

Energous Corporation

Third Quarter 2020 Financial Results Conference Call

Monday, November 09, 2020, 4:30 PM
Eastern

CORPORATE PARTICIPANTS

Steve Rizzone - *Chief Executive Officer*

Brian Sereda - *Senior Vice President, Chief Financial Officer*

Mike Bishop - *Investor Relations*

PRESENTATION

Operator

Good afternoon. Welcome to Energous Corporation Third Quarter 2020 Financial Results Conference Call. All participants will be in listen-only mode. Should you need assistance, please signal a conference specialist by pressing the "*" key followed by "0." After today's presentation, there will be an opportunity to ask questions. To ask a question, you may press "*" then "1" on your touchtone phone. If you are using a speaker phone, please pick up your handset before pressing the key, to withdraw your question, please press "*" then "2." Please note, that this event is being recorded.

I would now like to turn the conference over to Mike Bishop with the company investor relation. Go ahead.

Mike Bishop

Thank you, Kate, and welcome, everyone. Before we begin, I would like to remind participants that during today's call the company will make forward-looking statements. These statements whether in prepared remarks or during the Q&A session are subject to inherent risks and uncertainties that are detailed in the company's filings with the Securities and Exchange Commission. Except as otherwise required by Federal Securities Laws, Energous disclaims any obligation or undertaking to publicly release updates or revisions to the forward-looking statements contained herein or elsewhere to reflect changes in expectations with regard to those events, conditions and circumstances.

Also, please note, that during this call Energous will be discussing non-GAAP financial measures as defined by SEC Regulation G. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures are included in today's press release, which is posted on the company's website.

Now, I would like to turn the call over to Steve Rizzone, CEO of Energous. Please go ahead, Steve.

Steve Rizzone

Thanks, Mike. And welcome to the Energous third quarter conference call. Joining me today is Brian Sereda, our Senior Vice President and Chief Financial Officer.

Our agenda today includes a high-level overview of our third quarter performance. A review of our key growth strategies and the progress we achieved during the quarter. Upcoming milestones we are driving forward and our future outlook. Brian will then cover the third quarter financials in a more detailed review followed by a Q&A session.

Like most companies, our third quarter performance was adversely impacted by pandemic related headwind. We also experienced a last-minute shift in priority for certain government business we were forecasting. Combined, these resulted in lower than anticipated top line growth for the third quarter.

To be more specific, while internally the company has adapted well to the complexities and complications of the pandemic. We have been negatively impacted externally by the inability to interact directly with customers on site, and a slowdown of product cycles by some customers, who are dealing with their own pandemic issues.

Finally, with respect to government business, we forecasted funding being made available to support a WPT project, for which the Energous technology was well-suited. These funds were reallocated to another project based on a shift in government priorities.

As we look ahead, we view this situation as temporary for a number of reasons, which I'll detail in a moment. Equally important, we remain confident and steadfast in our growth strategy. Here's why we're optimistic about the future. Interest in our charging technology continues to expand across a variety of vertical markets. Indicative of the progress is the recent announcement of the NewSound hearing aid FCC certification.

As a result of this certification, the first of the Primo W units, are in the process of being made available to distributors signaling the initial phase of general availability. Along these same lines, we at least...we anticipate at least two additional WattUp enabled products will begin FCC certification process before the end of the quarter. Because of the holidays and the distractions associated with the change in Washington, we believe these certification processes may take longer than usual, but we will announce the successful certification following confirmation from the FCC.

Further validations of the Energous contact based technology taking hold are the anticipated announcements of two, possibly three, WattUp enabled products being made available to end customers in the near future, possibly before the end of the year with timing largely dependent on the pandemic issues mentioned earlier in the call. All three are in the final stages of product launch. As such, we believe the only question is timing.

Two of these launches are in the medical sensor market and one is a new hearing aid customer, which represents the third entrant into this very important market. The new hearing aid customer announcement that will also represent the first product launch in Europe, expanding our customer product regulatory certifications internationally.

Another meaningful validation point is today's announcement that POSCO, in conjunction with the partnership efforts of PiBEX and SK Telesys and Energous has successfully completed the field trial of a WattUp enabled ultra-wide band industrial tracking device. This represents the first phase of a product...planned product launch subject to regulatory certification that could result in wide scale deployment of the tracking technology.

