

RCM Technologies, Inc.

Second Quarter 2025 Earnings Conference Call

August 7, 2025

C O R P O R A T E P A R T I C I P A N T S

Kevin Miller, *Chief Financial Officer, Secretary and Treasurer*

Brad Vizi, *Executive Chairman and President*

C O N F E R E N C E C A L L P A R T I C I P A N T S

Liam Burke, *B. Riley Securities*

Bill Sutherland, *Benchmark*

William Duberstein, *Stone Oak Capital*

Ben Andrews, *Andrews Capital*

P R E S E N T A T I O N

Kevin Miller

Good morning, and thank you for joining us. This is Kevin Miller, Chief Financial Officer of RCM Technologies. I am joined today by Brad Vizi, RCM's Executive Chairman.

Our presentation during this call will contain forward-looking statements. The information contained in the forward-looking statements is based on our beliefs, estimates, assumptions and information currently available to us, and these matters may materially change in the future. Many of these beliefs, estimates and assumptions are subject to rapid changes. For more information on our forward-looking statements and the risks, uncertainties and other factors to which they are subject, please see the periodic reports on Forms 10-K, 10-Q and 8-K that we file with the SEC, as well as our press releases that we issue from time to time.

I will now turn this call over to Brad Vizi, Executive Chairman, to provide an overview of RCM's operating performance during the second quarter.

Brad Vizi

Thanks, Kevin. Good morning, everyone.

As we alluded to on our last call, the business remained resilient in the face of economic uncertainty, a testament to the model, which revolves around aligning the right talent in defensible positions of secular growth markets.

Furthermore, our brand equity continues to strengthen, providing increased leverage to the business model while allowing us to diversify and strengthen our core client base. With increasing business success comes additional capital markets exposure and the inclusion of RCM into the Russell 2000 Growth Index for the first time in its 50-year history, an important milestone in the journey of our great company and a testament to the strength and commitment of our employee base.

I will now provide an update on the progress of each of our business units. We are pleased to report that the Health Care Services Group closed out the 2024, 2025 school year with a strong momentum. We saw strong growth across our portfolio driven by our commitment to quality, innovation and client satisfaction.

As we look ahead to the 2025, 2026 school year, we are entering it with tremendous excitement and confidence. Our roster of new school partners is expanding, and we are equally encouraged by the commitments from our existing clients to broaden our role in staffing the schools. This speaks volumes about the trust we have built and the results we have delivered.

One of the achievements we are most proud of is our ability to win over districts previously served by competitors. These wins are a direct result of RCM's consultative approach, one that emphasizes partnership, responsiveness and a relentless focus on quality.

Our internal training programs continue to fill its part, enabling us to deliver providers who are not only highly qualified, but also better prepared to meet the unique needs of each district. Our pipeline remains robust with a strong flow of additional opportunities that position us well for continued growth.

Additionally, we continue to leverage our outstanding team in the Philippines. This resource has proven to be a highly cost-effective asset, accelerating our ability to scale and support new client engagements with

speed and efficiency. In short, we are entering the new school year with strong tailwinds, a clear strategy and a deep commitment to delivering value to our clients and shareholders.

Transitioning to Life Sciences, Data and Solutions. In the Life Sciences division, we continue to see momentum driven by our strategic focus on innovation and operational excellence. Our recent investment in AI-driven equipment qualification has streamlined compliance protocols while reducing turnaround times across manufacturing sites.

Additionally, advancements in data integrity solutions are improving audit readiness and strengthening our competitive position with pharma partners focused on speed to market. These initiatives reinforce our commitment to digital transformation in regulated environments and set the stage for scalable growth. This, combined with building a dedicated Life Sciences Engineering Group, will clearly differentiate RCM for the future.

From an IT perspective, we have made meaningful progress in AI and analytics, particularly as applied to Life Sciences. This continues to unlock actionable insights, from predictive forecasting to real-time monitoring. These updates reflect how we are leading technology not just to optimize operations, but to fuel innovation at the core of our business.

Lastly, we see continued evolution of our HCM practice beyond our flagship UKG Ready managed service program with our reseller and expansion to other future partners.

Now shifting to Engineering. Energy Services continues to move forward with increasing velocity. As we migrate into the second half of the year, we are seeing a sharp acceleration in activity as we align to an expansive integrated strategy, combining our custom engineering capabilities with our turnkey EPC solutions to meet surging market demand.

