NASDAQ:LMB Q1 2026 Earnings Call Transcript

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Operator | Conference Operator:

Good morning and welcome to the Limbark Holdings First Quarter 2026 Earnings Conference Call and Webcast. All participants will be in listen-only mode. Should you need assistance, please signal a conference specialist by pressing the star key followed by zero. I will now turn the conference over to your host, Lisa Fortuna, of Financial Profile. You may begin.

Lisa Fortuna | Host, Financial Profile:

Good morning, and thank you for joining us today to discuss Limbach Holdings' financial results for the first quarter of 2026. Yesterday, Limbach issued its earnings release and filed its Form 10-Q for the period ended March 31, 2026. Both documents, as well as an updated investor presentation, are available on the Investor Relations section of the company's website at LimbachInc.com. Management may refer to select slides during today's call and encourages investors to review the presentation in its entirety. On today's call are Michael McCann, President and Chief Executive Officer, and Jamie Brooks, Executive Vice President and Chief Financial Officer. We will begin with prepared remarks and then open the call to questions. Before we begin, I would like to remind you that today's comments will include forward-looking statements under federal securities laws. Forward-looking statements are identified by words such as will, be, intend, believe, expect, anticipate, or other comparable words and phrases. Statements that are not historical facts, such as those about expected financial performance, are also forward-looking statements. Actual results may differ materially from those contemplated by such forward-looking statements. A discussion of the factors that could cause a material difference in the company's results compared to these forward-looking statements is contained in LIMBOC's SEC filings, including reports on Form 10-K and 10-Q. Please note on today's call, we will be referring to non-GAAP measures. You can find the reconciliation of these non-GAAP measures to the most directly comparable GAAP measures in our first quarter 2026 earnings release and in our investor presentation, both of which can be found on LINBOC's investor relations website and have been furnished in the form 8K filed with the SEC. With that, I'll turn the call over to President and CEO, Mike McCann.

Michael McCann | President and Chief Executive Officer:

Good morning and welcome to our stockholders, analysts, and interested investors. We appreciate you joining us today. Yesterday, we reported our first quarter 2026 results, which were in line with the expectations we discussed on our last earnings call in March. Before turning to the details of the quarter, I want to briefly recap where we've been and where we're headed. Our long-term vision and strategy are to become an indispensable building system solutions partner for our customers' mission-critical facilities. We provide cost-effective, innovative, and dependable services designed to support uninterrupted operations. We operate as an integrated organization that aligns our people, capabilities, and service offerings. Our culture is built on the value of caring. At Lindbach, our people care about our customers and our dedicated delivering and maintaining systems that support some of their most critical assets while staying safe. Over the last five years, we've transitioned and scaled our business to focus on direct relationships with building owners. This has raised our margin profile, improved the quality of our revenue, and deepened our relationships with customers who operate mission-critical facilities. Our revenue mix between ODR and GCR has reached stabilization. reflecting progress toward what we view as the optimal balance between the two business segments. Going forward, we intend to continue to prioritize ODR growth while selectively pursuing high-quality GCR opportunities where customer, partner, risk profile, and end market align with our strategy,

