

BluMetric Environmental Inc.

Second Quarter 2025 Conference Call

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PRESENTATION

Operator

Good morning, ladies and gentlemen, and welcome to the BluMetric Environmental Inc. Second Quarter 2025 Conference Call. At this time, all lines are in a listen-only mode. Following the presentation, we will conduct a question-and-answer session. If anyone has any difficulties hearing the conference, please press star zero for operator assistance at any time.

I would now like to turn the conference over to Brandon Chow, Investor Relations. Please go ahead.

Brandon Chow — Principal & Founder, Panolia Investor Relations Inc.

Thank you, operator. Welcome, everyone, to BluMetric Environmental's quarterly earnings conference call. This call will cover BluMetric's financial and operating results for the 2025 second fiscal quarter ended March 31, 2025. Following our prepared remarks, we will open the conference call to a Q&A session. Our call today will be led by Scott MacFabe, BluMetric's CEO, and Dan Hilton, the Company's CFO.

Before we begin with our formal remarks, I would like to remind everyone that some of the statements on this conference call may be forward-looking statements. Forward-looking statements may include, but are not necessarily limited to, financial projections or other statements of the Company's plans, objectives, expectations, or intentions. These matters involve certain risks and uncertainties. The Company's actual results may differ significantly from those projected or suggested in

any forward-looking statements due to a variety of factors, which are discussed in detail in our regulatory filings.

There may also be references to non-IFRS measures such as EBITDA, backlog, working capital, free cash flow, and net cash. These non-IFRS measures are not recognized measures under the International Financial Reporting Standards and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Please see our disclosures for further information and reconciliations of these non-IFRS measures.

I will now hand over the call to Scott MacFabe. Please go ahead, Scott.

Scott MacFabe — Chief Executive Officer, BluMetric Environmental Inc.

Thank you, Brandon, for the introduction. Welcome, everybody, to our second quarter 2025 earnings call for BluMetric Environmental. We appreciate all of you taking the time to join us on today's conference call and, as per usual, I'll start off by providing an overview of the quarter and Dan will go over all of our financial details in more detail.

Firstly, I'd like to start off by giving those who are new to the story a reminder of what we do. BluMetric creates a better environment for business. And what does that mean? Well, BluMetric is a full-service engineering WaterTech and environmental consulting firm focusing on agile water and wastewater systems and professional services. Through a track record that spans over 45 years, we've evolved into a full-service integrator of environmental solutions in the fields of water and wastewater

treatment and professional environmental services. We aspire to be the environmental solutions and WaterTech company of choice globally.

Also, I'd like to provide a quick update on nomenclature, as we concluded a reorganization of Professional Services and Leadership Summit within the fiscal quarter. Firstly, our two business segments are WaterTech and Professional Services, which is now being presented separately in the financial statements. Within WaterTech we have WaterTech Canada and WaterTech USA. WaterTech Canada encompasses our manufacturing in Carp, Ontario and builds the military mission-ready water systems and services and support for those products. For WaterTech USA, it encompasses Gemini Water, who has a manufacturing footprint in Gainesville, Florida, and sales and services, stationary desalination and wastewater treatment systems to customers in the Caribbean and the USA.

Now let's discuss this quarter in a little more detail. The quarter saw a significant increase in revenues due primarily to additional growth in revenues of WaterTech USA. We continue to see strong demand for fixed-based desal systems in the Caribbean region, which is where we continue to execute. There are other opportunities emerging in wastewater treatment as well. As we discussed in our last call, we've signed the lease for a new manufacturing facility in Gainesville, Florida, and as of today we're completely now operational and working to deliver products at the new location. This is a testament to the level of investment we've made into the business and its accelerated integration, resulting in doubling of their scale. We're also working to potentially enter new markets and partnerships that we think will give us access to complementary technologies and applications that would otherwise be out of reach. At BluMetric, it all comes down to our people, and we're excited to hit the ground running with

our key hires for WaterTech USA who will work on augmenting sales, streamlining product delivery, and establish more significant operations and maintenance capabilities.

We know that our WaterTech USA business has been getting a lot of attention lately and we're also seeing good progress in our military market. As you've seen, we've received the official notice to proceed with the Rheinmetall Canada contract to start production for our new ASUWPS systems. These are to support increasing production demands. In order to do so, we've signed a lease for a new 9,000 square foot facility in Carp, Ontario, just down the street from our existing 11,000 square foot site. These investments will be important to ensure we can deliver on the partnership and give us more capacity to service the contract renewals from the Canadian Department of National Defence. We continue to be patient with securing contracts with the military market, as it has taken longer than expected to bring them in. There continues to be a strong emphasis for Canada and other countries to spend more on their military and hopefully this added pressure helps expedite these developments. We believe that our success in this market will hinge on our continued ability to form key relationships within the main target markets in Canada, Europe, and the United States. These are all areas we feel relationships are deepening and we've had activity recently submitted relative to proposals for our systems.

