

Ampco-Pittsburgh

Fourth Quarter 2024 Earnings Results

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CORPORATE PARTICIPANTS

Kim Knox - *Corporate Secretary*

Brett McBrayer - *Chief Executive Officer*

David Anderson - *President, Air & Liquid Systems Corporation*

Sam Lyon - *President, Forged & Cast Engineered Products*

Mike McAuley - *SVP & Chief Financial Officer*

PRESENTATION

Operator

Good morning, everyone, and welcome to the Ampco-Pittsburgh Corporation Fourth Quarter 2024 Earnings Results Conference Call. All participants will be in a listen only mode. Should you need assistance, please signal a conference specialist by pressing the star key, followed by zero. After today's presentation, there will be an opportunity to ask questions. To ask a question, please press star and then one on your telephone keypad. To withdraw your question, you may press star and two. Please also note, today's event is being recorded.

At this time, I'd like to turn the floor over to Kim Knox, Corporate Secretary. Please go ahead.

Kim Knox

Thank you, Jaime, and good morning to everyone joining us on today's fourth quarter 2024 conference call. Joining me today are Brett McBrayer, our Chief Executive Officer, and Mike McAuley, Senior Vice President, Chief Financial Officer and Treasurer. Also joining us on the call today are Sam Lyon, President of Union Electric Steel Corporation, and Dave Anderson, President of Air and Liquid Systems Corporation.

Before we begin, I would like to remind everyone that participants on this call may make statements or comments that are forward-looking and may include financial projections or other statements of the corporation's plans, objectives, expectations, or intentions. These matters involve certain risks and uncertainties, many of which are outside the corporation's control. The corporation's actual results may differ significantly from those projected or suggested in any forward-looking statements due to various risk factors, including those discussed in the Corporation's Q4 2024 earnings press release, the most recently filed Form 10-K and in subsequent filings with the Securities and Exchange Commission.

We do not undertake any obligation to update or otherwise release publicly any revision to our forward-looking statements. A replay of this call will be posted on our website later today. To access the earnings release or the webcast replay, please consult the Investors section of our website at ampcopgh.com.

With that, I would now like to turn the call over to Brett McBrayer, Ampco-Pittsburgh's CEO. Brett?

Brett McBrayer

Thank you, Kim. Good morning, and thank you for joining our call. As reported in our most recent press release, Ampco-Pittsburgh Corporation reported earnings per common share of \$0.16 for the fourth quarter of 2024 and \$0.02 the full year. Our net cash flow from operating activities was \$7.5 million for the fourth quarter and \$18 million for 2024. Income from operations for 2024 was \$12.2 million, which includes a \$4.1 million non-cash asbestos-related benefit.

On a non-GAAP basis, we achieved adjusted income from operations of \$8 million for the full year. These results reflect a \$3.7 million improvement from the prior year with lower revenues in 2024.

For the Air and Liquid Processing segment, we achieved record sales for 2024, improving 11% from the prior year, and we also had a great fourth quarter.

Our Forged and Cast Engineering Products segment achieved income from operations of \$1.1 million in the fourth quarter of 2024 and \$10.5 million for the full year. These results reflect a 38% improvement from 2023 despite lower sales. It is important to note that 2024 only reflects a partial year benefit from our newly installed equipment in our U.S. forged operations.

Additionally, we've entered into a formal collective consultation process with our workforce in the U.K. This location has weighed negatively on our results for several years. Addressing this deficiency would positively impact annual operating income by at least \$5 million annually.

For further details regarding our segment performance, I'll now turn the call over to David Anderson, President of Air and Liquid Systems.

David Anderson

Thank you, Brett. Good morning. Air and Liquid's Q4 was not only the best quarter in 2024, it was also one of Air and Liquid's best quarters in our history. Q4 revenue increased 6.5% versus prior year while year to date revenue increased 11% versus prior year. The Q4 increase was driven by increased shipments of centrifugal pumps. Year to date revenue increased in all product categories compared to prior year.

Operating income in Q4 was \$7.6 million versus a loss of \$38.5 million in the prior year. Eliminating asbestos-related credits and charges, Q4 operating income would be \$3.5 million versus \$2.5 million in the prior year. The Q4 improvement was driven by higher revenue, positive product mix and improved efficiencies. Year to date operating income was \$15.9 million versus a loss of \$29.1 million prior year. The major variance versus prior year was the asbestos credit versus the prior year charge, which improved by \$44.9 million year-on-year. Looking at 2024 by quarter shows that Q1 was Air and Liquid's weakest quarter, and we continually improved as the year progressed, culminating in Air and Liquid's best quarter in Q4.

