NASDAQ:FTEK Q2 2026 Earnings Call Transcript

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Operator | Conference Operator:

Welcome to the FuelTech, Inc. 2026 Second 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 during the conference, please press star zero on your telephone keypad. Please note, this conference is being recorded. I will now turn the conference over to Devin Sullivan, Managing Director of the Equity Group. Thank you, Devin. You may begin. Please stand by.

Operator | Conference Operator:

Ladies and gentlemen, we are having a technical problem with the line of Devin Sullivan. Please stand by for reconnection.

Operator | Conference Operator:

Thank you for standing by. I will now turn the conference over to Devin Sullivan. Please stand by, we're having technical difficulties. Again, please stand by, we are having technical difficulties. Now we'll turn the call over to Devin Sullivan. Please go ahead.

Devin Sullivan | Managing Director, The Equity Group:

Thank you, Jasmina, and good morning, everyone. Thank you for joining us today for FuelTech's 2026 Second 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 or forward-looking statements, as defined in Section 21E of the Securities 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, the 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, developments, or changed 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:

Devin, good morning, and I'd like to thank everyone for joining us on the call today, and we apologize for the technical difficulties. Before I review our results, I want to acknowledge that, as announced last night, this will be my final earnings call as president and CEO of FuelTech. Effective August 10th, 2026, Ramesh Nagahali will succeed me in this role. I will share some additional thoughts on this transition at the conclusion of my remarks, but first, let's discuss our performance for the second quarter. Our performance in the second quarter was improved versus the prior year period across both of our business segments. Consolidated revenues rose 17% to $6.5 million with our APC and fuel chem business segments delivering double-digit revenue growth of 11% and 21% respectively. We continued to make progress toward commercialization with our dissolved gas infusion or DGI business initiative, and we ended the quarter in a strong financial position with cash, cash equivalents, and investments of approximately $30 million and no debt. We are pleased with our performance at the midpoint of the year, and we remain optimistic about the outlook for each of our business segments for full year 2026. Let's begin with our APC business segment. On our last call, I noted that we had secured our largest set of awards in recent history, totaling approximately $10 million in contracts with utility and industrial customers. As a reminder, these awards were anchored by a contract for the integration of our selective catalytic reduction technology with two new natural gas fired 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, with the expansion expected to become operational in 2029. I am pleased to report that engineering work has commenced on this project and equipment will be ready to deliver in the fourth quarter of 2027. In combination, these awards drove our consolidated APC backlog to $14.3 million at June 30, 2026, which was the largest quarter-end backlog that we had reported since 2018. Last week, we were pleased to announce new APC contracts valued at $2.6 million that addressed the needs of two industrial customers. One, a new customer that is active in the gas infrastructure market space, and the other, a long-term recurring customer. Both customers required our SCR technology to address their emissions reduction requirements. In our last quarterly conference call, we had noted that these contracts were close to being awarded. Inclusive of these new awards, Our effective backlog as of today is approximately $17 million. With respect to the larger data center opportunity, the U.S. data center market remains in an historic boom, driven primarily by AI, cloud computing, and hyperscale deployments. Demand continues to exceed supply in most major markets, capital investment is setting records, and developers are aggressively pursuing new projects. The industry is increasingly constrained by four major factors. First, power availability, which is the single largest bottleneck. Second, permitting and zoning delays. Third, growing local community opposition. And lastly, supply chain shortages for electrical equipment and skilled labor. The result is a market where capital is abundant, but getting projects energized and operational is becoming increasingly difficult. Regarding power generation specifically, many of the major gas turbine suppliers have delivery lead times of greater than five years for large turbines, and many are evaluating investment in an incremental manufacturing capacity. As a result, we are seeing more data center development using aero derivative turbines, and