NASDAQ:MTRX Q3 2026 Earnings Call Transcript

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Operator | Conference Operator:

Good morning and welcome to the Matrix Service Company conference call to discuss results for the third quarter of fiscal 2026. Currently, all participants are in a listen-only mode. Later, we will conduct a question and answer session and instructions will be given at that time. As a reminder, this conference is being recorded. I would now like to turn the conference over to Mr. John Hewitt, President and CEO for Matrix Service Company.

John Hewitt | President & Chief Executive Officer:

Good morning, everyone. Before we get started, I want to take the opportunity to introduce two individuals joining our call today for the first time. First is Patrick Roberts, who has added investor relations to his current role, which also includes corporate development and strategic planning. Next is Sean Payne, currently Chief Operating Officer, who, as you know, will take the reins as President and CEO on July 1st. Sean is currently at a major project kickoff in Houston and will not be with us for the Q&A portion of this earnings call. that will be joining us at upcoming investor conferences and on other scheduled calls. With that, I'll turn the call over to Patrick.

Patrick Roberts | Investor Relations, Corporate Development & Strategic Planning:

Thank you, John, and good morning, everyone. Welcome to Matrix Service Company's third quarter fiscal 2026 earnings call. As John mentioned, participants on today's call include Chief Executive Officer John Hewitt, Chief Operating Officer Sean Payne, and Chief Financial Officer Kevin Cavanaugh. Following our prepared remarks, we will open the call up for questions. The presentation materials referred to during the webcast today can be found under Events and Presentations on the Investor Relations section of matrixservicecompany.com. As a reminder, on today's call, we may make various remarks about future expectations, plans, and prospects for Matrix Service Company that constitute forward-looking statements for purposes of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by these forward-looking statements. Because of various factors, including those discussed in our most recent annual report on form 10 K and in subsequent filings made by the company with the SEC. The forward looking statements made today are effective only as as of today. To the extent we utilize non gap measures reconciliations will be provided in various press releases periodic SEC filings and on our website. Related to investor conferences and corporate access opportunities, Matrix will be participating in the Sedoti MicroCat virtual conference on May 20th and 21st, and will also be participating in the Stiefel Cross-Sector Insights Conference on June 2nd and 3rd in Boston, and the Northland Growth Virtual Conference on June 23rd. If you'd like additional information on these events or would like to have a conversation with management, I invite you to contact me through the Matrix Service Company Investor Relations website. Turning now to safety, as we begin our earnings call, I want to take a moment to recognize that May is Mental Health Awareness Month. At Matrix, we believe that safety goes beyond physical well-being. Mental health is just as important. In our industry, the pressures of strenuous work and extended periods away from home can take a significant toll. Unfortunately, the construction industry faces some of the highest rates of suicide, making it critical for us to address these challenges directly. But quite honestly, whether you work in the construction industry or elsewhere, Each of us face challenges in life that can put our mental health at risk, and we need to know that resources are available. And it's okay to ask for help. Matrix is committed to reducing the stigma surrounding mental health. We strive to foster an environment where everyone feels

comfortable seeking support, and we provide resources to help our employees take care of themselves and each other. By prioritizing both physical and mental safety, we reaffirm that every aspect of our team's well-being is paramount. We encourage each of you to do the same. Together, we can make a difference and ensure that no one feels alone. I will now turn the call over to John.

John Hewitt | President & Chief Executive Officer:

