



# **The Mullen Group Limited**

## **Second Quarter Earnings Conference Call and Webcast Transcript**

**Date:** Thursday, July 24<sup>th</sup>, 2025

**Time:** 8:00 AM MT

**Speakers:** **Murray K. Mullen**  
Chairman, President and Senior Executive Officer

**Carson P. Urlacher**  
Senior Financial Officer

**Richard J. Maloney**  
Senior Operating Officer

**Joanna K. Scott**  
Senior Corporate Officer

**Operator:**

Welcome to the Mullen Group Ltd. Second Quarter Earnings Conference Call and Webcast.

As a reminder, all participants are in listen-only mode and the conference is being recorded. After the presentation, there will be an opportunity to ask questions. To join the question queue, press star, then one, on your telephone keypad. Should you need assistance during the conference call, you may signal an Operator by pressing star, then zero.

I would now like to turn the conference over to Murray K. Mullen, Chair, Senior Executive Officer and President. Please go ahead.

**Murray K. Mullen:**

Thank you and welcome to Mullen Group's quarterly conference call.

The format for today's call will be similar to previous investor update calls and this morning we will once again cover three main subject matters before turning the call over to you for the Q&A session. Now, I'll provide a view of the macro environment, that's a recap of Q2. Carson Urlacher will provide an overview of the second quarter financial highlights, and for those interested in all the details, the Q2 Interim Report has been posted on our website at [www.mullen-group.com](http://www.mullen-group.com), as well as filed on SEDAR+. This 60-page-plus document contains all of the information you need as it relates to our Q2 financial results and balance sheet. Then I will close with our expectations and plans for Q3 and the balance of '25.

Before I commence today's review, I'll remind everyone that our presentation contains forward-looking statements that are based upon current expectations and are subject to a number of risks and uncertainties and, as such, actual results may differ materially. Further information identifying the risks, the uncertainties, and assumptions can be found in the disclosure documents.

With me this morning, I'm joined in Okotoks with the entire Senior Executive team. That's Richard Maloney, Senior Operating Officer, Carson Urlacher, Senior Financial Officer, and Joanna Scott, who is the Senior Corporate Officer.

First item is an overview of the macro environment. In preparation for today's presentation, I referred to my previous conference calls notes and no AI for me on this one, I read the transcripts. In summary, there are two major themes that have been repeatedly articulated to investors since the start of the year. The first was that we expected the overall 2025 economy to be generally in line with '24, no growth but no significant declines either. Let's call it more of the same. In other words, we were not planning on our independently managed business units to generate any internally driven growth.

Now, the problem you have under this scenario is that when demand is not growing, the competition reverts to survival mode, which from my experience is not a healthy long-term strategy but it is a short-term reality. Furthermore, the longer the economy remains in a no-growth territory, the more competitors succumb to lowering rates just to maintain some level of cash flow. This is precisely why we asked our business units to buckle up heading into 2025.

Simply put, in the absence of any meaningful growth in the economy, the consumer gains the leverage advantage, and one must adopt a lower cost structure as painful as it is to implement. The alternative is to chase internal growth by offering price concessions, which is a flawed strategy that Mullen Group does not embark upon because, honestly, this would require that we

ask employees to take less or investors to make nothing. We prefer to protect margins rather than attempting to gain market share when pricing is under attack.

The second theme we highlighted was that acquisitions would drive growth. Here at Mullen, we're a countercyclical thinker. We prefer to pursue acquisitions when internal growth is difficult, and this strategy allows our organization to grow regardless of the economy. When economic growth is abundant, we grow with our customers. When the economy struggles, like it has been for a couple of years now, we acquire good companies in verticals of the economy where we believe there is long-term potential.

Now, to be clear, this is not a grow just to grow strategy. It is based upon expanding where we see long-term opportunity in a solid customer base. It just so happens that great opportunities are presented more frequently during times of stress. When others do not or cannot take a longer-term view, we can, and we do at Mullen Group.

With this as a backdrop, let me turn to a few highlights in the second quarter. How does 9% growth in top line revenue sound? In this market I say that is fantastic. Our business generated over \$540 million in consolidated revenues and this during a time of economic stagnation.

In the second quarter, we reported headline GDP—we didn't report; it was reported that headline Canadian GDP came in very soft for April and May, and that corresponds directly to what we saw in our sales channels. Despite the economic headwinds, however, we grew revenues impressively. The main reason is acquisitions, which added \$52.6 million in incremental revenues.

But I don't want to discount the hard work of all of the teams at our 41 business units. Collectively, they did a really nice job managing in the current economy. I know it was not easy and the discussions that many of our business units had with their customers were challenging as they too were dealing with their own set of issues. To generate same-store sales of \$440.8 million, which is after adjusting for fuel surcharge revenues, it came in virtually flat year-over-year, which is impressive from my perspective. I've got to say well done, team.

Another highlight I have to point out is the issuance of the new long-term bonds, approximately CAD\$400 million which was finalized and closed in July. I'll let Carson talk to the specifics, but let's just say I'm pretty dang proud of the fact that we could close this bond deal at a time when there's so much uncertainty. Not only did we put this organization in a great spot for the next decade, but we've now got over \$100 million in available cash to continue growing our business. Quite simply, there's so much to like about this transaction and I'd be remiss if I did not thank the investors who made such a meaningful investment in Mullen Group.

In terms of profitability, we did okay but given, especially within the context of the market and the circumstances, there was a lot of noise associated with the big swing in the Canadian dollar versus the US dollar, which negatively impacted corporate costs associated with our US dollar holdings.

In addition, as I mentioned earlier, pricing remains under pressure; that's never good for profitability. Our cost savings initiatives at the business unit level mitigated some of these pressures but not all. Lastly, the last two acquisitions of size that we completed, they're asset-light businesses and they don't generate the same OIBDA margins as our heavy-asset business units do. But here's the number I really focus on. Cash from operations remained a healthy \$117 million, virtually the same as 2024.

In terms of a little bit of segment discussion, I'm not going to repeat what's presented in the MD&A and the press release, documents that conclude a very detailed analysis, but I'll offer some key highlights for each segment. Let's start with the most stable and once again our largest, and that's LTL. Revenues were up \$11 million over the same quarter as last year, climbing to \$200 million mark, impressive within the context of a no-growth economy and the fact that fuel surcharge revenues were down by nearly \$3.2 million.