particularly in data centers where demand is accelerating rapidly. As we move forward into 2026, our focus is on scale and growth. We see significant opportunities to deepen and expand our customer relationships supported by the strong foundation we have built over the previous five years. Now turning to our first quarter results. First quarter revenue was $138.9 million, in line with our expectations. Although total revenue growth was 4.3%, organic revenue was down as expected, decreasing by 13.4%. As previously discussed, the results reflect the impact of lower bookings in the middle of 2025 and normal seasonal patterns among industrial customers. The revenue mix was 71.9% ODR and 28.1% GCR, with ODR revenue growing 10.4% and organic ODR revenue declining 5.4%. Total gross margin was 22.4%, primarily due to lower fixed cost absorption in our ODR segment from lower revenue during the quarter. The absence of higher net project write-ups that benefit the prior year period, which is largely timing-related, and the current lower gross margin profile of Pioneer Power. Adjusted EBIT was 8.7 million, which was also in line with our expectations. As anticipated, we experienced a cash outflow due to lower net income and higher working capital needs in Q1. Q1 bookings were exceptionally strong at 209 million, generating a book-to-bill ratio of 1.5. Approximately 27% of bookings came from data center opportunities, reflecting strong demand in this vertical, and the value of Limbox's existing customers with brand name hyperscaler customers. As a reminder, in 2026, we remain highly focused on our three strategic growth pillars, ODR organic and total revenue growth, margin expansion through evolved customer solutions, scaling the business through acquisitions. While first quarter organic revenue was down as expected, the more important development of the quarter was the acceleration of demand. Over the past two quarters, we recorded more than $434 million of bookings, including 209 million in Q1 of 2026 and 225 million in Q4 of 2025. Our Q1 2026 book-to-bill ratio of 1.5 times is a strong indicator that revenue momentum is building as we move through 2026. We believe the strength of these bookings reflect the traction we are getting from recent investments in our national sales, vertical market teams, customer solution teams, as well as our ability to serve increasingly complex mission-critical facilities. Earlier this year, we invested in dedicated sales enablement tools to support productivity. This type of sales support is only possible in an organization that works collaboratively and shares best practices. During the first quarter, we rolled out an updated sales process system designed to better highlight what differential inbox in the marketplace. We also continue to invest across three national vertical market teams. The healthcare team is now fully built and delivered strong bookings over the past two quarters, positioning revenue to accelerate in the second half as those bookings convert. In addition, during the first half of the year, we are focused on adding resources to our data center team, combining experienced Limbach employees with new hires to drive scale and deepen existing customer relationships. Our second pillar is to expand margins by driving more evolved customer solutions. We differentiate ourselves from our competition by delivering creative, integrated solutions that solve real business problems. Our strategy is focused on six core customer solutions, including integrated facility planning, service and maintenance, replacement equipment and retrofits, rental equipment, MEPC infrastructure upgrades, and energy efficiency decarbonization projects. Over time, our goal is to deliver all six customer solutions at both the national and local level across our customer base. By bundling these offerings, we can create a more comprehensive solutions for customers while layering on incremental margins. Our third strategic pillar is targeted acquisitions, designed to extend the Limbach brand, strengthen our market presence, and expand our capabilities. By pursuing disciplined acquisitions, we seek to diversify our vertical market exposure, broaden our geographic reach, and add new offerings that enhance and scale our customer solutions. Given robust demand from customers with national operations who are increasingly seeking partners with comparable geographic reach and technical capabilities, we believe there's an opportunity to further refine our acquisition strategy. We're actively evaluating acquisitions and are open to larger acquisitions where the strategic rationale is compelling. Many of our customers operate nationally and increasingly want partners whose geographic footprint and technical capabilities can match the scale of their own businesses. We're focused on businesses that expand and extend our local service capabilities, deepen our presence in attractive geographies, and enhance our ability to deliver mission-critical solutions across a larger national platform. Our integration of Pioneer Power is progressing well. Pioneer expands our capabilities, broadens our customer base, gives us additional avenues to participate in high-growth, mission-critical end markets, including data centers. We're in the process of increasing gross margin of Pioneer Power to align with our company average. Our key strategic priorities to achieve this include... reviewing and renegotiating existing contracts for better pricing, optimizing project mix with prioritizing

