# NASDAQ:TTEK Q3 2026 Earnings Call Transcript

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## LaTanya | Investor Relations:

Good morning and thank you for joining the Tetra Tech earnings call. As a reminder, Tetra Tech is also simulcasting this presentation with slides in the investor section of its webcast at tetratech.com. This call is being recorded at the request of Tetra Tech and this broadcast is the copyrighted property of Tetra Tech. Any rebroadcast of this information in whole or part without the prior written permission of Tetra Tech is prohibited. With us today from management are Roger Argus, Chief Executive Officer and President of and Steve Burdick, Chief Financial Officer. They will provide a brief overview of the results and will then open up the call for questions. I would like to direct your attention to the Safe Harbor Statement in today's presentation. Today's discussion contains forward-looking statements about future business and financial expectations. Actual results may differ significantly from those projected in today's forward-looking statements due to various risks and uncertainties, including the risks described in Tetra Tech's periodic reports filed with SEC. Thank you for joining us. I would now like to turn the call over to Roger Argus. Please go ahead, Mr. Argus.

## Roger Argus | Chief Executive Officer & President:

Thank you, LaTanya. Good morning and welcome to our fiscal year 2026 third quarter earnings conference call. We had a strong third quarter with growth primarily driven by our U.S. federal and international end markets, both of which increased at double digit rates. We received significant new orders during the quarter, including commercial orders for data centers and sediment restoration projects. driving our backlog up by more than $200 million in the quarter. Our performance resulted in our increasing guidance for fiscal 2026. For the call today, I will begin with an overview of our third quarter's performance and the client markets that are driving our growth. Steve Burdick, our Chief Financial Officer, will provide additional detail on our financial performance and capital allocations. We delivered a strong third quarter with positive performance across key financial metrics. Net revenue was $1.1 billion for the quarter, exceeding the upper end of our guidance and supported by strong demand for our high-end, leading with science approach to water, environment, and sustainable infrastructure. Earnings per share of 42 cents also exceeded the upper end of our guidance. We generated cash flow of $229 million from operations in the quarter and $467 million year to date, which is an all-time high for the first three quarters of any year. And importantly, our backlog was up for the second consecutive quarter, increasing commercially by 5% to just under $4.5 billion. Overall, the quarter was in line with our expectations and the increased backlog provides us with good visibility into the fourth quarter and the end of the fiscal year. Both of our business segments performed well in the third quarter. The Government Services Group, or GSG, grew by 7% in the third quarter on a year-over-year basis and generated a strong margin of 17.5%. Demand remains solid for both of our are U.S. federal and state and local government markets, especially in water, environment, and defense. The Commercial International Group, or CIG, also performed well, with revenue up 9% from the prior year and an associated margin of 15.1%. CIG's growth was from a diversified mix of clients across water, power and energy, and mining markets worldwide. I would now like to provide an overview of our net revenue by customer. Our international work was up 12% on a year-over-year basis and represented 47% of our business. Revenue growth was driven by water programs in the UK, Ireland and the Netherlands, an increase in infrastructure work in Canada, and growth in mining and digital automation revenues in Australia. In the U.S., our U.S. federal work was up 12% from last year and represented 20% of our business. This growth was driven by our work for the U.S. federal government in infrastructure, planning and environment for defense and civilian clients. Our U.S. commercial business was up 1% compared to last year and represented 20% of our business. revenues for energy and transmission-related services continued to increase, accompanied by stronger mining and minerals project activity. However, these gains were partially offset by the decline in renewable energy work, including the