As the need for reliable and resilient power delivery continues to outpace legacy infrastructure, our team is increasingly called upon for engineering design, builds and upgrades. We have made a number of changes in the organization, including increasing efforts to align our brand with our marquee project work, and the industry is taking notice.

Furthermore, our ability to deliver precision engineered solutions across the most demanding environments at scale has served as a key differentiator. This is enabled by our growing EPC footprint, our high-performing engineering teams and our focus on integrating advanced technologies and industry-leading 3D design into the delivery model. With continued growth in grid modernization, infrastructure upgrades and data center expansion, our teams are delivering custom solutions that align with the evolving market needs.

Key developments this quarter include: our integrated growth strategy, which is comprised of an expanded focus on custom engineering and turnkey EPC solutions for substations and infrastructure builds to support large-scale client programs; expanding our depth of services with utility and industrial clients by designing and upgrading facilities with advanced energy-efficient technologies and providing engineering solutions for data centers and supporting substations and electrical infrastructure; continued technical contributions to the IEEE Power & Energy Society, reinforcing RCM's leadership in the power engineering space; operational maturity, resulting in streamlined project execution, enhanced talent integration and improved cross-unit coordination through shared services. Our engineering teams remain in the forefront of enabling next-generation energy solutions, positioning RCM as a trusted partner in an increasingly complex, opportunity-rich market.

Now to Aerospace. Due to the ongoing significant ramp-up on existing programs and the addition of new clients, the Aerospace and Defense Group has exceeded our business plan goals through the second quarter by almost \$3 million in revenue with a healthy margin EBITDA performance. Though we have an aggressive plan for 2025, barring any unforeseen circumstances, we are on our way to achieving it.

Headcount continued to increase through Q2 2025 by 53 additional hires, topping Q1 performance. As projected, we have realized a significant year-over-year increase in gross margin and EBITDA in Q2 2025 as well as a sequential increase of 11% and 8% in gross margin and EBITDA, respectively.

Our vertical lift in technology innovator customers doing business with the U.S. government continue to spearhead our growth thus far in 2025 with multiple opportunities on the horizon. As anticipated, continued success in supply chain manufacturing and quality engineering with new clients continue to have a positive impact on 2025. Additionally, wins at the beginning of 2025 with two existing customers on two large multiyear projects for S1000D conversion continue to contribute to our success in delivering to our aftermarket clients.

Our recruitment team, which continues to build trusted value relationships throughout the client and candidate base, have solidified our year-to-date goals. Our integration of new tools and technologies has kept our team in the forefront of providing enhanced speed-to-market capabilities.

We continue to add new clients in Q2 of 2025 with customers requiring our expertise in supply chain manufacturing and quality engineering, with continued requirements for software and systems expertise. We anticipate our growth to continue throughout 2025 as more of the opportunities in hand are realized with the aerospace and defense environment seeking American companies who can hold clearances up to secret and top-secret levels. We anticipate a record year for the Aerospace and Defense Group in 2025.

Now, I will return the call to Kevin to discuss the Q2 2025 financial results in more detail.

Kevin Miller

Thank you, Brad.

Regarding our consolidated results, consolidated gross profit for the second quarter of 2025 was \$22.3 million, which grew 11.4% over Q2 '24 and yielded our highest gross profit over the past 13 quarters. Adjusted EBITDA for Q2 '25 was \$8.1 million, as compared to \$7.2 million for the Q2 '24, growth of 12.9%. Adjusted EPS for Q2 '25 was \$0.69, as compared to \$0.57 for Q2 '24, growth of 21.1%.

As for our segment performance in the second quarter of 2025, in Health Care, gross profit for Q2 '25 was \$12.3 million, compared to \$10.6 million for Q2 '24, growing 15.4%. Gross margin for Q2 '25 was 28.7%, as compared to 28.8% for Q2 '24. School revenue for Q2 '25 was \$37.2 million, compared to \$30.7 million for Q2 '24, growing 21.1%. Nonschool revenue for Q2 '25 was \$5.6 million, compared to \$6.2 million for Q2 '24.

In Engineering, gross profit for Q2 '25 was \$6.5 million, compared to \$6.0 million for Q2 '24, growing 8.8% on our best Engineering gross profit quarter in our entire history. Gross margin for Q2 '25 was 24.5%, compared to 26.5% for Q2 '24. As a reminder, our Engineering gross margins can be volatile, but we generally expect normalized gross margins between 22% and 26%.