revenue by specific target margins, leveraging cross-selling opportunities, and implementing LIMBOC sales and operating tools. We expect Pioneer's margins to begin improving in 2026 with continued progress over the next two to three years. From a macro perspective, conditions were generally favorable in the first quarter. We believe the optimal mix for LIMBOC is centered on three key areas. institutional markets led by healthcare and higher education, industrial markets, and data centers. Our experience in 2025 reinforced that market vertical diversification and geographic expansion will make our business model more resilient. Starting with healthcare, customers remain focused on near-term, mission-critical spending while thoughtfully planning longer-term capital investments. As discussed last quarter, D.C. policy changes extended budgeted timelines for several of our customers. We are now seeing those budgets normalized, with spending expected to pick up in the second half of the year and align with historical patterns. At the national level, our team is gaining traction with key customers and aligning sales efforts with anticipated funding releases. Locally, customers remain disciplined in how they allocate capital, prioritizing investments to maintain and upgrade critical systems. Our local engineering team expertise, and solution-oriented approach remain key differentiators, and it's our responsibility to structure opportunities that clearly meet each customer's ROI requirements. Jake Marshall was a key contributor to our margin expansion over the last four years. They've been focused on building relationships in the healthcare sector. This momentum continued in the first quarter with the award of a multi-phase renovation project at Chattanooga-based facility, further strengthening our presence with this customer. Our Chattanooga team has successfully deployed multiple customer solutions, including maintenance agreements, rental fleet utilization, and on-site account management. These solutions enabled us to win this significant infrastructure project. Turning to data centers, we want to emphasize that LIMBOC has longstanding 10-plus year relationships with brand name hyperscaler customers, and we are focused on building on that foundation as demand accelerates. What has changed is the scale and urgency of demand in the market and our ability to bring a broader, more coordinated set of capabilities to those customers. As mentioned on our fourth quarter call, we were awarded a unique infrastructure data center project. Additionally, in the first quarter, we successfully won a similar but even larger project from one of the hyperscalers in the market. We will be providing a fabricated package encompassing of steel structures, piping systems, and the execution is expected to be rapid. We anticipate the final contract value of this project to exceed $30 million and expect to generate the revenue over the next few quarters. Our experienced and disciplined approach has made us highly selective around customer quality, contract structure, project execution risk, and partner alignment, we are approaching this opportunity with discipline. We are not pursuing growth for growth's sake. We are pursuing data center work where we believe LIMBOC has a differentiated right to win and where the risk adjusted return profile is attractive. One of the key value creation issues of Pioneer Power is expanding its reach into the data center market. In the first quarter, we rewarded one of the initial projects with an existing data center, which is expected to provide immediate contributions beginning in the second quarter. The contract value is approximately $6 million, features a rapid execution schedule, involves a complete retrofit of the space to support new server installation. Layering data center work into Pioneer's existing customer profile remains an important driver of the margin expansion over time. We continue to see meaningful opportunities within this vertical market and expect momentum to build through the year. To support this growth, we are developing a dedicated data center vertical market team focused on leveraging both our fabrication resources and our available field talent. Industrial manufacturing activity began to show meaningful momentum starting in April, with our strengths in this vertical beginning to translate into new opportunities. Our other vertical markets are trending in a positive direction, though we expect most of the growth to come in the latter part of the year. Moving to our outlook, we are reaffirming the full-year guidance we provided for 2026 back in March. We expect revenue between $730 and $760 million, implying year-over-year growth of 13% to 17%. Adjusted EBIT of 90 to 94 million, implying year-over-year growth of 10 to 16%. The following underlying assumptions support this guidance. Total organic revenue growth of 4 to 8%. ODR organic revenue growth of 9 to 12%. ODR is the percentage of total revenue to be in the range of 75 to 80%, reflecting the stabilization of the mixed shift. Total gross margin of 26 to 27%. SG&A expenses, the percentage of total annual revenue to be 15% to 17%, and free cash flow to be 75% of adjusted EBITDA. For the second quarter of 2026, we expect sequential improvement of revenue adjusted EBITDA and are comfortable with the consensus expectations currently stand. With that, I'll turn the call over to Jamie to walk through the financials in more detail. Jamie?

Jamie Brooks | Executive Vice President and Chief Financial Officer:

Our Form 10Q and earnings press release filed yesterday provide comprehensive details of our financial results So I'll focus on the highlights of the first quarter of 2026 with all comparisons versus the first quarter of 2025 unless otherwise noted. We generated total revenue of 138.9 million compared to 133.1 million in Q1 of 2025. The increase was primarily due to 23.5 million revenue contribution from Pioneer Power. ODR revenue grew 10.4% to 99.8 million with ODR acquisition-related revenue increasing 15.8%, partially offset by an expected 5.4% decrease in ODR organic revenue. ODR revenue accounted for 71.9% of total revenue during the quarter. As expected, GCR revenue declined by 8.6% to $39 million, from GCR organic revenue decreasing by 30.2%, partially offset by a 21.6% increase in GCR acquisition-related revenue. Total gross profit decreased 15.1% from $36.7 million to $31.2 million. Total gross margin on a consolidated basis was 22.4%, down from 27.6% in the prior year quarter. Excluding Pioneer Power, total gross margin would have been 25% due to the lower margin profile

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operating model over the next two to three years.