As I mentioned on the last earnings call, Air and Liquid was approved by the U.S. Navy to receive \$4 million of additional funding to purchase more equipment for our Buffalo facility. This is in addition to the \$1.6 million in equipment that we installed in Q3 of 2024. This funding will be used to further modernize the equipment in our Buffalo facility. The equipment is now on order and is expected to arrive in late 2025. The U.S. Navy continues to move forward with long-term plans to expand the size of the Navy fleet. The modernization of our plant will allow us to meet this increasing demand.

We continue to see positive activity in the nuclear market for our heat exchanger product line, including the announcements to reopen two decommissioned U.S. nuclear plants and the ongoing development of the small modular reactors.

From record orders received in the pharmaceutical market for air handling equipment, to the increasing activity in both the nuclear and military markets, demand for our custom engineered products continues to be very strong.

Three years ago, we began to execute our new plans to turn Air and Liquid into a growth-oriented business. As we ended our third year of this plan, I wanted to provide a comparison versus three years ago. For 2024, revenue was 56% higher than three years ago, our year-end backlog was 77% higher than three years ago, and our operating income excluding asbestos-related items was 39% higher than three years ago. Operating income excluding asbestos items has been a record high for the last two years, and we set new revenue records in both 2023 and 2024. Air

and Liquid is now a growth-oriented business, and there are many long-term opportunities for that growth to continue in the future.

Brett McBrayer

Thank you, David.

Sam Lyon, President of the Forged and Engineered Products segment, will now share more details regarding his group's performance. Sam?

Sam Lyon

Thank you, Brett, and good morning, everyone. For the fourth quarter of 2024, the Forged and Cast Engineered Products segment reported total net sales of \$66.5 million compared to \$75.8 million in Q4 2023. Segment operating income improved to \$1.1 million in the fourth quarter, up from break-even in the prior-year period, primarily driven by improved profitability in our forged product lines. Weaker volumes in the western cast plants mostly offset the increase in our forged product line profitability.

As a result of these continuing pressures on the cast side of the business, specifically underutilization due to market overcapacity, high energy costs, and increased pressure from low-priced imports, we have initiated a formal collective consultation process with the employees at our UK plant. As Brett mentioned, we have experienced losses of over \$5 million in the UK in the prior two years and do not see much improvement as we look forward. We expect this collective consultation process to yield a clear path forward within the next six to eight weeks, significantly stemming the losses currently experienced at that location.

Full-year 2024 operating income for the Forged and Cast Engineered Products Segment reached \$10.5 million, compared to \$7.6 million in 2023, reflecting significant year-over-year improvement driven by strong operational performance and strategic pricing initiatives.

Turning briefly to broader market conditions: our two largest markets for rolls, North America and Europe, remain stable. Europe continues to experience market softness, although we are seeing some positive signs in hot mill activities. We closely monitor the evolving tariff situation, anticipating minimal direct impact but potential indirect effects through changing demand dynamics involving customers in Canada and Mexico. Overall, if the tariffs are implemented, we expect increased demand in the U.S., slightly offset by lower demand in Mexico and stable demand in Europe for our roll business.

For our FEP business, we expect increased demand as many of our largest competitors are outside the U.S. We are already seeing an improved order book for our FEP products in anticipation of the tariffs. General market sentiment in North America is generally bullish for 2025 with some of our major customers expecting improved volumes, which will ultimately result in higher future roll demand.

In summary, our strategic initiatives continue to position us well for continued profitability and sustainable long-term performance improvement.

I will turn the call back over to Brett.

Brett McBrayer

Thanks, Sam. I will now turn the call over to Mike McAuley, our Chief Financial Officer, for more detail regarding our financial performance for the quarter and year. Mike?

Mike McAuley

Thank you, Brett. Ampco expects to issue its 2024 Form 10-K early next week, on or around March 17th. You will find more details there very soon.