Beyond this specific opportunity, completing a successful field trial of a wirelessly powered tracking device has positively...has positive implications for WattUp and the emerging markets of tracking devices and sensors in retail, industrial, medical and IoT devices. Besides the POSCO opportunity, Energous is engaged in a number of product cycles involving implanted sensors, rechargeable, as well as continually charging medical, industrial and IoT devices and tracking applications.

These market opportunities are taking shape rapidly with many applications that are ideally suited to the RF-based WattUp technology. These applications support high volume, for which the WattUp technology has unique competitive advantages over other wirelessly charging technologies and are quickly emerging as meaningful opportunities for the company.

Energous is also pleased to report that our partnership with Grepow, the Chinese battery manufacturer is gaining traction. Grepow has significant market share in important target markets, including hearing aids, medical devices and sensors. Our respective engineering teams are developing a common reference design that will combine both the battery and

charging technology into a single, easy to integrate cost effective solution for a broad spectrum of applications. We hope for general availability of this advanced charging solution in the mid-2021 timeframe.

While on the subject of partnerships, our relationship with Dialog remains strong. Dialog continues to support Energous' operations and sales functions, and we believe both companies are poised to benefit from the sale of Energous chipsets and the continued expansion of the WattUp technology.

Regulatory certifications remain a top priority for the company. One of our customers in China is in the process of petitioning the Chinese regulatory agency, the MIIT for certification of the first WattUp-enabled product in that country. Timing on successful completion of this process is difficult to estimate, but it represents a significant step in the completing the cycle.

We are employing the same strategy in Korea, where we are in discussions with customers, potentially taking the lead role in petitioning the Korean regulatory [indiscernible] to allow WPT access. We are encouraged by the fact, that we have partners who are willing to assume this responsibility as this appears to be the fastest approach to gain certification in these two important jurisdictions.

Further, the addition of Sheryl Wilkinson to our board of directors, adds considerable expertise and experience in regulatory and government affairs to the company. Sheryl is a highly experienced federal government advisor and a formal legal advisor to the FCC Chairman. Beyond her potential contributions, her direct involvement with Energous further expands the already considerable expertise of our board of directors.

Related to regulatory and the issue of certifications is the issue of standardization. There is also positive movement along these lines to report. First, the FCC has lots in NPRM or Notice of Proposed Rule Making, which in this case represents an effort by the agency to gain industry feedback with the intent of formalizing wireless power transfer and its certification process as part of the FCC's Title 47 Code of Federal Regulations.

Second, as announced last month, the AirFuel Alliance or AFA is in the midst of establishing a standard for RF charging. A standard is a key element to foster broad adoption and development of ecosystem as products adhering to the standard, will be able to co-exist and interoperate with each other.

Launching these efforts reflects the kind of traction RF charging is gaining in WPT. Energous will continue to support and contribute to this effort as part of our commitment to the AFA. Energous has assumed a leading role in both of these standard processes.

As noted earlier, part of our third quarter revenue delay was attributed to priority changes in one of our military opportunities. With the caveat that breaking into the federal government and military markets is typically a long and arduous process, these markets increasingly look to be strong opportunities for the Energous wireless charging technology, both contact and distance, military applications, like the soldier of the future initiative with the army to arm and empower the next generation of field soldier are heavily dependent on rechargeable batteries and mobile power under extreme conditions. Both of these functional requirements are especially well-suited to the competitive advantages of ruggedized RF-based Energous wireless power.

With our military applications partners Xentris, Energous offers a broad spectrum of compelling wireless power solutions to the point, where the efforts of the combined companies have collectively generated several proposals for a wide range of applications across a number of commands, who have expressed interest in RF-based wireless charging.

Separately, the larger overall federal government represents such a significant opportunity that we have made the decision to dedicate resource to capitalize on WPT initiatives that are being developed for wireless power, especially distance or emergency responders, homeland security, and the Department of Energy to name a few.

We are pleased to report a significant number of technology validation point for our contact...for our contact technology. Our special importance is the interest being generated by the first WattUp distance transmitter, the WattUp PowerHub, because of its uniqueness and suitability for a broad spectrum of applications, the WattUp PowerHub has generated a lot of interest and has significantly increased our perspective customer funnel.

The result of this interest in distance technology, coupled with the desire on part of several potential customers to bring the technology to market quickly, because of its differentiation is that we have multiple customer product cycles that are ramping faster than many of our contact-based opportunities.