As for professional services, we saw project delays, mainly due to the prorogation of the Canadian federal government and subsequent federal election. This had the most significant impact on our government market, which was down 34% in our revenues from the same quarter in the prior year. This led to an increase in non-billable labour and consequently lower utilization, lessening our profitability. We believe that this will improve now that the election is over and the second half of the

fiscal year is seasonally our strongest period for professional services. We also are investing into infrastructure market and personnel gaps to drive future potential growth. EBITDA for the quarter improved slightly, which was offset by the extra costs associated with the lower utilization in professional services. Our success in the coming quarters will be predicated on our ability to deliver on our record order book, strive for manufacturing excellence, and improve the growth and profitability of professional services.

In conclusion, the remaining half of fiscal 2025 continues to be critical for execution and efforts to drive excellence in sales, business development, and manufacturing as we're supported by all these developments and partnerships. We believe demand is strong for our WaterTech and continue to make strategic investments in our capacity, service capabilities, and sales and business development efforts. We're a unique company with our combination of leading WaterTech, which is benefiting from the growing demand for resilient and decentralized water solutions that continue to build our position.

I'd like now to hand it over to Dan for a more detailed overview of the financials. Dan, please go ahead.

Dan Hilton — Chief Financial Officer, BluMetric Environmental Inc.

Thank you, Scott. Just as an aside, I've dropped off a couple of times. We have a call or a storm coming through, Scott, so if I do drop off again, please continue on my behalf, if you don't mind.

I will be presenting BluMetric's 2025 fiscal second quarter results in more detail.

Revenue for the second fiscal quarter was \$15.9 million compared to \$7.1 million in the prior year. As Scott mentioned, the revenues increased primarily to the rapid growth of WaterTech USA, which has surpassed our original expectations. The investment in additional and improved consolidated manufacturing space, coupled with key new hires, will allow this group to maintain growth capacity for its current products and enable the establishment of an operational and maintenance team to capitalize on the strength of our existing customer relationships in the region.

Across the Company's key markets, the commercial and industrial market revenue increased year over year, mainly due to WaterTech USA. The government market, traditionally our strongest, saw a material decrease due to a pause in spending by the Canadian government's prorogation and election cycle. 2025 revenues are \$1 million lighter than the same period in 2024. This has resulted in a temporary utilization gap with Q2 2025 utilization in the professional services practice sitting 6% lower than the same period in 2024. Management believes that with the election behind us and the resumption of parliament that contracts will be awarded shortly and utilization will return to its historic levels. This, coupled with the fact that we are heading into our traditionally busiest cycle, provides an expectation for a strong recovery in this business segment. May has already shown a 3% increase in utilization. And for every 1% utilization in this segment, we can expect approximately \$120,000 impact to EBITDA. The military market increased due to the timing of the maintenance of the ROWPU units for the Canadian military. It is important to note, the production of the ASUWP systems with Rheinmetall Canada have started in fiscal Q3 and will continue for approximately six quarters. Lastly, the mining sector has decreased slightly due to a general sector slowdown. We generally expect to see fluctuations in our core markets as we continue to execute and some will make up for others depending on the

quarter. Having a strong presence in our four markets helps to manage these natural fluctuations in the business.

Our gross margin was 27% for the fiscal quarter compared to 43% in the prior year. The decrease in gross margin is attributable to the change in sales mix, where there has been a material increase in the relative sales of WaterTech over professional services during the period.

Operating expenses for the fiscal quarter came in at \$4.3 million compared to \$2.9 million in the prior year. The increase is due to the operating expenses attributable to Gemini, which are proportionately lower than the accretive revenue growth, producing economies of scale. This is also combined with the increase in non-billable labour in professional services due to the timing of contracts and a softening of the market caused by macroeconomic drivers related to the recent changes in the government in Canada.

EBITDA for the fiscal quarter increased to \$0.6 million compared to \$0.5 million in the prior year. The increase in EBITDA is mainly due to the strengthening in the WaterTech segment as a result of higher revenue recognition associated with the delivery of hardware on larger Gemini projects with minimal associated increase to operating expenses. This was offset by an increase in the overall operating costs related to underutilization of professional services, primarily tied to the delay in the awarding of government contracts related to the federal election. Early indicators are already suggesting an improvement in utilization in fiscal Q3.