Jamie Brooks | Executive Vice President and Chief Financial Officer:

ODR gross profit comprised 73.7% of total gross profit dollars, or $23 million. ODR gross profit decreased 12.1%, or $3.2 million, and ODR gross margin was 23%, compared to 28.9% in the prior year period. The decrease in gross margin was primarily due to lower fixed cost absorption and as a result of higher fixed costs and seasonally lower revenue, the absence of higher net profit write-ups in Q1 2026 compared to the first quarter of 2025, and Pioneer Power's current lower gross margin profile. Project write-ups are typically recorded when projects are at or near the end of their life cycle to reflect strong execution. During the first quarter of 2025, more projects were at or near the end of their life cycle than in the first quarter of 2026. Additionally, we incurred higher fixed costs impacting the cost of revenue in the first quarter of 2026, primarily due to the increase in the size of our vehicle fleet and increase in our insurance premiums, as well as increase in tools, supplies, and safety costs. As revenue levels increase in 2026, we expect fixed cost absorption to improve. GCR gross profit decreased 22.5% from $10.6 million to $8.2 million. GCR gross margin decreased from 24.7% to 21%. The decrease was due to lower gross margin work associated with Pioneer Power and lower total net project write-ups in the first quarter of 2026 compared to the first quarter of 2025, similar to the ODR. SG&A expense for the first quarter was $28.1 million, an increase of approximately $1.6 million from $26.5 million. The increase was primarily driven by an increase in payroll-related expenses. As a percentage of revenue, SG&A expense increased to 20.2% compared to 19.9% in the first quarter of 2025. Interest expense increased $0.2 million to $0.7 million driven by higher borrowings under the company's revolving credit facility to finance working capital, as well as higher financing costs associated with a larger vehicle fleet. Net income for the first quarter decreased 57.1% from $10.2 million to $4.4 million, and earnings per diluted share was $0.36 compared to $0.85. Adjusted net income decreased 42.6% to $7.8 million, compared to 13.5 million, and adjusted diluted earnings per share decreased 42.9% from $1.12 to 64 cents. Adjusted EBITDA for the quarter decreased 41.7% to 8.7 million compared to 14.9 million. Adjusted EBITDA margin was 6.2% compared to 11.2% in Q1 last year, primarily driven by the lower gross profit and slightly higher SG&A expense. Turning to cash flow, net operating cash outflow during the first quarter was 7.8 million compared to a 2.2 million cash inflow in the year-ago period, driven by lower net income and higher working capital. The primary drivers of the reduction in operating cash during the quarter were incentive compensation payments, contingent consideration payments related to prior acquisitions, and prepaid insurance premiums. Additionally, as part of our capital allocation to offset stock issuances for our long-term incentive plan, we used $5.8 million of cash to pay employee taxes related to the shares withheld to cover their taxes. Free cash flow, defined as cash flow from operating activities, excluding changes in working capital minus capital expenditures, was $7.7 million in the first quarter compared to $15 million in Q1

last year, representing a $7.4 million decrease. The free cash flow conversion of adjusted EBITDA for the quarter was 88.7% versus 101.1% last year. As Mike already mentioned, for the full year 2026, we continue to target a free cash flow conversion rate of at least 75% of adjusted EBITDA, and expect CapEx to have a run rate of approximately $5 million. Turning to our balance sheet, as of March 31st, we had $15.8 million in cash and cash equivalents and total debt of $57 million, which includes $32.4 million borrowed on our revolving credit facility and $7 million of standby letters of credit. As a reminder, at the end of June last year, we expanded our revolving credit facility from $50 million to $100 million in principal amount borrowings. Total liquidity, defined as cash and availability on our revolving credit facility, with 76.4 million at the end of the first quarter. This concludes our prepared remarks. I'll now ask the operator to begin Q&A.