With respect to our goal of driving a top-tier opportunity to design in status before the end of the year, we have a number of engagements with top-tier companies defined as one of the top two or three participants in their respective markets. To the point, where we expect at least one will make the decision to move forward with the WattUp technology before the end of this year. We anticipate the positive momentum will continue into 2021 with the possibility of one to two additional favorable decisions in the first half of next year.

It is important to note that all of these top-tier prospects are highly qualified and have specific timeline product cycles associated with them, as well as, specific product IDs. Given the product forecast associated with these top-tier opportunities, coupled with the continuing flow of...since we expect to make regarding smaller second and third tier opportunities. We expect to see tangible progress in terms of revenue and cash flows in the coming quarters. However, given the environment that we are in, our ability to predict timing and trajectory is limited and subject to fluctuations.

Finally, IT continues to be an Energous strength, a significant contributor to the core value of the company and a strategic barrier to potential competition with 227 awarded patents today.

Brian, I will now turn the call over to you.

Brian Sereda

Thanks, Steve. At the close of market today, we issued our Q3 earnings press release, announcing our operating and financial results for the third quarter of fiscal 2020, ended September 30. We recognized \$61.500 in revenues in the third quarter compared to the prior quarters of \$114.400 and \$40.500 in the same quarter of last year. Year-to-date, we have recognized approximately \$237,000 in revenue versus \$155,000 for the same period in 2019.

Total GAAP expense for the second quarter was \$7.6 million, approximately \$0.7 million lower than the \$8.3 million of total expense in the prior quarter and a similar improvement or \$0.7 million lower than \$8.3 million of total GAAP expense in the same quarter of last year. The

decrease over prior quarters in prior years, is a result of lower expenses in the area of engineering development costs and lower legal stock compensation and administrative costs.

Chip development work over the last few years is ongoing in GaAs and GaN technologies, which is lower in cost to tape out versus CMOS. We ended the quarter at 53 heads compared to 54 in the prior quarter and 56 in Q3 of last year. As I've mentioned on prior calls and in investor meetings, we continue to believe that our model is highly leverageable, and we don't expect a large increase in headcount related expense, even as we expect to bring increasing customers...increasing number of customers to market headed into '21...2021.

This is in part due to our partnership with Dialog and lower investment in the number of pure R&D projects versus the increasing number of customer projects. Compared to last year, R&D has dropped to approximately 53% of total GAAP spend versus 62% for the same period of last year.

As I've also discussed previously, we could see increases if and when we plan for CMOS-based chip tape-outs. But again, overall spending will trend this range with increases expected only for the CMOS chip tape outs and other related development work.

Year-to-date, our total GAAP spending is \$24.7 million, \$4.8 million lower than \$29.5 million of year-to-date GAAP's expenses in fiscal 2019. Net loss for the third quarter on a GAAP basis was approximately \$7.6 million or \$0.18 per share on 41.9 million weighted average shares outstanding. This compares to an \$8.2 million net loss in the prior quarter or \$0.20 loss per share, and similar \$8.2 million net loss or \$0.27 loss per share in the third quarter of last year.

Now, I'd like to switch to a non-GAAP view of our numbers for the quarter and fiscal year, as we believe adjusted or non-GAAP operating results provides a useful comparison for investors, especially for a company at our stage when used together with GAAP information.

Excluding approximately \$2 million of stock compensation and appreciation from our total Q3 GAAP expense of \$7.6 million, net non-GAAP operating expense totaled \$5.6 million, down approximately \$0.6 million over the prior quarter's non-GAAP expense of \$6.2 million and \$0.5 million below the \$6.1 million of non-GAAP expense in Q3 of last year.

Net of revenues, our non-GAAP operating loss decreased to Q3...in Q3 to \$5.5 million, approximately \$0.5 million lower than the prior quarter and similar improvement over the same period last year. Non-GAAP engineering expense of just over \$3 million for Q3 was approximately \$0.2 million lower than last quarter and \$0.9 million lower than the same period last year.

Non-GAAP SG&A for the quarter totaled approximately \$2.5 million, approximately \$0.3 million lower than the prior quarter and approximately \$0.4 million higher than the same period last year due to additional sales engineering headcount in response to increasing complexity and number of customer projects, along with increasing year-over-year public company costs in the area of audit, insurance, and legal.

For fiscal 2020, we expect our cash outflows from operations to trend over \$3 million lower compared to fiscal 2019. Total cash used during the quarter was approximately \$6.1 million with total ending cash of \$20.5 million, including the \$3.2 million of cash in transit from the sale of shares under our at the market facility at the end of last quarter. Other than lease liabilities related to our facilities, we remain debt free. During the quarter, we entered into a new at the

market facility to support our working capital requirements, with the expectation for increasing customer engagements and additional customers announcing products featuring WattUp before the end of this year, and in coming quarters.

