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Earnings Call

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Call Participants

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CFO, Secretary & Treasurer

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Robert W. Baird & Co. Incorporated, Research Division

Unknown Analyst

ATTENDEES

Stefan Neely

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Presentation

Operator

Good morning. Thank you for attending the Mayville Engineering Company Third Quarter 2024 Earnings Conference Call. My name is Bridget, and I'll be your moderator for today. [Operator Instructions] I would now like to pass the conference over to our host, Stefan Neely with Vallum Advisors. Thank you, Stefan. You may proceed.

Stefan Neely

Thank you, operator. On behalf of our entire team, I'd like to welcome you to our third quarter 2024 results conference call. Leading the call today is MEC's President and CEO, Jag Reddy; and Todd Butz, Chief Financial Officer. Today's discussion contains forward-looking statements about future business and financial expectations. Actual results may differ significantly from those projected in today's forward-looking statements due to various risks and uncertainties, including the risks described in our periodic reports filed with the Securities and Exchange Commission. Except as required by law, we undertake no obligation to update our forward-looking statements.

Further, this call will include a discussion of certain non-GAAP financial measures. Reconciliation of these measures to the closest GAAP financial measure is included in our quarterly earnings press release, which is available at mecinc.com. Following our prepared remarks, we will open the line for questions. With that, I would like to turn the call over to Jag.

Jagadeesh A. Reddy
President, CEO & Director

Thank you, Stefan, and good morning, everyone. Thank you for joining us today. During the third quarter, we continued to advance our strategic priorities despite a marked near-term deceleration in customer order activity. This demand softening materialized at the beginning of August as customers took destocking actions to manage their high levels of dealer inventory.

In response to the shifting demand conditions, we introduced a series of cost rationalization initiatives during the third quarter. This includes the reduction of production days, a 12% reduction in our labor force, the decision to permanently close our Wautoma facility in the fourth quarter and other cost reduction actions.

The combination of these items are expected to result in an estimated $600,000 of restructuring expenses in the fourth quarter and $1 million to $3 million in annualized cost savings. In combination, these cost actions positioned us to deliver a 50 basis point increase in adjusted EBITDA margins as compared to last year. This demonstrates our ability to quickly navigate through a down cycle and execute in a challenging environment even as net sales declined by more than 14% versus the prior year period.

While demand conditions have begun to stabilize during the fourth quarter, order rates are below our expectations. Our outlook for the year has always reflected a softening demand environment in the second half of the year, particularly in the commercial vehicle market. However, the pace of demand weakness in our powersports, agriculture and construction end markets were greater than expected. Many customers cut production in response to lower order intake and to destock channel inventories. Given the current demand environment, we have opted to reduce our full year 2024 net sales, adjusted EBITDA and CapEx guidance.

Our revised guidance accounts for reduced order activity during the second half of 2024, partially offset by recent cost actions, operational excellence initiatives, and commercial wins. Additionally, our revised guidance excludes any impact from our recent legal settlement with our former fitness customer. As customer equipment financing rates decline over the coming quarters, we anticipate a corresponding normalization in customer order activity and broader end market demand beginning in the first half of 2025.

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As you will recall, we expect to deliver between $750 million and $850 million in revenues, expand adjusted EBITDA margin to between 14% and 16% and generate free cash flow of between $65 million and $75 million by the end of 2026. We remain confident in our ability to achieve these targets even as near-term demand has softened. Importantly, the recent softening in demand has not resulted in any market share changes and our overall contracted base of revenue has not changed. It is worth noting that our 2026 targets represent a level of customer demand that we believe is consistent with normal non-recessionary economic conditions and end consumer demand. Even assuming normal customer project attrition of approximately $30 million per year, we have good visibility to the needed incremental net sales based on our ongoing new customer wins.

As of the end of the third quarter, the company has booked approximately $80 million in new project wins this year, inclusive of replacement products for end-of-life programs with launches occurring over the next 2 years.

Turning now to a more detailed review of market conditions across our primary end markets. Let's begin with our commercial vehicle market, which represents approximately 38% of our trailing 12-month revenues. During the quarter, commercial vehicle revenues decreased by 9.9% on a year-over-year basis. This decrease was driven by 11.1% year-over-year decrease in North American Class 8 truck demand, partially offset by the ongoing new project launches and strategic pricing initiatives, which drove continued end market outperformance.

