NASDAQ:FTEK Q1 2026 Earnings Call Transcript

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Jill | Operator:

Greetings, and welcome to the FuelTech, Inc. 2026 First Quarter Financial Results Conference Call and Webcast. At this time, all participants are in a listen-only mode. A question and answer session will follow the formal presentation. If anyone should require operator assistance, please press star zero on your telephone keypad. As a reminder, this conference is being recorded. It is now my pleasure to introduce Devin Sullivan, Managing Director of the Equity Group. Devin.

Devin Sullivan | Managing Director, The Equity Group:

Thank you, Jill. Good morning, everyone, and thank you for joining us today for FuelTech's 2026 First Quarter Financial Results Conference Call. 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 and 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, 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, development, and circumstances or for any other reasons. 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:

Thank you, Devin. Good morning, and I'd like to thank everyone for joining us on the call today. Our first quarter results, although strong, fell slightly short of last year's Q1 results, with improved performance in our air pollution control business segment being offset by a decline in revenues for our fuel chem business segment. We continue to validate the efficacy and client return on investment for our dissolved gas infusion demonstrations and we maintained a strong financial position with cash, cash equivalents, and investments of nearly $31 million at quarter end and no long-term debt. Most importantly, our outlook for the year has changed significantly and for the better. The expanded opportunity landscape that we have been tracking for our APC business segment resulted in the largest set of awards in terms of contract value that we have received in recent history. Last week, we announced multiple air pollution control contracts valued at approximately $10 million with utility and industrial customers. The new awards were anchored by a contract for the integration of our selective catalytic reduction pollution control technology with two new natural gas fire turbines for a large publicly owned Midwest municipal utility. The installation of these new GE Vernova turbines will increase the plant's output by approximately 100 megawatts. The expansion and the generating station is expected to become operational in 2029. We are scheduled to commence engineering work this quarter with equipment deliveries scheduled to begin in the fourth quarter of 2027. The utility is undertaking this expansion to meet the region's rapidly growing electricity demand. We believe that this project reflects a growing focus on municipalities and states working together to plan infrastructure upgrades in response to and in anticipation of population expansion and commercial and data center growth. A strong, reliable power grid is one of the largest factors in determining where data centers are developed, and operators need abundant capacity reliability, and a path to fast interconnection, as well as emissions control solutions that address compliance, reporting, and air permitting requirements that reduce carbon footprints and meet sustainability goals. These contracts have more than doubled our pro forma APC backlog to approximately $17 million at this date, which is the largest backlog that we have had since 2018. With respect to the larger data center opportunity, our sales pipeline for these opportunities remains strong and approximates $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 again emphasize that in all instances, We are a subcontractor to the data center integrator or to the turbine or engine OEM. Our role remains the support and education of our direct customer regarding the design and delivery of a pollution control system that can best benefit the application. Beyond that, our knowledge regarding funding, approval, and timing is generally limited. As I noted on our year-end conference call in March, data center awards are likely to be the primary source of material near-term growth for our company. Our optimism remains high. 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. At present, we are in various stages of participation and project opportunities for 8 to 10 different data center projects in conjunction with 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 on-site power generation. The size of these projects ranges from as few as two to five units to as many as 30 to 40 NOx reduction units, with pricing predominantly in the range of $1 million to $3 million per unit. Regarding timing, on our last call, I had mentioned that there were two opportunities that could come to fruition in the second quarter. One of them did not continue to develop, and the timing of the second one has been delayed. That said, there is a possibility that one of our eight to 10 inquiries can convert to a commercial award based on our conversations with the various parties involved before the end of Q2. However, the remainder of the inquiries will develop further as we move throughout the year. We believe that we are still very much in the running to capture our share of these opportunities, and we remain optimistic about our prospects for 2026. As one last comment, I did want to note that we did not consider the large contract that we were awarded for the Midwest utility to be a data center-specific application, as the two new units will be deployed in front of the meter as part of the municipality's generating infrastructure. However, this award