



The Mullen Group Limited

Third Quarter Earnings Conference Call and Webcast Transcript

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

Carson P. Urlacher
Senior Financial Officer

Richard J. Maloney
Senior Operating Officer

Operator:

Welcome to the Mullen Group Limited Third 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, you may press star, then one on your telephone keypad. Should you need assistance during the conference, 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 all to Mullen Group's quarterly conference call.

This morning, I'll provide a brief overview of the quarter, then I'll turn the call over to Carson for a more in-depth look at the results. But, for those of you that are interested in all of the numbers, the team headed by Carson and by Nick Woodward, they prepared the MD&A for the period ending September 30, 2025. This 42-page document contains all of the details, which can be found on our website also at www.mullen-group.com or on SEDAR+.

Our intent this morning is to provide the highlights. I will close with some outlook commentary before turning the call over to you for the Q&A session.

Before I commence today's review, I shall remind you once again that the 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.

Once again with me this morning—I'm in Okotoks with the entire senior executive team. I've got Richard Maloney as Senior Operating Officer, Carson Urlacher, Senior Financial Officer, and Joanna Scott, who's our Senior Corporate Officer.

Moving right into, let's start by talking about the impact of acquisitions are having on our results and why I believe the shareholders should be pleased with how this well-thought-out acquisition strategy sets our organization apart from many of our industry peers.

Acquisitions are really a critical component of our growth strategy. However, this is not the only means. So, what do I mean by that?

Well, basically, we look at growth this way: it is derived from two sources, internal, some call that same-store sales growth, and external, which is clearly acquisitions. When we take a view that the economy is strong, when economic activity is robust, when capital isn't being invested, we work with our business units to take advantage of these trends to expand service offerings. We aggressively deploy capital and we raise rates. In other words, this is when we rely upon internal growth.

Now, I suspect that you're all well aware that we do not believe that Canada's economy is currently in a growth mode. Actually, I don't know of anyone that believes this other than a few misinformed politicians. But this does not imply that the economy is in decline either, because I do not believe

it is. In other words, it is okay. There is work to do. There's freight to haul. However, in the absence of growth in the economy, the balance of negotiating power shifts to the customer. And I will tell you that customers are demanding these days. Why? Because they can.

This forces us to focus on managing costs, as well as limit capital investment, because the returns just cannot be justified when rates are too low. I'd also add that new capital is very expensive to acquire these days, new trucks, new trailers, new everything.

Given the current market conditions, we cannot rely upon increased rates to mitigate cost pressures. This is why we must manage the cost. We strive for productivity gains in order to maintain margin. And on this front, I'm telling you, I'm very pleased with how the vast majority of our business units are handling the difficult market conditions. They are staying focused with a steady hand on the wheel, as I like to say.

Let me turn to the other source of growth, the one that Mullen has relied upon for over 30 years – it's made acquisitions. These are the quickest ways to grow. However, once again, if not done carefully, well-thought-out as to how the investment will work out in the future, the early wins can fade away very, very quickly. So, this is why we refer to our well-thought-out acquisition strategy. We stay focused and invest only in opportunities and in verticals in the economy that we believe have strong fundamentals, and hopefully future growth potential when market conditions turn more favourable.

Okay, with this short strategy overview, how did we do last quarter? As predicted, we grew the top line nicely with acquisitions being the main reason. But so too was that steady performance of our existing business units; the lone exception being those business units that provide service to the oil and natural gas business in Western Canada. So, I will lay the blame squarely on low commodity prices and not the good folks that operate these business units we have because customers either delayed spending or they pivoted to playing the lowest price game, and that is a game we do not partake in, especially if the business is very capital intensive like it is in the oil and gas service side.

So, we took a few lumps and we moved on. And I'll just tell you this, folks: sometimes things aren't fair, but at Mullen, it's not a reason to complain or vent. We simply go about our business and fix what needs to be fixed.

Carson will now provide some colour and discuss the reasons behind our record revenues and cash from operations. Don't forget that. Record cash, right, Cars?

Carson, you're on.

Carson P. Urlacher:

All right. Thank you, Murray, and welcome everyone. I'll provide some additional highlights from the third quarter, the details of which are fully explained in our third quarter interim report.

Our third quarter financial results were impacted mainly by acquisitions as we continue to grow and build out our network by adding additional logistics service offerings to our customers.

This quarter is the first in which we recognized a full three months of financial results from the Cole Group. We generated record revenues compared to any previous quarter at just over \$560 million, an increase of \$29.8 million or 5.6% from the same period last year. Acquisitions drove

revenue growth by adding \$66.4 million of incremental revenue and consisted mainly from the results from the Cole Group and from Pacific Northwest.

Revenues from our existing business units, excluding acquisitions and fuel surcharge, decreased by \$30.5 million and was primarily due to a reduction in the S&I segment.

Not only did we generate record revenues, but more importantly, we also generated a record amount of cash as cash from operating activities increased over \$100 million or \$1.18 per common share in the quarter, well above our cash requirements. This strong cash generation creates value for our long-term shareholders and along with our well-structured balance sheet provides us with optionality regarding capital allocation. This enviable financial position enabled us to announce our intention to redeem in full prior to maturity the \$125 million of convertible debentures that are outstanding. Conversion of the debentures into Mullen Group Common Shares is permitted at the discretion of the holders of the debentures until November the 21 of 2025. Any debentures not converted into Mullen Group Common Shares will be settled in cash.

We generated OIBDA of \$97.6 million, a slight increase compared to the prior year period. Excluding the impact of foreign exchange gains and losses on U.S. dollar-denominated cash within our Corporate segment—a term we call OIBDA adjusted—was \$96.4 million, virtually flat compared to the prior year.

OIBDA from our existing business units was down \$8.9 million and corporate costs were up as we expanded our team to accommodate future growth. These declines were offset by \$11.2 million of incremental OIBDA from acquisitions.

OIBDA adjusted as a percentage of consolidated revenue decreased to 17.2% from 18.2 percent, mainly due to lower margins generated from the asset-like business model of Cole Group and from a lower proportion of higher margin specialized business.

Now let's take a look at some of the highlights by segment.

First in the consumer-driven LTL segment, which remains stable and consistent, revenues in the LTL segment were \$197.8 million, an increase of \$9.1 from last year due to \$10.2 million of incremental revenue from acquisitions. This was somewhat offset by a \$2.2 million decline in fuel surcharge revenue.

