Brookfield Business Corporation – Q2 2026 Results Conference Call & Webcast
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Corporate Speakers:

- Anuj Ranjan; Brookfield Business Corporation; Chief Executive Officer
- Jaspreet Dehl; Brookfield Business Corporation; Chief Financial Officer
- Adrian Letts; Brookfield Business Corporation; Managing Partner
- Alan Fleming; Brookfield Business Corporation; Head of Investor Relations

Participants:

- Devin Dodge; BMO Capital Markets; Analyst
- Bart Dziarski; RBC Capital Markets; Analyst
- Bradley Hays; TD Cowen; Analyst
- Gary Ho; Desjardins Capital Markets; Analyst
- Jaeme Gloyn; National Bank; Analyst
- Scott Fletcher; CIBC; Analyst

PRESENTATION

Operator^ Welcome to the Brookfield Business Corporation's Second Quarter 2026 Results Conference Call and Webcast. The conference is being recorded. Now I'd like to turn the conference over to Alan Fleming, Head of Investor Relations. Please go ahead, Mr. Fleming.

Alan Fleming^ Thank you, Operator. And good morning. Before we begin, I'd like to remind you that in responding to questions and talking about our growth initiatives and our financial and operating performance, we may make forward-looking statements. These statements are subject to known and unknown risks, and future results may differ materially.

For further information on our known risk factors, I encourage you to review our filings with the securities regulators in Canada and the U.S. which will be available on our website.

We'll begin the call today with Anuj Ranjan, our Chief Executive Officer, who will provide an update on our strategic initiatives. Anuj will then turn the call over to Adrian Letts, Global Head of Business Operations, to talk more about a few of our recent acquisitions.

Jaspreet Dehl, our Chief Financial Officer, will finish with a review of our financial results for the quarter. After we conclude our prepared remarks, the team will be available to take your questions. With that, I'd like to now pass the call over to Anuj.

Anuj Ranjan^ Thanks, Alan, and good morning everyone. Thank you all for joining us on the call today. Halfway through the year, the value of our business continues to compound which is exactly what we set out to do.

Over the past six months, we generated $1.2 billion in proceeds from asset sales and distributions, including an agreement we reached last month to sell Multiplex for about $650 million. Multiplex marks one of the last significant legacy assets left on our balance sheet from the spin-out.

Over the past several years, we've monetized these assets and put that capital back to work in larger, higher-quality businesses that are more closely aligned with our long-term strategy of compounding capital.

Consistent with that strategy, during the quarter we also committed over $300 million to acquire two market-leading industrial and services businesses and closed our strategic investment in the OpenAI Deployment Company, or DeployCo, which I'll come back to in a moment.

Today our balance sheet is as strong as it has ever been. As our business continues to scale, we recognize the importance of having our shareholders participate in the value we generate when we sell or monetize assets.

Since we launched our buyback program early last year, on the back of our strong capital recycling activity, we have repurchased more than $300 million of our own shares at a nearly 50% discount to net asset value.

From the capital recycling activity during the quarter, we are allocating $150 million of proceeds to additional repurchases while our shares continue to trade at a meaningful discount to intrinsic value.

Stepping back, we created BBUC a decade ago to give public investors access to Brookfield's global private equity capabilities.

Since then, we have compounded net asset value per share at a mid-teens annual rate by applying the same playbook that we have refined over more than 25 years, buying high-quality, market-leading businesses, improving their operations and cash flows, and recycling capital when the time is right to reinvest and continue growing our business.

Today investors are placing a greater premium on resilience. The market used to pay up for businesses that could scale fast and is now paying up for businesses that can't be tipped over.

Businesses like ours, with hard-to-replicate assets and capabilities, critical customer relationships and durable cash flows are becoming more valuable. Against this backdrop, we continue to see attractive opportunities to deploy capital where our capabilities can create significant value.

In industrials, large conglomerates are simplifying their operations and divesting high-quality businesses that are no longer core to their strategies, creating a growing pipeline of attractive carve-outs. These transactions are often complex which can create opportunities to acquire excellent businesses at reasonable valuations.

Our experience executing carve-outs allows us to take on that complexity, improve performance, and unlock meaningful value.

Similarly, in essential services, many end markets remain fragmented with mission-critical providers benefiting from recurring demand and long-standing customer relationships, but lacking the scale, technology, or investment required to reach their full potential.