is material and significant for FuelTech, as the SCR pollution control system that we are providing is for a model of GE renova turbine that is commonly being deployed for data center-specific opportunities. This win lends credibility to our company as we move to capture a portion of the larger market opportunity. Regarding our near-term APC sales pipeline, exclusive of data center opportunities, we are currently tracking $8 to $10 million in additional potential awards, of which we expect to close on at least 3 to 5 million of these awards before the end of the current second quarter or early in the third. Included in this near-term pipeline are opportunities emanating from our recent acquisition of the technology portfolio of Walco Inc., a well-established environmental equipment and services company with several hundred project installations worldwide. The pace and scope of inquiries from Walco customers remains encouraging. Now, let's discuss our fuel chem business segment. Following a strong 2025, our fuel chem segment produced another solid quarter of revenue. Across the country, the operating lives of coal-fired units are being extended to meet rising energy demand with many facilities dispatched at levels not seen in several years. Our fuel chem segment continues to benefit from this trend, particularly across our legacy units. On our last conference call, I noted that we received benefit in the fourth quarter of 2025 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. 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 and with the revenue expected to generate historic fuel chem gross margins. During the first quarter of this year, the demonstration experienced a temporary interruption driven by unrelated plant operations, which limited its contribution to revenue. As of today, the customer has not yet completed the demonstration program. However, they have noted a material reduction in downtime and maintenance costs largely attributed to decreased offline cleaning which bodes well for a successful demonstration. These results continue to support a positive outlook for the demonstration, and we remain optimistic that this account will convert to a commercial program later in the year. 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. These proposed rollbacks do not loosen the nitrogen oxide emissions 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 retrofits and maintenance solutions to accommodate the extension of useful life. Regarding the implementation of new rules, earlier this year, we reported that EPA had issued new source performance standards, also called NSPS, for new gas turbines, which were published in the Federal Register on January 15th of this year. A new category of gas turbines was created called temporary power turbines and is applicable to units below 85 megawatts and installed to run for 24 months or less. These units will be required to achieve NOx levels of 25 ppm, which may not require SCR for all turbines. Turbines greater than 5 megawatts with operating capacity will need to meet 15 ppm NOx likely requiring SCR. And finally, turbines greater than 85 megawatts will need to get to 5 ppm NOx, which will require SCR in almost all cases. 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 customer 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. It is also important to note that outside of the NSPS requirements, the use of multiple small gas turbines working together could classify them as a major source for NOx emissions control. Major sources are governed by other regulations and are often required to meet more stringent NOx emissions, which would require STR. DGI continued its extended technology demo at a Western U.S. fish hatchery, which is on track to end this quarter and has been delivering strong performance with optimized oxygen delivery, program cost savings, and improved fish growth. A second trial at a Southeast U.S. wastewater facility is on schedule to end its extended six-month rental phase in the third quarter. With this trial, the client reports that odor-related complaints in the area surrounding the plant have been dramatically reduced, and we are working with the customer to assist them in assessing their oxygen delivery needs. In both instances, we are discussing the post-demonstration next steps with the client's and remain hopeful that DGI will become a commercial solution for them. We are also currently in discussions with multiple other end markets of interest for DGI, including pulp and paper, food and beverage, chemical petrochemical, and horticulture. As I noted earlier, we are optimistic about our outlook for 2026. Driven by an expanded project backlog and opportunity landscape at APC, anticipated strong results at FuelChem and our first commercial DGI contract. Taking all of this into account, we expect that revenues for 2026 will exceed the level of 2025, with FuelChem approximating 2025 revenues and APC exceeding 2025 performance. I want to emphasize that while our backlog has risen substantially, The majority of the revenue assigned to the new large APC contract award that I discussed earlier will be generated in 2027. Further, this 2026 APC outlook excludes the benefit of specific data center awards, which would be additive to this forecast. Before turning things over to Ellen, I want to thank the entire FuelTech team for their continued dedication in advancing our strategic objectives and our shareholders for their patience and support. We are very excited about what the future holds for our company. Now, I'd like to turn the call over to Ellen for her comments on our financial results. Ellen, please go ahead.