Thank you, Patrick, and good morning again, everyone, and thank you for joining us. I want to highlight many of the key events that have happened in the quarter that will provide clarity on the progress we are making on our win, execute, and deliver strategy. First, the business return to profitability in the quarter, as we earned 13 cents for a fully diluted share on an adjusted basis. despite revenue levels being impacted by client-related delays and weather during the quarter. We expect revenues to climb in Q4 and profitable performance to continue. The lower revenues in Q3 principally came in our book work caused by abnormal and unforeseeable weather events and late client deliverables. These delayed revenues are moving into later quarters. This profitable outcome was driven by the quality backlog, good operating performance against that backlog, and organization streamlining that has occurred over the past 12 months. As it relates to our revenue guidance, the revenue movement I mentioned does contribute to a 2.2% reduction in the midpoint of our guidance range from what was $900 million to a new midpoint of $880 million. Even with a slight reduction in the midpoint of the guidance range, the revenue in the fourth quarter is expected to turn upwards and supports our continued profitability. During the quarter, we reached positive resolution on two legacy legal issues. The first was a collection issue from an industrial client working toward commercial viability, and the other, a contract dispute with a midstream company for whom we built a crew terminal during the COVID outbreak. The collective result was in line with our balance sheet position, will increase our cash balance by nearly 20 million, and will allow us to reduce our legal spend in the future. These two items present final closure to the remaining significant legacy disputes that have distracted the organization these past few years. Our opportunity pipeline remains strong at 6.9 billion, which represents not only our traditional LNG business, but the addition of more opportunities in mining minerals, power generation, and data center related activities. The awards in the quarter were below our expectations, affected mostly by timing of client decision making. Activity in the quarter and the month of April do contain some key strategic wins for the company. First, following the close of the quarter, we received a limited notice to proceed for a major mining construction project for a client in the western United States. Second, over 30 million of our electrical-related awards received in the quarter are directly related to the build-out of data centers and enhanced power demand. The book to build in our electrical business for the quarter was well over a 1.0. We expect to see continued growth in both of these markets. The impact of the Iran conflict on our business has been minimal to date, However, we believe it will only serve to emphasize that as countries around the world look to find secure, reliable oil, gas, LNG, and NGLs, the United States can play a major role in filling that need. This will continue to support the infrastructure designed and constructed by Matrix. Finally, in the quarter, we continued our organizational realignment that started nearly 12 months ago. As previously disclosed, Sean Payne, our Chief Operating Officer, will succeed me as CEO on July 1st. I've had the privilege of working with Sean in various capacities and companies for more than 30 years. He is a seasoned strategic leader with strong values, a deep operations and finance background that positioned him well to lead the company forward. Last week, we announced that Kevin Cavanaugh, our chief financial officer, will depart the company in September. Kevin has been with Matrix for more than 23 years, 15 of which have been as our CFO. Kevin has built a strong and experienced finance organization with a deep bench of talent and well-established financial and control processes. The company has begun a comprehensive internal and external search for our next CFO, and Kevin will ensure a smooth and seamless transition through the completion of our fiscal year-end reporting. In addition, while not a public-facing role, Nancy Austin, who has served as our Chief Administrative Officer and has been with Matrix for 26 years, will also be departing the company. Nancy has been instrumental in establishing a strong foundation for key support services. Most importantly, those focused on ensuring that we can attract and retain the needed labor resources. Nancy's responsibilities are being redistributed and the position will not be backfilled, reflecting the company's commitment to flattening

our organization structure while ensuring we remain efficient and responsive to the needs of our customers and partners. Before moving on, I want to thank them both for their many years of dedication, hard work, and leadership. The transition to Sean's leadership of the business, including these changes, as well as his vision on organization structure and operational priorities, has already commenced. And the core elements of our win, execute, and deliver strategy, for which he is the principal architect, contain guiding principles for the company that are already positively impacting the bottom line and will be the focus moving into 2027. Most of the executive leadership will soon be operating out of our Houston office. which has the added benefit of putting us closer to many of our top energy clients. The organization is now better prepared for growth, enhanced focus on our priority markets, is more competitive, and will have a more consistent execution approach. I'm excited for this new group of leaders to continue our journey and drive continued success and value creation across the business. I want to turn the call over to Sean for a few words on the recent mining award and his focus areas.

Sean Payne | Chief Operating Officer:

Thank you, John. Good morning, everyone. As John mentioned, our profitable third quarter results show the progress we are making with our win, execute, deliver strategy. These results demonstrate that the execution improvement initiatives related to the execute pillar of our strategy are driving clear, measurable gains in profitability. We are bringing the same discipline approach to the wind pillar of our strategy, where we are continuing to strengthen our leading EPC position for critical LNG and NGL infrastructure, as well as expanding into new and re-emerging markets across North America. This approach is building real momentum in our sales pipeline and has already led to early successes across several areas. One example is the limited notice to proceed that were received for an important mining sector project that we are kicking off today, which John mentioned earlier. The project is expected to start in Q4 and continue throughout fiscal 27. After nearly a decade of limited capital spending, increases in demand and rising non-ferrous metal prices are starting to support new development activity. And as a result, our project opportunity pipeline in the sector has grown significantly. We have a strong history in mining and reestablishing our presence as the market rebounds is a key part of our strategy. Moving forward, as I get ready to assume the CEO role, I've taken several early steps this quarter to continue shaping how the organization operates. These changes are intended to create a more efficient and operationally focused organization that can make decisions faster, and respond more quickly to market opportunities and our clients. Examples of recent changes include streamlining as well as the decision not to add a COO back into the organization once I become CEO. With operations reporting directly to me, we eliminate unnecessary handoffs and sharpen our organizational alignment around what matters most, our clients, our projects, and the safety of our workforce. Over my first 100 days, my focus will be on implementing a clear roadmap for how we drive higher growth and continue improving profitability. I'll provide additional insight into those priorities on our fourth quarter earnings call. Before I turn the call over to Kevin to review our third quarter results, I want to say how grateful I am for the opportunity to build on our strong foundation and lead this organization into the future. Kevin?