in some cases reciprocating engines as a source of power for the data centers. With respect to FuelTech's participation in this market space, Our sales pipeline for these opportunities remains strong and approximates 75 to 100 million dollars 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 to support the needs of our direct customers regarding the design and delivery of a pollution control system that can best benefit the application. Beyond that, our knowledge regarding project funding, approval and timing is generally limited. At present, we are in various stages of participation in project opportunities for several 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 onsite power generation. The size of these projects ranges from a few systems for up to 30, 40 units per project, with pricing at about $1 million to $4 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 had been delayed. That said, there is a possibility that one of our inquiries can convert to a commercial award based on our conversations with the various parties involved before the end of Q3. With this specific customer, we have been discussing a capacity reservation and long lead time procurement agreement where we would guarantee available capacity for fabrication capability and longer lead time items for our technology with our supply chain in exchange for a capacity reservation fee. We are watching this development closely. 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 a share of these opportunities and we remain optimistic about our prospects for 2026. As a side note, none of these project opportunities are in states that have placed a moratorium on data center development, including New York. Regarding our near-term APC sales pipeline, exclusive of the data center opportunities, we are currently tracking $8 to $10 million in additional potential awards for project opportunities integrating our SDR and other pollution control technologies with power generation sources. We would expect to close on at least $3 to $5 million of these awards before the end of the third quarter or early in the fourth. Now, let's discuss our fuel chem business segment, which produced another solid quarter with revenues rising 21% to $3.7 million for the quarter versus prior year, primarily due to increased operational dispatch at legacy accounts. Our fuel chem segment is benefiting from high dispatch in these warm summer months. with a particular benefit to our legacy units. We expect to see strong performance in Q3 and continue to expect that segment revenues for the full year will approximate last year's results. Last quarter, we disclosed that a FuelChem customer had temporarily halted a six-month commercially priced demonstration program that commenced in early November of 2025. The halt was due to an issue with the plant's operations with no relation to FuelChem's performance. In fact, the customer noted that we helped produce a material reduction in downtime and maintenance costs largely attributed to decreased offline cleaning. The customer is planning to restart the program in mid-Q4 of 2026, and we expect to realize a modest impact on fourth quarter results. That said, if we are able to convert this account to a commercial account, 2027 would see a material benefit as this program could contribute approximately $2.5 to $3 million in revenue on an annualized basis based on running the program full-time with historic fuel chem gross margins. In addition to this demonstration, we are pursuing at least one other coal-fired unit opportunity that could result in a demonstration before the end of the year. We will provide more color on this opportunity on our third quarter earnings conference call. I wanted to mention one last point regarding our fuel count segment, and that is the status of an opportunity that has been dormant for some time, and that is our opportunity in Mexico. As we have discussed previously, this promising but still developing opportunity is tied primarily to the desire of the Mexican government to put emphasis on emissions and pollution control, specifically as it relates to the use of heavy fuel oil generated from their refining operations as fuel for power generation. Heavy fuel oil is being used in abundance to generate power in Mexico as this fuel is readily available, inexpensive, and provides a transitional source of power generation in Mexico while other sources are being developed. Conversations with our partners in Mexico have recently been rekindled. We are hopeful that working together, we can expand the provision of our chemical technology in that country. On the regulatory front, We have seen that the current administration is 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 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 extension of useful life. Regarding the implementation of new rules, earlier this year, we reported that EPA had issued new source performance standards, also known as NSPS, for new gas turbines, which were published in the Federal Register on January 15. 