Ellen Albrecht | Chief Financial Officer:

Thank you, Vince, and good morning, everyone. For the quarter, consolidated revenues declined to 6.1 million from 6.4 million in the prior year period. Higher revenues in our APC business segment were offset by a decline in revenue for the fuel chem segment. Consolidated gross margin for the first quarter declined slightly to 43% of revenues from 46% in last year's first quarter as a result of segment concentration. APC segment revenue rose 23% to 1.6 million from 1.3 million primarily related to timing of project execution on existing contracts and ancillary business activity. Higher segment revenues and product and project mix led to a nearly 600 basis point expansion in segment margin to 38.3%. Fuel PEM revenue declined to $4.5 million from $5.1 million, primarily due to seasonal maintenance outages and dispatch-related decreases in operational demands. Segment margin declined to 45.3% from 49.9% in the first quarter of 2025, but is expected to return to historical averages as we move throughout the remainder of the year. Consolidated APC segment backlog on March 31st, 2026 was 6.9 million, roughly flat compared to a backlog of 7 million at December 31st, 2025. Backlog at March 31st included $3.6 million of domestically delivered project backlog and $3.3 million of foreign-delivered project backlog. Approximately $6 million of the $6.9 million project backlog at March 31st is expected to be recognized in the next 12 months, barring no customer-driven delays. We were very pleased to secure the recent APC contracts referenced by Vince. These agreements represent approximately $10 million in new bookings, strengthening our backlog, enhancing revenue visibility, and supporting both gross margin and cash flow as project milestones are achieved. While APC projects have traditionally spanned 8 to 24 months, we are observing increased forward planning from our clients, resulting in some projects with longer execution timelines. This will impact timing of revenue recognition. We will continue to actively manage these extended project durations to optimize strategic pricing and operational efficiency while further reinforcing our backlog for future periods. SG&A expenses rose to $3.7 million in the first quarter compared to $3.3 million last year. As a percentage of revenue, SG&A expenses rose to 61% from 52% in the prior year period reflecting higher total SG&A expenses and the effect of lower consolidated revenue. For 2026, we continue to expect SG&A expenses will range between $14 and $15 million. Research and development expenses for the first quarter were stable at $524,000. Our R&D investments largely reflect our ongoing investment in water and wastewater treatment technologies, specifically our DGI system. Our investment in DGI will continue throughout 2026 to support ongoing site demonstrations and other growth initiatives as we ramp up towards initial commercial sales later this year. Operating loss for the first quarter was $1.6 million compared to a loss of $952,000 in the prior year period. Net loss Net loss was $1.4 million or $0.04 per diluted share compared to a net loss of $739,000 or $0.02 per diluted share in the same prior year period. Adjusted EBITDA loss was $1.3 million in the first quarter compared to an adjusted EBITDA loss of $735,000 in the prior year period. Lastly, moving to the balance sheet, our financial condition remains very strong. As of March 31, 2026, total cash and investments was $30.6 million, comprised of cash and cash equivalents of $9.1 million, and short and long-term investments of $21.5 million. Shares outstanding at the quarter were approximately $31.2 million, equated to a cash per share of $0.98. Working capital was $22.2 million, or $0.71 per share, Stockholders' equity was $38.6 million, or $1.24 per share, and the company continues to have no outstanding debt. We remain very comfortable with our financial position and our ability to funding these awards while pursuing new contract opportunities across FuelChem, APC, and DGI. I'll turn the call back over to Vince.

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

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

Jill | Operator:

Yes sir. Ladies and gentlemen, if you would like to ask a question, please press star 1 on your telephone keypad and a confirmation tone will indicate your line is in the question queue. You may press star 2 if you would 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 keys. One moment please while we poll for questions. And our first question comes from the line of Sameer Joshi with HC Wainwright. Please proceed.

Sameer Joshi | Analyst, HC Wainwright:

Hey, good morning, Vince, Alan. Thanks for taking my questions.

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

Good morning, Sameer.

Sameer Joshi | Analyst, HC Wainwright:

Good morning. The first question on the regulatory front, the retrofit opportunity for old plants that will be required to continue to work. Can you give us an idea of what the opportunity for FuelTech, and what kind of efforts or resources have you applied towards this effort, and when should we start seeing any orders emanating from this effort?

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

Are you referring to anything related to the extension of coal-fired lives, Samir?

Sameer Joshi | Analyst, HC Wainwright:

Yes, extension of the coal farm, yes.

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

Understood. So those, as I sit here right now, our largest landscape of opportunity is truly more so in the data center and other power generation build-out, right? Obviously, as a company, we have a long history of doing successful business with coal-fired utilities in this country. And so as those plants would look to extend their lives and where they indeed have the need to enhance their emissions control portfolios at that site, we're going to be there to assist them. As I sit here today, although I do believe there will be opportunities there, that's not something that I could necessarily readily quantify for you right now, just given the unknown circumstances there.

Sameer Joshi | Analyst, HC Wainwright:

Understood. Okay. And does the 85, applications for 85 megawatts or greater sizes of new source power. Are you – same question, sort of. What are your efforts? Are you adding additional resources to identify specific locations where the installations might be bigger than 85 megawatts? And what timeline should we expect on that front?