In summary, we expect our cash operating expense run rate to remain at the current levels underpinned by our Dialog partnership with minor upticks for CMOS chip cycles. In addition, as we head into fiscal 2021, we do not anticipate the need for any major capital investments having made all the necessary improvements to our facilities and labs necessary to sustain R&D, regulatory work and business growth.

As Steve highlighted, there is progress with the technology and a broadening of customer interest in RF charging solutions, across many vertical markets. The progress is obviously slower than we'd like to report and impacted over the last several months with the overhang of COVID, heavily impacting our ability to work onsite with customers, but there is operational progress nonetheless with expectations of additional customer launches and announcements in the coming quarters.

With that, I'll now turn it back to Steve.

Steve Rizzone

Thank you, Brian. A few closing comments before we turn the call over to the operator for questions. WPT is a difficult and complicated business that continues to hold great potential, as well as, significant obstacles.

For the near term, the WattUp...charging contact technology will form the basis of the company's customer wins and revenue generation, but distance technology clearly represents the real accelerator for Energous. It's unique, it is based on core technology that can be commercialized and certified and it sets Energous apart from any first or second generation WPT competitors.

The delays in revenue are unfortunate, but we believe they are temporary with expectations that are returned to revenue growth is picking up momentum. We must emphasize that it is difficult to accurately predict the trajectory and magnitude of this ramp as many of the control elements are beyond our direct control.

While in no way, minimizing the delays in revenue, we believe there are a number of equally significant validation points in terms of customer acquisition, new and continuing partnerships, movements towards standardization, and regulatory certification, that all point to the fact that Energous and the WattUp technology are gaining meaningful traction, ultimately leaning to our long term goal of building a relevant and valuable business, the proof of which we expect will become clear with each passing quarter.

Operator, we will now take questions.

QUESTION AND ANSWER

Operator

We will now begin the question and answer session. To ask a question, you may press "*"and then "1" on your touch-tone phone. If you are using a speakerphone, please pick up your handset before pressing the keys, to withdraw your questions, just press "*"then "2". At this time, we will pause momentarily to assemble our roster.

Our first question is from Suji DeSilva from Roth Capital. Go ahead.

Suji DeSilva

Hi, Steve, hi Brian. So, European [technical Difficulty]. Can you talk about how large that opportunity is relative to the customers already have?

Steve Rizzone

I'm sorry; you're breaking up there from them. You're asking about the European launch of the third hearing aid opportunity. Is that correct?

Suji DeSilva

Yes, Steve, [technical difficulty] and how big that opportunity is relative to the ones you already have?

Steve Rizzone

It is equivalent potentially a little larger than the two initial announcements. This is a...this is a from a European based hearing aid manufacturer that has solid markets in Europe. And so again, this represents, I think, a larger potential opportunity than either the Delight or the NewSound opportunity. And of course, it's especially important, because Europe is obviously a very, very important market and this does represent or will represent, I should say, not only the third hearing aid to come to market with the technology, but also the first with a European certification.

Suji DeSilva

Okay. That's very helpful. And then maybe you could talk more broadly, Stephen, about the...where you are in Europe in terms of regulatory approvals versus, say, the U.S. and other geographies?

Steve Rizzone

Well, the contact technology is approved generally in both the U.S. and Europe. We have EU certification. As with all devices, the fact that we have the general certification points the way to certification of each device. However, each device has to go through its own regulatory process. And as in the case in Europe, we already have EU certification for the Energous WattUp contact-based technology. It's now a matter of taking this specific device through its own EU certification. Of course, since we have it, everything else becomes by reference, so it's not as difficult as getting the first certification, but as in the U.S., every device has to go through the certification process, and that's something that will be beginning soon.

Suji DeSilva

Okay. And then Stephen, perhaps switching to some other segments, the industrial and government segments. Can you talk about how long...how many quarters do you think the pause there or delay might be in terms of estimating when you could start seeing opportunities there come in?

Steve Rizzone

Well, I think the government business is going to be very, very good for Energous. There are a number of military initiatives that are currently underway that really speak to the whole idea of charging of mobility, of distance, and also interestingly enough, software control, all very strong competitive elements of the Energous technology. We have our military partner with Xentris that is well positioned in these markets. And together, we have put forth, as I mentioned in the

call, a number of specific proposals. It does take time to work these through, and it's really difficult for me to give an indication of exact timing.