These conditions can allow us to acquire strong businesses with untapped potential, where our hands-on operating expertise can help build scale in fragmented markets and accelerate growth through focused investment and operational improvement.

Turning back to DeployCo, AI is allowing us to transform businesses faster than ever. This investment gives us access to leading models and world-class technical talent. Combined with the change management expertise of our operating teams, it allows us to accelerate the implementation of AI across our operations.

We have real momentum heading into the second half of the year as we continue to invest for growth, return more capital to shareholders and compound the value of our business. And with that, I'll turn it over to Adrian.

Adrian Letts^ Thank you Anuj, and good morning everyone. It's great to be joining you on the call today. As Anuj mentioned, we committed over $300 million to acquire two market-leading businesses, World Freight Company, or WFC, and Gregg Distributors.

Although they operate in different markets, both businesses have strong competitive positions, provide mission-critical products or services and benefit from recurring customer demand and offer multiple levers for operational improvement and growth.

I'll spend a few minutes discussing what attracted us to each business and where we see the opportunities to create value. Let me start with WFC, which is the world's largest general sales and service agent for the air freight industry.

WFC represents more than 300 airline customers across over 70 countries, helping them sell and manage cargo capacity in geographies where they lack commercial and operating capabilities. Managing cargo operations across international markets requires local expertise, strong relationships with freight forwarders, and on-the-ground execution.

For airlines, outsourcing this non-core activity to WFC enables them to grow cargo revenues while maintaining a flexible cost structure. WFC's leading global network allows it to provide airlines with a single partner across geographies, together with access to data, capacity and routing options that smaller operations cannot replicate.

WFC benefits from long-standing customer relationships and operates an asset-light model with attractive margins and strong cash conversion. Alongside those strong fundamentals, we also see a clear opportunity to create a more integrated operating platform. WFC has grown through a collection of regional brands and today operates with a relatively decentralized model.

Our focus will be expanding shared services, standardizing core processes and using automation and AI across high-volume workflows such as quoting, booking, customer service and invoicing to improve productivity. Technology should enhance rather than displace WFC's core service, which continues to depend on local relationships, physical execution and the management of complex time-sensitive cargo flows.

In addition to these operational improvement levers, we see an opportunity to accelerate WFC's acquisition strategy. The company has a proven track record of acquiring regional operators, integrating them into its network, and improving their performance. We believe WFC is well positioned to continue consolidating this fragmented market.

Turning to Gregg Distributors, Gregg is a leading maintenance, repair and operations distributor in Western Canada. The company supplies more than 150,000 SKUs including tools, safety equipment, industrial chemicals and fleet products to approximately 25,000 customers across a wide range of industries.

Gregg's products are generally low cost, but essential to keeping its customers' facilities and equipment operating. Because the cost of downtime often far exceeds the cost of the products themselves, customers place a premium on availability, speed, and service. Gregg's broad product offering, local branch network and high-touch service model enable it to provide same-day or next-day order fulfillment.

These capabilities have supported a strong long-term track record of organic growth, resilient margins and cash flow generation. Gregg has been founder-owned for several decades, and our immediate focus will be to manage the ownership and leadership transition carefully while preserving the culture and operating capabilities that have made the business successful.

We've identified a number of opportunities to position Gregg for its next phase of growth. These include strengthening its commercial capabilities, increasing share of wallet with existing customers, improving pricing discipline and using its purchasing scale more effectively across a large and fragmented supply base. We plan to support these initiatives with targeted investments in technology and operating systems while maintaining Gregg's customer-first approach.

We're excited to partner with both management teams and look forward to updating you on our progress in the quarters ahead. With that, I'll hand it over to Jaspreet for a review of our financials.

Jaspreet Dehl^ Thanks, Adrian and good morning everyone. We generated second quarter Adjusted EBITDA of $587 million compared to $591 million in the prior period.

Current year results reflect the impact of lower ownership in three businesses following the partial sale of our interests, and include $23 million of contributions from new acquisitions. Excluding the impact of acquisitions and dispositions, Adjusted EBITDA was up approximately 5% compared to the prior year. Adjusted EFO for the quarter was $289 million compared to $234 million in the prior period.

Current period Adjusted EFO included $40 million net gain primarily related to proceeds from the sale of securities during the quarter. Turning to segment performance, our industrial segment generated second quarter Adjusted EBITDA of $323 million compared to $305 million last year.