In IT, Life Sciences and Data Solutions, gross profit for Q2 '25 was \$3.5 million, compared to \$3.4 million for Q2 '24, increasing by 3.4%. Gross margin for Q2 '25 was 39.8%, compared to 34.9% for Q2 '24.

Regarding our balance sheet, though operating cash flow was weak for the quarter coming off a strong Q1, we anticipate full year free cash flow to align with our net income. Specific to Q2, we had over \$10 million from two major school clients delay due to school year 2024, 2025. But we collected over 80% of that money and expect the rest to come in this quarter.

As a reminder, we have significant seasonality in Q3 with summer school closings and heavy vacation months for our billable workforce, which makes Q3 challenging to forecast. We do expect to continue to deliver at least low double-digit growth in Adjusted EBITDA for the second half of fiscal 2025. While we

don't expect the fourth quarter jump we saw in fiscal 2023, we do expect Q4 '25 will produce our highest Adjusted EBITDA quarter for the year.

This concludes our prepared remarks. At this time, we will open the call for questions.

Operator

With that, ladies and gentlemen, if you do have a question, please press star, one on your telephone keypad. Again, that's star, one to join the question queue.

First up, we have Liam Burke of B. Riley Securities.

Liam Burke

Thank you. Good morning, Brad. Good morning, Kevin.

Kevin Miller

Good morning.

Brad Vizi

Hi, Liam.

Liam Burke

You talked about the data center infrastructure and the grid modernization and how that's accelerating. Could you give us some color on, you have some multiyear preferred partner agreements, how that's working and how that's helping you accelerate into that sector?

Brad Vizi

Yes, absolutely. Liam, I think it starts with some of the initiatives that we've had in place for a number of years that are starting to come to fruition. First and foremost, I'd point to some of the projects, and I call marquee projects, that are attracting a good bit of attention within the industry. Naturally, those become associated with your firm and there's brand equity that grows with it, and word spreads and the phone starts to ring a little bit more.

In addition to that, I think historically when you look at RCM, it has had a set of really good capabilities. Did not do a good job as far as coordinating and integrating the operations. That is something that we have put an increased focus on and really doubled down on in, call it, the last 12 to 18 months, and ultimately rolling that out to the marketplace. I think some of it is RCM-specific, but also some of it is certainly industry-specific.

Just at a very high level, I think we're all reading the same things in the newspapers and through different media outlets, but I think the surge in spend that is, frankly, it's here, it's pretty overwhelming. It's historic without a question. It's really hard to find an argument that we're anything but in the early innings of it.

If anything, when you look at the landscape of the industry, I think that we're facing a protracted secular bull market. In many ways, it's almost guaranteed in my mind because you simply have a number of bottlenecks within the supply chain that just simply take years to unlock. All else being equal, that would lengthen the cycle regardless. But from our perspective, the industry is so large and we're certainly starting to hit our stride at a good time that it's hard not to see it be a big positive for the business.

Liam Burke

Great. Thank you. You seem to be adding contracts in the healthcare space on the educational side. Are most of those still K-12? Or, are you able to leverage your brand into other areas of education, like community college or other municipal health programs?

Kevin Miller

No. They're primarily K-12. We're very, very excited about this coming school year. We've added another dozen or so new contracts, half of which we believe can be of a meaningful impact to the revenue for the 2025, 2026 school year. We're having a lot of success in the K-12. That doesn't mean we're not looking at other areas, but we're pretty focused on K-12.

Liam Burke

Just to follow on to that. You mentioned that you've gone in and you're taking new business at the expense of competitors. Is that a trend we can expect to continue to see as you continue to add districts?

Kevin Miller

We better. Yes. No, we certainly expect that. Just to put a little bit more on that, while we are certainly grabbing market share from competitors, it is a high-growth market. You don't necessarily need to grab market share from competitors to grow. But we look to do both, obviously.

Brad Vizi

Yes. The other thing, Liam, I'd add to that is if you step back and look at the K-12 market as leaders, like a lot of relatively nascent markets that are highly fragmented, there's really a lack of, call it, institutionalization, for a better term, best practices, etc. As a leader in that space, there's a big opportunity for us to step in and really demonstrate our knowledge base and ultimately win against some of the more local and regional competitors.

