it's a challenge that we're experiencing up here in Canada in a lot of the major metropolitan centers. And I think the long-term issue is the cost of providing infrastructure by the municipalities over the long term and how those ultimate installation and maintenance costs are paid, whether they're borne upfront by the developer or borne over the longer term by the residents and users of the infrastructure after it's been installed. And everybody is looking how to manage these costs. And part of the cost are things like building roads, which leads to the nasty term "urban sprawl." And we currently have a political environment where that's viewed as not a good thing. And one of the ways that they can control that is make the development community undertake more research, do more reports, telescope out the horizon to get approvals and do more and more assessments. And I think that's happening here. It's happened in other areas. Skilled developers can still get things across the goal line with the right amount of work and the right project. Some of this is not just about preventing lands from being zoned. It's ensuring that the development community proposes projects that are more in line with public policy that has to do with things like density and sustainability and connectivity to the rest of the city.

Jonathan P. Brodsky
Advisory Research, Inc.

I'm not sure if you presented this information or not. But just kind of as a rule of thumb, in terms of new house formation, demand for new housing stock versus existing housing stock, where would you estimate that to be within the Calgary Metropolitan Area on an annualized basis?

Bruce Rudichuck
Chief Executive Officer and President

Just give me a moment with that one. I believe the last estimates that we saw have the population growing at about 30,000 per annum here. And household formation is somewhere around the 10,000 to 12,000 units a year based on that population growth.

Jonathan P. Brodsky
Advisory Research, Inc.

Appreciate that. And now shifting gears quite a bit from these questions to the limited partnerships, can you talk a little bit about what -- if there has been a strategic rethink around them or what the plan would be for those? I'm not sure if they're kind of running to the end of their life cycle or not but just how management is looking at them.

Bruce Rudichuck
Chief Executive Officer and President

In the Calgary Metropolitan Area. For those assets that are contained within limited partnerships that do, we'll continue to undertake the development of those lands, complete that, and then of course, wind up those limited partnerships in the end. For those limited partnerships that are holding assets that are viewed to be noncore as our own assets that are noncore, those assets are being sold and dealt with as our own. So it's not so much a rethink about limited partnerships per se, it's a thought process about the assets that they hold. Part of the -- I think part of the issue for us is trying to disclose the appropriate information regarding the assets and liabilities and equity of the limited partnerships so that investors in Genesis shares can better understand how those assets form part of our consolidated results.

Jonathan P. Brodsky
Advisory Research, Inc.

I would agree with that. I think that's a key feature of the limited partnerships is disclosure and public awareness of the impact that they have...

Bruce Rudichuck
Chief Executive Officer and President

Yes. And we've tried to -- I think we've taken a good cut at doing that in the MD&A this year so that everybody can see the real estate assets held by those limited partnerships and how impairment has impacted those assets.

Jonathan P. Brodsky
Advisory Research, Inc.

In your most recent disclosure, you talk about the CEO and CFO and management's interests are now aligned with shareholders. Can you -- I'm not sure how much you can disclose along those lines. But can you tell us a little bit about why you decided to include that paragraph in the disclosure?

Bruce Rudichuck
Chief Executive Officer and President

I think, well, for transparency, one thing. I think that when you ask not sure how much we can disclose, I think the disclosure that will be provided will be within the mix that will come out, I guess...

Mark Scott
Chief Financial Officer and Executive Vice President

By April 11.

Bruce Rudichuck
Chief Executive Officer and President

April 11.

Mark Scott
Chief Financial Officer and Executive Vice President

But there is disclosure on SEDAR of the management options.

Operator

Your next question will come from the line of Lee Matheson, Broadview Capital Management.

Joseph Lee Grant Matheson
Broadview Capital Management Inc.

In terms of your capital allocation decisions and returning capital to shareholders versus putting capital back into the ground, when you look at the progress that you have and the sort of inventory life that you have, where are you and where do you think you'd like to be in terms of whether you do it on years of inventory or what have you?