I think that we'll see business in the military sector in 2021, and I think once we get the first business that we'll be able to point to a number of additional opportunities that are coming to fruition. It's always the most difficult to get that first one, but once that happens, then it begins to expand to then. The other element is the broader federal market. There is just a lot going on. And as a result, as I also mentioned in the call, there is so much activity that we now have dedicated federal resource that is focusing on the federal market, and this is combined with a separate resource that's focusing on the military market. So, we believe that it represents a significant opportunity to the point where we have multiple resources focused on the opportunity and will be a big part of our business ramping in 2021, but certainly a meaningful part of our business in 2022.

Suji Desilva

Okay. Thanks, Steve. And then perhaps one last question for Brian. Brian, on the expenses, you talked about expenses being stable going forward. Can you help us understand how much the tape-out in any given quarter between CMOS and GaN, GaAs could move the expense run rate from the typical level you'd expect?

Steve Rizzone

Sure. Typical CMOS tape-out is about anywhere from \$400,000 to all \$500,000 all-in, and that's tape-out, and that's some of the after tape-out expenses as well. GaAs, GaN is far less expensive. It's about a quarter of that. So, you can tape-out a GaAs, GaN chip and our engineers are going to cringe here, but I'd say it's anywhere between \$75,000 to \$100,000. So far less money. CMOS is much more complex process, many more layers, much more advanced nodes. So, it's much more expensive but yes, there's a significant difference. Fortunately, for us, we're not expecting a lot of CMOS tape-outs as we go into 2021. It will be certainly less than five, maybe two to three. A lot of our focus now is in higher-efficiency GaAs, GaN technologies.

Suji DeSilva

Okay, great. Steve and Brian, thanks for taking that question.

Steve Rizzone

Alright. Thank you.

Operator

Again, if you have a question, please press "*" then "1." Our next question is from Patrick Dever, Private Investor. Go ahead.

Patrick Dever

Yes, Steve. How are you today?

Steve Rizzone

Fine. Thank you.

Patrick Dever

Steve, I'd like to get a handle, where we are with Dialog? I mean, we've been engaged with them for about four years now, and we've been told every quarter for four years that their customers are our customers. There's always a hundred or so customers in the queue. And it's

now four years and the only customer I'm looking at is The Light, which you know is not the company that's putting \$400 million a quarter into their accounts. So, I'm trying to figure out what we're doing here. I mean, after four years, a college kid could have gotten us a contract by now. Could you explain what's going on? I mean, are they actually helping us [multiple speakers] business?

Steve Rizzone

Good question and I appreciate that. First of all, let me say that Dialog is a great, great partner that we are fortunate...very, very fortunate to have. And as you know, Dialog supports us both on the back end or backroom element of the business and on the sales element. On the back-end element, we speak about what it costs to tape-out a chip, so on and so forth. We don't have to speak about what it costs to qualify that chip, to inventory that chip, so on and so forth, because all of those costs are picked up by Dialog.

On the sales side, Dialog has introduced us to a number...a significant number of opportunities, and they've done so in a very credible fashion, and they've also done so at a very, very high level, a much higher level than one would expect for a new technology and a new company, like Energous. Having said that, the issue is really matching the opportunity with the technology. And I think that's been..., we've talked about that, but that is really a key focus that has really impacted the rate that this technology has been...is being adopted and has really come to fruition.

As I mentioned in previous calls, but I think it's worth repeating, the first few years of our existence really focused on understanding the technology. And that's a very, very complex and time-consuming and expensive element because you can't just stimulate these technologies. There are so many complexities to them, and there are so many ramifications in these decisions that you actually have to build them. And so, we have a tremendous spectrum of technology within the company that ranges from 60 gigahertz down to 40 megahertz.

And once we had that understanding, we then had to match that with regulatory. And as we've often said, what we can do with the technology and what regulatory will approve, especially on a global basis because we're talking about approximately 117 different jurisdictions. And to get them aligned on a single technology, a single, frequency so on, so forth, it's been extremely complex and difficult, and it also limits what we can bring to market. As I said, the technology has far more capabilities that we think will come to fruition in the future, but right now, we need to break it down.