Currently, ACT Research forecasts the Class 8 vehicle production to decrease 7.1% year-over-year in 2024 to approximately 316,000 units. ACT expects that OE builds will modestly increase each quarter through 2025 as demand troughs ahead of a recovery in 2026 due to industry emission standard changes. The current ACP forecast projects 2025 full year demand to decline by 10.6% relative to 2024, while 2026 production increases by 23.4%.

Next is the construction and access market, which represented approximately 15% of our trailing 12-month revenues. Construction and Access revenues decreased 23.5% on a year-over-year basis in the third quarter.

This reflects softening demand across both nonresidential and public infrastructure markets, partially offset by ongoing new customer wins. We expect to see demand softness year-over-year through the remainder of 2024 and into 2025 with expectations of modest improvements as infrastructure projects continue to accelerate and the interest rate environment continues to improve, supporting additional residential construction.

The powersports market represented approximately 16% of our trailing 12-month revenues and decreased by 14.1% on a year-over-year basis in the third quarter. The performance during the quarter was driven by customer inventory destocking and softening consumer demand related to the continued elevated financing rates. This was partially offset by the impact of incremental volumes from new project startups.

Given the current market conditions, we anticipate customers will continue to cut production and bolster demand through promotional activities to assist in relieving elevated dealer inventory levels. Additionally, as interest rates continue to fall, we expect consumer discretionary spending to gradually increase, resulting in increased end customer demand.

Our agricultural market represented approximately 8% of trailing 12-month revenues and decreased by 31.1% on a year-over-year basis during the third quarter. Our results for this end market reflect softening demand across both our large and small ag markets. The outlook for ag has been increasingly uncertain given the impact of higher interest rates, inventory destocking and lower crop prices. As we look forward, we expect that new program wins will primarily offset the demand softness in this end market in 2025.

Turning now to an overview of substantial new business wins during the third quarter. We continue to secure new awards based on our capacity in Hazel Park. We won the first of multiple pending awards for engine components for a commercial vehicle customer related to new emissions programs. During the third quarter, we continued to expand share with one of our key engine customers. We secured additional content related to heavy-duty engines, but also expanded content related to power generation supporting

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the rapid expansion of data centers. Given the regulatory changes on heavy-duty engines and the secular trend of data center expansion, we expect to continue to expand new awards with this customer.

In the quarter, we secured a new multiyear aluminum extrusion program related to a new mass public transit expansion. This program leveraged existing relationships through our MSA acquisition and will lead to future growth over the coming years. We have continued to gain additional market share as our commercial vehicle customers plan for their vehicle updates, both on next-generation products and battery electric vehicle platforms. We expect to continue to grow share over the next 2 years with the amount of change that will occur in this industry.

Lastly, as we continue to pursue diversification of our end markets, we currently are working with existing and new OEMs to support their cooling and power generation programs related to data centers and are confident that these potential programs could generate significant revenues in 2026 and beyond.

While our operations team was focused on responding to changes in customer demand during the quarter, the execution of our MBX framework and the culture of continuous improvement remains a fixture for MEC. Highlighted by over 225 MBX Kaizen events since launching the MBX program in late 2022, we continue to advance our progress on our strategic goals. Our MBX initiatives continue to drive strategic pricing improvements and overall cost discipline. This execution will maximize our operating leverage through the cycle, position us for ratable long-term improvements in our financial profile and drive sustainable shareholder value.

In terms of capital allocation, our strong free cash flow generation has allowed us to reduce our net leverage to 1.6x as of the end of the quarter. This is well within our targeted net leverage ratio range of between 1.5x and 2x by the end of 2024. As we have continued to reduce our net leverage, we have been increasingly committed to a systematic approach to share repurchases under our existing $25 million authorization. To that end, during the quarter, we repurchased $1 million of company common stock with $23 million remaining under the existing authorization, we will continue to repurchase shares on a regular basis going forward.

Additionally, as previously announced, we settled an ongoing legal dispute with the former fitness customer. This resulted in MEC receiving a gross cash settlement of $25.5 million in the fourth quarter of this year. I am pleased with this outcome, and I am grateful for the hard work of our team in helping resolve this matter in a way that benefits all stakeholders. We will utilize some of the proceeds to pay down debt and use a portion of the proceeds for share repurchases.