Revenues from our existing business units, excluding acquisitions and fuel surcharge, increased by \$1.1 million due to steady customer demand and from some market share gains.

OIBDA was \$36.4 million, which was up slightly from last year. This increase was due to \$2.6 million of incremental OIBDA from acquisitions, while cost pressures and competitive pricing resulted in lower OIBDA from our existing business units.

Operating margin, while still very respectable, decreased slightly to 18.4% due to the inability to implement customer rate increases to offset greater cost pressures.

Second is our L&W segment. Revenues in the L&W segment were \$208.1 million, up \$39 million from last year. Acquisitions added \$46.4 million of incremental revenue and was mainly driven by Cole Group's Canadian operations, which was somewhat offset by a \$2.8 million decline in fuel surcharge revenue. Revenue from our existing business units, excluding acquisitions and fuel

surcharge revenues, decreased by \$4.4 million and was mainly due to a decline in freight and logistics demand resulting from a lack of private capital investment in Canada.

OIBDA was \$38 million, up \$2.8 million from prior year, with acquisitions adding \$5.2 million of incremental OIBDA, while our business units excluding acquisitions generated lower OIBDA due to a lack of demand for their services.

Operating margins decreased by 2.5% to 18.3 percent, primarily due to the impact of the lower margins generated by the asset-light acquisition of Cole Group's Canadian operations. Now, if you exclude Cole, operating margin would have been virtually flat compared to the prior year period at 20.6%. So, really what this says is our existing business units, excluding acquisitions, did a great job in protecting margin under difficult market conditions.

Moving to the S&I segment, revenues were \$105.1 million, down \$26.7 million from last year due to a lack of large capital projects being sanctioned in Canada, from demarketing some customers in certain markets, and from depressed commodity prices that negatively impacted our customers' drilling and production plans. These factors led to a decline in revenue from our production services and drilling-related business units.

Somewhat offsetting these declines were revenue gains made within our specialized services business units that were tied to infrastructure and mining as Canadian Dewatering and Smook contractors saw greater demand for their services.

OIBDA was \$23.6 million, down \$4.9 million from the prior year, as our production services business units recorded a decrease in OIBDA due to E&P customers choosing to delay facility maintenance and turnaround projects. The specialized services business units had an increase in OIBDA, primarily due to greater customer demand at Smook and Canadian Dewatering, which was somewhat offset by a decline in demand for services at Premay Pipeline.

The drilling-related services business units recognized a \$1 million increase in OIBDA, despite that lower revenue that I spoke of. Operating margins increased to 22.5% from 21.6%, which was mainly due to demarketing low-margin business and from cost control measures and more efficient operations.

Another highlight was that we deployed over \$10 million of CapEx into this segment in the quarter, mainly to drill two new disposal wells for Envolve Energy Services to increase capacity at our processing and disposal facility to meet strong customer demand. Our diverse business model enables us to deploy capital where we see acceptable returns.

Within our non-asset-based U.S. 3PL segment, revenues were \$53.9 million, up \$8.2 million from last year, as Cole Group's U.S. operations added \$9.8 million of incremental revenue in the quarter.

In transitioning Cole Group's U.S. operations to IFRS accounting standards, we determined that duties and taxes collected by Cole USA and remitted to government agencies on behalf of customers should be presented on a net basis. Now, presenting this revenue on a net basis has no impact on OIBDA cash flow or net income.

HAUListic generated lower revenues compared to the prior year, as many customers remain cautious on ramping up manufacturing and ordering inventory. OIBDA was \$4 million, up \$3.7

million from the prior year, with Cole Group's U.S. operations adding \$3.4 million of incremental OIBDA, while HAUListic's results also improved compared to the same period last year. Operating margins improved to 7.4% from 0.7% due to the higher margins experienced at Cole USA.

Now, moving to the balance sheet. In July we closed a private placement debt offering of 12-year long-term notes of approximately \$400 million. We used these funds to prepay approximately \$237 million of private placement 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 used to fund the Cole Group acquisition.

At September 30, we had working capital of \$286 million, which included \$151 million of cash on hand. Not included within this working capital is our derivative that hedges \$112 million U.S. dollars into Canadian dollars at a foreign exchange rate of 1.1148. This derivative has an economic cash value of approximately \$32 million and, since it matures in November of 2026, it will be included within working capital at year end. We also have access to \$525 million of undrawn bank lines. In terms of our debt covenants, total net debt to operating cash flow at September 30 was 2.6:1.

With the announcement of redemption of the convertible debentures, our pro forma total net debt to operating cash flow covenant, assuming all other factors remain constant, would have been approximately 2.25:1.

In summary, we continue to generate cash in excess of our needs. Our balance sheet is well structured and we have ample short-term liquidity of over \$150 million of cash, providing us with the ability to continue to build out our network and grow when the right opportunities come along.

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

Murray K. Mullen:

Thanks, Cars. Well done again. You provided our listeners with a really nice, detailed report.

There's a lot of information there, but let me just—there's a couple highlights I'd like to reiterate, because I believe these will impact how we can take advantage of opportunities that I personally believe are just inevitable to arise in this market.

The first is record revenues from acquisitions, which really means is that we've entered new verticals to expand in as and when the economy improves, and we believe that eventually it does. So, we're going to be larger and bigger and more verticals that we can sell to customers in the future with our acquisition strategy.

The second is—and Carson alluded to this at the end—is the record cash from operations. Funds that along with our current strong balance sheet, we can use to pursue acquisitions that meet our investment criteria. So, we're going to continue to grow the acquisition strategy. We just have to pick where should we put that money to work, and that's what the senior executive team is highly focused on.

So, in other words, I sure like the way that we positioned this organization.

Let me just now give you my best take on what I think the near term might look like. As evidenced by our results last quarter, it appears the general economy has found what appears to be stable

ground. Economic activity is in a better spot than we've seen for quite some time. That is good for freight demand. We see it in our results. There's freight to move and it's reasonably, reasonably active. Yes, there are still remaining issues like tariffs and trade concerns that impacted cross-border traffic, but I believe these things will subside over time.

In fact, if you get beyond all the headlines, really, there's not that much tariffs on trade between Canada and the United States. Nearly everything's been exempted, so we've got to be careful on what we listen to all the time. But it definitely has impacted the psyche of people that invest capital.