OIBDA, however, was declined slightly due to cost pressures and higher purchased transportation. It still came in at a very respectable \$35.7 million in the quarter. Now, the LTL market is steady, but as I noted earlier, price is what matters most today for shippers so there were no price increases and some modest givebacks in the quarter and that led to lower margin.

Logistics & Warehousing is where we really saw nice boosts, primarily due to acquisitions of course, rising by a healthy 15% to \$173.6 million. What is most impressive about the quarter in my view was that the segment business units held revenues close to last year despite no growth in the economy and issues associated with the trade tariffs stalemate. Customers it seemed were reacting to market conditions rather than forward-planning. OIBDA, it grew, albeit margins fell by nearly 1%, but that's primarily due to the cost structures we inherit with acquisitions. There's no doubt that we have some work to do with these new business units to tighten up on the cost side.

You know—and I was mentioning this—I'll go off script a little bit now. When you invest, no different than moving into your—if you build a house, it takes a little bit of time before you can move into the house; you've got to put the investment up first. Acquisitions are exactly the same way. You've got to make the acquisition, and just like all the other ones that we've done since we've acquired them, then you improve it over time, which is exactly what our focus will be here at the Corporate Office.

Now, a similar story in the U.S. and International Logistics segment. We grew the acquisition of Cole USA, boosted revenues by 36.7% to \$64 million, and for the first time in a few quarters OIBDA increased in the segment. Margins are not where we want it, but this segment, it has not fixed assets other than technology, so margins on gross revenues will be smaller due to the nature of the business. What we will be looking at with these U.S.-based teams is improved margins on invested capital.

Our Specialized & Industrial Service segment, we struggled, declined by \$3.7 million to \$105.5 million. Drilling activity in Western Canada slowed as producers cut drilling programs due to declines in crude oil and natural gas prices during the quarter. We also took the very necessary step of demarketing some project work when pricing fell below acceptable levels. Our response was to give up the business rather than invest new capital at unacceptable terms. We leave this to our undisciplined competition.

One of the business units that did overachieve was our Canadian Dewatering Group. They opened a new facility in Northwest Ontario; let's call that mining country where activity levels are accelerating. The overall decline in business was primarily the reason OIBDA fell in the quarter by \$2.9 million, but our diversity of service offerings and strong performance by Canadian Dewatering definitely helped.

All in all, boy, we were busy at Corporate Office, an exciting group. It was an exciting time for our group. I would say a decent quarter given the circumstances, and along with when you do acquisitions you have one-time costs associated with acquisitions as highlighted a little bit earlier.

Most importantly, we have positioned our Company for better days. We've expanded into a new vertical within the economy. We are positioned to capitalize once the economy starts growing, that's for sure. Now, when this happens, I don't know, but history tells us it will happen again, just as it has in the past and The Mullen Group will be prepared.

I'll turn the call over to Carson for more of the second quarter quarterly financial performance and the impact of the new bond deal on our balance sheet. Carson, take it away.

**Carson P. Urlacher:**

Perfect. Thank you, Murray, and welcome everyone.

I'll provide some of the additional highlights from the second quarter, the details of which are fully explained in our Second Quarter Interim Report.

Overall, despite a stagnant Canadian economy, we generated record revenues compared to any previous quarter at just over \$540 million, an increase of \$45.3 million or 9.1% from the same period last year. Acquisitions is what drove this revenue growth by adding \$52.6 million of incremental revenue and consisted mainly from including one month of the results of Cole Group, one final month from the results of ContainerWorld, and a full quarter from Pacific Northwest. Somewhat offsetting this growth was a \$7.7 million decline in fuel surcharge revenue on lower diesel fuel prices. Collectively, though, revenue from our existing business units excluding acquisitions and fuel surcharge increased slightly year-over-year.

Revenue per working day in the quarter averaged out at \$8.6 million. The best month in the quarter in terms of revenue was the month of June where we generated almost \$200 million worth of revenue of \$9.4 of revenue per working day, largely from adding the financial results of Cole Group.

We finished the second quarter with solid results as we head into Q3, which in terms of seasonality over the past couple of years has typically been our strongest quarter of the year. We generated OIBDA of \$76.6 million, a decrease of \$9.1 million compared to the prior year; however, most of this decrease was associated with the impact of foreign exchange. Excluding the impact of foreign exchange gains and losses on US dollar-denominated debt held within our Corporate segment, a term we have now called OIBDA adjusted was \$83.8 million, down slightly by \$1.8 million compared to last year.

We experienced lower OIBDA from our existing business units and higher corporate costs as we expanded our team in anticipation of future growth. Somewhat offsetting these declines was \$6.7 million of incremental OIBDA from acquisitions. Operating margin on acquisitions was 12.7%, due to the non-asset based nature of the operations and from how IFRS accounting standards require us to recognize revenue on a gross basis. OIBDA adjusted as a percentage of consolidated revenues was 15.5%, down from 17.3% due to cost escalation, foreign exchange losses experienced at the segment level, competitive pricing conditions and a reduction in higher margin Specialized business.

Despite lower operating margins generated by our recent acquisitions, they still generate free cash. In terms of cash, we continue to generate strong free cash in excess of our needs as evidenced by the \$77.8 million of net cash generated from operating activities in the quarter.

Now, let's take a look at how we performed by segment.

First, our largest segment. Revenues in the LTL segment were just over \$200 million, an increase of \$11.3 million from last year due to \$11.8 million of incremental revenue from acquisitions being somewhat offset by a \$3.2 million decline in fuel surcharge revenue.

Revenue from our existing business units, excluding acquisitions and fuel surcharge, increased by \$2.7 million due to steady customer demand and from some market share gains. OIBDA was \$35.7 million, down slightly by \$1.8 million last year. This decline was due to the combination of both competitive pricing and cost pressures which resulted in lower OIBDA at our existing business units, which somewhat was offset by \$2.5 million of incremental OIBDA from acquisitions.

Operating margin decreased by 2% to 17.8%, primarily due to the tight market conditions whereby additional cost pressures could not be passed along through customer rate increases.

Our second largest segment is our L&W segment. Revenues in the L&W segment were \$173.6 million, up \$22.7 million or 15% from last year. Acquisitions added \$24.3 million of incremental revenue, reflecting the one month of results from ContainerWorld and one month from Cole Group – Cole Group's Canadian operations, which was somewhat offset by a slight \$3.4 million decline in fuel surcharge revenue.