On a same-store basis, Adjusted EBITDA increased 6% over the prior year. Performance at Clarios, our advanced energy storage operation, was supported by ongoing commercial actions and growing demand for higher-margin advanced batteries.

Strong cash generation enabled the business to repay $500 million of debt during the quarter, further strengthening its balance sheet while accelerating its multibillion-dollar U.S. investment program. Adjusted EBITDA in our engineered components manufacturer increased approximately 5% on a same-store basis, benefiting from cost optimization and strong commercial execution which more than offset the impact of soft end-market conditions.

In April, the business refinanced its capital structure, extending maturities of its borrowings by approximately three years which will provide added flexibility to manage through an eventual recovery in end-market demand.

Moving to our Business Services segment. We generated second quarter Adjusted EBITDA of $204 million compared to $205 million last year.

On a same-store basis, Adjusted EBITDA increased by 6% over the prior year. Results included resilient performance at our residential mortgage insurer which continues to benefit from the durability of first-time homebuyers' demand despite a weaker overall Canadian housing market.

Higher losses on claims during the quarter reflect the impact of reserve strengthening, which represented approximately a third of the reported loss ratio. Performance at our dealer software and technology services operation was supported by contractual annual price increases, continued cross-sell and up-sell activity and cost optimization initiatives which are offsetting the impact of elevated churn.

Finally, our Infrastructure Services segment generated second quarter Adjusted EBITDA of $96 million compared to $109 million last year. Current year results reflect the impact of a partial sale of a work access services operation completed in July 2025.

Performance at both our Modular Building Leasing Services operation and Work Access Services business was stable during the quarter. Results at our lottery services operation included the impact of a contract penalty payment at a joint venture and increased investment spend, more than offsetting revenue growth.

We're accelerating strategic initiatives to expand cross-sell and up-sell opportunities with existing customers and executing on a strong pipeline of new commercial opportunities.

Turning to our balance sheet and capital allocation priorities. We ended the quarter with approximately $2.8 billion of pro forma liquidity at the corporate level including the fair value of units we received in exchange for the sale of partial interests in three businesses last year.

We repurchased approximately $50 million of our shares during the quarter and will renew our NCIB in the next few weeks.

As Anuj mentioned, we intend to be active under the program if our shares continue to trade at a meaningful discount to intrinsic value. With that, I'd like to close our prepared remarks and turn the call back to the operator for questions.

QUESTIONS AND ANSWERS

Operator^ Our first question comes from the line of Devin Dodge with BMO Capital Markets.

Devin Dodge^ I wanted to start with a question on CDK, and apologies in advance, it's a bit of a long one. But the debt has been trading at, we'll say, kind of distressed levels here.

I think it was put on negative watch by at least one of the credit rating agencies. And I think there were some media reports earlier this month about negotiations with lenders. So I think we all recognize that there are some moving parts with CDK, like technology upgrades, churn, litigation, et cetera.

But wondering if you can provide an update on how the underlying business is performing, how we should think about the sustainability of the current capital structure, and if we should expect Brookfield to need to put in additional capital into the business to reinforce the balance sheet.

Jaspreet Dehl^ Devin, it's Jaspreet. Maybe I'll start and then Adrian or Anuj can comment. So first, I'd say you said this, so we can't really comment on media reports related to discussions with the lenders or others.

But what I can tell you is that we definitely continue to believe that CDK is a strong business. Overall business performance, as you would have seen from the results, continues to be stable.

The team is quite focused on the modernization initiatives and is continuing to progress that, which will enhance the overall product capabilities. And that will support retention, help us manage the elevated churn. The liquidity profile in the business is quite strong, and the business has generated positive operating cash flows over the last 12 months.

So as you know with all of our businesses, and we talked about the fact that we extended the maturities at DexKo, we did a refinancing/repricing at Chemelex, like we're constantly evaluating opportunities to optimize the capital structures of our companies. So I think that's really an overview of where the business is at.

Devin Dodge^ Okay thanks, Jaspreet. Okay, maybe just switching gears, Scientific Games. I'm not sure who wants to take this, it might be Adrian. But it's been about, I think, 12, 18 months since the business was realigned with a dedicated management team for the digital business.

I'm not sure if this is related to that increased investment spending that weighed on earnings in Q2, but can you provide an update on that restructuring and when you expect to see those benefits show up in the earnings of the broader platform?

Adrian Letts^ So if you focus, I think some of the elevated spend that you are talking to does refer to investment. A lot of that investment, though, is around data and analytics.