We also think that the primary reason why Canada will continue to underperform is the lack of private investment capital. This is our view. But the reality is, in the meantime, the Canadian government will deficit finance to sustain the current economy. So from my perspective, the Canadian economy is in a balanced spot. Not the deficit—I said the economy. It's not growing rapidly, but it's not declining either, so it's okay and that's from within this perspective, that's what we have to manage the business within.

On that front, pricing still remains a challenge. But here too, I'm starting to see some emerging signals that could impact supply, especially as it relates to the availability of certified drivers. For example, in the United States, if the United States Department of Transportation is accurate in their analysis and they remove over 190,000 CDL authorized drivers from the market, there will be a shortage of professional drivers in the United States. So, we're watching this very carefully, because once the market tightens in the U.S., it will also tighten in Canada.

In addition, there appears to be a shift happening in Canada where there's more of a focus by the regulatory authorities and the government on ensuring that safety standards are enforced across all carriers. So, we also know that industry capacity is really not growing, as evidenced by the lack of Class A truck orders sales. So, based upon these factors, it appears that there's a new demand/supply balance forming, which will be good for margins eventually, perhaps even as early as next year. I suspect we will know in early '26 if the market tightens enough for our business units to start having a little more leverage with customers and having some thoughtful discussion about what the rates should be. But this is not the case today. As such, we continue to ask our business units to focus on controlling costs and look at ways to improve productivity.

Now, here's an example of what I mean by improving productivity. We're investing in new technologies. We're investing in robotics for our warehouse operations, initiatives that will reduce costs and improve efficiencies and safety. So, we're not stopping, because we think the future will eventually come around our way.

Now, one vertical that we think will continue to struggle in the short term—I don't think long term, but in the short term, that's the reality—is the oil and natural gas service sector, which is included in our S&I segment. Now, commodity prices have been under pressure all year, and this has impacted the cash flow for the E&P industry. And in response, our customers have curtailed capital investment. They delayed major turnarounds and aggressively pursued lower costs throughout the supply chain. And as I suggested, I don't think this is a long-term scenario, but it is the reality in the short term and we expect this portion of our business to underperform until commodity prices improve.

We are, however, still, as I think Carson alluded to, investing in this segment, and invested \$8.1 million in two new disposal wells at our Envolve Energy Services Group facility in Grand Prairie.

It's a first-class facility and we drilled two wells that will give us additional capacity to handle customers' fluids. So, this investment will undoubtedly double our capacity.

One day, there will be a day when new pipelines are built to feed natural gas to the LNG facilities on the West Coast and we'll be ready to handle our customers' fluid disposal requirements. This is another example of how we think about deploying capital, and as we think about tomorrow.

Lastly, before I turn it over to you, what about future acquisitions? As Carson highlighted, the balance sheet is structured in a manner that we can pursue opportunities. We really like the tuck-in model because this is how we can improve margins quickly. We just roll them into one of our best-in-class business units—and we've got 41. So, we've got lots of really good talent out there that we can roll in tuck-in acquisitions. When you do that, you can reduce overall costs and improve density quickly.

And lastly, if the right platform company comes available—and a platform company let's say like a Cole did—this is a company that's in the right vertical with lots of future potential, we'll consider it.

So folks, now it's your turn. I'll turn the call over to the Operator, and we can go straight to the Q&A session.

Operator:

Thank you. 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're using a speakerphone, please pick up your handset before pressing any keys. To withdraw your question, please press star, then two.

The first question comes from Walter Spracklin with RBC. Please go ahead.

Walter Spracklin:

Yes, thanks very much. Hey, everyone, how are you doing?

Murray K. Mullen:

Hey, good morning, Walter.

Walter Spracklin:

Murray, this one's for you. Let's start with your guidance. You've got \$350 million out there, of which \$30 million was to come from acquisitions. You mentioned that in your release that's going to be, or it's uncertain as to achieving that, and that it should be achievable on a 12-month forward basis. Now, is that suggestive then that this is now going to be your '26—are you saying that this is now the 26th guidance of \$350 million for 2026? Am I reading that correctly?

Murray K. Mullen:

That's a pretty good observation, Walter. We did guide to, I think, \$2.25 billion and \$350 million for this year. Two things that I've missed, I'll be blunt. I've missed that the commodity prices were going to be as soft as they were and that's really impacted our S&I segment. I didn't think that that was going to occur. You saw how last quarter our S&I was down like \$25 million. I missed that part, there's no doubt.

Do I think it's permanent? No, I don't believe that.

Then I think the second one we missed is when we had originally evaluated our Cole Group on the revenue side, we had thought that the revenues were up around \$300 million. But when we did our final purchase price equations, we did not like the way they accounted for revenue in terms of tariff—taxes and tariffs, so we just considered that a flow-through, so we just netted those out. On those two fronts, that's where we missed the revenue side.

On the EBITDA side, or OIBDA side, whatever you want to call it, well, Cole, we didn't get done as fast as we thought it was going to be. Early, we thought we had this in the bag, we had a deal, and Mr. Lucky unfortunately passed away the night before we went to sign, so that delayed the deal. We had to go to the courts to get—so, that delayed it. And then the Competition Bureau delayed us by about two months. So we probably lost a quarter, Walter, that we were counting on when we gave the guidance early on. I think that's why we missed—we're going to be off by a little bit, but it's not going to be off by a significant.

I think if you pro forma, really is what you're saying, as 2026—you're taking away our thunder for the December 3 budget meeting—but you can see the business we've got. We've made all the right steps to get us to that 2.25 and 350. And then we'll articulate in December what we really think is happening in the market.

Is the market changing for 2026? I gave a couple suggestions that said, maybe the market tightens a little bit next year, and if that does, then we got a bigger book of business that you maybe get a margin improvement of 1%. Just a 1% margin improvement is pretty significant, Walter.

We'll give our best analysis on that in December after we've collated and talked with all of our business units. But for right now, I think our pro forma 12-month, we would have been pretty close to the 2025 guidance, but we'll be off a little bit for calendar 2025, yes.

Walter Spracklin:

Right. Okay. That makes sense.

You made reference to the U.S. clampdown and that's certainly creating an effect, and that's good. I'd prefer a demand solution rather than a supply solution to this, but we'll take the supply solution if it is. Is it as big a problem in Canada?