cancellation of remaining offshore wind programs along the Atlantic coast. Our U.S. state and local business grew by 5% this quarter. We continue to see strong growth and longer-term orders in municipal water, including new projects for PFAS treatment, Digital Systems Modernization, Water Reuse, and Desalination. We had a strong quarter for new orders and our backlog was up $208 million, increasing by 5% sequentially from the prior quarter. As we stated before, we take a conservative approach to backlog. We include only work that is contracted, funded, and authorized. This gives us high quality visibility into future performance and increases our confidence in our project pipeline. Our backlog growth was supported by several important wins across priority markets. In the United States, we added just under $300 million in contract capacity from the Army Corps of Engineers Mobile and Norfolk districts, where we have worked for decades. The Mobile District includes the critical U.S. Gulf Coast regions as well as supporting international programs in Central and South America. The Norfolk District is a central hub for supporting the world's largest naval base, innovation in coastal resiliency, and the critical East Coast shipping channels. We also added new state and local programs, including being awarded the lead designer role for the largest dedicated municipal PFAS treatment system in the United States, located in Dayton, Ohio. And this quarter, we were pleased to see that our U.S. commercial orders were also very strong. Commercial orders were led by Digital Automation for Data Centers, Power and Transmission Services, and Sediment Restoration Programs. I will now turn the call over to Steve Burdick, our Chief Financial Officer, to discuss our financial results and capital allocation in more detail. Steve?

## Steve Burdick | Chief Financial Officer:

Well, hey, thanks, Roger. As Roger said, I'd like to now provide an update on our reported year-to-date fiscal 2026 gap results, working capital, cash flows, and capital allocations. So as Roger just discussed in the call, our market leading focus on the front end technical design and engineering for water and environmental projects are carrying higher margins across all of our end markets. As such, even as reported revenue is down from last year due primarily to the decrease in revenue of our USAID customer and the revenues from one time disasters last year, our operating income increased significantly. and adjusted EBITDA on net revenue for the first nine months has increased by about 80 points in fiscal 26 compared to fiscal 25. These results further support our long-term strategic goals to improving EBITDA margins by 50 basis points annually. You know, more often over the last year, I've been asked by our shareholders and others what our margins look like on a net service revenue or NSR basis. which would be similar to how others in the industry report their margins. I've looked at that question and can tell you that our EBITDA margin would be about 240 basis points higher this year to date on an NSR basis. Now, as a result of our ability to enhance our profit margins and further manage our working capital, we were able to increase EPS and come in well above our previous guidance range for the third quarter. Now, regarding our working capital, cash flows generated from operations for the first nine months of the year were at a historical record of $467 million, which represents a significant 31% improvement over fiscal 2025. And consistent with each of the last consecutive 21 years, our operating cash flows have continued to exceed net income. Our focus on working capital and cash flows has resulted in our DSO reflecting an industry-leading standard of 56 days, which is similar to last year and an improvement compared to Q2 of this year. This lower DSO metric provides significant insight into our core business as it reflects outstanding work that our project managers lead relative to higher quality projects and highly satisfied clients in our broad portfolio across all of our end markets and geographies. Now our debt our net debt target is about one to two times and our actual net debt on EBITDA was at a leverage of 0.88 times which is lower than our leverage ratio one year ago when it stood at 0.96 times. So as we continue to execute on high quality results with increasing margins operating cash flows and excessive net income and lower working capital KPIs we will continue to provide higher returns for shareholders and those higher shareholder financial returns are reflected in an improving return on capital employed, which now stands at over 20%. So, with that perspective, I'd like to now present our capital allocation strategy in overview. We have a very strong balance sheet and our operating cash flows was $567 million for the trailing 12-month period. Now, Roger will discuss our strategic global areas later in the presentation, but I do want to point out that our balance sheet and cash flows provide us with significant liquidity available to invest in organic and inquisitive growth

priorities in order to take advantage of these key business opportunities, such as technology and automation, which continues to provide us a dominant position in those markets. Year to date, We have closed acquisitions of technical leaders focused on defense, such as Halvik in the US and Providence in Australia. And regarding our dividend program, I'm pleased to announce that our board of directors approved the quarterly cash dividend, which is an 11% increase year over year to be paid in the fourth quarter. This is our 45th consecutive quarterly dividend with annual double digit increases in the amounts paid. And based on our lower leverage, We've continued our stock buyback program this year. In the third quarter, we increased our buyback to $100 million, and for the first nine months of 2026, we bought back a total of $200 million. We do have $398 million available from our stock buyback plan that was approved by our board of directors as part of our capital allocation strategy. I'm very pleased to share these strong year-to-date results for fiscal 2026, which has enabled us to increase shareholder value as we can pay increasing dividends, increase our stock buybacks, engage in accretive acquisitions, all the while deleveraging our balance sheet. I want to thank you for your support, and I will now hand the call back over to Roger to discuss our global opportunities in water for 2026 and beyond.