Revenues from our existing business units, excluding acquisitions and fuel surcharge increased modestly by \$1.8 million and was mainly due to certain project work associated with an oil processing facility in Alaska that led to higher revenues at Mullen Trucking. OIBDA was \$31.9 million, up \$2.9 million or 10% from the prior year, with acquisitions adding \$3.2 million of incremental OIBDA while our business units, excluding acquisitions, generated relatively consistent results compared to last year.

Operating margins decreased by 0.8% to 18.4%, primarily due to the acquisitions and the resulting change in our revenue mix.

Cole Group is a non-asset based business that generates free cash but at a lower margin. Excluding the impact of acquisitions, operating margins would have been 19.2%, which is virtually flat compared to prior years' results. Our existing business units excluding acquisitions did a great job in protecting margin.

Moving to our S&I segment, revenues were \$105.5 million, down \$4.1 million or 3.7%, due to a lack of large capital projects being sanctioned in Canada, depressed commodity prices and wildfires that negatively impacted our customers' drilling and production plans. These factors led to a decline in revenue from our Production Services and drilling-related services business units. We also demarketed certain customers due to pricing as we will not compromise the safety of our people or put expensive equipment to work at unprofitable rates.

Fuel surcharge also decreased by \$1.2 million compared to the prior year.



Somewhat offsetting these declines were revenue gains made by our specialized services business units tied to infrastructure and mining as Canadian Dewatering experienced greater demand for their services.

OIBDA was \$20.6 million, down \$2.9 million from prior year as our production services business units experienced a decrease in OIBDA due to a reduction in facility maintenance and turnaround projects. The specialized services business units experienced a decrease in OIBDA, mainly due to lower demand for several construction services at some contractors, while our drilling related services business units recognized a decline due to lower customer demand.

Operating margins decreased by 1.9% to 19.5%, which was mainly due to a reduction in higher margin business.

Within our non-asset U.S.-based 3PL segment, revenues were \$64.1 million, up nicely by \$17.2 million or 36.7% from last year as Cole Group's U.S. operations added \$16.5 million of incremental revenue in the month of June.

HAUListic also experienced slightly higher revenues compared to last year. OIBDA was \$1.2 million, up \$0.4 million from the prior year with Cole Group's U.S. operations adding \$1 million of incremental OIBDA. While HAUListic's results were impacted by a \$0.5 million negative variance in foreign exchange.

Operating margin on a net revenue basis was 20.3%, which was slightly higher than last year due to higher margins experienced at Cole USA.

Now moving to the balance sheet, on July 10 we announced the closing of a \$400 million private placement debt transaction. There was strong demand from the bond markets, and the offering was significantly oversubscribed, mainly due to our disciplined approach to acquisitions, our large real estate portfolio and our ability to generate free cash through all business cycles. These 12-year long-term notes match our long-term investment strategy and once again provides us with a well-structured balance sheet for the next decade.

We used some of these funds to prepay approximately \$237 million of private notes that were set to mature in October of 2026, and \$207 million of amounts that were drawn on our bank credit facilities, which was mainly derived from funds that we used to acquire The Cole Group.

Today, we now have over \$80 million in cash on hand, a derivative with a cash value of close to \$30 million, and access to \$525 million of undrawn bank lines, and we continue to generate free cash.

The blended interest rate on our new private placement debt going forward is now approximately 6.1% per annum.

In terms of our debt covenants, total net debt to operating cash flow would have been 2.57:1 had the July debt refinancing and repayments occurred in the month of June.

In summary, our balance sheet is well structured with long-term financing. We have ample short-term liquidity and debt covenant ratios that are acceptable and within management's comfort range, allowing us to be opportunistic going forward when the right opportunities come along.

With that, Murray, I will pass the conference back to you.

**Murray K. Mullen:**

Hey, thanks, Carse. Well done again.

Just before the Q&A session, I'm going to provide some thoughts on how the balance of '25 is looking now. I'm not going to refer to this as guidance because there are so many unknowns today, but let me start with a few of the issues that I watch really closely and intently.

Number one, and this is what I tell all of our people. There's no reason to worry. It doesn't help anything. Just tighten up. Why? Because the Canadian economy is not in a bad space, place. It just happens that any significant growth is sometime somewhere into the future.

Now, I know there are Canadian politicians that are of the view that Canada is an economic superpower. But from my perspective this is at odds with the current no-growth economic statistics or what we see in terms of freight demand. If, however, they can lead Canada into a high-growth economy, clearly Mullen Group, our employees, our shareholders, like so many others, would be a major beneficiary. I want to emphasize many Canadians would benefit if Canada becomes a high-growth economy.

We, like most businesses, don't believe that nation-building projects should be delayed by endless talks. Action is what is required. The main issue of course is that in Canada these types of economic decisions are often debated for years by those with differing views and agendas. In the meantime, other countries capitalize as we debate.

Number two, technology and the rapid ascent of AI are deflationary tools. We need to be mindful and on high alert as to how AI will change the economy. Everyone knows that AI is powerful. The question left unanswered at this moment is, can AI actually improve our own financial performance? We're not sure.

Number three, how will countries and economies adapt to the new protectionist policies being spearheaded by the United States? There's a massive change occurring in terms of trade. No longer will the low-cost nations or provider automatically win market share. Buy local appears to be the new theme.

Number four, and this is really specific to the trucking industry. It's this, is will the labour laws and safety standards established by the governments be applied equally to all carriers? Or will they continue to turn a blind eye to what is really happening? There's no doubt that shippers are more than willing to take advantage of this inequity as they chase the lowest rate. Competition is not equal or fair when the rules are not applied consistently.

Now with these issues front and centre, we still have a job to do to ensure that shareholders are compensated investing in our Company. Here's a summary of what shareholders can expect. Firstly, the investments we've made in acquisitions over the last year, they're going to drive revenue growth for at least the next year. Few in our industry can make such a bold statement.

Secondly, we took every prudent step we could to ensure the balance sheet is well structured for the next decade. Take risk off the table was our guiding principle.



Third, our current focus is margins regardless of market dynamics. Today we're working on protecting margins and as soon as economic growth returns, we will pivot to improving margins. Margins over market share is how we believe shareholders ultimately win.

These three initiatives are designed to ensure that the dividend coveted by so many of our loyal shareholders is safe and sound and that we remain an excellent Company for employees to apply their skills.

You know, over the course of three decades we've wisely invested shareholders' capital in business opportunities within the everchanging logistics and supply chain; nothing ever stays the same. Today, we have a portfolio of companies in our network that are first-class. We have a network that is virtually impossible to replicate in this current market.