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. You may press star 2 if you would like to remove your questions from the screen. For participants using speaker equipment, it may be necessary to pick up your handset before pressing the star keys. One moment, please, while you poll for questions. The first question comes from the line of Rob Brown with Lake Street Cavalry.

Rob Brown | Analyst, Lake Street Cavalry:

Please go ahead. Good morning. First question is on your kind of gross margin trends. You addressed some of the ins and outs, but what's sort of the timing of the improvement on Pioneer kind of this year? I know you gave a two- to three-year window, but how much improvement can you see this year from Pioneer integration?

Michael McCann | President and Chief Executive Officer:

Good morning, Rob. So from a Pioneer Power perspective, obviously we've discussed this before, but the first piece of this really was from an integration perspective from a systems process. accounting system. So that was really last year. This year it's focused on obviously from a gross profit improvement perspective. So a number of different things we've talked about, but obviously dedicating resources to the best accounts, analyzing them, going back from renegotiation from accounts as well too. I think the other thing we talked about in the prepared remarks too was our ability to infuse some data center work on top of their markets from an industrial and institutional as well too. So I think those are going to take some time to come into play. And I think we're improving to be towards the back half of the year. But we're making a lot of, I think the team along with management is making a lot of proactive steps to really think through what that improvement process is. And quite frankly, there's a number of different levers that we can pull. And we're kind of doing those in a a very coordinated effort. So we're optimistic for sure with Pioneer Power margin improvement.

Rob Brown | Analyst, Lake Street Cavalry:

Okay, great. Thank you. And then on the bookings, strong bookings in the quarter, particularly in data center, how much, you know, it seems like you're early in that effort. How much opportunity do you see in the data center vertical as you get your national account teams in place?

Michael McCann | President and Chief Executive Officer:

Yeah, we've definitely been pleased with the last two quarters, $434 million booked in the last two quarters. I think one thing we, you know, from a data center perspective, there's so much need for people that work in a mission-critical environment. We're leveraging some relationships we've had for a number of different years. I think we're off to a strong start in Q1. There's a lot more opportunity as well, too. So I think as we continue to work our way through that vertical, dedicate resources. We have a national vertical market team as well, too, that will be working relationships and understanding where we fit in. Ultimately, though, the skill set that we have at the Mission Critical Environment translates really well from a data center perspective as well, too. So we haven't really provided any forward-looking outlook as far as from a percentage basis, but I think we're pleased with the 27% in Q1, and we see tons of opportunity for, you know, players, I guess. The other thing I would tell you, I think from a data center perspective, the things that we continue to learn are they're looking for somebody that is a national contractor that has a good footprint that matches, aligns with their footprint. And again, that quality mission critical expertise. So we anticipate the combination of those two to be favorable for us as we look forward through this year and I think the next couple years.

Rob Brown | Analyst, Lake Street Cavalry:

Thank you. I'll turn it over.

Operator | Conference Operator:

Thank you. Next question comes from the line of Chris Moore with CJS Securities. Please go ahead.

Chris Moore | Analyst, CJS Securities:

Hey, good morning, guys. Thanks for taking a couple. Maybe just one more follow-up on data center. So it sounds like the lead times in terms of converting the data center orders is, at least on these orders, is a little bit quicker than the average bookings. Is that fair?

Michael McCann | President and Chief Executive Officer:

Yeah, one of the examples that we gave in the prepared remarks was a fabrication project, which is a very quick burn, which will burn in the next several quarters. So it depends on the work. I think the one thing that seems pretty consistent with the data center work is, unless on our end, is it's speed to market at the end of the day. So it does take time to set the work up. Even the jobs that we did, we think it'll move pretty quickly, but there is a reasonable setup period of time as well, too. But we're excited. I think our ability... to leverage our capacity to move quickly. We've won several of these fabrication-type projects, and this one that we recently were awarded encompasses steel and pipe and a number of different structures that we can put into place that they want to, I think they're looking at us for capacity and speed to market. So it'll depend on the opportunity, but I think that particular opportunity, or at least a couple that we mentioned to prepare marks, will burn very quickly.