As indicated in our press release issued last night on the quarter and full year, Ampco's consolidated net sales for the fourth quarter of 2024 were \$100.9 million, a decline of 6.6% compared to net sales for the fourth quarter of 2023, due primarily to lower shipment volumes of mills rolls, which could not be offset by the higher shipments in the Air and Liquid Processing segment. For full year 2024, consolidated net sales declined 1%, as record Air and Liquid Processing segment sales and higher net pricing in the Forged and Cast Engineered Processing segment nearly offset the decline in mill roll and forged engineered products sales due to weaker market conditions.

Non-GAAP adjusted income from operations of \$1 million and \$8 million for the three and twelve months ended December 31, 2024, respectively, improved from the prior year periods, despite the lower mill roll demand. This was due to higher roll pricing net of cost changes, which moved surcharges down, as well as improved operational efficiencies and better manufacturing cost absorption.

In terms of GAAP reported results, there were some unusual items affecting comparability, and I'd like to review those now. First, at the end of 2024, we completed an updated revaluation of our long-term asbestos-related liabilities and insurance receivables. The net result of this was a credit recorded in Q4 2024 of \$4.1 million, part of which related to lower projected indemnity liability but most of which related to lower projected defense costs. Both effects are net of associated changes in the asbestos insurance receivables.

This compares to a net charge of \$40.9 for asbestos-related revaluation of indemnity and defense estimates in Q4 of 2023 - again, net of associated asbestos insurance.

Another significant item affecting comparability is that in the twelve-month period ended December 31, 2023, we received and recorded \$1.9 million for a reimbursement of past energy costs from the local government of one of our foreign subsidiaries.

The Corporation's total selling and administrative expenses increased for 2024 compared to 2023, primarily due to higher employee-related expense, higher sales commissions expense in Air and Liquid Processing, and due to higher professional fees in Corporate. Depreciation and amortization expense rose primarily due to the completion of the U.S. forged businesses' capital equipment modernization program.

Interest expense for the three and twelve months ended December 31, 2024, increased in comparison to the same periods of the prior year primarily due to the higher equipment financing debt balance, higher average revolving credit facility borrowings and higher average interest rates. But it should be noted, however, that the Corporation's total debt balance of \$128.6 million at December 31, 2024, was flat with prior year.

Other income net for Q4 versus prior year increased primarily due to favorable changes in foreign exchange, but was about flat for the full year.

The income tax provision was higher for the three and twelve months ended December 31, 2024, primarily due to the establishment of a valuation allowance on the net deferred tax assets of our

U.K. operations at December 31, 2023, given its three-year cumulative loss history due to continued soft cast roll demand. As a result, the income tax provision in 2024 does not include any income tax benefit on the operating losses of the U.K. It's also noteworthy that the income tax provision for the three and twelve months ended December 31, 2023, included an approximate \$1.3 million benefit associated with the charge for asbestos-related costs last year.

Net income attributable to Ampco-Pittsburgh for the three and twelve months ended December 31, 2024, was \$3.1 million, or \$0.16 per common share, and \$0.4 million, or \$0.02 per common share, respectively for the fourth quarter. Both Q4 and full year 2024 include an after-tax impact of the credit for asbestos-related costs of \$0.20 per share.

This compares to net loss attributable to Ampco-Pittsburgh of \$41.8 million, or \$2.12 per share, and \$39.9 million, or \$2.04 per share, respectively, which include approximately \$2.00 per share and \$2.02 per share, respectively, for the after-tax impact of the charge for asbestos-related costs. Please note that, in addition, full year 2023 EPS benefited by approximately \$0.10 per share for the foreign energy credit.

Total Backlog at December 31, 2024, of \$378.9 million was flat with December 31, 2023. Net cash flows provided by operating activities was \$18 million dollars for full year 2024, which compares to a use of \$3.7 million for full year 2023. The primary change factor was a reduction in trade working capital, which was a use in 2023 but a source in 2024. In addition, we had lower outflows for asbestos litigation in 2024 and customer deposits rose in 2024 compared to 2023.

Capital expenditures for full year 2024 ended at \$12.2 million and includes final capitalization of the U.S. forged plant modernization Capex from early in the year. However, this does not reflect government grant funding received during 2024 of \$3.3 million, which was and will be used to fund capex machinery in Air and Liquid Processing. So netting the two brings the number down closer to what we had been guiding on previous calls for 2024 full year capex net of that grant funding.

At December 31st, 2024, the Corporation's liquidity position included cash on hand of \$15.4 million and undrawn availability on our revolving credit facility of \$20.6 million.

Operator, at this time, we would now like to open the line for questions.