Naturally, when you think about the different segments of the healthcare market, there are the things that make that market special. The inability to replace that human touch. You magnify that when you start to deal with kids. There's a significant opportunity from our perspective that, certainly from our vantage point and our size and given the market opportunity, there's a way to go there.

Liam Burke

Great. Thank you, Brad. Thank you, Kevin.

Operator

Next up, we have Bill Sutherland of Benchmark.

Kevin Miller

Hey, Bill.

Bill Sutherland

Thanks. Hey, good morning, guys. On Health Care, Kevin, did you give the breakout of school and other?

Kevin Miller

Yes, we did. Hold on, let me just...

Bill Sutherland

Okay. I can get that later then.

Kevin Miller

Well, I can give it to you real fast. We were at \$37.2 million for schools and \$5.6 million for nonschools for the quarter.

Bill Sutherland

Okay. Okay. Interested in that internal training program you mentioned. Can you give us some color on that, in healthcare?

Kevin Miller

In terms of our internal training program? Yes, we go out, we find people that we think would make good candidates for our schools and we train them up ourselves. We have training centers in several different locations. It's not something I want to speak a lot about just for competitive reasons. But yes, we...

Bill Sutherland

Are these paras or is this—I mean, because you're doing a lot of behavioral health now.

Kevin Miller

It can be paras or RBTs as well, but mainly paras. But there are other types of people that we engage in training as well.

Bill Sutherland

Okay. What about the international nurse side? I know you've been grooming that a bit.

Kevin Miller

Yes. Well, they just moved up visa retrogressions for a couple of countries. We think we're probably going to have about, I don't know, 15 to 20 nurses coming in either this year or early next year. But if the visa retrogression gets moved, which we think it will at some point, we could have who knows how many. We have probably 500 nurses in our pipeline that are interested in coming to the U.S. If you have any inroads with this administration, please write a letter.

Bill Sutherland

Yes. I wish I did. The Engineering GM bounced back very nicely, as you guys noted. Is this a level we should think about as where the business is at this point?

Kevin Miller

I think it's a good indication of where the business is. But like I said earlier, it's volatile. You're going to see quarters where it spikes up and you're going to see quarters where it spikes down, depending on what the mix shift is. As we said on our last call, we're very, very focused on gross profit dollars, and then managing

the cash flow around those gross profit dollars. If we drop under 20% and we have strong gross profit, that's great. If we push it up and we have strong gross profit, that's great too. We're just really, really focused on gross profit dollars.

Bill Sutherland

Okay. That's great. Thanks, guys. Good quarter.

Kevin Miller

Thanks.

Brad Vizi

Thanks, Bill.

Operator

On the line next up, we have William Duberstein with Stone Oak Capital.

William Duberstein

Hi, guys.

Kevin Miller

Good morning, Bill.

William Duberstein

Great quarter. Hey, good morning. Nice to talk to you guys again. Great quarter. A couple of details coming through. Nice sequential improvement in the Engineering gross margins. But just double clicking on that, you guys are, I think, winning a lot of new customers. Could we expect new contracts with new clients to start at a lower gross margin and then potentially expand over time as you prove yourselves out? Or is it just standard between—I don't know if you want to get into your contract...

Kevin Miller

Yes, are you're talking about Engineering?

William Duberstein

Engineering specifically.

Kevin Miller

We don't really look at it that way. Certainly, if we really want to get into a client and we need to bid something in the lower margin than we normally would, we certainly will consider doing that, and would do that for the right client. But for the most part, we're looking to get our margin that we think is fair and competitive. I don't think that it's, frankly, it's a super price-sensitive market. It's price sensitive, of course, you're dealing with utilities. But they're much more interested in quality than they are on a couple of points or a couple of bucks. Obviously, they don't know what your margins are. But there's a lot of work out there. Quality work gets more work, at good margins. That's the way that we kind of see it.

The biggest reason why you potentially see lower margins in our Engineering Group is when we have our fixed-price contracts that in any given quarter are heavy on the subs, and we have the subs costs running through our income statement, we're going to see—we don't make the same margin on our subs, obviously, than we do on our internal salaried engineers. That's typically why you're going to see a little bit—where you might see it drop a little bit. There are other factors involved.

But when we start talking about engineering and we look at the three pillars, aerospace is a little bit more competitive, so those margins tend to be a little bit lower, but with the other two groups in terms of energy services and our industrial processing, those margins are generally pretty good. But again, they will come down depending on what's running through the projects in any given quarter, as I talked about in terms of how much of our revenue is driven by our subs. Does that make sense?