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

Yeah, no specific resources added. These types of opportunities We'll call it, they'll follow our normal supply chain interaction and activity using our internal sales force and manufacturers representative individuals that we have out in the marketplace here in the U.S. specifically. and so I don't anticipate adding anything specific there, but relative to timing and or volume, those are the opportunities that we're following for power generation build-out and data center build-out as we sit here today. The larger contract that we just announced that is regarding the municipal public utility, that was actually a public tender that we were invited to bid on amongst quite a few other companies being invited to bid as well. So that came out to us directly from an organization that was looking to build out their internal generation capability planning for the future, and we became part of that bidding process. So no real change in how we're doing business, Sameer. The only, what I would say primary difference is with the focus on the data center specific build out, we have been engaging with significant amount of call it newer parties or companies that as FuelTech we just haven't engaged with previously because it's a different type of customer for us generally speaking. But over this past year, we've been doing an excellent job at developing relationships with companies that are indeed looking to help with the build-out of data centers here in this country. And I think today we're nicely positioned with some of the larger, more reputable parties that are looking to take part of this opportunity landscape.

Sameer Joshi | Analyst, HC Wainwright:

And yes, thanks for that. And you did mention that this opportunity uses a GE Vernova turbine, which is the same or similar type that is used for these new data center kind of applications.

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

That is correct. I mean, this new award is very important for us because of the scale of the award, because of the fact that we are going to be affixing our NOx reduction SCR solution onto one of the predominant power generating sources that are indeed being deployed today. Again, it's not like as FuelTech we don't have credibility. We do. We've been in the business for almost four decades now providing successful solutions for emissions reduction for both utility and industrial customers. But In today's marketplace, this contract just lends us what I would call more specific credibility to enable us to have a better chance at obtaining and winning opportunities for the data center build-out specifically.

Sameer Joshi | Analyst, HC Wainwright:

Understood. And maybe just one last one again on FuelChem. The outlook for the year is sort of similar levels, flattish, relative to 2025. Are there any potential new build-outs that could materialize from now, between now and the end of the year that could add incremental revenues here?

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

So as part of my commentary, I did mention the one new customer that we're looking to go ahead and turn a demonstration into a commercial account, right? So that is the primary new account that we are indeed focused on as we sit here right now, in 2026. Our revenue outlook, we're saying, is going to be approximately the same year on year, mainly because of the fact that there are so many unknowns that we deal with regarding some of the unscheduled outages that we do deal with on occasion with some of our installed base already that it's difficult to forecast exactly how the full year is going to pan out. If the new customer that we're looking to convert to a commercial system, if they convert sooner in the year rather than later in the year, that could provide a little bit of upside to us. But those are just unknowns for us right now. It's a little bit more conservative for us to target an equivalent Chemtech revenue year-on-year, which, again, last year was an excellent year of performance for FuelChem. If we can achieve that again this year, I'd be pleased with it, but I do want us to add that additional new account and have that convert to commercial.

Sameer Joshi | Analyst, HC Wainwright:

Understood. Thanks, Vince, for taking my question.

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

You're welcome.

Jill | Operator:

As a reminder, if you would like to ask a question, please press star 1 on your telephone keypad. And the next question will come from the line of William Bremmer with Vanquish Capital Partners. Please proceed.

William Bremmer | Analyst, Vanquish Capital Partners:

Good morning, Vince. Hey, good morning, Bill. So I'd like to first start off with fuel chem. Yes. Given the harsh winter that we had that was broad-based, Midwest, et cetera, and the duration of it, I was expecting much stronger figures from the fuel chem divisions.

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

Yeah, the winter was mixed, Bill, from an overall temperature perspective in certain parts of the country. And again, we don't have the ability to be able to predict when our customers' units are going to be dispatched to run at certain points in time or when they actually have to come down for their scheduled planned outages or when they have unplanned outages. That's something that's out of our control. So we did have a mix of performance at our base clients in the first quarter of the year. But again, if we look back at Q1 over the past several years, with the exception of 2025's Q1, our Q1 of 26 was one of the better performing quarters that we've had for Q1. So hopefully that's Again, we'll pull a little bit more forward here for the rest of the year, and we'll have dispatch at all of our base load of accounts here for the rest of the year, but difficult for us to predict.