Bruce Rudichuck
Chief Executive Officer and President

Where are we? Well, I think we have a fair bit of land in the Airdrie market. I think we have at least 7 or 8 years plus potentially more with some of the other limited partnership assets. We have a shorter timeline in the Northeast of Calgary. So we not only need to balance the overall lot supply, but we need to balance it within the various markets that we operate. And you mentioned, where do we want to be in terms of overall inventory, I think a 5-year supply is somewhere around a reasonable place to start. Part of what we're still dealing with is the rate of growth, and whether it's 5-year supply at a future run rate that we haven't achieved yet or current run rate. So there's such rapid growth happening here. We're evaluating what that optimal number is. But I would say a 5-year term for each of the communities is a reasonable place to start.

Joseph Lee Grant Matheson
Broadview Capital Management Inc.

Okay. And if you were -- and based on -- obviously you're oversupplied in one and undersupplied in the other. How much capital are we talking to get you to a lot of inventory level that you're comfortable with? I guess, you don't know yet because you're still working on it, but I mean...

Bruce Rudichuck
Chief Executive Officer and President

That's exactly part of the capital allocation and return to shareholder question. It is all part of the use of between returning it to shareholders or returning it to grow the company and balancing those 2 objectives in the context of a changing market.

Mark Scott
Chief Financial Officer and Executive Vice President

And the other point, Lee, is that Bruce was talking about single-family lives. We also have a significant inventory of 4-story, multiland, particularly in Sage Hill but also in some of the other areas. So to the extent we decide to get into that 4-story business, we will have significant inventory to develop on.

Bruce Rudichuck
Chief Executive Officer and President

And no need to acquire additional inventory.

Joseph Lee Grant Matheson
Broadview Capital Management Inc.

Yes. Right, okay. And the intention there is to expand via the home builder into the multifamily space? Or would it be to partner with the builder on those?

Bruce Rudichuck
Chief Executive Officer and President

That's one of the strategies that I'm investigating right now, what's the optimal way to do that, given our internal growth on the single-family side.

Joseph Lee Grant Matheson
Broadview Capital Management Inc.

Right, okay. And then in terms of just going through asset-by-asset, I mean, have external appraisals been done on each asset now?

Mark Scott
Chief Financial Officer and Executive Vice President

Yes. There's an appraisal done at least annually on every single piece of real estate that we own. And sometimes, we start a new process to evaluate half the portfolio at the end of June and half at the end of December. And so the ones that are evaluated in June get updated again for year end for purposes of the NAV. I hope you get a better idea of our...

Joseph Lee Grant Matheson
Broadview Capital Management Inc.

Yes, okay. But I mean, in terms of taking impairments from here, it's whatever -- the impairments are only going to be driven by fundamental factors from those markets from here on out. In terms of legacy issues, those have -- everything is effectively mark-to-market now?

Mark Scott
Chief Financial Officer and Executive Vice President

Yes. And the only thing that's not mark-to-market frankly is the home building business. And as it grows and adds value, then the enterprise value of that business is not in that valuation at the moment.

Joseph Lee Grant Matheson
Broadview Capital Management Inc.

Yes, right, okay. And another way to do it if you assume that the home building business was captive to you and didn't have additional value, could we not just mark up the inventory assigned to that division by a gross margin and assume that there's an embedded profit margin on that asset?

Mark Scott
Chief Financial Officer and Executive Vice President

You could do some kind of addition to the value. Right now, it's that work in progress plus the lot value.

Joseph Lee Grant Matheson
Broadview Capital Management Inc.

Right, okay. And then in terms of the debt side of the balance sheet, I mean, you mentioned not wanting to have a mismatch of assets and liabilities. What level of debt do you think is appropriate, given the asset base now in terms of both the absolute level of debt and the nature of that debt?

Mark Scott
Chief Financial Officer and Executive Vice President

Well, it will probably be a factor of what kind of projects we take on and to what extent we are in the develop-and-hold business. I don't think that will be a short-term strategy. So yes, now it will be quite a lot dependent on what our uses of cash are because our debt is so low that if we borrow some short-term money for other uses, that's one way it will increase. The other more significant area right now are just for land servicing. So for example, Sage Hill, if it starts development, then that will increase quite significantly. If you're looking for a percentage, I don't know, it might be in the 30% range.

Joseph Lee Grant Matheson
Broadview Capital Management Inc.