William Duberstein

Got it. Yes, absolutely. Thanks for that color. It was nice to see the improvement there from last quarter. Then just...

Kevin Miller

Yes, we're generally trying to drive margins in the engineering above where we were in the second quarter. But again, it just depends on the mix shift.

William Duberstein

Got it. That's helpful. Then just bringing back up the cash collections. I know you mentioned it in your opening remarks. Should we expect receivables to go up at the end of Q2 because it's the end of the school year? Or was this quarter—were there idiosyncratic factors between those two schools you mentioned?

Kevin Miller

Well, it's really both. The two schools that we mentioned just frankly ran out of money on their POs and they couldn't pay us until they got new POs. That happens. Look, we crushed it with those two schools, so they ran out of money to pay us, which happens in the school systems. But that's okay. I'll wait. We'll wait for the money and drive the revenue because we always get paid by the schools, like we'd never have write-offs, or virtually never. They got the POs in place and we've actually been paid about 80% of the money today. I just got a notice yesterday, we're going to get the rest of it next week.

Yes, it's unfortunate that our receivables don't look great at the end of Q2, but it's a temporary situation, it's cyclical, and we should see those receivables come down in Q3 most likely, although depending on how much we're pushing the envelope with some of these new schools, maybe it will be up. But if it's up, it will be a good thing.

William Duberstein

Got it. That makes a lot of sense. Then finally, on a previous question, I think you touched on immigration and that you have a lot of nurses interested in coming to the U.S. Is immigration and supply a gating factor at all right now? You guys posted great numbers there, so probably not. But I was just wondering if it was possible you could have done even more if the supply side opened up more, or if that's just a future factor.

Kevin Miller

Let me tell you how we look at it, which is pretty simple. We're going to grow '25, '26 school year whether immigration opens up or not. We're very confident in our ability to grow our school business this school year compared to last school year. If immigration cooperates, it could make a difference between like a good 2026 and an incredible 2026. We'll see what happens. We can't obviously predict what's going to happen

with immigration. We may not get any meaningful number of nurses in 2026. We may get 100 or more. It's really hard to say.

But what we believe is that over time, immigration usually comes around to the conclusion that, if you want nurses in this country, you better go get them from somewhere else, because we're not making enough nurses in this country to satisfy demand. It's just that simple. I don't see that changing anytime soon.

William Duberstein

Got it. Great. Hopefully, that does open up. That was all I had. Great. Great job, guys. Thanks.

Operator

All right. Seeing no further questions in queue, I'll remind everyone, you can press star, one on your telephone keypad if you would like to ask a question. That is star, one on your telephone keypad.

All right. Next up, we have Ben Andrews.

Kevin Miller

Morning, Ben.

Ben Andrews

Hey, guys. How are you?

Kevin Miller

Great.

Ben Andrews

I enjoyed the quarter. Thank you very much. I'd like to just make a couple of statements and then just give me feedback on what you can and your thoughts. If I look at RCM and the bigger trends out there, and I think you've positioned the company in two areas where the wind seems pretty strong at your back, which is the education and the engineering/T&D, and those trends looks to me at least to be multi-years going forward. During the last three or so years, our stock has pretty much gone sideways. I think you guys have done an excellent job before the stock took off and after the stock took off and has essentially gone sideways and fallen out of bed a lot of times to reduce the share float. I think that was incredibly wise and some of the best I've seen over my career a management doing that.

If I look at those two divisions where I think there's solid wind at your back, it seems that even though RCM's businesses can be volatile, it seems that like roughly \$2 in EPS going forward per year seems achievable. It doesn't seem like you're going to do \$1 or \$0.50 or anything like that. It seems like you're going to be somewhere in a solid area like that. My thoughts are—and I mean, if we look at the stock trading action and stuff in these small cap stocks, as well as some of the large cap stocks, I don't even think there's humans trading them anymore. I just think it's just total AI. My thoughts are, if we instated dividend, say, an \$0.80 dividend, which should easily be covered if you're making a couple of bucks a year in EPS, open the world up to a little different shareholder base, and the people that own your shares and have been loyal to you for many years get a little bit of a boost.

I just think kind of where you're positioned now after these hard work to maneuver some of these divisions and what the divisions can throw off in EPS and where the stock is to where you've been buying it back historically, I just think it's a much better case to implement a dividend.