I'll now turn the call over to the Q&A session. Operator, please open the lines. Thank you.

**Operator:**

Certainly. We will now begin the question-and-answer session. To join the question queue, you may press star, then one, on your telephone keypad. You will hear a tone acknowledging your request. If you are using a speakerphone, please pick up your handset before pressing any keys. To withdraw your question, please press star, then two.

Our first question is from David Ocampo with Cormark Securities. Please go ahead.

**David Ocampo:**

Thanks for taking my questions. Good morning, Murray.

**Murray K. Mullen:**

Good morning.

**David Ocampo:**

I guess when it comes to the supply/demand imbalance that's been going on for quite a bit of time here, and you talked about some health initiatives that could change that equation, I'm just curious what's going to cause the more shift to balance or more balanced conditions? Is it going to be an increase in demand or supply exiting the market? Because I think you highlighted that some of your competitors are still in survival mode right now.

**Murray K. Mullen:**

Yes. I think, David, that's the real Pandora's Box here. We know that demand would be a major help because currently nobody is adding supply, currently. But in saying that, I'll tell you that the supply has been stubborn and has not really exited the market, even though it's ultracompetitive. But you've got to remember, those small carriers don't have the same cost structures that have been layered into bigger companies by government policies and rules and regulations, and trying to do what's fair for people. We have a different cost structure if you're trying to run a professional business than a very large portion of the market.

I know that it's been referred to as Driver Inc. or whatever. Those are small independent entrepreneurs, and I'll tell you; they are tough as nails. We need to see demand increase. It appears, if I listen to the politicians, and we do, and if you believe what they're saying then I think demand is going to improve. I think we saw a decent June, did we not, Carson?

**Carson P. Urlacher**

We did, yes.

**Murray K. Mullen:**

Not just because we did acquisitions, but June was the best month of our quarter, for sure. But in the—let's just say that demand doesn't improve. We want it to but if it doesn't, we still have to watch the costs, right, team? That's what we're focused on here, just in case it doesn't. We want it to happen. We're watching it intently, David, but from what I've seen in the last little bit I haven't seen a whole bunch. But hey, the government, they're spending money. It's got to help demand because it—eventually, I think. That's our thesis.

**David Ocampo:**

Yes, I tend to agree with you on that one. It's just a matter of time.

**Murray K. Mullen:**

Until that happens, though—and here's what I said is the Achilles' heel of our industry right now. You're seeing it across the board. Everybody is saying it, is that the issue is pricing and, you know, it's not going to be like this forever but it's like this for now. Is that customers, they have the leverage right now.

**David Ocampo:**

Yes. That makes sense. Then just the last one for me before I turn the call over. You guys have been operating Cole now for the last two months. Just given all the uncertainty around trade...

**Murray K. Mullen:**

One month. One month. We only got it in June on Cole, right? We thought we were going to have it for a quarter, but unfortunately as we go to sign the deal, Mr. Lucky passed on the night before so that delayed the deal, and then the Competition Bureau—that we did not count on the Competition Bureau would want to oversee this transaction when we didn't have any customs business before. But they chose to delay it for an extended period of time. I think it took at least six weeks, did it not, team? Then it just delayed everything. We only had Cole for one month.

**David Ocampo:**

Right.

**Murray K. Mullen:**

That's all that shows up in our numbers is one month. To be truthful, we were kind of counting on having that done for the whole quarter but out of our hands. But it's done now and we're already well on our way to make sure that we put a good structure in place and get the teams focused on what we have to do as a public company.

**David Ocampo:**

Yes. I guess you're wrapping up month two now with that under your portfolio. I'm just curious how that business is performing, just given all the trade uncertainty versus your initial expectations when you contemplated the acquisition and maybe how that compares to previous year performance.

**Murray K. Mullen:**

Richard, can you...?

**Richard J. Maloney:**

Yes. So, David ....

**Murray K. Mullen:**

Richard Maloney.

**Richard J. Maloney:**

Richard Maloney, guys. When we bought the organization, as we articulated in our press release, we were of the view—and this holds back through many years actually—that trade is not an easy thing to do and there's a lot of complexities to trade and certain rules of engagement need to be done. As we were going down the road buying Cole, things got a little more complicated, as we all know.

As we've seen first look one month as we reported, and like you say, another half a month or so into it as well, we're seeing and we're—on the customs side there's still the activity and the work that they do is still kind of on fairway as we thought it would be. There's going to be complexities to this. The rules are changing regularly, and shippers need people with this expertise and we're early innings, but we're pleased with what we've got, certainly on the customs side. We'll be continuing to work with them to improve our operating results.

**Murray K. Mullen:**

I think that when we talk with the leaders of the customs side of that business, they're swamped because the rules are so complex and they're changing, and they're trying to help and provide consulting services and...

**Richard J. Maloney:**

They change daily.

**Murray K. Mullen:**

... to their customers. Their results have not disappointed from what we had anticipated.

**Richard J. Maloney:**

Correct. I would agree with that. Yes.

**David Ocampo:**

Okay. That's perfect. I'll hand the line over. Thanks everyone.

**Murray K. Mullen:**

Thank you.

**Operator:**

The next question is from Cameron Doerksen with National Bank Financial. Please go ahead.

**Cameron Doerksen:**

Thanks. Good morning. Wonder if I could just maybe follow up on the Cole Group, just looking at the contribution in the one month that you owned it, I guess top line \$32 million. If I run rate that for a full year, you get to a full-year revenue number which is higher than what you indicated when you closed the business and put out the press release. But obviously there's seasonality to the business, so I'm just wondering if you could maybe talk a little bit about the seasonality and the

run rate revenue that we're seeing right now and how that compares to what you'd put in the press release, the \$300 million back when you announced the deal.

**Murray K. Mullen:**

It's difficult to get the seasonality of it right now spot on, Cameron, because we've only had it really in our group for a month. But I tell you, we're pleasantly surprised by the revenue side that they've been able to generate, that team. They've been busy. That's what we hear in our channel checks from other customs brokerages too is that they've been pleased with the revenue side and so it's probably more likely now that it's going to beat that original \$300 million of guidance that we had on revenue side, right, Carse?

You know, I don't know. We don't know yet, Cameron, whether that first six months or since the start of the year is indicative of the whole thing. We're just cautioning, but we're just telling you what they did in the first six months and that's in an economy that wasn't growing. I think you can probably surmise they're probably going to do better than what we'd originally thought.