## Roger Argus | Chief Executive Officer & President:

Thank you, Steve. Across our key regions, our clients are increasing their investment in water-related priorities that align directly with Tetra Tech's core strengths. These priorities leverage Tetra Tech's expertise in high-end water treatment, water quality management, hydropower infrastructure, digital systems, and cybersecurity. In the U.S., where we work with over 500 municipal clients. We are seeing clients continuing to plan for modernization and expansion of their facilities while proactively integrating rate increases, bonds, and commercial funding sources. We also see new programs in the U.S. to expand hydropower to meet increased demand, such as the Lake Chelan program which we announced last week. In the U.K. and Ireland, Large regulated investment cycles are supporting growth across our key markets in water quality, leakage management, and desalination. The UK's AMP8 cycle includes approximately 105 billion pounds of water sector investment through the year 2030. Across the UK, Ireland, and the Netherlands, we hold over 2 billion pounds in contract capacity to provide differentiated solutions such as our smart sewer systems and our water net leak detection system. In Canada, federal infrastructure and hydropower investments are supporting demand for our water, environment, and infrastructure services. We expect hydropower investments to continue to expand to address increased demand for clean and reliable energy. One of our key clients, Hydro-Québec, plans to add 11 gigawatts in new capacity, driving new opportunities for us in hydropower, modernization, transmission, and water treatment. And in Australia, water agencies are accelerating deployment of digital automation and cybersecurity to improve operations and prepare for AI-enabled optimization. Market forecasts estimate more than $17 billion of digital water investments in Australia over the next decade. We have provided digital water automation services used today by utilities such as the Water Corporation in Western Australia and for South Australia Waters system modernization. I now like to present our guidance for the fourth quarter and the entire 2026 fiscal year. Our guidance is as follows. For the fourth quarter, net revenue guidance is from 1.12 to $1.17 billion. Adjusted earnings per share guidance is from 45 to 48 cents. And for the full fiscal year of 2026, our net revenue guidance is from 4.315 to $4.365 billion. and our increased adjusted earnings per share guidance is from $1.56 to $1.59. The right side of this slide presents the FY26 net revenue growth, which is up 8% year over year at the midpoint, with an associated margin expansion of 70 basis points year over year at the midpoint. You can read the FY26 assumptions on our slide, but I'll highlight a few. intangible amortization of $34 million, depreciation of $23 million, interest expense of $30 million, and effective tax rate of 27.3%. And this guidance does not include contributions from future acquisitions. In summary, we had a strong third quarter as demonstrated by our financial metrics in revenue, margin, cash generation, and backlog. Demand for Tetra Tech's differentiated leading with science services continues to drive sustained growth for us in water-related work globally. Our focus on water is also bringing us new opportunities in hydropower, digital automation, data centers, mining, and resilient infrastructure. Strong cash flows supports our strategy to deploy our cash to grow organically and through acquisition, while also returning cash to our shareholders. and with our outperformance in third

quarter, we have raised our guidance for the full fiscal year 2026. I think we'll now take your questions.

### LaTanya | Investor Relations:

Thank you. At this time, the question and answer session will begin now. Please be aware that there will be a 30-second pause in our webcast to allow for buffering. At this time, audio participants are invited to submit their questions. Please remember to mute the audio function on your computer before you speak. If you are using a speakerphone, please pick up the handset before pressing any numbers. If you would like to ask a question, please press star 1 on your touchtone phone. One moment while we poll for the first question. The first question comes from Renee Gagliato with William Blair. Please proceed.