William Bremmer | Analyst, Vanquish Capital Partners:

Okay. Now on the air side, congratulations on this last order. It seems as though, and based upon your articulation of how you achieved this close to $10 million contract, This was not from your sales team personnel, but in essence, hey, you were able to bid for it and the offset, hey, having the customer of GE Renova and supporting their equipment is monumental, extremely positive for fuel tech. My question is, okay, at what point do you and the Baileys, okay, finally make some changes on your sales personnel. And, you know, I look at the figures and I've been a long shareholder that have more shares than yourself and many of your team. I do not see any insider purchases other than yourself here and there. If the outlook is so strong, why are we not seeing some insider purchases, number one? Second question I have, I would welcome William Cummings to be on our next call. He's been there an exorbitant amount of time. Him and his sales team, I think should be on the clock. Either they start producing or we need to start making some changes. I mean, your peers are exploding in the space. You have in September of 2018, everybody can look this up. You guys landed a $15.8 million order for backup systems for power generation for the data center market.

That was in 2018. We were ahead of the curve back then, and now all of a sudden we are trying to land something, trying, when the field has been exploding for years. Changes have to be made there. And we are all, we all see the value in Fuelchem. That's why we're shareholders. We're just, I'm just starting to wonder, is this a value trap? Or are we ever going to grow this company?

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

Anything further, Bill?

William Bremmer | Analyst, Vanquish Capital Partners:

Changes have to be made, Vince.

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

Bill, let me start by going through some of your questions, okay? Okay. First of all, regarding the contract that we just won. There are companies that will put their project opportunities out to bid on a regular basis. So the fact that this contract was a public bid, it's not unusual by any sense of the word. The public bid starts the sales process. It is just the beginning. So to make the comment that our sales team had nothing to do with it is completely off base. And that's just fact as we sit here today. That's fact. that starts the sales process. And from there, our team has been intimately involved from the end of 2025 when this first started up until final award and going back and forth and back and forth, iteration after iteration, responding to questions, comments, and any other inquiry that comes our way comes through our sales team. That's the way the process works. As part of that process, our sales team has to indeed build in the fact that FuelTech is indeed a credible supplier of these technologies. And from that perspective, that's all us. That's FuelTech and its sales team. That doesn't just happen, Bill. So I just want to correct the record on the statement because it's simply not a fair statement to make regarding how that award was won by the company. It's a team award. There are a lot of individuals involved in bringing a contract of that magnitude to FuelTech. We're proud of the effort, and we're looking forward to more of those coming our way. Secondarily, and we've discussed this previously, insider purchasing is something that's governed by the individuals on the board and within the company. We don't put pressure on our our internal folks to be buying shares of the company. Do I know that there are some non-reportable FuelTech employees that have bought shares? I do. I am aware of that, but that's not something that we do indeed announce publicly. I can tell you that from the board's perspective and from the leadership team and the employee team's perspective, we have every confidence in the world that FuelTech is indeed going to become a profitable company once again. We've had some headwinds as a small public company over these past several years. And no doubt, our performance, and again, I'm the first one to raise my hand and say that, our performance needs to be better. And you and I have discussed that as well. I believe we're finally on the track towards making that shift. This last award is meaningful to us. particularly as we look at some of the larger scale opportunities that we're looking at and with the parties that we're dealing with. So there's a lot that's going on here, Bill. We just don't pick up and change personnel because we go through a slow period of time. We have some of the most well-respected individuals in the industry that represent FuelTech and its technologies. I'm very confident of that. Will changes be made within the leadership team here at FuelTech over time? Sure they will, and when they're warranted. So from that perspective, again, I appreciate your comments and questions. I always do. Thanks for being a shareholder of the company, and we're looking to go ahead and, again, show that there is value added to FuelTech as we sit here today, and we should be trading much higher than where we are today, which isn't that much higher than cash value.

William Bremmer | Analyst, Vanquish Capital Partners:

That's correct. And I've read all of your executive management bios in depth, and they do have incredible backgrounds. The numbers, though, Vince, are the numbers. And for the last 10 years, where are the numbers? So you've got a light of fire underneath them. The bellies have the light of fire of them where they need to be replaced. because as a shareholder, I'm getting tired of waiting. Thank you.

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

Thanks for your comments, Bill.

Jill | Operator:

Thank you. This concludes the question and answer session, and I'll turn the call back over to Vince Arnone for closing remarks.

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

Operator, thank you very much. I want to thank everyone for joining us on the call today. We are very much looking forward to our performance here for the remainder of 2026. The recent contract awards are milestones for us as a company, and I look forward to further expanding on those awards as we move throughout the year. So thanks, everyone, for taking the time today, and we look forward to talking with you again in the future. Thank you.

Jill | Operator:

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