We're continuing to pursue growth in the digital business, and we are seeing some positive signs. There are still some discussions going on with some of the licensors as to how we will implement that. But we still remain positive that it is a big opportunity for the business.

Operator^ Our next question comes from the line of Bart Dziarski with RBC Capital Markets.

Bart Dziarski^ I wanted to ask on Sagen. So we saw the loss ratio ticking up again this quarter to 17%. I know that's at the midpoint of the long-term pricing, 15% to 20%, but could you maybe dive into a bit more details as to the trend that's driving that and also what we should expect for the core loss ratio going forward?

Jaspreet Dehl^ It's Jaspreet again. So look, I'd say if I just step back, overall underwriting activity at Sagen still continues to be quite strong. There's good demand for mortgage insurance.

Now the overall addressable market for the business is larger today than it was when we bought it, and it's a function of two things. The regulatory changes that increased the amortization period to 30 years for insured mortgages as well as the increase in the cap on home prices from $1 million to $1.5 million.

The top-line revenue underwriting demand is there, the TAM is higher, and we're seeing growth. The loss ratios, just to your question have gone up and they're ticking towards the more normalized levels which, we always anticipated that the business would get to. If you look back, the long-term average of loss ratios are more in that 15% to 25%.

Now since our acquisition, we've been in a very low loss ratio environment, but that was never sustainable over the long term. And look, I'd say what's driving that was the appreciation we saw in home prices, and now we've seen home prices come down and start to normalize, which has resulted in higher claims and lower cure rates in the business.

What I'd say in terms of expectations as we're looking forward, the 15% to 25% is where we think the business will stabilize long term, and that's what we should expect. The team is constantly looking at where the expected lifetime loss is tracking for the entire book.

They look at the expected lifetime loss by vintage and then overall for the business. If you look at where we are now, that's where we're expecting the long-term average to be for the books that we've underwritten.

I think where we are now is where you can expect losses to continue to trend in the short term. The cure rates that we had seen historically, which really refers to people being able to cure out of a delinquent mortgage, that has gone down. So people aren't able to cure as much as they were able to before. And that's a function of the fact that they don't have as much equity because of the depreciation in home prices.

What we are seeing is a level of stabilization in home prices, where a lot of the markets are moving more into balanced markets as opposed to buyers' markets. So hopefully that signals some stabilization and overall depreciation which should also support the cure rates not deteriorating further.

But I'd say overall, based on what the team is seeing and the expected lifetime ratios, it's tracking to where we are this quarter. So, I think you should expect that loss ratios will trend towards the historical averages.

Bart Dziarski^ Got it. That's very helpful. And then just wanted to ask on the Brookfield Evergreen Fund, BPE, so fair value of the remaining units is just south of $500 million. Maybe walk us through the fundraising momentum that you're seeing that's driving those repayments? And then should we expect that to be largely paid down by -- I think we have until April '27. Would love your thoughts there.

Anuj Ranjan^ Yes. Sure. It's Anuj here. I'll take that one. So first is we launched BPE, we purposely launched first on Canadian platforms.

We've now been distributing as well on an American platform and continue to add more U.S. platforms and are in the early stages of working on and getting on some international platforms.

What I would say is for the platforms we are on or we are distributing, fundraising is going well and we are punching above our weight. And so, the story is resonating, banks like the story, the clients like the story, I'd say the product works. We are adding platforms as we go, and it does take time to get fully active and live on these platforms.

And so that's why it's taking probably a bit longer, but it is happening and the story is working. And we're very confident in the overall total fundraising that we'll achieve from these channels.

Of course, as and when it gets redeemed, within that 18-month period, we get the cash flow in BBUC. But we own these businesses, we're happy with these businesses, and we're happy with the continuing compounding of the value of these assets.

Post that 18-month period, that discount would go away and that actually is over a long-term framework also positive for BBUC, so we're still very happy overall with the mechanism as it continues to work its way through some of these distribution channels.

Operator^ Our next question comes from the line of Bill Katz with TD Cowen.

Bradley Hays^ It's Bradley Hays on for Bill Katz. On DeployCo, at announcement, the expectation was around $150 million in investment, but this quarter it was announced at about $100 million. Was that a downsize or perhaps co-invest or maybe a future tranche? And maybe an update around how you're thinking about the impact across the platform?