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 high operating capacity will need to meet 15 ppm NOx, likely requiring SCR. 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 air 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. We know that there are legal challenges to the NSPS that could affect the timing or final requirements of the rule, and we will continue to monitor the situation. 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 emission control. Major sources are governed by other regulations and are often required to meet more stringent NOx emissions which would require SCR. Now I'd like to turn the discussion to DGI. An extended DGI demo at a Western U.S. fish hatchery was completed at the end of the second quarter and the DGI technology delivered strong performance with optimized oxygen delivery, program cost savings, and fish growth. We have been asked by this client to prepare a proposal for a DGI system that could meet the oxygen requirements of the full hatchery and we are in the process of developing that proposal right now. Our second trial at a southeast U.S. municipal wastewater facility is on extended month-to-month rental in follow-up to the original six-month rental term and we expect this trial to generate approximately $100,000 in rental revenue in 2026. With this trial, the client reported that odor-related complaints in the area surrounding the plant have been dramatically reduced and we have been working with the customer to assist them in assessing their oxygen delivery needs. This client is in the process of upgrading their primary aeration system and this upgrade will be complete later this year. Upon completion, the client will evaluate the need for the supplemental aeration that DGI has been providing. Additionally, 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. As 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 progress toward 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. Now, before I turn the call over to Ellen, I'd like to spend a few moments on my upcoming retirement and the transition of leadership at FuelTech. After considerable reflection, I decided that the time had come for me to retire from FuelTech, concluding what has been a remarkable journey of 27 years with the company, including the privilege of serving as president and CEO for the past 11 years. When I joined FuelTech nearly three decades ago, I could not have foreseen what lay ahead. Together as a team, we have navigated changing markets, evolving technologies, and periods of growth and transformation. Along the way, I have been fortunate to work along extremely talented colleagues and have experienced business protocols in more than 15 countries and with a multitude of different companies. If there is one lesson I have learned throughout my career, it is that success in business and happiness in life are always driven by people. To our employees, thank you. Your diligence, commitment, and teamwork have been the foundation of everything we have accomplished. To our board of directors, thank you for your counsel and stewardship. And to our shareholders, thank you for your trust and investment, which have enabled us to pursue our mission and work to create long-term value. Serving this company has been one of the greatest honors of my professional life. I am proud of what we have built together and optimistic about FuelTech's future. And while I am retiring from my day-to-day responsibilities, I will remain a proud advocate of FuelTech and will continue to serve on the board as a non-independent director. With that said, I'd like to say a few words about my successor, Ramesh Nagahalli. Ramesh's selection was the result of a thorough, months-long executive search process conducted by the board which involves the evaluation and interviewing of multiple qualified candidates, and I'm very pleased that Ramesh has agreed to join the FuelTech team. Ramesh is a global, commercially oriented operating executive who has led growth, restructuring, and operational improvement initiatives across industries directly relevant to FuelTech, including environmental technologies, power generation, water infrastructure, and engineered systems. He has held senior leadership roles at General Electric, Amtech, Tyco, Pentair, Xylem, and most recently, Seco Environmental, with expertise spanning capital allocation, growth strategy, M&A, and operational improvement. In getting to know Ramesh during this process, I am confident that his background, temperament, and accomplishments make him exceptionally well-positioned to lead FuelTech into its next chapter of growth and development. Now, for the last time, I'd like to turn the call over to Ellen for her comments on our financial results. For those of you that are not aware, I have had the privilege of working alongside Ellen for most of my 27 years at FuelTech, and it would be impossible in a few brief remarks to fully capture the breadth and impact of her contributions to our organization. Ellen, please go ahead.