QUESTION AND ANSWER

Operator

Ladies and gentlemen, at this time, we'll begin the question and answer session. To ask a question, you may press star, and then one using a touchtone telephone. To withdraw your question, you may press star, then two. If you are using a speakerphone, we do ask that you please pick up your handset prior to pressing the keys to ensure the best sound quality. Once again, that is star and then one to join the question queue. We'll pause momentarily to assemble the roster.

Once again, in order to ask a question, please press star, then one.

We have a question from John Bair from Ascend Wealth Advisors. Please go ahead with your question.

John Bair

Thank you for taking my question -- a couple, actually. Referring to the U.K. situation, can you clarify what -- kind of what your game plan is there? Are you just looking to reduce the workforce or operations in general, or are you considering exiting that operation? And secondly, given what we're hearing about European spending perhaps going up, particularly in Germany -- I don't know how much of that operation supplies into Europe or not, but could that possibly improve your outlook for the operations of that plant? Thank you.

Sam Lyon

Yeah, hi, John, this is Sam Lyon. First of all, over the last three years, we've had significant losses in the U.K. And it's gotten to the point where, without some intervention or help, we don't see a sustainable path forward. So the formal process in the U.K. is to enter collective consultation, which we have done, which allows the workforce as well as the local governments and governments of U.K. to decide how and if they can help us to stem these losses as we don't see normal market conditions, such as you're mentioning in Germany, significantly affecting the path forward for this operation. So that process takes several months. Once that's completed, a conclusion will be rendered, which could be anything from getting enough support for new equipment, tax breaks, things like that that the normal government could do to help us to -- if they can't help us and the union can't see a path forward to stem the losses or return them to breakeven, could result in the complete closure of the plant.

John Bair

Okay. Would that also -- you say closure of the plant, but would you -- if you got to that point where you weren't getting the government help or assistance or whatever, that you would look to sell that facility and that operation to another player by any chance, or would it just be a shutdown and write-off?

Sam Lyon

All options are available, frankly. So anywhere from exactly what you mentioned will be available, as well. Now one thing I will say is the roll market in general in Europe is oversupplied, which is part of the issue, which I mentioned in my call. Secondly, the cost of energy per roll is about roughly double what it is in our Sweden plant. So there's some fairly significant headwinds in that particular plant.

John Bair

Okay. Very good. And then turning to the Air and Liquid division, you indicated that you've got pretty good strong order trends and so forth. Do you feel that there's additional markets that you can enter into, or do you just think this market in general is expanding perhaps because of getting more exposure to the Navy program and other nuclear activities?

David Anderson

Hi, John, it's Dave. It's kind of both. We are seeing, within our current markets, more activity. The Navy certainly has embarked on a long-term plan to expand the size of the fleet. So there's continued activity there. The nuclear market, really, we're seeing a lot of activity from different ways to achieve that power, the small modular reactors to bringing back facilities that have been closed down. So within the current markets, there is a lot of opportunity. And then the opportunity to do more outside of North America is also there for us. I think we're going to see the nuclear market, in particular, being embraced in a lot of areas. So I think there'll be some of our ability to expand beyond our traditional North American market, as well.

John Bair

Yep. Okay. That's good. And then the last question is, you said your debt levels were basically flat year-over-year. With your CapEx and plant -- or equipment renewal and so forth pretty well - - I'm assuming pretty well behind you, then do you think that you can address the debt levels and bring them down to more -- either eliminate it or more comfortable levels?

Mike McAuley

Yes, I think we have -- the equipment financing is term debt. We have some -- I mean, if you look at what -- the composition of our debt balance, we have some longer-term structures in there, but the revolving credit facility is the place where we have -- that can go up and down with business activity. And I think what we'll see going forward, a lot of it depends on demand and supporting the business working capital needs. So I think working capital is one of the biggest drivers for being able to change the outstandings on the credit line.

If demand goes up, it's going to be hard to reduce the debt, the variable debt. And if demand comes down, it's bad for the income statement, of course, but it's good for liquidity. It means liquidating working capital and reducing borrowings as that happens and liquidity and the balance sheet start to look better. So those are the variables at stake here. And then we've got to be thinking about, whatever happens, we need some contingency planning for whatever the outcome is in the U.K. because there's cost to manage things like that.