Jaspreet Dehl^ Sure, I can start and then Anuj can maybe answer the second part of your question. So we'd originally committed up to $150 million into DeployCo. And look, it's a great investment and we've got a guaranteed return within our targeted range of returns.

But the bigger reason for making this investment was more strategic and the strategic value of the partnership. And we achieved that, whether we have a $100 million investment or $150 million, and we had very strong demand from our institutional partners on this.

We ended up syndicating some of our investment down. And the $100 million is a reasonable investment for us. And it gives us the strategic advantage that we get from being part of DeployCo.

So that's why we were comfortable at $100 million. Maybe I'll pass it on to Anuj to answer the second part of the question.

Anuj Ranjan^ On actual opportunities we see within the portfolio or the strategic benefits of this investment. It's going very well so far.

So we have noticed a long time ago, and I think continue to realize that the real bottleneck in true industry is not just technology, but actually more so deployment of that technology at scale, which is why we liked investing in this business so much.

Having a great working relationship with OpenAI, having access to the talent that is actually quite limited out there to actually deploy these solutions in a customized fashion in true industrial and heavy asset-oriented businesses. That's been really, really valuable.

And broadly, I'd say as Brookfield in our AI value creation office, we're seeing thousands of true use cases across the business, hundreds of millions of dollars of run rate cost savings if we can use the technology appropriately, and we've been making a lot of progress across this portfolio.

So OpenAI remains a great partner. The DeployCo opportunity is, we think, going to add real value to our portfolio. It's still early, but we're seeing the benefits already in terms of engagement and getting them in front of our portfolio companies.

Bradley Hays^ Very helpful. And so, given you're now at around $2.8 billion in pro forma liquidity, how are you thinking about using some of the proceeds from recycling and maybe a little color on the cadence of the buyback?

Anuj Ranjan^ Yes. I'll start and then happy for Jaspreet or Adrian to chime in. So, our business, it's always been about investing in great companies, improving their operations and cash flows, and at the right time monetizing those companies and recycling those proceeds.

And we always look to do what's best for shareholders, which has been a balanced combination of investing in growth, deleveraging, and returning capital to shareholders. We, at the end of the day, want to share the success of these monetizations with shareholders. And to be honest, at the current stock price, buybacks make a ton of sense.

And as you can see, since early last year, we've managed to buy back $300 million which was at a 50% discount to NAV. And that's enormously accretive for the business. And so, look, at this stock price, at this level, buying back continues to be one of the best uses for our capital. And as you rightly said, we've managed to generate quite a bit of liquidity recently, so we'll continue to pursue that strategy.

Operator^ Our next question comes from the line of Gary Ho with Desjardins Capital Markets.

Gary Ho^ Adrian, great to have you on the call. You mentioned some of the rationale for the two recent investments and the playbook.

World Freight and integrated platform, more decentralized now. Is there a margin expansion target that you're contemplating? And then for Gregg Distributors, increased share of client wallet and pricing.

Maybe you can elaborate on these expectations for top-line or EBITDA growth over the coming years. And if you wouldn't mind sharing the transaction valuation multiples, that would be helpful as well.

Adrian Letts^ So let me start and then I'll hand it over to Jaspreet. Look, there is a tremendous opportunity with this business. I talked about it in my opening remarks.

It has been largely decentralized, and we do think the back-office processes of this business, there's plenty of opportunity to consolidate those, leverage technology including AI, to improve the speed and efficiency which we think gives the business long-term momentum around margin expansion.

From a top-line perspective, there is continued opportunity for organic growth. The relationships that we have are strong and deep, but we can continue to expand those. And then there is an incremental opportunity for acquisition. We remain very positive on the outlook for the business and think this is a fantastic opportunity.

Gary Ho^ Yes. And any color on the multiple?

Jaspreet Dehl^ I can answer. I don't know exactly, Gary, but off the top of my head, typically the businesses that we're buying are in that nine to 10 times range. And both of these businesses were around that, between nine to 11, call it, so on average about 10 times is what we've been buying.

And both Gregg and WFC are in that range. And as you know, with our operational improvement and the plans that we have for these businesses, our goal is always to buy down that going-in multiple. But I think the right way to think about it is in that nine to 11 times range, on average, about 10x.

Gary Ho^ Okay, perfect. And then my second question, capital allocation. So good to see some monetization, Multiplex, Altera, La Trobe. How's the capital recycling pipeline look in the second half? I know the IPO market's been fairly strong this year, any potential there that you're looking at?