**Cameron Doerksen:**

Okay. That's fair enough. Maybe just a second question just on the financial targets you had put out going back to, I guess late last year and then reiterated earlier this year. How are you feeling about the EBITDA target that you had there of \$350 million? I know some of that was predicated on acquisition and maybe The Cole Group, as you mentioned it didn't close quite as soon as you were hoping for, so just any commentary on how you're feeling about those original 2025 financial targets for the Company.

**Murray K. Mullen:**

Yes, that's a question that we actually anticipated, right, Carson? I think our general is, look, on a run rate we feel really, really confident of what we had originally set on a 12-month run rate, but we aren't getting 12 months full of Cole this year. I think we're okay on the revenue side. We might be a little bit behind because, as I said, Cole wasn't done on time for this year. But on a full 12-year forward-looking basis I think we're still pretty comfortable with what we had originally articulated.

The general economy continues to do okay. What we don't see, Cam, is we just don't see any pricing leverage, so you've got to really be focused on cost today to make sure you maintain those margins. That is a message that we take to every one of our business units. I said to you, our business units, I think they've done a pretty good job but, you know, it's evident that the job's not done. We have some work to do and probably we'll get some corporate costs down now because we had a lot of lawyers on our payroll here the last little bit to get this very complex deal done. Hopefully those are one-time costs. I reiterate that to the Corporate team all day long. But I think on a 12-month run rate, I think we're in really good shape.

**Cameron Doerksen:**

Okay. No, that...

**Murray K. Mullen:**

Are we going to—I think there's still a chance we could meet it, but I can't say we're going to meet it today because we lost a good chunk of the time that we had originally planned. But the thesis is still intact. We've got a much bigger business. We're in the right vertical. They're going to do fine.

**Richard J. Maloney:**

Yes.

**Cameron Doerksen:**

Okay. That's very helpful. I'll pass the line. Thanks very much.

**Operator:**

The next question is from Kevin Chiang with CIBC. Please go ahead.

**Kevin Chiang:**

Good morning, everybody. You mentioned maybe some optimism, just given some of the initiatives from the current Canadian government, accelerate some of these energy resource projects which obviously benefit the broader Canadian economy and yourselves as well. Just, when you looked at what's in the pipeline or what's being discussed, one, is there anything that you think you need to add to the portfolio if you want to be more competitive in onboarding that revenue stream? Have any of your customers or clients, have they started talking about potentially, I guess, securing contractors or anything along those lines? Even if it's early days, to ensure they secure enough capacity if they do—if these projects do move forward or of some of these projects move forward?

**Murray K. Mullen:**

Boy, that's a loaded question, you know, Kevin, but let me try and break that into this. Number one is we don't really need to add too much more to our portfolio. We really like where we're positioned. What we would need to do, Kev, is ramp up capacity, which is invested capital in assets to—if these projects do go as they plan, and then you have to add people because we're not sitting here with people or with the assets, if it ramps up, as they say.

The words the politicians are articulating are really—they're good words but they're not investable words. When we get the discussions—I would say this. There's more discussion from our customers and people are price-checking. They're asking for bids. We haven't had that for a long time. But we've got to move from debate to action, and that's up to the governments and First Nations in our opinion.

**Kevin Chiang:**

Right. That makes sense. Obviously, we're ...

**Murray K. Mullen:**

I'll tell you what. If they go...

**Kevin Chiang:**

... still very early innings. Yes. Sorry, go on.

**Murray K. Mullen:**

Kevin, if those projects go, our shareholders in our Company would be a major beneficiary of that, for sure. We're not factoring any of that into anything we've told you or our numbers or whatever. That would be all internal growth and that's your highest margin business if you get it.

**Kevin Chiang:**

Right. It seems it would be very incremental to you.

Maybe just a comment you made on the Cole deal maybe taking a little bit longer to close and maybe the Competition Bureau taking a closer look, more so than you anticipated because you didn't have a competing business. I'm not exactly sure, to your point, why it would have taken so long. But has the oversight from the Competition Bureau changed at all? Has that impacted how you think about your own M&A pipeline? Like maybe potential targets that you thought would be easier to cross the line here, maybe they're taking a little bit longer, or maybe the government is saying there's a level of market concentration that they're uncomfortable with?

**Murray K. Mullen:**

We're not sure on that. First of all, we're not sure why they had to go to the long form competition review, Joanna.

**Joanna K. Scott:**

Hi Kevin. It's Jo.

**Kevin Chiang:**

Hey.

**Joanna K. Scott:**

What we were told is that they had some new people that joined their team, and they were using our file as an education and training file, and that's why they had changed the timeline to a complex. That's what we were told.

**Murray K. Mullen:**

I suspect that's crap. I'll be honest with you, because at the end of the day the Canadian government through Post Office through Purolator acquired the largest customs brokerage company in Canada called Livingston.

**Kevin Chiang:**

Right.

**Murray K. Mullen:**

I suspect they didn't want to have two separate rules because that one was put under scrutiny by the Competition Bureau. But we knew it was going to happen because the Canadian government approved the biggest one to go to the Canadian government, so. That's our biggest competitor.

**Kevin Chiang:**

Right.

**Murray K. Mullen:**

I'll just leave it at that. I think I said my peace.

**Kevin Chiang:**

I appreciate the candid response there.

Maybe just a quick one here. You called out wildfires and I see Smook in northern Manitoba had slightly lower work and obviously we've had unfortunate wildfires in that province. Just wondering, you know, when those issues—when those natural disasters occur, is that revenue that gets shifted or is that revenue that's generally lost and you almost have to wait to the next, I guess next year to restart some of that civil work. Just wondering, based on your own experience, is that



something that might get shifted later this year or is that just something we have to look for it in 2026?

**Murray K. Mullen:**

I think that it just pushes it out...

**Kevin Chiang:**

Okay.

**Murray K. Mullen:**

... to be honest with you. We know they couldn't start the projects that they had going, but it wasn't just Smook. It was Gardewine. We had to evacuate most of our northern facilities, and we had some additional costs that are built into that. We're not—these are things that you do. You look after your people and those were additional costs to make sure that they weren't in harm's way and that, but that cost us. But for the most part, most of the wildfires are over now. I suspect those projects still have to go and they'll just push them out by a quarter, probably a quarter and a half I think in those kind of things.