### Renee Gagliato | Analyst, William Blair:

Hi, this is Renee. I'm for Tim Mulroney. I just have one question about the backlog. We saw the backlog was up year over year for the first time in several quarters and up sequentially now for two quarters in a row. Can you talk about some of the primary drivers behind that backlog growth? We've seen some announcements recently, particularly on the commercial and federal side. We're hoping to get a little more detail about where you are seeing momentum.

### Roger Argus | Chief Executive Officer & President:

Thanks, Renee. Yes, I'm very encouraged by our continued backlog growth. As you mentioned, 5% sequential growth was our second quarter in a row of growing backlog. And I'd like to highlight as well that for us, backlog includes only contracted, funded, and authorized work, which means our project teams can begin work on these projects. So, as you mentioned, we highlighted some recent press releases, such as the PFAS treatment system in Daytona, digital automation in Los Angeles, and also a $27 million award from the FAA for airspace modernization. So, for us, the backlog has grown significantly. across all of our end markets. We've highlighted a few specific ones that we felt are of particular interest, including commercial orders. We see the scope of work that we provide for data centers is expanding. We started with more of the engineering commissioning type work. expanded into feasibility studies, as we discussed on our last quarterly call, and now continuing to do the feasibility studies, but also doing work related to power and water supply associated with the development of new data centers. And we were also encouraged in the commercial sector by new awards late in the quarter for sediment remediation programs. One of the things that I really especially like about some of the orders that we received in the quarter is that they're really just initial funding for longer term, in some cases, multi-year programs. So it gives us encouragement and really pleased to see the backlog growth.

### Renee Gagliato | Analyst, William Blair:

Great. Thank you.

### LaTanya | Investor Relations:

The next question comes from Sehabat Khan with RBC Capital. Please proceed.

### Sehabat Khan | Analyst, RBC Capital:

Great, thanks, and good morning. I guess just maybe on a similar line of questioning, I guess, can you talk through, you know, there were a lot of moving pieces here between last year and early this year around, you know, the DOS work kind of getting shifted away, Doge impacts, procurement sort of headwinds across the U.S. government. Can you just maybe, you know, projects aside, maybe just the operating backdrop, the ability of The government and other US agencies, even just private sector customers to bring work to the market in this environment. Maybe just a bit of background on where we are today versus maybe this time last year. Thanks.

### Roger Argus | Chief Executive Officer & President:

Thanks, Saba. Great question. I'll start with the US federal government. I mean, we did last year went through the longest shutdown in history. The government has approved a budget which they're operating under now. So there were some headwinds early in the year due to that shutdown, obviously, but even with the budget in place, we're continuing to see challenges in the U.S. federal government placing orders and awarding work. It's due to a number of reasons, the constrained contracting office staff pool, basically Doge, came in last year and there was a significant reduction in force in terms of staffing for the U.S. federal government and that created some bottlenecks in terms of issuing task orders and getting work out to the contractors. So that remains an issue and I know the government's trying to navigate it, but we haven't really seen any substantial change on our end in terms of the flow of work. I mean, we still win work as we've announced and we've got Great backlog growth this last quarter, so it is flowing, but it's still very constrained in that regard. I think on the commercial side, while they don't have those same constraints, I think that uncertainty in the marketplace around whether it be regulatory enforcement or compliance requirements are in place, so those aren't particularly affected, which is most of our work. But I think the general uncertainty around this US administration causes some of the clients to be cautious in their awards of new programs. Again, we've seen really nice awards in the commercial sector in the last quarter in spite of these headwinds, so we're encouraged by that. but the overall sense of I would use the word maybe trepidation hasn't changed because of uncertainty associated with I would call geopolitical issues. The war in Iran obviously creates some supply chain issues related to fuel and other things so there's overall pressures on the market.

### Sehabat Khan | Analyst, RBC Capital:

Great and then you know just based on you know Think about your medium-term outlook. Based on how the year has evolved, I think the last commentary we got on that was, look, the company is still committed to the fiscal 30 targets that you laid out. Given where we are in the year, I'm not sure if we can comment directly on anything on fiscal 27, but how are you feeling about the medium-term targets? Just trying to gauge, getting questions on, do we return to maybe a run rate growth level in fiscal 27? Anything you can share on that front? Thank you.