Our strengthening financial position will allow us to further focus on the execution of our long-term strategy going forward. We will remain highly disciplined in our capital allocation approach, continuing to prioritize debt repayment, opportunistic share repurchases and accretive strategic acquisitions.

In summary, I am very proud of our team's strategic execution, particularly in response to the near-term softness in end market demand. Their hard work and unwavering commitment have allowed us to rapidly adjust our cost structure to maintain margins and manage our utilization to correspond with customer demand. The response of our team reflects the successful strategic adoption of our MBX framework, which continues to be the bedrock of our strategy. I believe the cost actions taken are repositioning the business and building a platform of growth to deliver on our 2026 financial targets and value to our shareholders. With that, I will now turn the call over to Todd to review our financial results.

Todd M. Butz
CFO, Secretary & Treasurer

Thank you, Jag. I'll begin my prepared remarks with an overview of our third quarter financial performance, followed by an update on our balance sheet and liquidity and conclude with a discussion of our updated 2024 guidance. Total sales for the third quarter decreased 14.4% on a year-over-year basis to $135.4 million. The decrease in net sales reflects softening customer demand across all our key end markets due to channel inventory rationalization and softer customer demand, partially offset by ongoing new project ramp-ups.

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Our manufacturing margin was $17.1 million in the third quarter as compared to $19 million in the same prior year period. The decrease was primarily driven by the corresponding decrease in net sales. Our manufacturing margin rate was 12.6% for the third quarter of 2024 as compared to 12% for the prior year period or an increase of 60 basis points. The improvement in our manufacturing margin rate reflects the impact of our ongoing MBX and pricing initiatives, labor force reduction decisions, and other cost reduction actions. Other selling, general, and administrative expenses were $7.6 million for the third quarter of 2024 as compared to $8.6 million for the same prior year period.

The decrease was primarily driven by a reduction in legal expenses relating to our former fitness customer and nonrecurring costs incurred in the prior year period associated with the MSA acquisition. Interest expense was $2.7 million for the third quarter of 2024 as compared to $3.9 million in the prior year period due to a reduction in borrowings and lower interest rates relative to the third quarter of last year. The decrease of $57.7 million in the borrowings since the third quarter of the prior year reflects our continued strong free cash flow generation over the past year.

Adjusted EBITDA for the third quarter was $17.1 million versus $19.2 million for the same prior year period. Adjusted EBITDA margin percent increased by 50 basis points to 12.6% in the current quarter as compared to 12.1% for the same prior year period and represents a decremental rate of under 10%, which is well below our historical average of 17%. The increase in our adjusted EBITDA margin was primarily due to the ongoing MBX and pricing initiatives, coupled with the impact of our decisive cost rationalization efforts enacted during the quarter, and is indicative of the flexibility we have in order to quickly respond to customer demand changes.

Turning now to our statement of cash flows and balance sheet. Free cash flow during the third quarter of 2024 was $15.1 million as compared to $16.1 million in the prior year period. The decrease in free cash flow as compared to the prior year reflects the impact of lower sales, partially offset by our ongoing focus on net working capital efficiencies. As of the end of the third quarter of 2024, our debt, which includes bank debt, financing agreements, finance lease obligations was $114.2 million as compared to $171.9 million at the end of the third quarter of 2023 and resulted in a net leverage ratio of 1.6x as of September 30.

As Jay mentioned, we are pleased with the outcome of our recent settlement. And if we were to factor in the $25.5 million of cash proceeds received this past week, our net leverage ratio would be less than 1.25x as of the end of the third quarter. In light of our third-quarter results and our current outlook for the rest of the year, we are reiterating our full-year financial guidance for free cash flow while updating our guidance for full-year net sales, adjusted EBITDA, and CapEx. Keep in mind, this excludes any impact from our recent lawsuit settlement.

For 2024, we now expect the following: net sales between $580 million and $590 million, adjusted EBITDA of between $63 million and $66 million, and capital expenditures of between $13 million and $15 million. This revised guidance reflects the near-term impact of our recent customer production changes due to lower demand and inventory destocking activities. We expect the fourth quarter to be a low point in the cycle as sales are expected to decrease sequentially by 4% to 11%. As a result of these sales changes, we have made the decision to shut down many of our facilities for extended periods of time during the holidays in order to further reduce costs.
Our expected fourth quarter adjusted EBITDA returns are in the range of $8 million to $11 million. Again, we expect this to be a short-term issue as we continue to win new work and execute our strategy, and remain confident in achieving our previously stated 2026 goals. For free cash flow, we continue to expect free cash flow will be in the range between $45 million and $55 million, which again excludes any impact from our recent settlement. With that, operator, that concludes our prepared remarks. Please open the line for questions as we begin our question-and-answer session.