Brad Vizi

Yes, Ben. Look, that's a fair question. That's something, as you know, I think about often. We dialogue about it frequently as well. Look, depending on the facts and circumstances of the moment, you might come out on a different side of the ledger. What I'll say where we sit today is the Company is in a really good spot. I think that the ability to put a dividend in place with a completely debt-free balance sheet, having reduced, call it, 45% of the share count, maybe you have a small net cash position, it probably makes as much sense as ever. It's something that we'll continue to evaluate. As that day gets closer, it could become more of a reality.

That being said, there are some great things going on in the business right now. I agree with your assessment with respect to the transformation of the capital markets, particularly in our segment of the marketplace. The flip side of that is when you have a lot less shares outstanding and a relatively limited supply of high-quality companies in this segment of the market, you could be the prettiest girl or guy at the dance, and having a clean balance sheet as growth accelerates with a lot less shares. As you know, this is something that hasn't changed in the last 20 or 30 years. These things can happen overnight in terms of stock appreciation.

In the meantime, appreciate the patience. We're in the trenches every single day working towards building the business and making it stronger. But the good news is we're not just getting stronger on an absolute basis; we're getting stronger on a relative basis and increasingly attractive. Also when you think about the funnel of opportunities, I think this is an area where our size is an advantage. As you continue to distinguish yourself, I almost think of it as a little big company, we're a company that has a lot of big things, big attributes, but the reality is our size is relatively small from a valuation perspective.

As bigger outcomes start to come to fruition, they have a disproportionate impact on the P&L. Like for example, I appreciate your \$2 earnings figure. But I got to tell you, I'm going to be pretty disappointed if we're only at \$2 of earnings 24 months from now. We very much think of the Company as a growth company, especially when you start to think about our performance relative to our peer base of all sizes really. We've significantly outperformed on a relative basis and we anticipate an attractive performance on an absolute basis. The valuation will take care of itself. Just to sum it up.

Ben Andrews

Yes, I agree. I agree. I agree with your assessment that usually you can put in work for years and then, all of a sudden, your valuation comes all within 30 days, even though you're sitting around 36 months waiting for it. It usually is what happens, especially with these smaller cap stocks. The reason I kind of threw that \$2 out there, because I think it's a pretty solid number by me just looking at your divisions, and you certainly don't want to overreach when you put in a dividend. If you put in a \$0.80 dividend, then you still got money to still pay down debt, you still got money to do some IP acquisitions. I think where we were aligned in conversations from the past is I think it's wise to spend money to buy IP and so it can be assimilated into your company, rather than doing some huge acquisition that often ends up blowing up in your face 24 months later. That was the thought, where money is spent more evenly across a couple of areas rather than just one area. But I appreciate your thoughts and I appreciate how you guys have built this company. Thank you.

Brad Vizi

One more thing I'd just insert in there, Ben. Just to emphasize, working towards a clean balance sheet, we think our balance sheet is well within the range. We're very comfortable in our target range, I'll call it, loosely defined. As you think about the potential outcomes that exist for a company our size, particularly to the upside in this dynamic of an environment. Having a clean balance sheet, it's almost a strategic asset in a lot of ways, because some of these partnership dialogues, they could be obviously material. Ultimately, that's why we refer to them and we move them forward. They oftentimes, they start off on solid footing and then they grow every single year, and you wake up a few years down the road and they're very sizable.

But look, sometimes they can go very, very rapidly too. Again, we're in dynamic markets. We've positioned ourselves really well. We've got some really talented folks, we have discussions. Ultimately, how those mature, there's unknown aspects of that. But, we want to position the Company so we can maximize the value of those discussions when that moment comes. In other words, those opportunities for step-function growth, we're not constrained in any manner, frankly.

Ben Andrews

Understood, Brad. You're a people business, and I think leveraging up people businesses is not a great move. You can get lucky; but if you don't get lucky, then you're in a world of hurt. I'd rather see a clean balance sheet. I agree with you.

Operator

All right. This does conclude today's Q&A session. Speakers, I'll turn it over to you for concluding remarks.

Brad Vizi

Thank you for attending our Q2 conference call. We look forward to our next update in November.

Kevin Miller

Bye, everyone.

Operator

All right. Ladies and gentlemen, this does conclude your call. You may now disconnect your lines, and thank you again for joining us today.