Ellen Albrecht | Chief Financial Officer:

Thank you, Vince, and good morning, everyone. For the quarter, consolidated revenues rose by 17% to $6.5 million from $5.6 million in the prior year period, driven by increases in both fuel chem and APC segment revenues. Consolidated gross margin for the second quarter declined to 41% of revenues from 46% in the last year's first quarter as a result of lower segment gross margins for both the fuel chem and APC segments. The income revenue rose 21% to $3.7 million from $3.1 million, primarily due to increased operational dispatch at legacy accounts. Segment margin declined slightly to 45% from 47% in the second quarter of 2025 due to demonstration costs, increased freight costs, and additional labor costs for unit maintenance. APC segment revenue rose 11% to $2.8 million from 2.5 million, primarily related to the timing of project execution on existing contracts. Despite higher segment revenue, APC segment gross margin decreased to 36% from 44%. The decrease in APC margin reflected project mix, contract timing, and costs associated with project execution. We expect segment margins to continue to vary based on revenue mix, customer activity, Project Milestones, and Related Cost Levels. Consolidated APC Segment Backlog on June 30, 2026 was $14.3 million compared to backlog of $7 million at December 31, 2025. Backlog at June 30 included $11.3 million of domestically delivered project backlog and $3 million of foreign delivered project backlog. The company's backlog and recently awarded contracts are expected to affect revenue recognition in future periods. However, the timing of revenue recognition may vary based on customer schedules, project milestones, contract terms, and execution risks. Approximately $10.5 million of the $14.3 million backlog at June 30th is expected to be recognized in the next 12 months, barring no customer-driven delays. SG&A expenses rose to $3.6 million in the second quarter, compared to $3.3 million last year. As a percentage of revenue, SG&A expenses declined to 55% from 60% in the prior year period, reflecting higher consolidated sales growth compared to SG&A growth during the quarter. For 2026, we continue to expect SG&A expenses will range between $14.5 to $15 million. Research and development expenses for the second quarter rose to $646,000 from $490,000 during the prior year period. Our R&D investments largely reflect our ongoing investment in our water and wastewater treatment technologies, specifically our DGI systems. Our investment in DGI will continue throughout 2026 to support ongoing site demonstrations and other growth initiatives as we ramp up towards commercialization later this year. Operating loss in the second quarter was $1.6 million compared to a loss of $1.3 million in the prior year period. Net loss was $1.2 million or $0.04 per diluted share compared to a net loss of $689,000 or $0.02 per diluted share in the prior year period. Adjusted EBITDA loss was $1.2 million in the second quarter compared to an adjusted EBITDA loss of $948,000 in the prior year period. Lastly, moving to the balance sheet, our financial condition remains strong. As of June 30th, we had total cash, cash equivalents and investments of $29.6 million, which was comprised of cash and cash equivalents of $7.6 million and short and long-term investments of $22 million. Shares outstanding at quarter end were approximately $31.2 million, equating to cash per share of $1.05. Working capital was $20.1 million, or $0.65 per share. Stockholders' equity was $37.4 million, or $1.20 per share, and the company continues to have no outstanding debt. We remain greatly confident in our ability to maintain a strong financial position to fund our short and long-term growth initiatives for FuelChem, APC, and DGI. Before I turn the call back over to Vince, I'd like to take a moment to express on behalf of myself, both as an employee and a shareholder, and on behalf of the company, what an honor and privilege it has been to work for and with Vince. Vince's dedication to this company, its employees, its operation, and its long-term success has been extraordinary. While much of this work has taken place behind the scenes and may not always been visible to others, Those of us who have had the opportunity to work alongside him have experienced the commitment, integrity, and leadership that he has brought to this organization every day. His contributions have had a lasting impact on this company and are deeply appreciated by me and my colleagues. As Vince begins this new chapter, we wish him continued success. At the same time, we are excited about the future of the company and the opportunity to build upon the strong foundation he has spent so many years creating and nurturing. His legacy will continue to shape our success for years to come. Thank you, Vince, for your leadership, your dedication, and everything you have done for FuelTech and its people. The pleasure truly has been ours.

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

Ellen, thank you very much for the very kind words. Operator, let's go ahead and open the call for questions.

Operator | Conference Operator:

Thank you. We will now be conducting a question and answer session. If you would like to ask a question, please press star one on your telephone keypad. A confirmation tone will indicate your line is in the question queue. You may press start to 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 start keys. One moment please while we poll for questions. Our first question is from Samir Joshi with H.C. Wainwright. Please go ahead.

Samir Joshi | Analyst, H.C. Wainwright:

Good morning, Vince, Ellen. Good morning, Samir. My pleasure. Sad to see you leave, but you have done great for the company for the last so many years, so it's been a pleasure covering the company while you were at the helm. Thank you.

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

A pleasure working with you as well over the years, Samir. It's been a pleasure.

Samir Joshi | Analyst, H.C. Wainwright:

So just in terms of the opportunities that you have highlighted, last call and this call and this call, sorry, I'm hearing an echo. In any case, In 2027, should we expect this to become a significant source of revenues, or should we expect this to be like a 28-28 or 2029 upside?

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

I think relative to the data center opportunity, Ramesh, everything depends on timing of contract award at the end of the day, right? So I made reference to one opportunity that we are indeed following very closely right now, The delivery timeframes for this opportunity are early to mid-2027 delivery timeframes are what we are talking about right now. So there is the opportunity for some revenues to come into 2027 timeframe, but it fully depends on the timing of when the contract comes into fruition and then the expected delivery timeframes for having those turbines and then our related pollution control systems at site. So I'd say as we sit here today, there is a possibility for material revenues in 2027. Pending contract award, of course.

Samir Joshi | Analyst, H.C. Wainwright:

Yeah, you did mention the full Q27 possibility of that, some revenues from this. Okay, thank you. On the On the DGI front, it seems that the fisheries demo went very well and they are waiting for a proposal from you guys. Do we know what the size of that award could look like and what would be the timeline of implementation and revenue recognition on that if it comes through?

