NASDAQ:FTEK Q4 2025 Earnings Call Transcript

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Rob | Conference Operator:

Greetings and welcome to FuelTech's 2025 fourth quarter and full year conference call, a financial results conference call and webcast. At this time, all participants are on a listen only mode. A question and answer session will follow the formal presentation. If anyone should require operator assistance during the conference, please press star zero on your telephone keypad. As a reminder, this conference is being recorded. I would now like to turn the conference over to your host, Mr. Devin Sullivan, Managing Director at the Equity Group. Thank you. You may begin.

Devin Sullivan | Managing Director, Equity Group:

Thank you, Rob. Good morning, everyone, and thank you for joining us today. Yesterday, after the close, we issued a press release, a copy of which is available at the company's website, www.ftek.com. Our speakers for today will be Vince Arnone, Chairman, President, and Chief Executive Officer, and Ellen Albrecht, the company's Chief Financial Officer. After prepared remarks, we will open the call for questions from our analysts and investors. Before turning things over to Vince, I'd like to remind everyone that matters discussed on this call, except for historical information, are forward-looking statements as defined in Section 21E of the Securities Exchange Act of 1934 as amended, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and reflect FuelTech's current expectations regarding future growth, results of operations, cash flows, performance, and business prospects and opportunities, as well as assumptions made by an information currently available to our company's management. FuelTech has tried to identify forward-looking statements by using words such as anticipate, believe, plan, expect, estimate, intend, will, and similar expressions, but these words are not the exclusive means of identifying forward-looking statements. These statements are based on information currently available to FuelTech and are subject to various risks, uncertainties, and other factors, including but not limited to those discussed in FuelTech's annual report on Form 10-K in Item 1A under the caption of Risk Factors and subsequent filings under the Securities Exchange Act of 1934 as amended, which could cause FuelTech's actual growth, results of operations, financial condition, cash flows, performance, and business prospects and opportunities to differ materially from those expressed in or implied by these statements. FuelTech undertakes no obligation to update such factors or to publicly announce the results of any forward-looking statements contained herein to reflect future events, developments, or changed circumstances or for any other reason. Investors are cautioned that all forward-looking statements involve risks and uncertainties, including those detailed in the company's filings with the SEC. With that said, I'd now like to turn the call over to Vince Arnone. Vince, please go ahead.

Vince Arnone | Chairman, President, and Chief Executive Officer, FuelTech:

Thank you, Devin. Good morning, and I'd like to thank everyone for joining us on the call today. 2025 was a year of multiple achievements for FuelTech, marked by an expanded opportunity set in our air pollution control business segment, driven largely by anticipated growth in data center development and construction, a resurgence in revenue for our FuelChem operations, where revenues for the year exceeded our expectations and reached their highest levels since 2018 and tangible progress at our dissolved gas infusion business. We maintained a strong financial position with cash, cash equivalents and investments of nearly $32 million at year end and no debt. Our fuel count segment ended an already strong year on a high note. Across the country, the useful life of coal-fired units is being extended to satisfy growing energy demand. And many of these units were dispatched at levels that haven't been realized in several years. Our results for the fuel chem segment benefited from this phenomenon, in particular for our legacy units. In addition, 2025 results were favorably impacted by the full year performance of a U.S. commercial unit that we added to late in 2024, and from a new U.S. customer that is currently operating with us under a six-month commercially priced demonstration program that commenced in early November of 2025. As we have discussed previously, the annual revenue potential from this commercial opportunity, should it convert from a demonstration, is expected to be approximately $2.5 to $3 million based on the customer running the program full-time with the revenue expected to generate historic FuelChem gross margins. I want to share a bit of additional color regarding our FuelChem demonstration program. This customer was interested in our program as a means to improve boiler availability and reliability and to reduce maintenance downtime for offline boiler cleaning, in particular during periods of high power generation demand. This customer utilizes a source of coal that is high in sodium content and is prone to extensive slagging and fouling. To date, the customer has realized a material reduction in downtime and maintenance costs due to a reduction in offline cleaning, which bodes well for a successful demonstration. Revenues generated by our APC segment rose in the fourth quarter, but declined annually reflecting customer-driven delays and project award timing. We secured 8.8 million of APC awards during 2025 from new and existing customers in the U.S., Europe, and Southeast Asia. Our near-term sales pipeline of APC contracts, exclusive of data center opportunities, is between $3 and $5 million. While we had hoped to close on these opportunities by year-end, discussions remain active, and we expect to close before the end of the current second quarter. Even with these delays, we ended the year with a consolidated APC segment backlog of $7 million, up from $6.2 million at the end of 2024. As we announced last quarter, we expanded our APC portfolio through a small strategic acquisition of complementary intellectual property and customer-related assets from Walco Inc., a well-established environmental equipment and services company with several hundred project installations worldwide. As we continue to integrate Walco's operations, we have been encouraged by the pace of project inquiries from their client base and others, including a number of near-term needs. The value proposition for us in acquiring Walco was in securing these high-value assets at a modest price, strengthening our technology portfolio, and attracting a broader base of potential customers. This proposition seems to be playing out thus far. With respect to the data center opportunity, these facilities will potentially require emissions control solutions to mitigate their environmental footprint, comply with federal, state, and local regulations, and align with corporate sustainability mandates. Our sales pipeline for these opportunities remains strong and approximate $75 to $100 million for projects integrating our SCR technology with power generation sources. Please note that the value of the pollution control scope of supply represents a very small fraction of the estimated total AI infrastructure spend. I want to provide a little more information about our data center opportunity. First, I think that we have been clear that any material near-term growth for our company will likely derive from our success in addressing this opportunity. As such, we have been and continue to devote substantial internal and external resources to position FuelTech with data center developers and turbine and engine providers to deliver NOx reduction technologies as part of a data center's power generation platform. One point that I want to highlight is that FuelTech is a subcontractor in the data center ecosystem. In all instances, we are a subcontractor to the data center integrator or to the turbine or engine OEM. This relationship limits our knowledge of the development of the data center opportunity, its funding, its phase of approval, and its timing. Our role remains the support and education of our direct customer regarding the design and delivery of a pollution control system that can best fit the application. This does not dilute the opportunity landscape or temper our enthusiasm in any way, but it does make providing specific insights with respect to the timing of awards more challenging. This is what we concurrently share about the opportunity. At present, We are in various stages of participation in project opportunities with more than 10 different data center integrators and turbine and engine OEMs, including some of the largest companies in the industry. All of these inquiries are for pollution control systems, primarily SCR, in support of the development of onsite power generation. The size of these projects run the gamut from as little as two to five units per project to as many as 30 to 40 NOx reduction units, with pricing predominantly in the range of $1 million to $2.5 million per unit. Regarding timing, the earliest we expect any of these inquiries to convert to a commercial award, based on our conversations with the various parties involved, is Q2 2026, as the schedule requirements for at least two of the projects would necessitate the receipt of an award by then. The remainder of the inquiries will develop further as we move throughout the year. To the best of our knowledge, with just one exemption, none of the inquiries that we are currently