Kevin Cavanaugh | Chief Financial Officer:

Thank you, Sean. Revenue increased to $206.7 million in the quarter, as compared to $200.2 million in the third quarter last year. The growth was driven by the storage and terminal solutions segment, partially offset by reduced revenue in the process and industrial facilities segment. Gross margin was $17.2 million, or 8.3% in the quarter, compared to 12.9 million or 6.4% for the third quarter of fiscal 2025. I will discuss specific drivers for that improvement when I get into the segment results, but on an overall basis, gross margin improved from both higher direct project margins and lower under-recovered overhead. Moving on to SG&A, which was 15.2 million in the third quarter compared to 17.7 million for the prior year. The decrease is due in part to lower compensation related expenses resulting from continued efforts to improve organizational efficiency. Additionally, stock compensation expense was lower as a result of executive separations during the quarter. For the third quarter of fiscal 2026, the company produced net income of 0.8 million or three

cents per diluted share compared to a net loss of 3.4 million or $0.12 per diluted share in the third quarter of fiscal 2025. The company incurred restructuring charges of $3 million in the quarter. Excluding those restructuring charges, adjusted earnings were a positive $0.13. Adjusted EBITDA improved to $4.9 million in the quarter compared to break-even performance in the prior year third quarter. Moving to the segments. storage and terminal solutions segment revenue increased 16% to $111.6 million in the third quarter, compared to $96.1 million in the third quarter of fiscal 2025. This is the highest quarterly revenue level for the storage and terminal solutions segment in six years. We expect this growth trend to continue, driven by specialty vessel storage projects, including projects for LNG, ethane, and butane. The growth is also reflected in the segment gross margin, which increased to 7% in the third quarter of fiscal 2026 compared to 3.9% in the third quarter of fiscal 2025. Utility and power infrastructure segment third quarter revenue was $60 million compared to $58.7 million last year. Project execution was strong throughout the segment, including peak shaving and electrical, producing a 13.6% gross margin in the quarter compared to 9.4% in the third quarter last year. Process and industrial facility semi-revenue decreased to 35.1 million in the third quarter compared to 45.4 million last year. Gross margin was 2.5% in the third quarter of fiscal 2026 compared to 8.3% for the third quarter of fiscal 2025, a decrease of 5.8%, primarily due to mix of work and the settlement of a legacy legal matter discussed earlier. We expect revenue and margins in this segment to rebound in fiscal 2027 due in large part to the mining project previously mentioned. Moving to the balance sheet, our cash balance increased $34 million in the quarter. We ended the quarter with cash of $258 million, which also drove an increase in liquidity, which was $297 million at the end of the quarter. The growth in cash and liquidity was primarily due to the timing of cash flows on projects, as well as positive earnings. While we expect the timing of cash flows on projects will utilize some cash as we complete fiscal 2026 and move into fiscal 2027, the financial position of the company remains strong. I'll now turn the call back over to John Hewitt.

John Hewitt | President & Chief Executive Officer:

Thank you, Kevin. Before taking questions, here are the five critical takeaways from this call. Our return to profitability in Q3 demonstrates the strength and credibility of our operating model and strategy, even on lower revenue. Second, the Q3 revenue shortfall is due to timing issues from customer and weather-related delays that move book work out of the period. Third, our balance sheet is strong and supports our financial growth and strategic objectives. Fourth, our book-to-bill is driven by timing. With a strong backlog at over $1 billion, we expect awards in key sectors like mining, minerals, and LNG infrastructure to do I book the bill higher in fiscal 2027 and support continued profitability. And fifth, the leadership and organization transition currently underway is planned, deliberate, and controlled, ensuring strong continuity. The CFO search is in motion, and you can expect Sean to share his first 100-day roadmap as Matrix Service Company CEO on the next earnings call. That concludes our prepared remarks, so we will now open for questions.