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

Understood. So for a full system for that particular hatchery, I'll give you a range because it will depend on what level of equipment configuration that the client ultimately wants. But the sale of the DGI system could range anywhere from $500,000 to as much as $1 million, depending on the configuration, the level of redundancy that we would have with that system as well. So that's the range we're talking about. and the revenue profile, if we were actually awarded a contractor for that system before the end of the year, all of that revenue would be recognized in 2027. It would be probably a five to six month project build, if you will, for that equipment build out.

Samir Joshi | Analyst, H.C. Wainwright:

Understood, and then this, could act as a demonstration of your capacity for other similar applications as well, I guess.

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

It sure would. It would be an outstanding reference if this was able to move forward.

Samir Joshi | Analyst, H.C. Wainwright:

And then on the FuelChem side, I know you mentioned the one additional potential customer is on the horizon. Is there a concerted effort to increase this customer base in 2027? How should we look at revenues from FuelChem in 2027 and beyond? Hello.

Operator | Conference Operator:

Please hold. Ladies and gentlemen, please stand by.

Operator | Conference Operator:

Oh, so you're now reconnected.

Samir Joshi | Analyst, H.C. Wainwright:

Yeah. I'm still here.

Operator | Conference Operator:

Mr. Joshi, you may proceed with your question.

Samir Joshi | Analyst, H.C. Wainwright:

Oh, okay, thanks. So yeah, the question was about FuelChem's outlook and new customers in 2027. I know you're working on one right now that may materialize by year end or early next year. Just wanted to see how to see additional customers in 2027.

Operator | Conference Operator:

Please stand by.

Operator | Conference Operator:

Say that again.

Operator | Conference Operator:

Ladies and gentlemen, we thank you for your patience. Gentlemen, you may resume your event.

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

This is Vincent Arnone back online. Sameer, are you there?

Samir Joshi | Analyst, H.C. Wainwright:

Sameer. Yes, I can hear you.

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

Thank you.

Samir Joshi | Analyst, H.C. Wainwright:

Sorry about that. Yeah, the question was about FuelChem's outlook for 2027. Are there additional customers or installations that you may be looking for and many more. Thank you.

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

the client that we'll be restarting the demo on in the fourth quarter of this year we're looking to convert that to a commercial account as we move into 2027 so as I mentioned if that does convert and does run full time throughout the year that's about a $2.5 to $3 million incremental revenue contribution for 2027 and then I mentioned that there's at least one other coal-fired account that we're were hoping to get a demonstration opportunity on later in this year. But right now, I would say it's premature to look to account for anything regarding that opportunity in 2027.

Samir Joshi | Analyst, H.C. Wainwright:

And then just the last one, given that there is going to be change at the CEO position, is there a mandate that has been given to Ramesh or especially because you have a strong balance sheet and there could be acquisitions that could be had with Ramesh's experience in integrating those in his past experience.

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

Right. So I would say as we sit here today, Ramesh, that there is no specific mandate, but I will tell you that Ramesh, along with the board support, We'll be looking at a variety of different opportunities to see if we can enhance our top line. That could include some level of M&A, if and when it makes sense for FuelTech, if we find an appropriate organization that we think would be accretive incrementally for us to take a look at for the company. I think that'll be part of his overall scope as he evaluates how we move FuelTech to the next level.

Samir Joshi | Analyst, H.C. Wainwright:

Thanks a lot, Vince, for today and for all the past years. Have a good one.

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

You're very welcome. Thank you.

Operator | Conference Operator:

We have reached the end of the question and answer session. I would like to turn the floor back over to Vince Arnone for closing comments.

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

Thank you, operator. I want to thank everyone for joining the call today. It truly has been my privilege to speak with everyone on these calls over the many years, both as CEO and previously as CFO. My goal has always been to provide a transparent and factual depiction of our company, its operations and its opportunities, and I hope I have conveyed the messaging well over the years. Lastly, I'd be remiss if I didn't provide a quick thank you to a few special individuals prior to signing off, as I would not have been able to provide the stewardship for FuelTech without the support of these individuals. To Sharon, my partner of 18 years, and to her children, Isabel and Grant, thanks for your ongoing care and support. I love you guys, and I look forward to spending more time with you in the future. And I also want to thank my brother, Bobby, who has always been there for me. With that, thanks everyone, and I truly wish everyone my best. Thank you.

Operator | Conference Operator:

This concludes today's teleconference. You may disconnect your lines at this time. Thank you for your participation.