

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

CBIZ Inc., Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions). And our first question comes from Josh Vogel from Sidotti & Company, please go ahead.

Josh Vogel – Sidotti & Company

Thank you guys, good morning, Steve, Ware, and Laurie. Steve, you did a good job leading in my first question here which was about the guidance or more specifically when you guys discussed the two acquisitions made in December and that they would add \$0.04 I was wondering if that \$0.04 that you were looking at included any incremental interest expense on the credit facility?

Ware Grove

Yes, Josh, this is Ware. Thanks for your comments. Yes it does, that's an all end cost including the anticipated interest expense that we would incur in 2009 to finance the cost of the acquisition.

Steven Gerard

But Josh, it also included the expected growth rate for those two acquisitions, as well.

Josh Vogel – Sidotti & Company

Right, okay. I'm not sure if my math is a little off here but if I add 93 million from the two deals to the top line I basically get less than 2% in organic growth if I use the top end of your revenue guidance of 15%. I was wondering if either I'm doing my math wrong or if you're maybe expecting a little bit less than the 93 million that you stated back in December?

I know you guys are choosing to be more conservative but I wasn't sure.

Steven Gerard

Well, as usual your math is correct. The fact of the matter as Ware said in his presentation that we expect organic rate to be in the 3 to 5% this year. That's all in. So whether it comes from the existing businesses, more or less than the new business, it just isn't clear at this point.

We're 30 days into the most unusual year we've ever seen. And I said we just don't know so we're targeting 3 to 5 organic the balance via acquisitions but you can – we can't at this point draw a conclusion that that 93 is going to be less. We just don't know.

Josh Vogel – Sidotti & Company

Okay, that's helpful. Thank you. And just switching gears I am just wondering you know if you have any updates on the current legislative environment? One with the on the Medicare reimbursement side and two if we were to see a nationalize health care system could you maybe just give us some sort of idea on you know what negatives or positives that would have on the MMP business, as well as, in the employee services like the group health benefits.

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.