Operator | Conference Operator:

Thank you. At this time, we will conduct the question and answer session. As a reminder, to ask a question, you will need to press star 1-1 on your telephone and wait for your name to be announced. To withdraw your question, please press star 1-1 again. Our first question comes from John Fransreb from Sedoti. Please go ahead.

John Fransreb | Analyst, Sedoti:

Good morning, everyone, and congratulations on the return to profitability. I guess I want to start with the just reported quarter itself. There was a drop sequentially in the revenue and the utilities segment, but there was a sizable increase in the gross margin of that business on a sequential basis. Can you kind of walk us through the puts and takes and what's going on there?

Kevin Cavanaugh | Chief Financial Officer:

Yeah, so first of all, if you look at the profitability, there was really good performance throughout the segment. Power delivery business outperformed what we expected from a margin expectation. And also, we saw the same in the peak shaving work. It was really good performance there. So really, it kind of shows when you have good performance throughout a segment, what that can do to the gross margin. Now, the revenue level did come down, and we expected that. We've been doing some work on peak shaver project for well over two years now that's still got some more work to do, but it's kind of the manpower required for that project is coming down a bit and that's driving the revenue down. I think if you look at the funnel for the company, peak shaving opportunities we still think are going to be something that provides a lot of revenue into the future. We see a good piece of that in the funnel. I think it'll take us a little bit of time to book the next one. So you'll probably see the revenue for the utility segment kind of level out here for a while until that next peak shaver project is booked.

John Fransreb | Analyst, Sedoti:

Got it, got it. And you mentioned, and I might have missed this, the restructuring charges that you incurred in the quarter, what was that for?

Kevin Cavanaugh | Chief Financial Officer:

Related to A couple primary things. One is our CEO transition, and then we also had a lease that, you know, we've tried to become more efficient in what offices we had, and we have a lease that we were getting out of, but we thought we were going to be able to sublease, but the market has not been as strong for a sublease on that facility as we had planned, and so we had to take a charge related to the lease, like a lease impairment charge.

John Fransreb | Analyst, Sedoti:

Got it, Kevin. And just on the backlog, I mean, we had two years of elevated bookings and backlog in the last four quarters. It's been drifting lower. What's the confidence level that the new projects you've been writing are sufficient profitability to maintain profitability through fiscal 2027?

John Hewitt | President & Chief Executive Officer:

I'll hit that one, John. So the The backlog level is still at billions. It contains solid margin work in that. I've got to recall when we booked two pretty major projects fairly close together, it really drove that backlog up. Then it took a while for those projects to get started to really start burning revenue. We feel really good about our opportunity pipeline. our ability through the award cadence that we see here over the next couple of quarters, as well as the award momentum that we're going to see, we think, build as we move through fiscal year 27. Our expectation is we're going to be able to maintain a nice, strong revenue level and profitability on that revenue.

John Fransreb | Analyst, Sedoti:

On that note, I'll get back into Q. Thank you, guys.

Operator | Conference Operator:

Okay. Thank you. Our next question comes from Ted Jackson from Northland. Your line is open.

Ted Jackson | Analyst, Northland:

Thank you very much. Excuse me. Okay, a couple questions. Let's start out with just some of the restructuring and what's going on. I mean, I know there's so many moving parts in the company right now. And you've been working for a long time to kind of make it more efficient, improve its margin. When we think about this company at a steady state and the management team in place and all the restructuring efforts behind, what is the pro forma business model? Where do you see, you know, with this restructuring, you know, the, you know, kind of a, you know, like a standard gross margin, a standard, you know, operating margin, a standard net margin for a matrix when you're done with all your restructuring and the business is kind of mid-cycle?

Kevin Cavanaugh | Chief Financial Officer:

I'll give you a preliminary answer because I would expect that we're going to get a new CFO in and the new team will probably take a fresh assessment. John and I have published long-term metrics that we've been striving to achieve and I I would imagine that the new team will kind of reevaluate that and put their own out there. But if we just carry on from the current metrics, I would expect that, first of all, the changes we're making to streamline the business are going to allow us to achieve the SG&A target that we've got out there. But at a much lower revenue level, I think that you'll see that we'll be somewhere around that 6.5% SG&A in fiscal 27 would be my expectation. I think the gross margin target that we have out there is proven to be viable. The direct margins we've seen out here in the business are meeting or have beaten at times the 10% or better level. We're seeing improvement in the recovery of overheads, which has been something that's been a big drag on earnings the past few years. As we take costs out, continue to grow the business, that'll continue to get better. I think we're tracking to achieve those targets that we had previously put out and that the organization changes that we've put in place here are just helping us get there. I think it lowers the break-even level that we've talked about in the past. It lowers the level of revenue required to get to full recovery. So, in effect, these changes are going to increase the earnings power of the business.