### Roger Argus | Chief Executive Officer & President:

Well, it's early for us to comment on FY27. We are encouraged by the backlog growth that we experienced in Q3, and we're really focused on Q4 in terms of continuing that trend and building a stable base of work that will carry us into the new fiscal year.

### Sehabat Khan | Analyst, RBC Capital:

And then one quick one, I guess, on the DOS USAID work, some amount of flow through over the course of this year. Just the view on that, is that something that could potentially continue into next year? And then if there ends up being sort of a steady state amount that continues, is that eventually just become a part of the business? How should we sort of think about that from our end, whether it's modeling or just how management views that business going through? Thanks, and I'll pass the line.

### Roger Argus | Chief Executive Officer & President:

Yeah, thanks, Saba. That's a great question. You know, USAID does not exist anymore. Department of State does and will continue on and is a client of ours. So while we have had these year-over-year issues associated with the decline in aid and sort of precipitous drop-off, we do see work with Department of State continuing. They are going to be a client of ours. I think that there's a lot of political uncertainty around some of the work that we do with aid, in particular the Ukraine work. So it's hard for us to, you know, at least at this point, give a clear view into the future on that. But it has been continuing for us, and it will continue at some level in the future.

### Sehabat Khan | Analyst, RBC Capital:

Thanks very much.

### LaTanya | Investor Relations:

The next question comes from Sangeeta Hain with KeyBank Capital. Please proceed.

### Sangeeta Hain | Analyst, KeyBank Capital:

Hi, thank you for taking my question. If I can continue on the Department of State question that was asked previously. Given that Department of State is a customer of yours and you have several other federal agencies who are customers, do you just start folding this into regular GSD revenue and not even discuss it as episodic? Do you think that is possible?

### Roger Argus | Chief Executive Officer & President:

Eventually, yes.

### Sangeeta Hain | Analyst, KeyBank Capital:

What are the things that you're kind of waiting on before you decide to do that?

### Roger Argus | Chief Executive Officer & President:

Well, I think that, for one thing, the predominance of our USAID work was completed in Q4 of FY25. So waiting for that to sunset I think is an important factor in our consideration around how we consider Department of State work moving forward. I think that, as I mentioned in the previous response, we've maintained a level of conservatism around what we forecast in terms of the contribution from the remaining Department of State work. I think we will continue to have some conservatism around that, but over time,

We're hopeful that the work there will stabilize and our confidence will increase and then it'll just be considered a normal part of our business.

### Sangeeta Hain | Analyst, KeyBank Capital:

Got it. And then if I can ask on U.S. commercial, I know international commercial was pretty strong, has been the last couple quarters. So can you reference what's going on in the U.S. as you sunset the, you know, the slowdown in renewables, et cetera, going into next year?

### Roger Argus | Chief Executive Officer & President:

Right. Well, there is still a renewable practice that's ongoing. The offshore wind practice was, decimated is probably the right word. So we do have continuing renewables practice in the U.S. Our power and energy practice in the U.S. is growing. As I mentioned earlier, the data center work as well continues to grow. And we're receiving orders around sediment restoration now, which includes really front-end work associated with potential long-term implementation around those sediment projects. Also, I mean, data centers for us is relatively small. I think it's around 60 million per year, but we're seeing an expanded scope of services that our clients are coming to, so we're very encouraged by the data center work that we're doing.

### Sangeeta Hain | Analyst, KeyBank Capital:

Got it. Thank you so much.

### LaTanya | Investor Relations:

The next question comes from Ryan Connors with North Coast. Please proceed.

### Ryan Connors | Analyst, North Coast:

So I wonder if we could dive a little deeper into the state and local business. Roger, I think one of the takeaways from the industrial side of the water industry in this earnings season has been that there is a bit of a downshift in the environment there. So I'm wondering how I know you mentioned it's still pretty solid, but any shift in the cadence of projects or the types of projects or the composition of funding of those projects? Anything you can tell us about how that particular market is evolving here?