And then once we align those two, we then had to identify markets that we could participate in. For a considerable period of time, we were excluded from these markets because of our relationship with the Tier 1 customer. Since that...those restrictions have been relaxed, we've now been able to identify markets and concentrate on markets where we have a play. And now that we have done that or that third factor has been realized, we then have to deal with the product cycles of these customers themselves. And so, all of this has come about, it's obviously taken more time than we had hoped, but this is really on us. This is not a Dialog issue. Dialog has made very good offices and has been a tremendous partner for us. This is really all about aligning the technology with the regulatory, with the markets that make the most sense and then expanding and driving those specific markets with product cycles and completing those product cycles.

The good news is, is hopefully, that we've been able to communicate that this is now starting to take hold. Yes, we've had Delight and we have NewSound. We've got another hearing aid

that's coming out. I think that we'll have a couple more sensor opportunities hopefully before the end of the year but given all of the uncertainties in this world that we live in now, we can't absolutely say that. But again, I think it's also reasonable to assume that you'll hear continuing momentum for FCC and European certifications as well as additional products...excuse me, customer products coming to full commercialization and new markets being expanded and explored. And so, we really are at an inflection point.

And I understand that it's taken time, but we are confident and comfortable in the future of the business and again, keeping in mind that what we're doing has never been done before. So there continues to be uncertainties and obstacles that come our way, but I think we have the collective experience and support of partnerships that we'll be able to address any obstacles and continue to build value, leading to our goal of building a real and viable and self-sustaining business.

Patrick Dever

Okay. So, are you saying that you have some design wins and now all we're doing is waiting for the product cycle to actually take hold?

Steve Rizzone

I'm saying that. Yes, I am saying that. I made that, I think, pretty clear that we have additional products that are in the final stages of productization and product rollout. We expect to announce one that has...that will be available in Europe and two more that will be available in the United States. Again, timing is a little murky, given all that's going on, but we're close. All three are in the product cycles. And then we have additional ones that are in follow-on stages. And so, as I said, I believe that we will be in a position to announce a continuing flow of products that are being made available to the consumer. I can't speak on specific timing, so on and so forth, because there's...again, there's so many elements that are beyond our control that impact this, but the product cycles are real. They're identifiable. Our technology is a good fit for them. Customers want to move forward with it, and it's a question of continuing to drive them through the cycles. Also keep in mind, that these are not short product cycles, typical product cycle for a commercialized opportunity is 18 months to 24 months, federal it's longer than that. And so, all of these cycles are significant, which means that we've been working with a number of these accounts for a considerable period of time and they're now starting to come to fruition.

Patrick Dever

Right. Now, excuse me if you already said this in the call. So, are some of these design wins Tier 1s and Tier 2s, any of them?

Steve Rizzone

As I said in the call that we are engaged with a number...a significant number of Tier 1 opportunities. And the way we define Tier 1 opportunities is for the opportunity in question to be in the top two or three market share...in terms of market share in the respective markets they participate. That qualifies in our mind as a top tier. And of course, being in the top-tier like that, it represents significant volumes in terms of chipsets and end customer units. We are in the...engaged with a number of them, and it is our stated goal and one that we believe we have a chance to achieve in getting a design win...excuse me, design in classification with a Tier 1 opportunity before the end of this year and that we believe that there's enough momentum that we would see additional Tier 1 design in designations in the first half of next year. A lot is...has to...a lot of things have to happen, and there's always the issue of caveat, but there is a lot of interest there. There are a number of product cycles that we're engaged in.

And as I also mentioned, the thing that is really interesting and exciting for us and is also taking a considerable amount of our resource is the fact that the PowerHub and the distance technology has really taken solid hold. And this is a very...this is unique. This differentiates Energous from the other WPT competitors, both those that are engaged in distance and those that are engaged in contact, because as I've often said, Energous is uniquely positioned here, and we are the only company that has the ability to participate in both of these markets under a common and compatible umbrella. And the PowerHub technology is really gaining a substantial hold and is driving a number of these engagements. Now how soon this all comes to play, I really don't want to comment now other than to say that it is ramping quickly. And in some cases, it's ramping faster than our contact-based customers.

Operator

This concludes our question and answer session. I would now like to turn the conference back over to Steve Rizzone for closing remarks.

CONCLUSION

Steve Rizzone

Alright. Thank you, everyone, for participating in our third quarter update. We look forward to additional announcements of the company's progress in the future and look forward to speaking to you again in three months. Thank you very much.

Operator

The conference has now concluded. Thank you for attending today's presentation. You may now disconnect