involved with have been awarded. More specifically, we are still very much in the running to capture our share of these opportunities, and we remain optimistic about our prospects for 2026. On the regulatory front, We have seen that the current administration is currently pursuing both the rollback of specific regulations that had been put in place previously and the implementation of new regulations that are less restrictive than those currently in place. Regarding the rollback of regulations, EPA announced the rescission of rules related to the reduction of greenhouse gases. Regulation of these emissions started in 2009 with the EPA endangerment finding based on a 2007 Supreme Court ruling. EPA has also announced the repeal of the 2024 mercury and air toxic standards for coal-fired units. It is important to note that both of these proposed rollbacks do not loosen the nitrogen oxide emissions reduction requirements for any sources and could potentially extend the life of some coal and natural gas fired units that may not have to reduce their emissions profile. We will take the opportunity where applicable to offer retrofit and maintenance solutions to accommodate the extensions of useful life. Now regarding the implementation of new rules. Earlier this year, EPA issued new source performance standards, also known as NSPS, for new gas turbines which were published in the Federal Register on January 15th. The NSPS was required for EPA consent decree with Sierra Club and the Environmental Defense Fund and were in response to the proposed rules that were issued in November 2024. A new category of gas turbines was created called temporary power turbines and is applicable to units below 85 megawatts installed to run for 24 months or less. These units will be required to achieve NOx levels of 25 ppm, which in some cases may not require SCR for all turbines. Turbines greater than 5 megawatts with high operating capacity will need to meet 15 ppm of NOx, which will likely require SCR, and turbines greater than 85 megawatts will need to get to 5 ppm NOx, which will require SCR in almost all cases. So what is the impact of the new regulation? First of all, several organizations, including the Clean Air Task Force, Sierra Club, the Environmental Defense Fund, have filed a petition for reconsideration with the EPA. And the hard deadline to file a formal lawsuit challenging these amendments in the U.S. Court of Appeals for the D.C. Circuit is March 16th of this year. it is certain that lawsuits will be filed. And second, with this rule in place, power generation developers will need to decide how best to proceed with their pollution control solutions for their new sources of power generation. Based on the discussions that we have had with our potential client base, we are not aware of this new regulation having a significant negative impact on decision-making regarding the implementation of pollution controls. It is important to note that state-specific permitting requirements can vary from the new federal regulation. And it's also important to note that outside of the NSPS requirements, the use of multiple gas turbines working together classify them as a major source for NOx. Major sources are governed by other regulations and are often required to meet more stringent NOx emissions, which would require SCR. We continue to pursue additional new awards driven by industrial expansion globally and by state-specific regulatory requirements in the U.S., and we are continuing to monitor the progress of the EPA's rule for large municipal waste combustor units. This rule reduces the nitrogen oxide emissions requirements for up to 150 large MWC units across the country. FuelTech has had a long history of assisting this industry in meeting its compliance requirements, and we have had discussions with customers in this segment to support their compliance planning. The final rule is currently in the White House Office of Management and Budget and is expected to take effect before the end of March, with NOx emission levels likely requiring advanced SNCR technology to meet compliance deadlines three years from the date of issue. Moving over to DGI, we are continuing the extended demonstration of the technology at a fish hatchery in the western US, which remains on track to conclude in the second quarter of this year. The system is performing well, meeting customer expectations for the precise delivery of concentrated dissolved oxygen and generating positive results in terms of reduced operational costs and improved fish growth. A second trial that commenced at a municipal wastewater site in the southeast US was successfully completed in January of this year and converted to a six-month rental contract that is expected to run through the beginning of the third quarter of this year. Our DGI system is delivering the designated volume of oxygen, and the client reports that odor-related complaints in the area surrounding the plant have been dramatically reduced. We are currently in discussions with multiple other end markets of interest for DGI, including pulp and paper, food and beverage, chemical, petrochemical, and horticulture. And we have been supported in these efforts with the addition of representative firms with end market expertise. As we look ahead to 2026, we are optimistic about our potential financial outlook. Our fuel chem business is expected to continue to perform well, driven by the performance of our base accounts and by the expectation that we will convert another demonstration account to commercial operation. Our APC business development activities, including our standard opportunities, those associated with respect to the WALCO acquisition, and potential tailwinds from data center opportunities are at the highest level that we have experienced in several years. And regarding DGI, based on progress at our demonstrations, it is expected that we will have our first commercial contract in 2026. Overall, we expect that revenues for 2026 will exceed the level of 2025, with FuelChem approximating 2025 revenues and APC exceeding 2025 performance without considering the benefit of data center awards, which would be additive to the forecast. Before turning things over to Ellen, I want to thank the entire FuelTech team for their dedication in advancing our strategic objectives and our shareholders for their patience and support. Now, I'd like to turn the call over to Ellen for her comments on the financial results. Ellen, please go ahead. Thank you.