### Roger Argus | Chief Executive Officer & President:

That's a great question as well. Last quarter, we sort of signaled that the federal government had proposed some budgets that would include cuts for co-funding of some of the grant money that goes to state and municipal clients for water programs. So we expressed a little caution around that. The final budgets are not complete. I know that the one version of a budget in Congress came back with the state revolving funds funded at the same level or maybe slightly more next year. So the final budgets aren't aren't final in that regard. So we've been cautious and watching very closely, but our municipal water treatment business, for example, was still up double digits year over year in Q3. So we haven't seen an impact there. As I mentioned during my prepared remarks, our clients are looking at other sources of funding. The demand remains stronger. The they have populations to serve and provide water and so they have to find a way to do that and they've looked at rate increases. I know San Diego where I live had a rate increase and other sources of funding including some legal settlements that have occurred in recent months. So we've not seen it in the

municipal water treatment area. Where we have seen it and a number of others. One of those is in the flood protection space. In fact, there's been a reduction in federal co-funding around flood protection work. So flood protection is a small part of our US state and local market, but we have seen an impact there. More than 20 states have filed lawsuits against the federal government because the federal government is withholding promised flood protection funding, co-funding for their projects. So that's one area where we've seen some impact. Again, it's a smaller part of our overall state and local business, but the municipal water treatment, which is the predominance of work, again, is still up double digits, and we haven't seen any impact.

### Ryan Connors | Analyst, North Coast:

Got it. Okay. That's really helpful. Thank you. Secondly, bigger picture question, but obviously concerns around AI disrupting your business model have weighed on the stock this year. I wanted to give you a chance to address that as you continue to learn more and more about what these new AI models are capable of and how they do present risks or opportunities for you. How are you seeing that evolve in terms of how you view AI and industry and what kind of risks and opportunities it creates for Tetra Tech.

### Roger Argus | Chief Executive Officer & President:

Thanks. You know, Tetra Tech is a front-end applied science technical and engineering firm. We provide the very front-end work that requires temporal knowledge of the the geology that we work in, the site-specific information, the regulatory framework, the community priorities, all of these things that require local knowledge and knowledge of the specific field conditions that we work in. For us, we use that information and our technical expertise to develop what I call bespoke solutions, custom solutions for our clients' unique problems. So we pride ourselves on our ability to technically solve the most complex problems related to water using that site-specific knowledge and our technical expertise. For us, AI is an enabler for our technical experts. You'll notice when I described what we do, we are not the downstream commodity design company that has an offshore center of excellence that does and many more. and to assess larger data sets to develop better solutions for our clients, which is what we do. Petro Tech has always been a user of the latest technology to support our clients and differentiate us in the marketplace. So in particular, in water where demand is high, whether it's water supply or water treatment, the challenges are more complicated. Our clients need our technical expertise enabled by AI and other digital tools to address the problems and satisfy the requirements of their projects. So for us, we see AI as an enabler, going to help us provide better solutions to our clients and grow market share as well as gain margin expansion on our fixed price projects as well.

### Ryan Connors | Analyst, North Coast:

That's very clear. Thank you for your time.

### LaTanya | Investor Relations:

The next question comes from Andrew Whitman with Baird. Please proceed.

### Andrew Whitman | Analyst, Baird:

Hey, good morning. Thanks for taking my questions here. A lot of my questions have been asked and answered, but maybe one for Steve. As you think about, you know, the margin expansion potential in the company, let's see if the Investor Day laid out kind of this view that you could have around 50 basis points a year and This year, you're obviously doing better than that. I guess the guide here, you've done margins of 70

basis points. How should we think about that as it relates to 27? Do you feel like some of the benefits that you got this year was maybe pulled forward and maybe next year, because it's never going to be a straight line, we should think of it as not a straight line and maybe two years is 100, but maybe this year is 70 and next year is 30. I'm not trying to get that specific, just trying to get your way of thinking about it with your knowledge of your current utilization rates and the mix of projects that are in your backlog. I just kind of feel you out for how we should be thinking about the margin outlook for the company.