A net loss of \$60,000 was recorded for the fiscal quarter compared to net earnings of \$117,000 in the prior year. On March 31, 2025, BluMetric has a net cash balance of \$2.2 million compared to a net

debt balance of \$157,000 at September 30, 2024. As at March 31, 2025, the Company had approximately \$6.3 million in cash availability between its operating line and cash balances and was not bound by any debt covenants.

Overall, 2025 is shaping up to be a transformative year for the Company as we start to see some of our investments paying off. We need to continue our momentum in WaterTech while not forgetting about professional services, where strategic investments are needed and being made. Our production capacities in Canada and the United States are increasing nicely and can support new contracts for WaterTech. Our new ERP system initiatives, along with others, are going well and are expected to be completed this calendar year. These developments will help ensure that better decisions can be made by our front line and strengthening our infrastructure for the long term for client success and an improved bottom line. We are world-class environmental consulting and water technologies delivered by world-class people who do meaningful work every day. We continue to believe that 2025 is an inflection point for the business; water is ever scarcer and the environmental concerns of our clients continue to require our world-class assistance.

I'd like to thank everyone for taking the time to allow us to present our results today and now hand it back over to Scott.

Scott MacFabe — Chief Executive Officer, BluMetric Environmental Inc.

Thank you, Dan. That was a great update and I echo the excitement surrounded around the opportunities that lie ahead of us this year. We'll now take questions from call participants and we'll pass it back over to the operator.

Q & A

Operator

Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. Should you have a question, please press the star followed by the one on your touchtone phone. Should you wish to cancel your request, please press the star followed by the two. If you are using a speakerphone, please lift the handset before pressing any keys. Once again, that is star one should you wish to ask a question.

Your first question is from Steve Kammermayer from Clarus Securities. Your line is now open.

Steve Kammermayer — Analyst, Clarus Securities

Good morning, guys. I just wanted to explore the EBITDA margins here. If I calculated right, the impact from the government was about \$1 million in revenue and then 1% is about \$120,000 impact to EBITDA. Is it fair to say that you lost about \$400,000 in EBITDA in the quarter due to the shutdown of the Canadian government?

Dan Hilton — Chief Financial Officer, BluMetric Environmental Inc.

Yes, that's correct. So what happens, you know, you imagine a business like ours, professional services obviously, and has historically been core, and we've got a fantastic talented pool of people, so when we get into situations like this where there's some fluctuation in demand, for whatever the reason, decisions have to get made as to whether it's better to carry those costs and ride out the storm. And in this case we've seen early indications now that the market is turning, the government

procurement system is starting to release contracts, so we're excited to see that. May has already suggested a 3% improvement in utilization, implying that we're starting to see some of these contracts hit our books. And your math is correct, it's about \$400,000 to \$450,000 is the impact of carrying the additional cost during that quarter, and we believe now the question is going to be whether or not we can make up that difference over the balance of the year. But certainly—

Scott MacFabe — Chief Executive Officer, BluMetric Environmental Inc.

Sorry, it sounds like the storm might have rolled through on Dan. Dan, are you there?

Dan Hilton — Chief Financial Officer, BluMetric Environmental Inc.

Oh, I'm sorry if you can't hear me. Did I cut out?

Scott MacFabe — Chief Executive Officer, BluMetric Environmental Inc.

Yeah, there you go. You're back.

Dan Hilton — Chief Financial Officer, BluMetric Environmental Inc.

I'm sorry, I'm not sure where I cut out, but I would agree with your math, Steve, it's \$400,000 to \$450,000 type range. We're carrying those additional costs. And business in our professional services space, a big investment is our people, and we don't want to lose those people so we're glad to see that the government mechanism for procurement is starting to release these contracts. And so we'll keep a close eye on that, but hopefully a temporary situation that's now in recovery.

Steve Kammermayer — Analyst, Clarus Securities

Okay. No, that's very helpful. Thanks. And then I know you don't give guidance here, but we're looking at the Rheinmetall contract ramping up here through your fiscal Q3, the St. Kitts contract seems to be humming along as well. How do you see the back half of the year playing out margin-wise? Obviously, they got a little bit depressed here in fiscal Q2. Do you expect them to expand close to historical margins, I guess?

Dan Hilton — Chief Financial Officer, BluMetric Environmental Inc.