Jaspreet Dehl^ So Gary, last year we had indicated at Investor Day that we were targeting $2 billion of capital recycling proceeds over a 24-month period. And we're less than a year into that target period, and we've generated about $1.2 billion already.

So we feel really good about the target that we have and being able to meet, or potentially exceed that. And I'd say we're well on our way there. Look, the IPO markets seem healthy, but we've shown now a track record of being able to monetize and recycle capital, even when the environment is difficult.

So we've got a number of businesses, some of the larger ones that we've talked about before, BRK Ambiental and others, and then a number of our smaller businesses that just in the normal course, there's always a few businesses that we're monetizing.

There's lots of things that we're progressing, but I'd say overall, we feel really good about meeting that target that we put out last year.

Operator^ Our next question comes from the line of Jaeme Gloyn with National Bank.

Jaeme Gloyn^ A quick one. Just on the gains on disposition of securities reported in the industrials EFO number. Can you just shed a little bit more light on where that came from? I thought broader securities portfolio had mostly been depleted, but maybe you can just sort of refresh that gain and if we could expect something down the road.

Jaspreet Dehl^ Yes. It's Jaspreet. It was a holdback of one of the larger monetizations that we had done, and there was a payout period, so we got that payment back. We're not currently holding a broad portfolio of securities of public equities, if that's what you're asking. This is more of a private security where we had a leftover ownership share, which is where we got the cash this quarter.

Jaeme Gloyn^ Okay. Understood. And then just on DexKo, it seems like some of the cost optimization has flowed through and benefited the business. Is there more on that front? Or has that part of the strategy run its course and it's just waiting for the end markets to improve? And if you could make a comment on those end markets.

Adrian Letts^ Yes. It's Adrian. So look, DexKo continues to outperform the market, as you say, in a softer volume environment, and the margin improvements are strong and the cost optimization initiatives more than offset any weakness in those end markets. And the guys have done a really good job and we continue to see opportunities.

In terms of the outlook, I think, look, you've got to look through next year to start to see the market start to normalize. But we continue to remain confident in the business and management's ability to navigate that.

Jaeme Gloyn^ And sorry, was the cost optimization mostly done? Or is there more strings to pull on that?

Adrian Letts^ I think there's more that the business can do, and we'll continue to look for opportunities. AI presented a big opportunity for this business, we've just done a full assessment. And we think there's some real areas within the business to go after.

Operator^ Our next question comes from the line of Scott Fletcher with CIBC.

Scott Fletcher^ It sounds like there's a lot of optimism on the AI programs across Brookfield. But I was wondering if you could share some examples specific to BBUC and what some of those initiatives have looked like recently in the portfolio where you're getting some traction on AI deployment.

Adrian Letts^ Look, I think a really good example is what we've done within Clarios. We've taken a look at the business overall; all the end-to-end business processes.

We've installed sensors across the machine park which gives us a much better understanding of machine cycle times and maintenance schedules, which has allowed us a huge opportunity to improve that from an efficiency standpoint.

It also allowed us better planning and better ability to respond to the end markets. The other thing that we've done a lot of work on is understanding requirements for batteries in terms of levels of inventory and the demand signals associated with that. And that has helped us greatly in terms of managing inventory across the business. There are other examples across the business.

I talked about the opportunities we see in WFC, the opportunities that we see in things like Gregg as you start to implement the processing and back-office optimization. In Brand and Modulaire, we're also looking at opportunities to leverage AI to improve their business processes.

Jaspreet Dehl^ Maybe I can give you one more example. At Chemelex, which is our manufacturer of electric heat tracing technology, the team was recently walking us through this where they implemented machine learning sensors that monitor temperature and humidity and other production factors in the manufacturing facility. And they are training AI models that determine what the optimal polymer blending setting should be based on the ambient plant conditions.

And what this does is it eliminates a lot of the manual trial and error steps that they used to use previously. And the end result is that you're reducing yield loss and production variability. So that's an example of something that they've done recently where they've redesigned the core operational process or workflow with the use of AI.

Operator^ And I'm showing no further questions. So with that, I'll hand the call back over to CEO, Anuj Ranjan for closing remarks.

Anuj Ranjan^ Thank you for joining us this quarter. And look forward to speaking again next quarter.

Operator^ Ladies and gentlemen, thank you for participating. This does conclude today's program. And you may now disconnect.