Ted Jackson | Analyst, Northland:

My next question is going back into backlog and the declines you've seen in the pipeline, which does remain robust. Maybe you could talk a little bit about your commentary suggests that you expect to see a turnaround in terms of bookings and backlog and a regrowth of backlog as we kind of get into 2027. previously you've indicated that you know you'd see that kind of starting to turn around mid fiscal year you know is that indeed that scenario still hold and given the size of projects that you see in that funnel like what kind of um bookings re-acceleration could we anticipate yeah so so the

John Hewitt | President & Chief Executive Officer:

Our current backlog and what we see as the award cadence, I think what we've said in the past is we expect our awards to be kind of wrapped around our normal day-to-day business plus some smaller mid-sized projects, and that that's going to allow us to continue to burn backlog and maintain a revenue level as Kevin said, that's going to sustain our profitability as we move into and through fiscal 27. Our expectations on the big project awards, the big chunk projects, they're going to be entering into our proposal pipeline sometime probably in mid-fiscal 27 and will be coming, be awards sometime in and later on in 27. But we feel good about where our backlog is and where our opportunities are. We think the award cadence and award

momentum, not only for the big projects, but for some of these smaller ones that we see out there, is going to help us maintain a good quality backlog level, good margins in it, and will allow us to maintain a revenue level that's going to support improved profitability. And as some of those bigger projects enter a backlog, and then we start to burn that revenue, that's going to start to expand our margins.

Kevin Cavanaugh | Chief Financial Officer:

You know, I would add, if you think about it, peak shaving opportunities and specialty storage is really what drove the backlog growth. And, you know, those opportunities are still there. And now we've got other emerging markets that we can add to that. We've got the mining that we talked about some on the call. That's a big one. There's construction-only opportunities that we're pursuing. There's opportunities related to the continued expansion of the electrical infrastructure. So there's a number of areas that are going to be add-ons to what we currently have as far as the markets that are going to drive backlogs. So I feel good about the position of the company.

John Hewitt | President & Chief Executive Officer:

And the whole PowerGen thing, we didn't really touch on that. strongly, but there's a lot of opportunity for us in the power generation market, even if it is working as a construction partner with some of the bigger EPC firms. We've got a pretty deep resume on power generation that's been on the shelf for the last five to seven years because of what's going on in the market, but the return of power demand across gas power generation, whether it's in backup or peak shaving or simple cycle or combined cycle, our resume really applies strongly there. And so that's going to continue to drive more opportunities into our pipeline and we certainly expect sometime in fiscal 27 for us to be adding those kind of projects into our backlog and we'll be supportive of driving revenue.

Ted Jackson | Analyst, Northland:

Okay. My next question, just kind of switching over to kind of the, you know, the oil and gas, you know, market, which is of interest. You have this, you know, small war going on in the Middle East and oil is basically $100 a barrel. Trump wants more drilling coming into the States. There was actually just an article in the Wall Street Journal today on fracking and how maybe you're not going to see it go back to its glory days. But, you know, the view seems to be that, you know, the oil prices will be higher for longer and there will be some incremental spend in terms of bringing production up in this country. Could you talk a little bit about how you see that benefiting matrix and if you're starting to see any pickup in dialogue because of this changed global environment as it relates to oil and gas?

John Hewitt | President & Chief Executive Officer:

You know, certainly you have client dialogue that goes on. You know, our view of the future there would tell us that, and we said it in our prepared remarks, that we believe countries around the world are, you know, so it's not only what's going on in the Persian Gulf, but also, you know, what's going on in the Ukraine. And countries around the world are looking to find a way to make sure they've got a secure and safe and reliable place to get their needed energy supplies. And so whether that's natural gas in the form of LNG or that's NGLs for chemical production, like ethane or ethylene, I think that's going to create more investment in the U.S. for that kind of export. and for the production of those energy assets. And those are things that fit right within our wheelhouse, right? So the construction, obviously, of LNG facilities and natural gas liquids facilities are things that we do day in and day out. And so I think those macroeconomic and global issues are just going to drive it continued and increased investment in the United States for those energy assets, and Matrix is in a great place to take advantage of that.