**Richard J. Maloney:**

A lot of it is just freight-related too. Like Gardewine, they're going into Northern Manitoba, but they haul all the foodstuffs and everything, so that got delayed. They pushed to the following week or into the next quarter. Things typically just get pushed.

**Murray K. Mullen:**

I think things just push us out a bit and those kind of things. We don't think anything structurally has happened at Smook or in Gardewine; it just—we understand why. Our business units did a good job of making sure that they're people were protected and the assets, I think they did a good job on that.

**Kevin Chiang:**

Yes, that makes ...

**Murray K. Mullen:**

It wasn't just in Northern Manitoba. We lost some business up in Northern Alberta also and British Columbia...

**Richard J. Maloney:**

And Saskatchewan.

**Murray K. Mullen:**

It was in the North, really an anomaly in terms of that. In the South, we got too much water and that's helping our Canadian Dewatering group. Those things kind of always happen. But we're not making a big deal out of it yet. We're just highlighting as the day—it didn't help us; I can tell you that. In the quarter.

**Kevin Chiang:**

No, I appreciate that. No, just, that's great colour and that's good to hear that the revenue probably shows up in a quarter and a half or two here.

That's it for me. Best of luck as you get through the back half of 2025 here. Thanks for taking my questions.

**Murray K. Mullen:**

Yes. Thanks, Kev. Appreciate it.

**Operator:**

The next question is from Konark Gupta with Scotiabank. Please go ahead.

**Konark Gupta:**

Thanks, Operator. Good morning, Murray and team. Just maybe wanted to follow-up on the Cole first. You talked about how these guys are pretty busy on the customs side and maybe they are tracking perhaps a little bit ahead of what you said previously on the revenue outlook for this company. With respect to the tariff on/off that's going on right now and nobody knows what's going to happen next, how do you think these guys will see maybe any sort of volatility in the business? Is there a business right now that they are seeing because of these tariffs being super noisy and, you know, some of that business might go away, or there's stickiness to that? How should we think about the long term here for Cole?

**Murray K. Mullen:**

That is the unknown, but I think—and this is how we're looking at it, Konark. I don't know how anybody else looks at it. Our team at Cole doesn't really know how it's going to be. They pick up the phone, they bid projects, they do whatever, so they're just reactionary to the market. But how do we think at it strategically? We're not afraid of the tariff issues. We know it's going to change, and we think once there's clarity, the market adjusts. How does it adjust? Let the market, the market is going change the way it wants to change, but there's no way that trade is going to stop; it might shift. I don't see that happening.

The good news about our Cole businesses, they're not just North American freight; they do international freight as well. We think they're well positioned to—they're going to get the top line because we got a heck of a team over there on the top line. The one thing that's happened in the freight business is it's ultra competitive, so they have to work on the cost side and make sure that they're aligning their costs with the revenue. But they're busy on the revenue side, on moving freight.

Customers have just gone away from planning to reacting. I think once you get—once we get some clarity, I wouldn't be surprised to see some capital start moving again. I know we've cut back on capital, Konark. I mean we've got to wait and see what happens. We cut back on capital. If everybody cuts back on capital investment, that's just a sign of uncertainty and we just have too much uncertainty right now, but that's not going to last forever, I don't suspect.

**Konark Gupta:**

Okay. That's fair. With respect to guidance, a question on EBITDA run rate wise, you're hitting probably the \$350 million mark, I would think. But with respect to hitting the guidance potentially this year, what would you need? Do you need an M&A because, you know, maybe that's how you accelerate things? Or do you anticipate any significant rebound in in one of your organic businesses that might potentially help you hit the \$350 million mark for the full year?

**Murray K. Mullen:**

I'm not personally expecting any significant rebound. I think steady is going to be the rule of the day. Under that, we've got our work to do to make sure that we just are managing the margin and we'll be highly focused on that, Konark go over this next—on the rest of the year with our business units, won't we, Carson?

**Carson P. Urlacher:**

Yes.

**Murray K. Mullen:**

That's what we're focused on here. We've already taken care of the growth. That's what I'm trying to articulate this year. We've already taken care of growth. We've already taken care of the balance sheet. Now we just want to focus 100% of our efforts on taking care of the margin on behalf of our shareholders and improve that for them. But we've taken all the risk off the table, and we've got growth, so we just have to work on margin. That's not too bad.

**Carson P. Urlacher:**

Yes, and I would say for the balance of 2025, Konark, even if we get approval on some of these nation-building projects, we're not going to see the benefit of that and the demand from it until 2026 and beyond. It doesn't happen just—we don't get approval and then next week we start generating revenue from it. There will be a delay and we're cautiously optimistic that we can get some of these done.

**Murray K. Mullen:**

Konark, I'll leave you with this. The consumer part of the economy has turned ultracompetitive, and the consumers are very, very cost conscious today. We know you just have to go to the parking lots, and you'll see the malls are busy and Walmart's busy and Costco's busy and Winners is busy, Dollarama. But that's the consumer side of the economy and that's very, very competitive.

Where you have high margin is when you have capital going to work and you have projects that happen. That's when demand—that's where we need demand to increase. I don't need more business going to Winners or Dollarama. They made it, but we don't need that. We want to see these, what we call shovel-ready projects or nation-building projects, whatever you want to call them—you get that going, those are high margin for our organization. Great jobs for Canadians, a lot of people would benefit. I think the governments are going to need it, to be honest with you, because they need tax revenues and that only comes from wealth. Tax revenues don't come from modest jobs.

We're optimistic that it's going to come, but we just don't know the timing.

**Konark Gupta:**

Right. That's a fair comment for sure. Last one before I turn over, in terms of seasonality, if we look at the back half, the first half has trended relatively in line if I exclude that FX noise in the USD cash you had. But the back half, it sounds like given with the Cole three months full contribution and maybe flattish environment, would you not expect the second half to be slightly better than the second half of last year? Is there any role for the S&I segment here in the second half that could swing the needle in one direction?

**Murray K. Mullen:**

Not unless we see drilling activity improve. That's high margin business. It's stabilized. Most of that activity would happen if you get—if we get natural gas projects approved and that would improve drilling. I think it'll be similar to last year. I don't know if it's going to—we're not predicting—we're not putting capital work because it's growth, but I think it'll be relatively stable to last year. That's our best analysis at the moment, Konark.