But I think the main variable is working capital and where demand goes from here for the next couple of years as we look forward. One thing we've been doing to keep the debt flat and yet continue to invest is some of the things that we've done in Air and Liquid, for example, with available grants to kind of debottleneck the supply chain that we've been taking advantage of to fund our CapEx without -- with government grant funding. That's a good way to keep the debt flat.

John Bair

Sure. And then when you get customer orders, is there a certain amount or percentage or whatever of prepayment that helps with that with the cash flow and--

Mike McAuley

--It does, yeah. And in fact, in '24, we saw more customer deposits coming in than we did in the prior year, and that's been a source of cash flow for 2024 and was part of the story for the cash from operating activities being as high as it was in 2024. And, yeah, that's a focal effort for us, and it's been a good source of liquidity, sure.

Sam Lyon

Just to be clear, that's mainly on the ALS business, so very little on the Forged and Cast Engineered Products business.

John Bair

Right.

Sam Lyon

There is some, but not as much.

John Bair

Okay. Very good. Well, thank you for taking my questions. Good luck going forward.

Unknown

Thank you.

Operator

Our next question comes from David Wright from Henry Investment Trust. Please go ahead with your question.

David Wright

Hey, good morning, everyone.

Unknown

Morning, David.

David Wright

Hey, Mike, do you have year-end backlog by business segment?

Mike McAuley

Yes, David, we do. And you're going to see this in the 10-K coming out on Monday. But I did say that backlog was flat with 2023. 2023, \$379 million total, 2024 being flat, it's \$379 million, 12/31/24, the composition of which is Forged and Cast Engineered Products, \$250.5 million and Air and Liquid Processing, \$128.4 million.

David Wright

Okay. Thank you. The asbestos, I'm going to call them revaluations, they were getting done every two years, and now you've done them a couple of years in a row. Is there -- is that a change? Is it going to be an annual thing going forward?

Mike McAuley

I think, yes. I think we -- the only -- the one we did last year, I think it had been maybe three years since we had previously done one. And we learned from that that, as trends change, it's probably better to just do them annually to try to stay on top of incremental changes as they come and go. So it's more likely that we will probably maintain the frequency at a regular annual pace.

David Wright

Okay. Sam, you said that -- good news that tariffs -- you didn't see as much of a concern. I had a couple of questions there. Thinking about tariffs last time around, are mill rolls tariff items, or do you get exclusions sometimes?

Sam Lyon

They have not been in the past, and we do not see them being in the future. They're actually classified as rolling mill components or parts. So they're not classified like tool steel would be or rebar would be or flat rolled product would be. They're classified as a component of a rolling mill.

David Wright

So as things stand now, you can bring rolls in from Europe to the U.S., and there's no tariff on them?

Sam Lyon

That's correct.

David Wright

Oh, great. Okay. Well, good. That's the end of the question then. Really good year-end level of detail, Brett. Thanks for the time you and the team put into preparing for the call.

Brett McBrayer

Thank you, David.

Operator

Once again, if you would like to ask a question, please press star and one.

Our next question comes from Dennis Scannell from Rutabaga Capital. Please go ahead with your question.

Dennis Scannell

Yes, great, good morning. A couple of things for me - to circle back to the U.K. plant, I'm kind of curious, what kind of rolls are they making - cast or forged, are they large diameter or small? And is that capacity that you're just going to walk away from, or can you replace it with your existing facilities? And then I've got a few other kind of follow-ups.

Sam Lyon

Yeah, Dennis, this is Sam. So they -- it's a cast roll facility, which primarily serves two product lines - hot mill work rolls and then static cast, mostly backup rolls or section mill rolls. So those are very large rolls that we make anywhere from 100 to 130 of those a year. And then the higher volume rolls are the work rolls, spun cast rolls. The spun cast rolls, a high percentage of those can be absorbed -- if we get to the point where we need to close, can be absorbed into our Sweden facility. The static cast backups, the majority of those are -- probably 70% of those would go away, 30% or so we could potentially convert to forged backup rolls.

Dennis Scannell

Okay. Okay. Interesting. And just out of curiosity, have you had discussions with customers on say the -- at least the portion -- that 30% that you probably couldn't absorb. I mean, any concern about customer relations, or are they concerned at all about their ability to meet their needs from other suppliers?