Ellen Albrecht | Chief Financial Officer, FuelTech:

Thank you, Vince, and good morning, everyone. I'll start off today by reviewing our fourth quarter results. For the quarter, consolidated revenues rose 37% to $7.2 million from $5.3 million in the prior year period, reflecting growth from both our APC and FuelChem segment revenues. APC segment revenues increased 37% to $2.4 million from $1.8 million, primarily related to timing of project completion. FuelChem had a very strong quarter, generating a 37% increase in revenues to $4.9 million from $3.5 million, reflecting contributions from our legacy portfolio and the six-month commercially priced demonstration program that commenced in early November. Consolidated gross margin for the fourth quarter rose to 45% of revenues from 42% in last year's fourth quarter, with APC and FuelChem each producing higher margins for the quarter. ULCHEM gross margin increased to 46% from 45% in the fourth quarter of 2024 due to the increase in the revenue base. APC gross margin expanded significantly to 42% in the fourth quarter compared to 36% in the prior year period as a result of project and product mix. Consolidated APC segment backlog on December 31st, 2025 with 7 million, up from backlog of 6.2 million on December 31st, 2024. Backlog at the end of 2025 included 3.4 million of domestically delivered project backlog and 3.6 million of foreign delivered project backlog, compared to 1.9 million of domestic delivered project backlog and $4.3 million of foreign-delivered project backlog at the end of 2024. We expect that approximately $6 million of current consolidated backlog will be recognized in the next 12 months. SG&A expenses were $4.2 million in the fourth quarter compared to $3.9 million in the prior year period. As a percentage of revenue, SG&A expenses declined to 57% from 75%, reflecting higher consolidated revenue in the current period, offset by the timing of certain expenditures. Research and development expenses for the fourth quarter rose to $504,000 from $405,000 in the same period a year ago, mainly attributed to our commercialization efforts for our DGI technology. Our operating loss narrowed to $1.4 million compared to a loss of $2.1 million in last year's fourth quarter, reflecting higher revenue and margin contributions from our operating segment. We continue to take advantage of the favorable interest rate environment, and as of December 31, 2025, have invested a majority of our $31.9 million in held-to-maturity debt securities and money market funds. This generated $288,000 of interest income in the fourth quarter and $1.4 million of interest income for 2025. Moving to the results for full year 2025, consolidated revenue rose 6% to $26.7 million, in line with our most recent guidance provided in November. The increase in full year revenue was driven by a 28% rise in fuel chem segment revenue to $17.8 million, exceeding our guidance for the year. This increase in revenue was partially offset by a decrease in APC segment revenue. Consolidated gross margin for 2025 rose to 46% from 42% in 2024, with higher margins for both the fuel chem and APC operating segments. SG&A expenses for 2025 modestly increased to $14.1 million from $13.8 million in 2024 within the guidance range we provided at this time last year. The increase was mainly attributed to employee-related expenditures. As a percentage of revenue, SG&A decreased to 53% from 55%, reflecting higher consolidated revenue. For 2026, we expect SG&A expenses to increase modestly from those in 2025. Research and development expenses for the year were $2 million for 2025 compared to $1.6 million in 2024. As we move closer to fully commercializing our DGI segment technologies, In addition, we also continue to invest efforts related to our legacy technologies as necessary. Operating loss narrowed to $3.7 million for 2025 compared to a loss of $4.7 million in 2024, reflecting higher segment revenues and relatively flat total costs and expenses. Net loss for 2025 was $2.3 million or $0.08 per diluted share compared to a net loss of $1.9 million or $0.06 per diluted share in 2024. Adjusted EBITDA loss was $2.7 million in 2025 compared to an adjusted EBITDA loss of $2.2 million in 2024. Lastly, moving to the balance sheet, our financial condition remains very strong. As of December 31st, total cash and cash equivalents Total cash and investments was $31.9 million, comprised of cash and cash equivalents of $11.9 million, and short and long-term investments of $20 million. Net cash provided by operating activities was $3 million for the year, as compared to a use of total cash of $2.8 million in the same period last year. Shares outstanding at a quarter end were approximately $31.1 million, equating to cash per share of $1.03 million. Working capital was $25.7 million, or $0.83 per share. Stockholders' equity was $40 million, or $1.29 per share, and the company continues to have no outstanding debt. We remain fully confident in our ability to uphold a strong financial condition and continue funding both short- and long-term growth initiatives across FuelChem, APC, and DGI. I'll now turn the call back over to Vince.