**Carson P. Urlacher:**

One other way you could look at it, Konark, is looking at our revenue per day and projecting that out over the next couple of quarters. You can see within our MD&A and our documents what we've disclosed as to where we're sitting at now. That would probably get you a reasonable indication of what that back half might look like, all things being equal.

**Murray K. Mullen:**

Just for all the listeners that would mean I think that we bumped up to revenue per day, we think that's approaching the \$10 million per day. Is it not?

**Carson P. Urlacher:**

Yes. In June, we were at \$9.4 million, so that would include Cole's results.

**Murray K. Mullen:**

Then you just take how many revenue per day, how many days you've got that are revenue producing days and you can see some pretty—we'll be just fine on the top line and then it's just a matter of making sure that we really watch the costs. I think, Konark, that's the main theme that everybody I'm talking to in our industry, you've got to watch costs very carefully, and that's what we're focused on.

**Konark Gupta:**

That's great. Thanks for the time. I appreciate it.

**Operator:**

The next question is from Benoit Poirier with Desjardins. Please go ahead.

**Benoit Poirier:**

Hey, good morning, Murray, and good morning, the Mullen team.

**Murray K. Mullen:**

Good morning.

**Benoit Poirier:**

Yes. Murray, we've seen some positive news flow in the recent months if you look at the potential for new pipelines, the Ring Of Fire railway in Ontario, but also the passing of the Bill C5. I was curious to know more about how do you get to prepare for this potential optic and what do you foresee in terms of potential, in terms of timeline and the potential demand that could impact Mullen down the road?

**Murray K. Mullen:**

Boy, I tell you, we sit waiting patiently for words to turn into action. I would tell you there's been way more positive meetings and questions from our customers coming our way about, "Okay, what if? What about this? What about that?" That never happened for quite some time. There's

lots of chatter about it, Benoit, but I haven't seen anybody—until we actually know for sure that we can get this done, then private capital will go to work.

I hope these nation-building projects aren't just social programs and socially funded. I'd love to be able to see that the private money has come back in and that is a real sign that there's confidence that it makes business sense, not nation-building sense. I don't know how to address it any different than that as to whether these are going to be publicly funded nation-building projects or privately funded. I just hope they go.

**Richard J. Maloney:**

Benoit, if I can add—it's Richard. To the extent there's any new pipeline activity, we have pipeline. We are heavily involved with any large transmission pipeline, so if that goes, we will be well situated. Any drilling activity, Northern BC in Northwest and the Montney, we are well situated to support all aspects of the drilling activity. We can support that.

To the extent there's mining activity in Ontario, we heard—we went into Northern Ontario, Canadian Dewatering.

**Murray K. Mullen:**

And Gardewine.

**Richard J. Maloney:**

And Gardewine there, we are well situated there and in Northern BC with Bandstra. To the extent these things become a reality, we are well situated there, and we will ramp it up accordingly.

**Murray K. Mullen:**

I think, Benoit, it's optimistic, but not the timeline. We just can't put a pin on it yet.

**Benoit Poirier:**

Okay. Okay, that's great colour, gentlemen. Moving to some spirits. We've seen some reports that Canadian provinces boycott of U.S. spirits have caused a drop in all spirit sales in Canada. I was just curious whether you've seen some impact at ContainerWorld in the quarter so far this year?

**Murray K. Mullen:**

Yes, spot on. Yes, ContainerWorld, we did not plan on them getting hit by do not—you can't bring in liquor from the U.S. That was a big part of why we missed on the revenue side with our ContainerWorld group. That market's got to adjust in terms of that.

I don't think it's going to be—it's just a one quarter thing Benoit, I think, because I think the consumer is either going to adapt to something else or we've already seen some change in that. For example, in Alberta, the liquors—U.S. is coming back. U.S. liquor and wine, spirits, that's now back on the shelves again and it's—it's up to consumers whether they want to buy U.S. liquors. I don't know what this whole prohibition thing that the Canadian government comes up with or governments, why they have to do that. It's up to the consumers. If they want to buy it, they'll buy it. If they don't, they're going to buy something else, rather than politicians say what you can or you can't buy. That's why I call it prohibition.

**Benoit Poirier:**

Okay. That's great. Last one for me, Carson, when we look at the leverage, it's been sequentially up a bit slightly above your target. Any thoughts on your capital allocation priority for the balance of the year now that you have closed your notes offering?

**Carson P. Urlacher:**

Yes. I would say that our current run rate is 2.57, which is slightly above our target of 2.5. But the reality of it is, is we've got some debentures that we're going to deal with.

**Murray K. Mullen:**

That includes the debentures.

**Carson P. Urlacher:**

That includes the debentures. That's sitting in on the debt number right now. But if you factor the debentures out of that equation, now you're down to about 2.23, which is well within our comfort range. I would say that by the end of the year, we'll be even leveraged less than we are today.

**Murray K. Mullen:**

I think the other thing that I'd highlight too, Benoit, is that, look, those leverage is also, are leaving us with about \$100 million of cash to go either grow business or give it back to shareholders in a different way, i.e. buying the debentures or whatever we decide to do, that's up to the Board. But we're situated pretty good.

You've got to love it. It's all long term. It's all fixed, risk off the table. Just run the business now for the next 10, 12 years.

**Carson P. Urlacher:**

Yes. We've got lots of optionality, Benoit, with—sitting by end of year, we'll have over \$100 million of cash on the balance sheet. You can either grow the business, and your debt covenant comes down or you lower the debt number, and the debt covenant comes down. It'll all depend on how the market plays out and what the Board decides with respect to allocating that capital.

**Benoit Poirier:**

Great colour. Thank you very much for the time.

**Richard J. Maloney:**

Thanks, Benoit.

**Operator:**

The next question is from Walter Spracklin with RBC Capital Markets. Please go ahead.

**James McGarragle:**

Hey, this is James McGarragle. I'm on for Walter this morning. Good morning.

**Murray K. Mullen:**

Good morning.

**Carson P. Urlacher:**

Good morning.



**James McGarragle:**

I just wanted to ask on the June, you mentioned it was your best month in the quarter. I thought that was pretty impressive just given all the data that we looked at kind of pointed to a really tough June. In particular, some RBC cardholder data and some PMI data that we're looking at. Can you just give us some colour on what drove that? Was that some share gain? Any subsidiaries that were particularly strong? Any colour you can give us on how Q3 is trending within that backdrop?

**Murray K. Mullen:**

I think the one that was particularly strong that we highlighted was Canadian Dewatering. They were strong because they opened a new terminal and facility in Northwest Ontario, which, let's call that mining country.