Sam Lyon

It's a mixed bag. We're having those conversations now because it's a public process when you go through this collective consultation process, and we are starting to have discussions with customers on 2026 business. So most of them are saying just keep us informed of what's going on, and as soon as you know something, please let us know. And most of our customers have multiple suppliers. So we're just trying to be as transparent and as clear as we can be so that we don't have the problem that you're talking about to adversely affect our customers.

Dennis Scannell

Yeah, got it. Okay. And then just -- the comparison to Sweden is really striking in terms of the costs are about double relative to what you're able to achieve in Sweden. And so is that due to labor, energy costs or the equipment is antiquated? I mean, anything that you can point to specifically that makes it so uneconomical?

Sam Lyon

Well, specifically, the energy is what's double, not -- or even sometimes it's even more. And we track it on a monthly basis. And the main issue is that the U.K. is a net importer of energy, and over the years -- a lot of Europe went away from their coal-fired power plants. They got rid of their natural gas storage and were very, very reliant, many of them, on Russia and the pipelines. And

Sweden is an energy exporter and has a lot of hydro, nuclear and other methods. So -- and it varies by month, but it's several thousand dollars a roll difference just in energy cost.

Dennis Scannell

Got it. I just misunderstood. You said [inaudible] not the total cost. Okay.

Sam Lyon

Correct, correct.

Dennis Scannell

And then looking at your North American business, can you guys talk about, at least on the roll side, percentage of your -- the rolls that are shipped to Canada versus in the U.S. and versus Mexico? Just kind of curious whether that's kind of how that mix works out.

Sam Lyon

Yes, we're roughly 50% -- like we're 55% typically domestic -- or North America and 45% Europe and others. The total business in the U.S. -- I'm sorry -- the total business overall cast and forged that we ship to Canada ranged from roughly \$4 million to \$10 million from '22 to '24 and \$13 million to \$15 million in Mexico. So the total is about \$25 million total business shipped to Mexico and Canada from our business. If you give me one second, I can look at forged versus cast; I have that information handy here.

Dennis Scannell

Yeah.

Sam Lyon

Here we go. So on the forged side, into Canada, roughly -- it was roughly about \$5 million. And then into Mexico on the forged side, roughly anywhere from \$7 million to \$10 million, Ternium being one of our larger customers in Canada. And then just to keep in perspective, I don't have the Mexico numbers, but -- Canada ships roughly 6 million tons into the U.S. out of a total demand of about 120 million tons, and then U.S. ships 3 million back. So it's not a big number. Mexico would be a little larger.

Dennis Scannell

Yeah. Right, right. Okay, good. No, that's helpful color. And then, let's see, I think we said \$12 million was spent in total on CapEx, and I may have missed this, but Mike, could you talk about what our plan is for 2025?

Sam Lyon

Our 2025 CapEx--

Mike McAuley

--Oh.

Sam Lyon

Something like that.

Mike McAuley

Yeah. It's -- Dennis, it's not going to be too different, but we do -- again, we do have some grant funding coming to help mitigate that down. So it's going to be kind of flattish.

Dennis Scannell

Yeah, no, that's good, that's good. So I would say, again, I would echo the previous caller's comment about a nice detailed report. But I have to say, and maybe this is the analyst in me, it's really helpful to get the 10-K beforehand. You actually have a lot of data on orders and backlog by product line in there that, again, is really nice to be able to review before these calls. So just speaking for myself, I would say the call is always more valuable to me after I've had a chance to go through the -- either your 10-Q or 10-K. I'd rather wait until Monday after I've had a chance to review it to listen to your conference call. Instead, I'll probably be scheduling a call with Mike next week to follow up on some other stuff. But -- so that's just one editorial comment, but it does look like nice trends and look forward to a strong 2025. Thank you.

Michael McAuley

Thanks, Dennis.

Brett McBrayer

Thank you.

CONCLUSION**Operator**

And ladies and gentlemen, at this time, in showing no additional questions, I'd like to turn the floor back over to Brett McBrayer for closing remarks.

Brett McBrayer

Thank you. I want to recognize the positive improvements made by our employees in 2024. Thank you for your hard work and focus on continuous improvement. I also want to thank our shareholders and board of directors for your continued support. Although I am encouraged by our progress, I remain dissatisfied with our results. We will continue to focus our full efforts on delivering significantly improved returns to our shareholders. Thanks again for joining our call.

Operator

And ladies and gentlemen, with that, we'll conclude today's conference call and presentation. We do thank you for joining. You may now disconnect your lines.