Chris Moore | Analyst, CJS Securities:

Terrific. Are the margins there consistent with your RDR targets?

Michael McCann | President and Chief Executive Officer:

You know, we've done some work. The margins, the work that we've done in the past, the margins have been really good. So, we definitely wouldn't be getting into this vertical if we felt like the margins weren't as good, if not better. Again, we're going to be very selective as well, too. So, I think that's, we're going to be very measured, just like we are overall from a strategic standpoint, but You know, we're excited about the margin opportunity. It's all about delivering on time with a high level of quality, and they will pay the margins that's relative to that effort. Got it.

Chris Moore | Analyst, CJS Securities:

So in terms of on the guide, ODR organic growth, 9% to 12%, you know, versus the 17% last year. Last year you had a big Q4. Is there a similar expectation in 26 that the organic – ODR, you know, kind of builds in Q2 through Q4?

Michael McCann | President and Chief Executive Officer:

Yeah, it will definitely build throughout the year. I mean, I think a similar cadence that we've had, even similar cadence that we had last year as well, too. So, yeah, and I think it's part of the cadence with the owner direct customers as well, too. I think as we layer data center work in, I think that could have a little bit of a different profile that's not so backloaded, but You know, a good chunk of our revenue, obviously, this year is based on the institution and industrial markets. Industrial doesn't really start hitting until April. And then the institutional, they set their budget at the beginning of the year, and they see how it goes, and they tend to really spend towards the back half. So, yeah, I would say similar cadence to last year, and especially due to the institutional industrial work that we do.

Chris Moore | Analyst, CJS Securities:

Got it. And so you do expect a positive ODR organic revenue? growth in Q2, is I guess what I was asking.

Michael McCann | President and Chief Executive Officer:

I think it'll build throughout the year for sure.

Chris Moore | Analyst, CJS Securities:

Got it. Okay. I will leave it there. I appreciate it, guys.

Michael McCann | President and Chief Executive Officer:

Thanks, Chris.

Operator | Conference Operator:

Thank you. Next question comes from the line of Brian Proffey with Stifel. Please go ahead.

Brian Proffey | Analyst, Stifel:

Yeah, thanks. Good morning, everybody. Congrats on the data center. Good morning. Hey, good morning. I realize awards are kind of hard to predict, but the data center activity in terms of awards that you saw this quarter, is that unusually high? Or just given the demand environment that we're seeing, could you see us potentially grow from this level? I guess how sustainable do you think this level of activity on the data center side is?

Michael McCann | President and Chief Executive Officer:

Thanks. It's tough for us to tell, but I will say we've talked to – various customers in this space, the opportunity is there, no doubt about it. I mean, we're going to have to figure out what our cadence is. We're off to a good start, but I think we don't have enough quarters in a row to kind of figure out our cadence or our year-end percentage. But there is so much spend that they're looking for people that understand quality, speed to market, kind of all the things that kind of play into our expertise. So we haven't necessarily run into... a position or a customer where there wasn't the need. And so I think it's going to be the demands there for us to take advantage of, for sure.

Brian Proffey | Analyst, Stifel:

Okay, that's helpful. And then obviously, it sounds like fabrication work is part of the awards here. Do you guys have enough capacity currently to support what you're being awarded? Or is there any more CapEx that is needed to support some of that work? And I guess at what point would you need to add more fabrication capacity, or are we pretty far away from that at this point?

Michael McCann | President and Chief Executive Officer:

No, that's a good question. So we have a decent amount of capacity right now. If anything, we have excess capacity. One thing that we're able to leverage is we When we purchased Jake Marshall in late 2021, they had a very large fabrication facility. I think it's almost 14 acres. So we have a lot of capacity. I'd love to get to the point where we need more because that means that that shop, we also have other shops at locations as well too. So I think the advantage for us is when some players or competitors are filled up, we have the capacity. So we spend a lot of time touring people through our facility and And they can see physically that there's capacity as well, too. So, you know, I'd love to be discussing a CapEx in some sense because that means, but I think we're quite a bit of ways away from that. And we're trying to use the capacity that we have and fill it up. So there's several of these jobs that we can handle at one point. And then we also have overflow as well, too. So that's the message that we're telling our customers. I think it's going to help the business all around is if we fill up that fabrication capability capacity.