And second, is there any avenue where regulators or authorities are seeing what the success it's having in the U.S., and is there any view that perhaps it'll happen in Canada? If your answer to the first question is, yes, it is as big an issue in Canada, then is there any avenue that seeing the success they're having in the U.S. that they might do it in Canada in short order?

Murray K. Mullen:

I think the systemic problem is the same on both sides of the border. We had too many new entrants come into the business that were not properly trained and certified, and there was some gamesmanship going on on some of the certification, i.e. CDLs. And as a result, you just had inexperienced people out driving on the highways and that led to a number of high-profile, very serious incidents on the road. Not participants of our industry, but from our perspective, those people were not properly trained. We've had them in Canada. They've got them in the U.S.

Where the U.S. is taking a more aggressive stand, Walter, is they've gone that you've got to be fluent in English. Now, what does that mean? I have no idea. But if they are right that they're going

to take off 190,000, and that's their prerogative - they didn't ask me for my opinion - but if you take off 190,000, that's too many at once and that will really tighten the market in the U.S.

There's already some indication that the enforcement standards on both sides of the border have been accelerated under the last bit to make sure that the regulations that are currently in place are applied equally to all carriers. If that happens, that will force everybody into compliance, and that will tighten the market, in our view.

Walter Spracklin:

And you mentioned that a tightening in the U.S. will create a bit of a tightening here. Is that essentially because they're drawing qualified workers from Canada and luring them down in the U.S., and that's tightening? Is that the logic there? Or, is there any other reason that would cause it to tighten in Canada as well?

Murray K. Mullen:

Well, I just think that when the market tightens in terms—I don't know about the availability of drivers, but when the market tightens and rates go up in the U.S., then if you're...

Walter Spracklin:

Okay, got it.

Murray K. Mullen:

That's where you benefit from that.

Walter Spracklin:

Yes. Okay. Then last question is on M&A. You mentioned that your acquisitions have been a good surrogate for offsetting any macro-driven declines. So, presumably they've been modest in terms of covering off what would have been declines in 2025. You indicated that 2026 should be similar. But you touched on platform, and that's what I think get people excited. How much of that is really you waiting for what comes available? Because I know you have to have a seller in order to buy something, but are you waiting for those sellers to just come to you? Or, are there any areas—and I'm talking in terms of platform, not tuck-in, but platform—verticals or what have you that you're looking at and you're exploring proactively rather than waiting for sellers to pop up and come to you?

Murray K. Mullen:

Yes, it's a combination of both, Walter. We have certain parts of our business that we really think is investable. You know we like the LTL business; that's been our thesis. It's now not the biggest though, that acquisition because we put Cole into L&W is L&W is now the largest segment. But those are the two primary ones for platform companies. Not really interested in the long-haul trucking business. I get a call all day, Rich, Joanna, on these. We're not really interested in that part of the business because we don't see what's the long-term strategic advantage that having trucks has.

We like warehousing. We like technology. We like LTL where you can drive the margin improvement over time by being smart and employing technology. So, we've got some. There's no doubt, but you've got to be careful when you're talking—and most of the time you're talking about entrepreneurs.

Entrepreneurs are different ducks. They decide when they want to sell. Not you decide when you want to buy. You're trying to pry something out of a piece of cement, that doesn't work very easy. So, we've just got to take the high road.

Everybody knows. I know everybody knows and it's been in our thesis and our strategy plan since Day 1 - everybody needs liquidity. Just bide your time. Make sure you've got the balance sheet when the good ones come around, and I think we've done the right thing there.

Walter Spracklin:

Sounds like a good plan. I appreciate your time as always, Murray. Thank you.

Murray K. Mullen:

Thank you very much. Good chat.

Operator:

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

Cameron Doerksen:

Thanks very much. Good morning. I just wanted to ask, I guess, about the outlook on the specialized industrial segment. You explained the reasons for the revenue decline. I'm just wondering if some of I guess the deferral of turnaround work and maintenance work that you've seen in 2025 is something that can't be deferred forever and may come back in 2026. I'm just wondering if you have sort of an early look into next year, how that segment might trend just based on some of the deferrals you've seen this year.

Murray K. Mullen:

Once again, that's a really good observation, is that for sure some of the big turnarounds were delayed because they're very expensive and everybody was managing cash flow. I mean, we were here. We cut off CapEx. We really reduced CapEx quite significantly here. So, really everybody did that. Some of it was uncertainty. Some of it was commodity prices. But there's no doubt they delayed them. You can delay, but you can't quit.

So, our thesis is, well, they'll come back; it's just a matter of timing, and we'll be positioned to do it. But you've got to be in business. Once you miss the deal, it doesn't mean you're guaranteed to get it next time. So, I'd rather get it done when it's hot, but we'll make sure that our business units are in the best position to take advantage of that because when those turnarounds go—and this is exactly what we had last year with our Cascade Energy Services group, they just blew it out of the park with major projects. Because why? We invested in technology, in robotics. We went in, ached it, did a great job for the customer, and the customer was happy, they got back online faster, and we made a nice profit on that. But they've delayed it this year. So, let's see what happens again next year.

I'm hopeful, Cameron, but we'll have more to say on that when we get to—hopefully it wasn't one and done, it was just delayed. But for this year, definitely been delayed.

Then, as I said, the other part of this equation was, you know, boy, some of these big oil companies, they really became very, very sensitive on cost and we will not take a long-term contract at the bottom of the market. Forget it. We protect margin rather than market share. Because when business returns, I'd rather have our price than a low price.

Richard J. Maloney:

And I think, Cameron, as well—it's Richard. We're going into the typical budgeting planning cycle for the big oil and gas companies and over the next month or two, we'll get a better idea of what will be happening and what they're projecting for the future. It will all be subject to commodity prices and everything else. So we follow that and look and see what comes from there. But we are well-positioned.

Murray said we've made investments, particularly in turnaround-related equipment, and we're ready to roll whenever it comes. And it will come, it's just a matter of when.

Murray K. Mullen:

Some parts of our S&I did fantastic, Carson.

Carson P. Urlacher:

They did.

Murray K. Mullen:

Our dewatering group is an example that did well.

Smook Construction up in northern Manitoba did very well. Our Envolve Group, we've already made the capital investment. That'll help us next year because we've doubled capacity.