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Question and Answer

Operator

[Operator Instructions] The first question comes from the line of Mig Dobre with Baird.

Mircea Dobre
Robert W. Baird & Co. Incorporated, Research Division

My first question -- yes. Digging into your fourth quarter outlook, can you maybe break it down a little bit in terms of what your expectations are for manufacturing margin and how you think about SG&A sequentially?

Todd M. Butz
CFO, Secretary & Treasurer

Yes. So Mig, as you think about the fourth quarter, sequentially, we would expect manufacturing margin to be down slightly again as compared to Q3. Keep in mind that when you think of our fixed versus variable cost, fixed represents about 55% of our total cost makeup. And so given the low expectation of $120 million to $130 million volume in Q4, I think we're doing everything we can to get the variable cost out, but that will lead to and drive under absorption. So SG&A, we did make some changes within SG&A, and that was part of our other cost reduction activities.

So we will see a favorable impact on that as we look into the Q4. And then you can see that the expected EBITDA margin profile is in that 7.5%, 8% to maybe 9% to 10% range. So certainly, it's a low point in the cycle, but we feel like we've done everything right to position ourselves as the markets rebound to really take advantage and scale up. I think more importantly is as we enter 2025, I think we've cost positioned the business well that when we come out of the quarter, we can see incremental margin rates that are in that low to mid-20% range. So I think, again, this is a low point, and we'll come out of it very quickly.

Jagadeesh A. Reddy
President, CEO & Director

Yes. Just to add to that, Mig, we have made the decision to extend shutdowns during Thanksgiving week, Christmas holidays, pretty much every single one of our plants. And we have informed our customers that we'll be shutting down for extended periods and gave them almost 60-day notice so that we could continue to produce and ship for them outside of those shutdown days, right?

So this is first time in a very long time as a company, we have pulled every lever possible to reduce our cost structure, take out variable costs as much as we can, and also resize our SG&A and other elements of our fixed costs as well. So as the demand comes back going into first half, we are really well positioned to take advantage of that reduced cost structure and continue to drive better margin profile for the business going forward.

Mircea Dobre
Robert W. Baird & Co. Incorporated, Research Division

But just to put a finer point here, looking at my model here, I'm guessing that manufacturing margin can be somewhere around 8%, 8.5%. Is that a fair way to think about it?

Todd M. Butz
CFO, Secretary & Treasurer

Yes. I would say it's a fair way to characterize it, yes.

Mircea Dobre
Robert W. Baird & Co. Incorporated, Research Division

So when you look at the revenue for the fourth quarter, I think the midpoint implies something like $125 million. Is that in line with the orders that you're getting from the customers? Meaning your book-to-

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bill in terms of that revenue? Is it 1? Is it less than that? Are you still burning through some backlog of business? Or how should we think about that?

Todd M. Butz
CFO, Secretary & Treasurer

Yes. I would say that is firm in orders, right? It's not backlog. It's not anything else that we need to go get or fill and really represents what we see today as our Q4 volume at that midpoint. And again, we've restructured and positioned well. We have not lost any orders. I think that's a very important point, as Jag mentioned earlier, and we really stand in a good position as we look to 2025.

Jagadeesh A. Reddy
President, CEO & Director

Yes. Let me reinforce that. We have not had any material market share losses. We kept pretty much all of our existing business. We continue to add new business. As I mentioned in my prepared remarks, year-to-date, we have won $80 million of new business. Our run rate for the last couple of years has been $80 million to $90 million of new business on an annual basis, ending Q3 at $80 million of new business really is a very good book of business we're booking and more importantly, preserving our share and in many cases, expanding our share within our customer base.

Mircea Dobre
Robert W. Baird & Co. Incorporated, Research Division

Okay. So the fourth quarter, you're basically producing at the sort of levels that the market allows from a demand standpoint. I guess my final question is, as you think about 2025, and I recognize we'll get to specific guidance later on. But as you think about 2025, at least to me, it's not evident that the fourth quarter marks the trough or that you're going to see significant improvement sequentially at least in the first half of the year because virtually every vertical you have here, commercial vehicles still it's got production issues, agriculture.