Brian Proffey | Analyst, Stifel:

Understood. Appreciate it. I'll pass it on.

Operator | Conference Operator:

Thank you. Next question comes from the line of Tomo Sano with JP Morgan. Please go ahead.

Tomo Sano | Analyst, JP Morgan:

Hi. Good morning, everyone. Morning.

Jamie Brooks | Executive Vice President and Chief Financial Officer:

Morning.

Tomo Sano | Analyst, JP Morgan:

Thank you. Could you talk about industrial manufacturing situations? You mentioned you're seeing meaningful momentum start in April. So if you could talk about what exactly you are seeing and any more color would be appreciated.

Michael McCann | President and Chief Executive Officer:

Sure, sure. So a lot of our industrial work in manufacturing has really come from our acquisitions from Pioneer Power in Minneapolis and Consolidated in Kentucky as well as – Jake Marshall in our Chattanooga location as well too. So for us, part of it's just, I think as we've continued to acquire companies that work in that space, there seems to be kind of a natural cadence that April starts that spend. So, you know, we see positive outlook for sure, but I think that seems like that's the spend, that's the timing. I mean, especially even from a PPI perspective, I think some of this is just seasonal as well too. But as we continue to acquire in this space, I think we're going to see kind of the pattern that happens. So we're optimistic and looking forward, I think, to the work that happens this year.

Tomo Sano | Analyst, JP Morgan:

Thank you, Mike. And follow-up on national versus local sales contributions. Last quarter, you discussed investing in two senior executives, one focused on local sales enablement and one on the national relationship. How much of the $209 million in Q1 booking was driven by national account relationship versus local sales. And are you seeing the national strategies begin to contribute meaningfully?

Michael McCann | President and Chief Executive Officer:

Yeah, we didn't provide a breakout per se, but I will say there's a good mix between the two. Still more heavily locally weighed, but definitely starting to see some at-bats from a national perspective as well, too. So Jamie and I are very happy with way that we you know from a structure standpoint and an executive management standpoint you know as far as one one executives on sales enablement with local sales been very successful and then we have somebody dedicated from a national account perspective so um that's going really well i think there are i would also tell you too that the two of them work together and those functions work really well together as well too so if we have a national um account or an opportunity the two of those execs collaborate as well as the local branch as well, too. So I see them working really closely together. And as we expand not only our footprint, but as well as our exposure from a national account perspective, the more overlap, the better. That means we're getting synergies as well, too. So I think for us, you know, especially from a customer buy perspective and the way that we go to market and differentiate ourselves, the ability to have local and national I think is going to be a game changer for as we continue to expand resources.

Tomo Sano | Analyst, JP Morgan:

Thank you. Very clear and helpful.

Operator | Conference Operator:

Thank you. Ladies and gentlemen, we have reached the end of question and answer session. I would now like to turn the floor over to Mike McCann for closing comments.

Michael McCann | President and Chief Executive Officer:

In closing, our strategic priorities for 2026 are the following. ODR organic revenue growth and total revenue growth. margin expansion through evolved customer solutions, smart capital allocation and scale through acquisitions. Our first quarter book-to-bill ratio of 1.5 times, expanding data center opportunities, growing national account relationships, and healthy acquisition pipeline all reinforce our confidence in our strategy. We believe Limbach remains in the early stages of building a larger, more valuable, more durable building system solutions platform, and we're focused on executing that opportunity with discipline. Our model combines engineering expertise with direct execution, enabling us to partner with customers through multi-year consultative capital planning efforts that extend beyond traditional backlog. We believe this is a differentiated approach, supports to sustain growth and shareholder value creation. Thank you again for your interest in Limbach, and have a great rest of your day.

Operator | Conference Operator:

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