Like I said, when things happen, they happen. Just move on. We don't whine about it. We don't cry. We just get about our business. Let's go.

Cameron Doerksen:

Okay, that's super helpful. And just on the, I guess, in the very interim here in the next couple quarters, just wondering about the margins in that segment. Obviously, business mix makes a big difference on the margin and it was pretty strong in the third quarter, just given where the revenue was. Should we expect kind of that strength in margin just based on the business mix the next couple quarters?

Murray K. Mullen:

Yes, the reason the margin stayed strong is some of our businesses did well and we gave up the low-margin business in which they wanted lower rates. I didn't like that scenario.

Cameron Doerksen:

Okay. Makes sense. Just one quick final clarification for me. Just on the U.S. international logistics segment, I mean, there's been this accounting change. I guess it reduces revenue but has no impact on EBITDA. I'm just wondering about, I guess, the reported EBITDA margin, which is obviously much higher than what we've seen in that segment throughout its history. Is that kind of the sustainable kind of go-forward margin? Obviously, there's some seasonality to it, but just wondering if you can provide any context there.

Carson P. Urlacher:

Yes, Cameron, I would say you're pretty spot on there with the U.S. 3PL segment. The Q3 numbers kind of give you a good run-rate to kind of benchmark going forward in terms of revenue and margin. Now, this is all things considered constant, obviously.

Murray K. Mullen:

That's our thesis.

Carson P. Urlacher:

That's our thesis. Tariffs are going to impact that, obviously, but we've taken that duties and taxes and tariff noise out of the revenue line so you can see a true, clear indication for Q3 as to what that would look like going forward.

Murray K. Mullen:

You know, in all honesty, when we did our final purchase price equation on this, Cameron, when you go in, really tariffs are relatively new this year. So, I'm not going to blame that they gave us the wrong information when we bought the company. Tariffs are relatively new this year. Taxes and duties and all that stuff, that was always embedded within the revenue side. But the tariff thing, I mean, all of a sudden one day you had 100% tariffs. Well, that all of a sudden inflated the revenue number up and when we did our final purchase price equation we went, "Hold it. We're not going to add tariffs in as revenue." So, that's really where that change came from.

But you can see from the margin, that was a very good investment.

Cameron Doerksen:

Yep. Okay. No, that's great. Very helpful. Thanks very much.

Murray K. Mullen:

Thank you.

Operator:

The next question comes from Tim James with TD Securities. Please go ahead.

Tim James:

Thanks very much. Good morning.

Murray K. Mullen:

Morning, Tim.

Tim James:

I guess a question for Murray here. I'm wondering if this approach out of Washington that we've seen kind of this year, and some might say unpredictable or maybe volatile, does that change? And obviously, this could last for four years. Does that change how you approach your business at all? I mean, hopefully there'll be some stability and some visibility that improves, but I mean, is there a part of you that says, "Hey, let's be cautious because we don't know how long this will last."

I'm just wondering if it kind of changes any aspect of how you approach, whether it's capital allocation or how you run any of these businesses.

Murray K. Mullen:

Well, my personal take on it is, Tim, is that I think there's been a lot of noise around tariffs and trade and Canada against U.S., U.S. against Canada, and those kind of things. But if you take a look at the detail, it really hasn't been that much tariff put on most of the product under the U.S. free trade, Mexico Canada U.S. free trade agreement is duty free, so it's really hasn't been

impacted. But if you talk to the average person, "Oh my God. Everything's got big tariffs on it." That's not the case. There's been a couple and that's for reasons that are, I don't understand them. But, but it's not—I don't think it's as quite as big a issue as what everybody thought it was going to be. So, I think that will eventually common sense will rule and everybody will go back to make the best decision they can. So, we're a little bit optimistic that the all the big noise is over.

I mean, if you read the headlines, and they're correct, and Carney is saying we're going to be able to sign an agreement here pretty quick.

The biggest, the biggest risk that we see to the economy, Tim, is that the U.S. is winning the private capital game. The amount of private capital going to work in the United States, which is good jobs, and I'm assuming long-term jobs, is the U.S. has won that game, hands down. Canada's really not even participating in that side. That leaves all the heavy lifting to the Canadian government to publicly fund any project. Because we haven't seen too many private companies step up yet. I haven't seen them. And, we haven't heard from our customers, that they are aggressive on that. So, that's just—all the heavy lifting is going to go to the federal government and higher deficits is what we suspect.

But, hey, from our perspective, just make a decision. Let's quit talking and let's get some things done because that's when you create good jobs and that's when there'll be more freight to haul and the economy gets going. But you got to quit talking and get going.

Now there are some major—I will tell you right now, there are some major, major capital projects that are happening in the United States and we are looking at, particularly through our Premay Pipeline hauling side is how we participate in those projects. We've been having serious discussions with the contractors on that, and if that happens to us—our trucks and our—we're in both countries, so we'll go where the business goes. That's what we'll do. And our capital will go where we think we can get the best return.

Tim James:

Okay, thank you. That's a good segue actually to my next question. The Q3 report calls out the nation building projects and some optimism there. Are there any particular projects that you would call out as maybe potentially offering more opportunity to the Mullen Group companies? Any that are kind of noteworthy that we should watch more closely to see progress with positive implications for the businesses?

Murray K. Mullen:

I think the one that we're seeing the early wins on is probably on the mining side. For example, our Canadian Dewatering set up in Northwest Ontario, we set up in Thunder Bay and that's where they've grown as the capital has gone into the mining sector. You hear a lot about rare earth minerals and, you know, and those kind of things, well, that's mining. That's just hard rock. But you still got to have water. You still move water. You need water. You've got to move water. So, we'll be involved in those projects.

Lots of talk about big projects, mining projects happening in British Columbia. And of course, that's where our Bandstra group is situating. We'll be up in Prince Rupert, looking at opportunities up there and scoping out with our Bandstra group here in a couple weeks. Myself and Richard and Lee are going to go up to that.

So there's opportunities. But it hasn't happened yet, Tim, but there's a lot of chatter. And after chatter, maybe that turns into activity.

On the energy side, oil pipelines, I think that makes for good headlines, but I don't see it. Probably not. Not in the short term, for sure.

LNG, yes, there's lots of talk about Prince Rupert and the Pacific, that project of LNG. That's a big project.