Ted Jackson | Analyst, Northland:

And then my final question, which is a little nitpick, but Kevin, in your discussion about some of the legal things in the collections and contract disputes and stuff, you made a statement that you would see reduced legal spend going forward because of those settlements. Is that something that's material enough for us to notice within the financial statements? How much were you spending on kind of an annual or quarterly basis, and what kind of expenses being removed with these resolutions?

Kevin Cavanaugh | Chief Financial Officer:

Thanks. Yeah, so those disputes were contract-related, project-related, so that expense is hitting up in what we call construction overhead, and so it was one of the things that was driving some under-recovery of overhead, so it should be you know, makes us more efficient in fully recovering our overheads. But, yeah, we haven't disclosed the dollar amount of the legal expenses, but, you know, lawyers aren't cheap.

Ted Jackson | Analyst, Northland:

Yeah, I should have studied for that. I would have done better in life. That's it. Thanks very much.

John Hewitt | President & Chief Executive Officer:

Thanks. Thanks, Ted.

Operator | Conference Operator:

Thank you. As a reminder, to ask a question, you will need to press star 1 1 on your telephone and wait for your name to be announced. Our next question comes from John Fransrub from Sedoti. Your line is open.

John Fransreb | Analyst, Sedoti:

Yeah, I got a question about the deferred jobs. Do you expect them to fall into Q4 or are they deferred into fiscal 2027?

John Hewitt | President & Chief Executive Officer:

Both, frankly. You know, when we're waiting for permits or engineering, you're just pushing your, for instance, on the labor, you're pushing your hiring levels and manpower levels just kind of down the road. So where we might have had in the quarter on a job, I'm making numbers up, 100 craftspeople on the, and then maybe that would have ramped up to 200 people In the fourth quarter, now that 100 is happening in the fourth quarter and the 200 is happening in Q1. So I'm just trying to give you a sense of that. So that movement, we're not going to make up for all of those delays in one quarter because it just sort of pushes the whole job down the path. And so we certainly do expect, as we said, and based on our guidance that we've provided here, we expect revenues to climb in Q4. and the business to stay profitable in Q4 because of the quality of the work and the quality of our execution and the level of the revenues. So I guess part of the message here is that Q4 revenues are going to increase, and this pushes more revenue into fiscal 2017.

John Fransreb | Analyst, Sedoti:

Got it. And, John, how much revenue was actually deferred out of Q3?

Kevin Cavanaugh | Chief Financial Officer:

You know, I would say it was probably $20 million, $25 million between the – probably the biggest piece was the weather, I'd put it. But there were some permitting issues, too.

John Fransreb | Analyst, Sedoti:

Right. Right. Got it. And then if I understood your commentary to one of my questions earlier, Kevin, you think at least it sounds like near term that the utility – segment will be kind of flattish with potential to recover in 2027, the reasons I think John outlined. But to hit your midpoint, I might suggest that the storage business is going to have a strong Q4. Am I interpreting that properly, or are there other puts and takes that I'm not thinking about?

Kevin Cavanaugh | Chief Financial Officer:

You are 100% right. I would expect the process and industrial facility segment and the utility segment to be relatively flat, 3Q to 4Q, the growth's going to come in storage.

John Fransreb | Analyst, Sedoti:

Okay. All right. Thank you for the clarity. I appreciate it.

Kevin Cavanaugh | Chief Financial Officer:

Thanks.

Operator | Conference Operator:

Thank you. I'm showing no further questions at this time. I would now like to turn it back over to Patrick for closing remarks.

Patrick Roberts | Investor Relations, Corporate Development & Strategic Planning:

Thank you. As a reminder, we will be participating in the virtual Sedoti microcap virtual conference on May 20th and 21st. and will also be attending the Stiefel Cross-Sector Insights Conference on June 2nd and 3rd in Boston, and the Northland Growth Virtual Conference on June 23rd. Additionally, if you'd like to have a conversation with management, please contact me through the Matrix Service Company Investor Relations website. You may also sign up to receive MTRX news by scanning the QR code on your screen. Thank you for your time.

Operator | Conference Operator:

Thank you for your participation in today's conference. This does conclude the program, and you may now disconnect.