Vince Arnone | Chairman, President, and Chief Executive Officer, FuelTech:

Thanks very much, Ellen. Operator, let's please go ahead and open the line for questions.

Rob | Conference Operator:

Thank you. At this time, we'll be conducting a question and answer session. If you'd like to ask a question, please press star 1 on your telephone keypad. A confirmation tone will indicate your line is in the question queue. You may press star 2 if you'd like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up your handset before pressing the star key. One moment, please, while we poll for questions. Our first question comes from Sameer Joshi with HC Wainwright. Please proceed with your question.

Sameer Joshi | Analyst, HC Wainwright:

Hey, good morning, Vince, Ellen. Thanks for taking my call.

Vince Arnone | Chairman, President, and Chief Executive Officer, FuelTech:

Good morning, Sameer. Good morning.

Sameer Joshi | Analyst, HC Wainwright:

Good morning. So first, the data center opportunity should be significant for the company You mentioned you're reliant on these integrators or OEMs for getting the final order. My question is, are you already designed in with these participants, or is there further sort of competition once those guys get the orders from data centers?

Vince Arnone | Chairman, President, and Chief Executive Officer, FuelTech:

I can't say that we were specifically designed in for these operators at this point in time, Samir. What we're doing is we would obviously, we would like to be at the point whereby we are designed in with an integrator or operator that's looking to build several sites. But right now at the beginning phase with some of these operators, what we're doing is establishing ourselves as a potential trusted partner to be able to do the design pollution control system for them. A lot of the parties that are coming to us aren't necessarily, not necessarily very familiar with pollution control requirements. So we are definitely playing an education role as we work with some of these parties at this point in time. But we are hoping that the upfront time that I mentioned that we are investing with these opportunities is going to pay off a little bit longer term as these projects actually do come through their evolution and are ultimately awarded. So that's where we stand today. And the situation, I would say, is slightly different across the different parties that we are dealing with.

Sameer Joshi | Analyst, HC Wainwright:

Understood. And I do not want to conflate this, but the requirements for the less than 85 megawatt plants and short-term working less than 24 months, does that in any way affect or impact these data center opportunities? I just don't want to conflate those, but is there any relation?

Vince Arnone | Chairman, President, and Chief Executive Officer, FuelTech:

Right. Ultimately, on a long-term basis, that should not have an impact, Samir, because most of the projects that we read about, most of the projects that we're having discussions about, are intended to be long-term power generation solutions for that particular data center, right? It would only be in the instance whereby a potential operator or integrator needed to meet perhaps a very specific startup date, and they had the ability to have some power generation equipment up and running for a short period of time to meet that startup date. Again, perhaps, right? But again, from our perspective, the people and party that we are dealing with, they're looking at long-term power generation solutions that are indeed not temporary in nature because they're looking to support that data center long-term, not just for less than 24 months.

Sameer Joshi | Analyst, HC Wainwright:

Got it. Sticking to sort of a regulatory environment with the EPA declaring carbon dioxide not a pollutant, and you talked about the mercury toxins action, and it indirectly helping you because it does not require NOx reductions, and so existing plants may have extended life because of the other reductions in requirement or losing of requirement. Are you already seeing any increased activity as a result of this, where some of the plants that may be on the way to shutdown are now saying that, hey, we can work, we can continue to function and reaching out to you?