But what we're really after, Tim—what does one project do? One project comes and then it's gone. We need to have a strategy that says it's going to be a decade or two-decade long strategy, and then that's what would really get us excited. That's what we're waiting to hear from the federal government.

Richard J. Maloney:

And we better hear it soon, because we know, as Murray mentioned, there's major LNG projects going on up in Alaska. And it's coming. And they're planning and thinking.

Murray K. Mullen:

There's only so much capacity for this specialty equipment and whoever goes first gets the capacity. What I'm afraid of is Canada keeps talking, and the U.S. says, "Go," and then they say, "Okay, we're going to go," and then the capacity is already used up. There's only so much capacity for big inch pipeline. There's only so many places that's built in the world. And you've got to coat it. You've got to move it. And then you've got to lay it in the ground, and there's only so many people that do that. That's kind of highly skilled jobs.

Tim James:

Thank you very much.

Murray K. Mullen:

We're hopeful that Canada—in the business world, if you sit and wait too long, it's over. Somebody else gets the market.

These are big-inch pipelines. We're talking 5 BCF a day of natural gas that would hit the LNG market. Well, there's only so many countries in the world that are going to take 5 BCF a day of production.

I don't like the fact when the High Commissioner for India says, "Canada's not really a stable and secure supplier of energy supply yet." That's a wake-up call which says get your damn butt in gear and make a decision. Either be a secured supplier or quit talking to us, because we've got to do what's best for our economy and for our country.

So, I hope today that the government can make a good business case for LNG because we missed it in the last...

Richard J. Maloney:

Three years.

Murray K. Mullen:

In the last 10 years, yes. We missed that opportunity, so we're behind the eight ball here. Let's get going.

Operator:

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

Konark Gupta:

Thanks. Good morning everyone. I have a few—good morning, guys. I have a few questions actually to run through here. Hopefully I'll try to be quick on each here.

First of all, the clarification on the Cole revenue side, I get it you had to net out those duties and taxes in that 3PL segment. But is there any ripple effect on Cole's other revenue that is reported in the L&W segment?

Carson Urlacher:

No, Konark. There's no impact on the revenue that we recorded within the Canadian operation. We've got Yes, we've got CARM here in Canada and you don't in the U.S. So really, this issue is just related specifically right to the U.S. 3PL segment, full-stop.

Konark Gupta:

Thank you so much for...

Murray K. Mullen:

For full disclosure on that, Canada and the U.S. were always the same. The customs broker always collected the duties on behalf of the customer and the intermediary for the government. They collected it from the customer, cleared it, and then they sent the money to the government, either the Canadian government or the U.S. government. Canada implemented a new program just earlier started this year, did it not, Jo? It's called CARM. That really meant that every importer had to register directly with the government, not go through their intermediary, which is the broker. So, all those duties and taxes and whatever go direct to the government now, they don't go through our Cole group. But in the U.S., that's not the case. It's still handled by the customs brokerage company.

Hopefully that brings some clarity to that.

Konark Gupta:

Thanks. Yes, absolutely. That's really helpful. Thank you.

I think on the CapEx side, I think I heard you guys saying that you are taking down your CapEx numbers as well. I think the original budget you had, when you set out on 2025, was about \$100 million, I believe. I think you're tracking much lower. Any sense in terms of how much lower can we see this year? Are you preserving the CapEx? That CapEx you're not spending this year, maybe to spend next year, or it's gone?

Carson P. Urlacher:

Yes, our original guide, Konark, was \$100 million, is what we originally came out with. We're sitting at \$50 million net here at the end of the third quarter. So obviously, we're going to be well below that.

I would say in terms of our maintenance CapEx, what do we need on an annualized run rate? That's pretty close to what our depreciation is, is around \$70 million, \$75 million I think is your kind of maintenance CapEx budget.

We deferred and delayed a lot of CapEx, as Murray alluded to earlier. There's many factors. Obviously, the demand isn't there and the rates aren't there from our customers to support expensive equipment. You're looking at \$250,000 a truck now. They're not cheap and they don't give you better fuel mileage. They're a tool. They're not a technology. We're just looking at that and waiting for some normalization before we put in some big orders.

Murray K. Mullen:

Yes, on two fronts. One is, the customers have to realize is that you can't go invest in new capital and you keep asking for lower rates. We're not going to invest in new capital, so that's the marketplace trying to figure out what's the right equilibrium there, Konark. But for right now, the customers have been overly aggressive on the rate side and the rates that we're seeing don't justify a \$250,000 truck, so the trucks have got a little bit older. We had to run them a little bit longer.

The second part of that equation, and what Carson a little bit alluded to is, we have been really aggressive with our suppliers to say, "Quit raising your prices. Give us a better product; not just a higher price and a newer, pretty-looking truck." I don't want a pretty truck. I want an effective, efficient truck, and so we had to put pressure on them. And you can't put pressure on them if you keep buying trucks from them, so we quit buying for a bit until you get your prices in line, so.

And prices have come down, Richard.

Richard J. Maloney:

They are.

Murray K. Mullen:

Yes, you and Lee are working on that side and I think they've got the message loud and clear. Not just from me, but from other large buyers. Where we're going, we need a better product, not just higher price.

Richard J. Maloney:

And realistically, the entire trucking industry, particularly in Canada, and you see that when you look at the big operators in the states, the OEMs, their sales are down. People are just—it's hard to go out and justify a \$250,000-plus expenditure. And, if you want to have a CNG truck, add another 80 grand to that. It just doesn't make sense at this point. You're not getting the fuel mileage, as Murray and Carson alluded to. And it's across the industry.

Murray K. Mullen:

So, Konark, just to summarize, part of it was economics. It just didn't make sense. But part of it was messaging.

Konark Gupta:

Great. That makes sense. Thank you. And yes, on the convertible debenture side, I think you guys are redeeming on December 1. Given the converts are in the money right now, they're likely to probably convert, I think, to some degree. If they convert to equity, that does not take away

your cash. Do you see the use of cash to maybe incrementally buy back some of your stock in December or after?