**Richard J. Maloney:**

Yes.

**Murray K. Mullen:**

We also had a pretty strong performance by our Mullen Trucking Group that worked on a capital project.

**Richard J. Maloney:**

Yes.

**Murray K. Mullen:**

Unfortunately, that capital project was going to Alaska, not into Canada. But they were—that's an example, when capital projects go, man, do we do well.

**Richard J. Maloney:**

Yes.

**Murray K. Mullen:**

This economy is okay in terms of the consumer side of the economy. It's still kind of going along okay, but there's no high performance side on capital investment. That might be coming. That's what we're highlighting to people, is to just be patient. We think got to turn. When that turns, the consumer part will be just fine. Very competitive, but just fine. But most of our margin improvement will come because of when capital goes to work. That's when you make higher margin.

**Richard J. Maloney:**

I think the other impact that we saw in June as well too is LTL started to come back and stabilize and that's probably a function of people getting back into their communities in the northern parts of the provinces and us driving a little bit more lean density as those fires and stuff started to subside. We had issues with respect to getting into town. You're changing lanes and rerouting trucks and those sorts of things and some communities that just were evacuated. I think that volume started to come back in the month of June.

**James McGarragle:**

I appreciate the colour there. I had another question. I made a presentation to the Manitoba Trucking Association a few months back and some of my conversations with the truckers in the audience surrounded Driver Inc., and how tough it made to compete for truckers like yourself who follow the rules. Do you have any update there with regard to getting this issue fixed? Any colour

you can share with your conversations with regulators or officials who could potentially help fix this issue going forward?

**Murray K. Mullen:**

Good comment, and now you know why that's my number four issue that I watch intently, because it is a drag on not just our results, it's a drag on our people, because if we—if the rules aren't equal then it's very difficult on our people because we're not competitive. I don't personally spend any time talking to the regulators about this because I'm wasting my time. They know what the issues are. It's time for them to do their job and that's fair for all Canadians, including the people that are being taken advantage of by Driver Inc. model. I'll leave it at that.

**James McGarragle:**

All right. I appreciate it. I'll turn the line over. Thank you.

**Operator:**

Once again, if you have a question, please press star, then one.

The next question is from Tim James with TD Cowen. Please go ahead.

**Tim James:**

Thanks very much. Really appreciate the time here. I'll try and keep it quick. Just wanted to circle back or try and frame the performance of the legacy business here as you think about the year. If we exclude Cole Group and the two-month delay in closing and the FX impact that you called out as an adjustment in Q2, if we exclude those items, the rest of the business, the Mullen Group business, is it tracking towards that original \$350 million? Obviously, it's some component of that, but that original EBITDA guide for 2025?

**Murray K. Mullen:**

It's not no. If you back out Cole, we're not tracking to \$350 million.

**Carson P. Urlacher:**

Correct.

**Murray K. Mullen:**

Right? Last year we were at \$330 million? How much?

**Carson P. Urlacher:**

Three thirty.

**Murray K. Mullen:**

Yes, \$330 million. We said to get to \$350 million we needed to do acquisitions. We did the acquisitions, but the timing is off. We would have been probably not too far off, but then the trade issues accelerated this year and all the drama that's gone with that. We're probably behind on the \$330 million, \$325 million for on our same-store sales. But I honestly think that's just timing, Tim, is that these are events that are outside your control, and they just push it out.

But our core businesses are doing as we've disclosed; they're holding their own. Revenues flat, margins down a little bit because of the cost pressures, but really most of the noise that we had in the quarter was all corporate stuff and the balance sheet. With us holding a large U.S.—what did we hold? I think we hold \$100-and something million of US Dollars.

**Carson P. Urlacher:**

Yes, we do.

**Murray K. Mullen:**

That's what got us. Now, the good news is it also—as the Canadian dollar went up in value is that our U.S. debt went down by a similar amount. One was income statement, and one was balance sheet, but that's why we just took that noise out. But on same-store sales, we're probably behind flat or a little bit to last year. Mostly that is due to tariff and trade talk and just uncertainty.

**Tim James:**

Okay. That's actually a helpful answer to my poorly worded question because you did answer what I was looking for despite my wording.

Second and final question, just going back to Cole Group. You were asked about it earlier. There was a reference to customs business. Can you just remind us how much of Cole Group or approximately of the revenue is from the customs business?

**Carson P. Urlacher:**

They were about a 60/40 split.

**Murray K. Mullen:**

Yes, it's somewhere between a third and 60/40.

**Carson P. Urlacher:**

Yes.

**Murray K. Mullen:**

Somewhere in there.

**Carson P. Urlacher:**

In that ballpark, yes.

**Murray K. Mullen:**

As a private company, they bundled everything together in a bucket. In our world of which—by the way we've got a corporate executive sitting right across from me, Joanna Scott, that's really going to be spearheading that initiative—is that we're going to fine tune them so that they report customs and then freight brokerage as separate buckets. We're going to get them focused. They're going to go from a private company where they could run it the way they wanted to, that's up to the previous owner. But under us, we're a public company and we measure everything. That's going to be—Joanna is going to head that initiative up and she's already chosen a new leader to join with her to help with that initiative. Richard Maloney is working with the gentleman in the U.S. to accelerate on the customs side.

That's our primary focus. We want to focus on customs because that's the margin business. The freight forwarding business, that's a tough business right now. Everybody that reports just freight forwarding, that's not a great business. We've got our work to do on that side. But I'd say it's about a third to a little bit more is customs. But on the margin side, flip that around. Yes.

**Carson P. Urlacher:**

Yes. Yes, exactly.

**Murray K. Mullen:**

Maybe two thirds...

**Joanna K. Scott:**

Yes.

**Murray K. Mullen:**

... on the top side. You know where our focus will be, is grow the customs side.

**Tim James:**

That's very helpful. Thank you.

**Murray K. Mullen:**

Thank you.

**Operator:**

This concludes the question-and-answer session. I'd like to turn the conference back over to Mr. Mullen for any closing remarks.

**Murray K. Mullen:**

Nothing from me, folks. Thanks very much for joining us. Enjoy the rest of your summer. As I said, we got lots of work to do on the margin side. We're 100% focused on our senior team.

Thank you very much for joining us. We'll talk to you in the fall. Cheers.

**Operator:**

This brings to a close today's conference call. You may disconnect your lines. Thank you for participating and have a pleasant day.