Vince Arnone | Chairman, President, and Chief Executive Officer, FuelTech:

At this point in time, Samir, it's a little bit too early to assess the impact of those relatively recent rollbacks. We just wanted to point out very specifically that those rollbacks are do not impact FuelTech's opportunity to capture prospective awards that are specifically related to nitrogen oxide reduction opportunities. So we just want to ensure that there isn't confusion related to those rollbacks, which are not going to impact FuelTech business opportunities. Longer term, those rollbacks, they could indeed have the impact of possibly extending the useful lives of some facilities.

Sameer Joshi | Analyst, HC Wainwright:

Thanks for that. You're welcome. And then moving to FuelChem, it's nice to see this six-month sort of trial order, and likely because they are seeing the results, likely to convert. Are there more such potential customers that you have in the pipeline or are pleased talking to? in terms of getting, because each additional customer could bring two plus million or almost four plus million in orders, annual recurring revenues.

Vince Arnone | Chairman, President, and Chief Executive Officer, FuelTech:

So at this point in time, and yes, we're very optimistic about converting this demonstration to a commercial contract. Hopefully that will bode well for us here in 2026. But incrementally, as I've said on prior conference calls, The coal-fired, base-loaded unit, just call it phenomenon, it isn't as robust as it used to be a decade or 15 years ago with so many coal-fired plants being shut down. We are looking for these pockets of opportunity whereby we can, on an incremental basis, add these one-off opportunities for us. And we need to be a little bit careful about saying that each incremental unit is going to be between $2 and $3 million per opportunity in revenue because it does vary by unit size and the specific run time of that unit. So I just wanted to qualify that. So to specifically answer your question, we don't have anything of what I would call specifically that we're looking for imminent demonstration, but we are looking at some other opportunities that could be for us and perhaps with the same body of plants that we're doing business with today to add another unit or two at plant sites. So there is opportunity there, but again, as I've said previously, we haven't looked at fuel chem as being what I would call a material growth opportunity for the past several years. What we're seeing here in the recent term, we're very, very pleased with. We finished 2025 at just under $18 million in revenue, which if you had asked me that question five years ago, I would have said it wouldn't have been possible. So we're very pleased with where we are. And there is some, I'll call it moderate, upside opportunity, but it's moderate.

Sameer Joshi | Analyst, HC Wainwright:

Right, right. And just... I'm guessing this outlook for 2026 where field cam is expected to be at same levels as 2025 does not include this incremental opportunity that may convert from trial to full time.

Vince Arnone | Chairman, President, and Chief Executive Officer, FuelTech:

Yeah, we're looking at it right now very, very conservatively, Sameer, without without knowing exactly what the outcome is going to be as we sit here today. We'll have more information to share in early May when we have our first quarter conference call.

Sameer Joshi | Analyst, HC Wainwright:

Yes, and that's fair. I'm just squeezing in one last one on DGI. It seems this fishery, sorry, municipal wastewater seems to be working well as well as the fishery. seems to be working well. Should we expect revenues from DGI during 2026? Because on the outlook, you didn't mention any of that.

Vince Arnone | Chairman, President, and Chief Executive Officer, FuelTech:

Right. So we are going to recognize a small dollar value of revenue from the rental of the system at the municipality. That's only $10,000 per month. As we look at the remainder of the year, we are hoping to to have a system sale between now and the end of 2026 of one of our DTI units. It's not going to be material to our overall results, but what is important regarding that activity is it sets a platform for us to be able to further and go ahead and discuss a success story specifically with the end markets that we're looking to chase. And we haven't had the opportunity to do that yet. So that moment is extremely critical for us as we look to further develop and commercialize DGI.

Sameer Joshi | Analyst, HC Wainwright:

Thanks, Vince, for taking my questions. Congrats on a strong year, and good luck. Thanks, Samir.