Murray K. Mullen:

Yes, we'll do one of two things, Konark. If the debenture holders convert to equity in Mullen, that increases our share count, but it sure strengthens our balance sheet. So, we go from 2.6, Cars, to down to 2.2. You maybe you net out cash. You net out cash, we'd be down to 2:1, 2x, right, on EBITDA. And then we're going to have, we've still got all the cash on the balance sheet and lots of room on the credit side. So, we'll just make the best decision as the Board as to what we do. Do we buy back stock or what do we do?

But our first objective is—I will tell you right now, we are a growth company, so we would look at adding really good companies into our network. That's what'd be our first priority. We want to be a growth company.

If we don't see the right opportunities, we'll go buy them back and invest in a really good company I know one that's called Mullen.

Richard J. Maloney:

There are various levers we could pull, right?

Murray K. Mullen:

Yes, Yes. So, the good news is our balance sheet is probably as well structured, as good a shape as it's been in a long time and we got lots and lots of potential options for us to do that.

The debenture thing actually worked out, I got to tell you, because we did it in 2019, \$125 million. We more than doubled the Company since we took that \$125 million. We raised no other equity.

Carson P. Urlacher:

Yes, at the time, our stock price when we did the debenture deal was \$7 and we had a strike price of \$14 on the convert. If you look at our EBITDA in 2019, we were \$200 million. We deployed that capital in 2021 and by the end of that year, we were \$260 million of EBITDA. Now you're well in excess of \$300 million.

So, the debenture has served its purpose for Mullen shareholders back then, and we deployed it quite nicely, but I think it's run its course.

Murray K. Mullen:

Yes, we're done with the debentures. We thank those that invested in us back then, but it's time to move on. And we're in a different spot than we were in 2019.

Konark Gupta:

Yes, that's fair. Absolutely. Then perhaps just to wrap up, from a high-level perspective, Murray, I guess, what is the right M&A strategy in this current environment? I mean, you mentioned a lot of things in terms of like how Canada's probably slowing and widening private capital and the U.S. is kind of, you know, accelerating on that front, perhaps. But obviously, there's a lot of complications in the U.S. and all that, right? Like with tariff policies and whatnot. How do you pursue M&A here in this market?

Murray K. Mullen:

I think we'll just stick to our knitting, which is we'll be pinpoint accurate of where we see really good companies.

Our M&A is really this. I'm a Warren Buffett and Charlie Munger. I look for good, great companies at a fair price, not at poor companies at a really good price because that's just our strategy. We look for really good companies. We want to be fair. And they have, in our view, they have much longer run room to them and you can get a better return over time. The key thing is just look for really good companies. But you can't go—you can't go find them every day.

But over 30-some years, we've acquired a number; nothing's going to change on our M&A side. But I'm patient. I don't push just to grow. I push to make sure we get the right deals and the right companies.

Carson P. Urlacher:

It came up earlier on the call too, Konark, about platform companies and whether we go looking for them, whether they come looking for us. I can tell you within our space right now that there's not many companies in our space that have the financial position that we do. So platform companies, when they do become available, we're one of the few options that they have to go to, to monetize, so we get to see pretty much all of them that become available.

Konark Gupta:

Right, right.

Murray K. Mullen:

In your coverage space, Konark, which is in the logistics and transits, there's not a lot that can go out and do M&A today. That's why we say we're kind of in a unique position. There's only a couple of us that can do it.

Konark Gupta:

Yes, that makes sense. Patience is a virtue, I guess. And yes, timing is important.

Murray K. Mullen:

No, it really is. Because there's very—we don't have a lot of competition when it comes to acquisitions. There's only a few that can do it. And there's only a couple of us that have the balance sheet to do it. You've got to have both of those to be able to get it done and it's just a matter, let your disciplined approach do it or what's your strategy? So, that's ours. Ours is being pinpoint accurate and waiting till we get really good companies. That's our strategy.

Konark Gupta:

Right. No, understood. Thank you so much for the time. I appreciate it, guys.

Murray K. Mullen:

Thank you.

Operator:

The next question comes from Benoit Poirier with Desjardins Capital Markets. Please go ahead.

Benoit Poirier:

Yes. Good morning, Murray. Good morning, Carson.

Just to follow up very quickly on Cole Group, you gave a lot of explanation with respect to revenue, so a quick one. Should we expect the \$55 million contribution in the quarter is it kind of the number we should expect going forward? Is there some seasonality that we should take into account?

Carson P. Urlacher:

I wouldn't say there's a lot of seasonality to the...

Murray K. Mullen:

Not that we know of yet. If it does, that would totally surprise us, Benoit. Everything we've looked at, not just at Cole and other companies that we've looked at, we don't see a lot of seasonality with it. So, if there is, it will be a—that would catch us off guard. Our view right now is, no, we don't see a lot of seasonality.

But we've only had it for one quarter, so I'm giving you my best advice, is we don't think it is, but don't hold my feet to the fire on that until we get it. We'll know more after we've had one full year underneath our belt. We're giving you our best estimate right now. Once we've had it for a year, we'll know.

Benoit Poirier:

Okay, perfect. SG&A was up, obviously, versus a year ago due to some acquisitions. I'm just wondering, how should we look at SG&A expenses going forward, and if you see maybe an opportunity to bring the number a bit lower as you integrate those acquisitions?

Murray K. Mullen:

Well, honestly, Benoit, that's going to really be determined, I think, by what happens with the strength of the economy. If the economy strengthens, you'll probably see us pivot away from using capital to go about doing acquisitions to putting capital work in the business units, if the economy starts growing.

You know more or know better than we do. You have your economists and you do your own analysis, but if you see strong nation-building projects come in and strong economic growth in Canada, then we will have to pivot and add more to CapEx, Carson.

Carson P. Urlacher:

Yes.

Murray K. Mullen:

And those kinds of things, and then M&A will take a backseat to internal growth.

I'm not quite at that space yet. We still think we would like to add some more—use our balance sheet, but we need great quality companies. We're not just going to trade dollars to get growth, Benoit. We want great companies in the verticals that we see long-term potential, period.

Benoit Poirier:

That's great. Murray, you're always very rational when looking at the market fundamentals with demand and supply, and obviously, you provided the great colour on the call about the supply and the regulation enforcement we are seeing in the U.S. that will eventually end also in Canada. And when you look at the pricing these days, would you say that the slight optic we see in the pricing is mostly driven by hope that capacity is coming down?