We heard from AGCO the other day, production cuts are stretching into 2025. We're probably going to hear the same from CNH and beer, Construction and Access, Oshkosh is cutting production in aerial work platforms and telehandlers. So it seems like this is an issue that stretches into 2025. I'm curious as to what your perspective is on that. And then if I'm correct in my assertion that this is stretching into '25, what tools do you have at your disposal to get manufacturing margin or overall margin to improve relative to what we're seeing in the fourth quarter?

Jagadeesh A. Reddy
President, CEO & Director

Yes. A significant end-user demand issues that you raised are related to financing rates and excessive dealer inventories that many of our publicly traded customers have talked about extensively in their earnings calls over the past few months. So we have appropriately adjusted our cost structure and our capacities to reflect that.

Going forward, our expectation, Mig, is that powersports would be the first end market to recover as interest rate cuts take hold. Right after powersports, we expect powersports to recover sometime in the first half, call it, late Q1, early Q2 or sometime in Q2. Construction access is probably Q2 time period is where we expect construction access market to start seeing an uptick back or at least normalization levels. CV market, the data is well known and well published, as we mentioned, based on ACT research.

Second half we'll start to see a pickup, even though sequentially quarter-over-quarter next year, CV will continue to step up. And then ag, I think, is in a longer cycle of a downturn, and we don't expect ag to recover in 2025. Having said that, ag is only 8% of our total revenues, right? So we can just beat up on ag end market all day long, but it's only 8% of our total revenues, right? So we're still 38% in CV, 15% to 18% in other 2 end markets I just mentioned. So I think we just need to think about, right? Yes, ag is in a downturn, and that's the news we hear all day long, but that's only 8% of our overall sales.

Operator

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The next question comes from the line of Ted Jackson with Northland Securities.

Edward Randolph Jackson
Northland Capital Markets, Research Division

So a couple of questions. So let's just start like most of it is pretty easy. The $600,000 charge. Just kind of curious, are we going to see that above or below the operating income line in the fourth quarter? And will it be called out as far as a singular line item or will just be inside of your SG&A expenses?

Todd M. Butz
CFO, Secretary & Treasurer

No, it will be above, and it will be called out separately. Certainly, as we mentioned in the fourth quarter, we will be shutting that facility down, preparing it for an ultimate potential sale as we look into the early part of 2025. So those items will be construed as restructure costs and be called out separately and clearly defined in our K.

Edward Randolph Jackson
Northland Capital Markets, Research Division

Okay. And then on the $1 million to $3 million in annual savings, is that something that we should expect to see beginning in, I don't know, in the first quarter of '25 or will that happen in the fourth quarter of '25? And then will it, I assume it will be something that builds over time? Or is it will be kind of a onetime shot?

Todd M. Butz
CFO, Secretary & Treasurer

No, I think you'll see that right away coming into Q1 of next year, but let's call it mid-quarter because, again, our expectation is to have that facility completely closed and positioned for sale. And hopefully, we've seen good interest. And so hopefully, we can exit that completely in the first quarter and have that savings. And so again, we should see that beginning in the first part of 2025.

Edward Randolph Jackson
Northland Capital Markets, Research Division

And then when we think about those savings, would we see that more on the cost of goods sold line or more within the OpEx lines?

Todd M. Butz
CFO, Secretary & Treasurer

Yes, it will be mostly in the cost of sales line. We did some reposition like we mentioned on SG&A, which will be savings. But the bulk of that really is all of the fixed costs that related to the plant and then other some direct headcount reductions that we've made.

Edward Randolph Jackson
Northland Capital Markets, Research Division

And then with the Peloton settlement, a couple of questions there is where will we see that on the cash flow line? Will that show up in kind of the investing side of things? Where will it show up in there? And then you mentioned in your presentation that you used those funds already to pay down debt and to repurchase stock in the quarter. Could you tell us how much stock you repurchased with it and how much of it went to debt reduction?