Rob | Conference Operator:

As a reminder, if you'd like to ask a question, please press star 1 on your telephone keypad. One moment, please, while we poll for questions. Our next question comes from Adam Waldo with Lismore Partners. Your line is now live.

Adam Waldo | Analyst, Lismore Partners:

Good day, Vince. I hope you can hear me okay.

Vince Arnone | Chairman, President, and Chief Executive Officer, FuelTech:

Yes, we can, Adam. Thank you.

Adam Waldo | Analyst, Lismore Partners:

So, very high-level question. Your stock trades at $1.20, $1.25 a share. You have about $1 a share in cash on your balance sheet. You have reasonable prospect of being cash flow positive in 2026, and you articulate a sizable new business pipeline in the data center area. I would argue that whether you're stock trading where it is, the market doesn't believe you're going to close any of that pipeline. You're very optimistic that you can over the balance of 2026 and you were optimistic in the second half of 2025 as well. The timing of these projects is very hard to predict. What gives you so much confidence and optimism that you're going to close you know, a sizable number of data center projects over the next 12 to 18 months.

Vince Arnone | Chairman, President, and Chief Executive Officer, FuelTech:

Adam, thanks very much for the question. You're correct. I mean, we're in a position whereby, yes, we're trading just a little bit above cash value today. We as a company have not been able to go ahead and bring to the table any material award as of yet as it relates to the data center opportunities. So in response to your question, my level of confidence lies in a couple of areas. First of all, as we've seen this opportunity develop, and literally over the past 9 to 12 months, because it is still what I would call a new opportunity, and it's one that we don't believe as FuelTech is a short-term opportunity. It's one that's going to develop over the next 5 to 10 years. But What we have seen over this past nine to 12 months is more and more players, if you will, players defined as data center integrators, parties that have access to power generation equipment in the form of turbines or engines, and just then the OEMs of those turbines or engines themselves, there have been more inquiries come our way literally over this past three months than we saw come our way or over the initial six to nine months relative to parties seeking to take advantage of the opportunity to provide a power generation solution to the data centers that are going to be built out. So point number one is just the volume of activity, the different types of parties and players that are coming to the table. And also what I would call it's the caliber of the parties that we're dealing with as well in terms of them being, in some cases, multinational organizations with scale and capability that give us the confidence that at some point in time here, just given the demand, that FuelTech's product and solutions are going to be pulled in to this ultimate data center solution, okay? So number one, the volume of activity, it gives me a very high level of confidence. Point number two is my confidence in the FuelTech team to be able to go ahead and basically assimilate all of the inquiries that have been coming our way and determine our best path with these data center integrators and or engine or turbine suppliers. to be able to position as well with those organizations and give these organizations the confidence that we as FuelTech can deliver on our air pollution control solution for them. So it's twofold. And yes, I am optimistic. I mean, the level of inquiry is indeed extraordinary. And so it's up to us to capitalize on it, and we're doing everything that we can to do so at this point in time. I hope that answers your question.

Adam Waldo | Analyst, Lismore Partners:

Thank you very much.

Vince Arnone | Chairman, President, and Chief Executive Officer, FuelTech:

Thank you, Anna.

Rob | Conference Operator:

We have reached the end of the question and answer session. I'd now like to turn the call back over to Vince Arnone for closing comments.

Vince Arnone | Chairman, President, and Chief Executive Officer, FuelTech:

Thank you, operator. In closing, I want to thank, obviously, our FuelTech team for their continued support and dedication. Thanks to all of our stakeholders, again, for your patience. We're doing everything that we can to create shareholder value. And we have an opportunity landscape in front of us today that we know we need to capitalize on, and we're going to do everything that we can. Thanks to our board for support as well. With that, I want to wish everyone a good day, and thanks for participating in the conference call.

Rob | Conference Operator:

This concludes today's conference. You may disconnect your lines at this time, and we thank you for your participation.