Right. But is it fair to say that you do -- the way to think about it is the debt that you take on will be project-specific and will be sort of success-based, as drawing on a line, for instance, as you build out inventory and as opposed to, say, taking long-term fixed rate debt or anything like that?

Mark Scott
Chief Financial Officer and Executive Vice President

No. I don't think we would take very long-term fixed rate debt. We are very underlevered right now. We have over $300 million in appraised value and our debt is in the $40 million range just for Genesis itself, so it's very low. We have enough room to take on additional debt if we had a project that we felt interested in.

Joseph Lee Grant Matheson
Broadview Capital Management Inc.

Okay. So at this point, it is -- I mean, when we talk about capital allocation, obviously it would sound like debt reduction is not one of the uses of cash you're contemplating?

Mark Scott
Chief Financial Officer and Executive Vice President

No, but there is some -- one of the interesting parts of this business is that the land servicing business revolves and it just has to be paid down as the servicing is completed and the lots are sold. So sometimes, it will look...

Joseph Lee Grant Matheson
Broadview Capital Management Inc.

And in terms of getting the home building business to scale, I mean, at what point -- the back of the envelope math based on getting customer deposits upfront and what have you, you can generate a very attractive return on invested capital. As you guys look to build this thing out at 300 units plus, I mean, does that math start to look pretty good?

Mark Scott
Chief Financial Officer and Executive Vice President

Yes.

Joseph Lee Grant Matheson
Broadview Capital Management Inc.

Okay. So in addition to capturing the additional lot margin, this will be a business that can -- won't require tons of capital to operate.

Mark Scott
Chief Financial Officer and Executive Vice President

Yes. And I think it's probably a little bit inefficient right now in the use of capital in the home building part of the business. But one of the benefits of having integration is that you can -- you're working so closely with the land and home building businesses that you can be better at estimating exactly when those lots should come on and therefore, use your capital better.

Operator

[Operator Instructions] Your next question comes from the line of Jimmy Shan, GMP Securities.

Jimmy Khing Shan
GMP Securities L.P., Research Division

I wanted to just follow up on the appraisal again. I wanted to clarify, how did Cushman and Altus value the land under development versus how you valued the land held for development?

Mark Scott
Chief Financial Officer and Executive Vice President

I'm not sure that they split those assets on that basis. You'd have to look at each individual valuation because, for example, some land held for future development is also in the same development area as the lands under development. And they valued that whole area together, and they might have used one approach on one and another approach on the other and they aggregate them together.

Jimmy Khing Shan
GMP Securities L.P., Research Division

Okay. But conceptually, the land that are still not developed or even entitled, how would they go about valuing that? Would it be just a market comparable on an as-is basis? Or do they actually fully build out the lot and...

Mark Scott

Chief Financial Officer and Executive Vice President

No. Conceptually, you're right. For term land, they're just doing comparable analysis. And then when they have some -- when they can see into a development horizon, which is really when we can see into the development horizon, that's when they start doing it because they're using our estimate of costs -- or not our estimates but the cost to complete from exp, our engineering firm.

Jimmy Khing Shan
GMP Securities L.P., Research Division

Okay. So conceptually then, the land under development are predominantly kind of DCS-based [ph] valuation?

Mark Scott
Chief Financial Officer and Executive Vice President

Yes. I think that's a good way to think of it. But again it's not exactly that way.

Jimmy Khing Shan
GMP Securities L.P., Research Division

Right, okay. And then I just kind of wondered just going back to the alternatives for return of capital to shareholders. Given you've generated $50-some-odd million of operating cash flow last year and it sounds like that's going to improve and then you've got some noncore sales of assets, what do you think ultimately -- and I appreciate there's a lot of moving parts and you're still going through them. But what ultimately do you think would be the rough dollar amount that you think would be available for those options?

Mark Scott
Chief Financial Officer and Executive Vice President

I think it's premature until we have provided our analysis to the board and they've decided.

Operator

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

Bruce Rudichuck
Chief Executive Officer and President

Thanks, Chris. I'd like to thank everybody for attending today's call, and we look forward to providing an update when we release our first quarter results. Thanks.

OperatorThis concludes today's conference call. We thank you for participating and ask that you please disconnect your lines.

GENESIS