Todd M. Butz
CFO, Secretary & Treasurer

At this point, obviously, as you know, we have a line of credit, it's a sweep account. So any collections on a daily basis that we receive go in and reduce debt overnight. So we have yet to deploy the share repurchase at this point. All that was used for debt reduction on the intraday, but we -- as Jay mentioned,

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we are looking to have a more programmatic stock repurchase, and we will expect in the fourth quarter to allocate some of those proceeds to stock repurchase.

As it relates to free cash flow, that will show up in the operational line. But when you think about our annual disclosure and our 10-K, that will be clearly delineated as to where in the financial statements as well as where in the cash flow line that those proceeds went through.

Edward Randolph Jackson
Northland Capital Markets, Research Division

But you're saying that will show up within operating activities. I was a little surprised by that, but for the free cash flow.

Todd M. Butz
CFO, Secretary & Treasurer

Yes.

Edward Randolph Jackson
Northland Capital Markets, Research Division

Okay. And then going back into some of the guidance and stuff, I mean you've got some tough comps in the first half of the year. Is it fair to assume as we think about the -- given the fact that you're going to have a relatively weak second half of '24 that the way you're laying it out that just because of the comps that we should see growth return in the second half, just you saying just as we roll through your guidance that starting with probably the third quarter and then with the fourth quarter that we should see revenue growth from the prior year. And then it sounds like you're viewing it as something that would accelerate maybe in terms of actual growth in 2026.

Todd M. Butz
CFO, Secretary & Treasurer

Yes, I would say that's a very fair depiction of what we would expect.

Operator

The next question comes from the line of Natalya Boff with Citi.

Unknown Analyst

This is Natalya Boff from Citigroup on behalf of Andy Kaplowitz. I guess my first question, you revised your '24 guidance citing softness in customer demand. But in the presentation, I noticed you kept your organic net sales growth of 1.5% to 2.5% for the year. Can you help us understand why that is?

Todd M. Butz
CFO, Secretary & Treasurer

That is without -- so we kind of separated the 2, meaning organic growth, that is new wins and opportunities we've done, and we try to separate that slightly from when you look at the market and destocking, right, and the impact that, that has had. So we still feel like we're on pace to continue to have -- year-over-year, it will be kind of flat, potentially up slightly. So we might see that year-over-year be a little better, but we were trying to exclude a little bit of the impact of destocking.

Unknown Analyst

Got it. Okay. Helpful. And then maybe just focusing on a specific end market, particularly powersports. You cited that you're gaining such growing market share, but can you talk about who you're taking market share from? And despite the softer macro outlook, what initiatives are you implementing or taking actions to gain this market share?

Jagadeesh A. Reddy
President, CEO & Director

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Yes. Natalya, we talked about bringing on a brand-new customer in the powersports market at the beginning of the year. That customer program went into production earlier this year. That is what mostly we're talking about a new customer win and a market share gain. Similarly, we have also picked up new programs with existing customers as well. These are -- both of these customers produce side-by-sides and vehicles in that nature. So those are the 2 customers where we have gained a pretty good share this year.

Unknown Analyst

Okay. Helpful. And then my last question, just on free cash flow. You had pretty good free cash flow generation year-to-date, and you maintained your guidance for the year. I'm just curious from your perspective, what's going right there? Are you -- what are you like optimizing in terms of working capital? Or what initiatives are you doing to continue to generate this strong free cash flow?

Jagadeesh A. Reddy
President, CEO & Director

Absolutely. As we publicly discussed in the past couple of quarters, our MBX program and our intense focus on reducing our working capital, reducing our inventories, collecting our outstanding receivables faster and adjusting our payable terms with our suppliers. We pulled all of those levers. Since 2022, we ended 2022 at 6.2 turns of inventory. We ended Q3 around 9 turns of inventory. So you can see that level of improvement in how we're managing our business and how we're managing our working capital, all of that is reading out in our free cash flow generation.

Operator

There are currently no questions registered. [Operator Instructions] There are no additional questions waiting at this time. I would like to pass the conference over to our management team for closing remarks.

Jagadeesh A. Reddy
President, CEO & Director

Once again, thank you for joining our call. We appreciate your continued support of MEC, and we look forward to updating you on our progress next quarter. Should you have any questions, please contact Noel Ryan or Stefan Neely at Vallum, our Investor Relations Counsel. This concludes our call today. You may now disconnect.

Operator
That concludes the Mayville Engineering Company Third Quarter 2024 Earnings Conference Call. Thank you for your participation, and enjoy the rest of your day.

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