Murray K. Mullen:

It's kind of a mixed bag right now, Rich. We hear from some of our customers where we've taken a strong stand with some customers, and we lose the contract, and then lo and behold, they come back a couple weeks later and say, "Well, we took the low price, but they can't serve us." Well, we tried to tell you that but you went with low price.

So, okay, if you want—we had a very major client come to us and wanted a major rate reduction. And I said, "Well, we'll give you the major rate reduction if we need a load from you." "Well, yes, but we want the service." "No, no, that's the other price." So you've got to pick your poison. What do you want? Do you want service or price? Because if it's just price, it's at our convenience. If it's you want service, it's at your convenience, we need a little higher price so we can commit our capacity.

But we're seeing a mixed bag. But I'm seeing—I'm hearing more now that customers are coming back and saying, "Well, maybe the low price wasn't as good as what I thought it was."

Richard J. Maloney:

I mean, we didn't hear that as much last year as we heard now.

Murray K. Mullen:

We're hearing a little bit more of it. It needs to tighten a little bit more so that customers understand, just sit with us and make the right deal. But if you try and game us and go for all low price, we're happy to walk away and say, "Go try it out. We know this business. Good luck."

Benoit Poirier:

That's great. That's great comment. And just on M&A, you mentioned a lot of colour about the M&A, the way you approach M&A, obviously, and the leverage also with the converts that is poised to go from 2.6 to 2.2 times, 2 with the cash. What is kind of your comfort level? Where do you see the optimal or the willingness to increase the leverage with M&A or kind of the flexibility you would have to pursue the M&A?

Carson P. Urlacher:

Two five. We like to be a full turn away from a covenant.

Murray K. Mullen:

And if you grow your business, you grow the OIBDA, so it actually increases the amount of debt you could take. But let's just say 2.5.

Benoit Poirier:

Okay. Perfect.

Murray K. Mullen:

Two point five, where we're at today running probably 3.25, 3-something, you know, somewhere between 3.25, 3.50. You can just pick and say, what's the number at 3.25, 3.50 and, you know. We think our company, the way it's structured right now, once the market returns to some stability where, you know, the rates aren't being totally sewerred, is that we're somewhere around 2.5 and 400 that this business unit could do with just a little bit of strengthening in the market and tightening on the supply side.

Benoit Poirier:

Great. Very good colour, folks. Thank you.

Murray K. Mullen:

Thank you.

Operator:

Again, if you have a question, please press star, then one. The next question comes from Kevin Chiang with CIBC. Please go ahead.

Kevin Chiang:

Hey, gentlemen and Joanna, thanks for taking my questions here. Just two quick ones, maybe. I guess one, just on the debentures, just maybe from a bigger picture perspective, it sounds like you want to simplify your capital structure. Just looking to see if this is part of that broader strategy where maybe debentures aren't the right source of funding moving forward if you do need to tap the market. Is that kind of the right read as well, too?

Murray K. Mullen:

Yes, I think—I'll tell you what I've learned from the debentures, Kevin, is that the debt guys consider debentures debt and the equity guys consider it equity. So, you kind of don't please anybody. So, you go, "Well, what is it? Is it debt?" "Well, it's a high." "Well, it's this or that."

And the other thing that you had, you can take a look at the short position on our Company.

Kevin Chiang:

Yes.

Murray K. Mullen:

I'm not the one doing the trading, but there's a direct correlation between the number of shorts in our Company that have shorted our stock and when we did debentures. So, if I was sitting at a table and had to make a guess, I would say they were using the debentures as a forum to trade and that hurt our stock price.

Kevin Chiang:

Yes, that's a fair point.

Murray K. Mullen:

When they shorted the stock, they de facto put more stock into the market, right?

Kevin Chiang:

Mm-hmm. Mm-hmm. That makes sense.

Murray K. Mullen:

So, you know what I think. I said to you, I think they served a purpose for us when we were at 7. Let's talk about valuation. Where's our valuation relative to our peers?

You know what? We don't worry about what somebody else does or what they're valued at. We worried about what we're doing and we let the market tell us what they think the value of us is. Let's see what happens once the converts are out and we get rid of that noise and let's see where we come from.

But at the end of the day, we're going to continue to grow this business and do the right things for shareholders. I can tell you that.

Kevin Chiang:

Yes, that makes sense to me.

Maybe this is a difficult question to answer on a call like this, but you did mention earlier, Murray, that, you know, full truckload really isn't a strategic interest to you. You do have a minority interest in Kriska. I guess if I think back almost 10 years—or more than 10 years ago, I guess—I had the assumption that that was something you probably would bend in over time, but maybe that's the wrong assumption moving forward. Just, I guess, how you think about strategically that minority investment in the context of...

Murray K. Mullen:

No, that's a very good point.

For clarity to everybody, we own a nice position in what I think is a really, really good company in Kriska. Otherwise, why the heck did we invest in them?

But they're trapped in the—they're more full truckload. So, the more company trucks you have, the more truckload business you do. This is a terrible market for them. They could be the best run company—and they are a first-class organization—but they're in a terrible vertical right now. Now, will that vertical stay terrible forever? Probably not, Kevin. But for today, full truckload ones, it's just awful. But eventually it will turn and then at that point in time, we'll work with our Kriska Group and monetize that investment.

For right now, we're just working with them to make sure that they just do the same thing as what we're doing here. Watch your costs, stay in your lane, and just wait. Wait for a cue that the market's changing, then we'll go all in. I haven't seen that cue card yet though.

Kevin Chiang:

That makes a ton of sense. I appreciate you taking the time to answer that question. Best of luck as you close out the year here. Thank you very much.

Murray K. Mullen:

Thank you, Kevin.

Carson P. Urlacher:

Thanks, Kevin.

Murray K. Mullen:

And thank you to all.

Operator:

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

Murray K. Mullen:

Thanks everyone. Look, we've already started. I think we mentioned this—we've started work on the budget. The good news is we knew that we were just finishing the Q3, but then everybody

was going to be asking our 2026 budget, so we're prepared for that. We're going to be releasing our 2026 budget and business plan before the end of the year. We're going to meet with our Board on December 4. We'll present as a senior executive team to the Board. That will have the business plan, what we're going to focus on, here's our budget and here's our capital requirements for next year. Then we will press release out to you and then be open to chat with you about that.

Until then, thanks everybody. Good questions, and thanks for participating today. We'll talk to you soon. Bye-bye.

Operator:

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