### Steve Burdick | Chief Financial Officer:

Yeah, I think, Andy, good question. I think you've thought about all the different moving pieces that I think about all the time, too, in terms of, you know, as we pointed out back in our investor day, you know, back in... and others. We had already implemented a plan and we were progressing on that plan very well where over the last probably six or seven years prior to that, we were improving our margin by about 50 basis points a year on average. And some years it was a little more, some years it was a little less, but on average. And we had a plan that we've implemented since then to be about 50 basis points a year. And you're right, some years it could be a little less, some a little more. But just to point out, in fiscal 23, our margin was where we were. From 23 to 24, we increased it by about 70 basis points. from 24 to 25. We increased it by about 80 basis points. This year, you know, we're about 70. And so, you know, everything that we're doing to improve it is working. And next year, we think 50 is about right, but it could be a little less, could be a little bit more based on history. And I think we'll have a better idea when we provide 27 guidance.

### Andrew Whitman | Analyst, Baird:

Fair enough. Thank you for your thoughts on that. Just one other quick one. Maybe I missed it. Did you mention how much Ukraine aid work is in the fourth quarter guide? I'm just asking because I know that in the third quarter it came a little bit above kind of what you're thinking. I'm just wondering, can you comment on 4Q contributions?

### Steve Burdick | Chief Financial Officer:

It's probably about the same as Q3. So Q3 was about 66 million in total. So it's probably in that range for Q4.

### Andrew Whitman | Analyst, Baird:

And then, Roger, it was interesting to hear you talking about the mining end markets. At one point in Tetra Tech's history, this was a pretty significant portion of what you're doing. And it's been interesting that commodity prices for copper, gold, are two key areas of investment have been really high for a while. And I was wondering when we'd start hearing more about greater investment here, and maybe it's not even for new mines, maybe it's remediation. I don't know what kind of work you're seeing. I know that not just those commodities, but things like uranium have been big things for you in the past. I just was wondering, kind of, do you feel like this is kind of a blip on the radar or do you feel like there's something beginning here where a mining cycle can benefit Tetra Tech more materially than it has really for quite some time again? Just love to get your thoughts about kind of where that business is today and what you think it could be in the next year or two.

### Roger Argus | Chief Executive Officer & President:

Thanks, Andy. Yeah, we do have a strong mining practice and it is global. We work for large multinational and many clients. And I guess my first reaction to your question is for me to predict the commodity prices that wouldn't even venture to go there. And you're right that the the work that we're seeing is driven in part by the prices that you mentioned, as well as demand for the rare earth elements. So for us, we've got We've got work in all of those areas, and we continue to work with our clients closely and follow their lead in terms of where they're doing exploration, research, as well as new mine development as well, and including long-term maintenance of tailings and other aspects of historic mining activities. So I'd say we're watching it very closely. Staying very close to our clients, we've got the technical capabilities and the ability to ramp should larger projects start to come to market. So we're encouraged. But I think at this point, you know, I'd be reticent to say that we're seeing, you know, the beginning of a larger cycle or anything like that. I don't have that crystal ball.

### Andrew Whitman | Analyst, Baird:

Yeah. Okay. That's fair enough. Thanks for your comments, guys. Appreciate it.

### LaTanya | Investor Relations:

This will conclude the Q&A session. I will now turn the conference back over to Roger Argus to conclude.

### Roger Argus | Chief Executive Officer & President:

Thank you, LaTanya. In closing, I'd like to thank you for your insight, your questions, and your interest in Tetra Tech. Recent awards and future opportunities continue to demonstrate the strength of our business and the enduring alignment of our differentiated water services with the priorities of our clients worldwide. I look forward to speaking with you again next quarter. Thank you and goodbye.

### LaTanya | Investor Relations:

This concludes our conference call for today. Thank you all for participating and have a nice day. All parties may disconnect now.