Certainly the sales mix impacts the margin and WaterTech does have a slightly lower margin than professional services. That being said, I would suggest that, overall, we do expect to see an increase in margin with professional services now coming into our busiest cycle during the year. Q3 and Q4 are typically when we have the highest number of professionals deployed out in the field and doing work for our clients. That will certainly boost margin. The St. Kitts project, which is quite large, as you mentioned, all of the equipment has been procured and moved on site, so we're now entering a phase that requires human intervention, the hookups, the fittings, the deployment of that system, and so those margins will be a little bit higher rather than the margins we've get particularly on the resale of equipment. And then the Rheinmetall project, it does have good margins baked into it.

So I think we'll see generally an improvement in margin. I'm not sure we'll get back to the same level of margin that we had historically, just because we have so much WaterTech, but certainly much higher than Q2. And our expectations are to achieve a 10% EBITDA at \$100 million top line. That's what

we're growing towards. We do think that the benefits of some of these economies of scales that we're realizing as we grow will continue to fall to the bottom line and that's our target at \$100 million top line.

Steve Kammermayer — Analyst, Clarus Securities

Okay. No, that's very helpful. Thank you. Maybe just one more, if I can. Just on the St. Kitts contract, you mentioned most of the equipment's in place and we're just sort of putting it together now and installing it. How much is left on that contract, both monetarily and time-wise, and then what's the plan to replace that? Is there a backlog already lined up to get in there or do you need to get some more contracts to replace that?

Dan Hilton — Chief Financial Officer, BluMetric Environmental Inc.

A couple of interesting questions there. Certainly the recognition of revenue has been fairly consistent. It's burning at about \$1 million a month, approximately, that one specific project, so we would anticipate still \$3 million to \$4 million to get recognized on that project over the coming months. It goes live at the end of August/early September.

In terms of backfilling, we had historically at Gemini not had a strong sales and marketing arm. Most of the revenues or contracts came in by word of mouth. That continues to be the case and they're getting regular calls. We're at a run rate now from the backlog perspective about US\$1.5 million per month, which would see us consistently kind of close to \$20 million for the year. We recently did invest in a couple, two, I would say, strategic hires within that organization, one on the sales side, so that we are no longer dependent on the general manager to take advantage of his relationships and network as

the full means for generating revenue. So we now have started just recently to have some outward marketing initiatives and we think those will certainly pay off.

There's a number of islands in the region that have taken note of the work that we've done in St. Kitts and we've got a number of requests to bid on similar-sized projects, so hopefully some of those will materialize. In addition, earlier this week we had a new hire who is an individual that moved his family from Australia to help us develop an operations and maintenance program, which that organization has never had. In Canada, in our WaterTech group, we do a lot of field service rep maintenance-type work. It's good, sticky revenue, high-margin revenue. We're just introducing that concept now into WaterTech in the States and we have a leader for that group. And so there's a number of projects that we're looking to try and, I guess, capitalize on where we've got clients, existing customers, who have asked us to take on long-term O&M contracts, and so we hope to be in a position to announce those shortly.

To the broader question, can we replace the revenue from St. Kitts? I believe we absolutely can. I think we're seeing some indicators suggesting there's continued strong demand in the marketplace. And then in addition to that, we plan on laying on top on operations and maintenance practice that I think will be lucrative in the long term.

Steve Kammermayer — Analyst, Clarus Securities

Okay. No, that's great. While I've got you, maybe just one more on that O&M. What's the opportunity there? Is there a contract? Is there a term limit? Or what do you expect the revenue opportunity versus capital costs on that operations and maintenance business?

Dan Hilton — Chief Financial Officer, BluMetric Environmental Inc.

We'll have to see how it plays out, but historically, if we use our Canadian experience, about 15% of the cost of the equipment we have been able to roll into an O&M contract on an annual basis. So, over the life of a piece of equipment, the O&M contract, it's far more lucrative than the actual sale itself. But on an annual basis, as an example, just to make the numbers easy, if we had a \$1 million piece of equipment that was deployed, we would expect something in the order of \$150,000 per year as an operational maintenance contract to ensure that equipment runs smoothly. So, as our bank of equipment that we've deployed becomes larger and larger, we're constantly layering on that recurring revenue stream. And it does tend to be sticky.

None of our clients want to be operating the equipment that we're installing. That's not the nature of their business. One example, we have a very large cruise line in the US that has seven private islands. They're in the business of creating experiences for people not managing water and so they've approached us with an opportunity to take over the operations and management of all seven islands. In that particular case, the contract value is a few million dollars. It's quite large. We've not negotiated the final price yet, so I wouldn't want to lead the market, but it's a material aspect to the business that I think will continue to grow over time and it creates a very steady revenue flow.

Steve Kammermayer — Analyst, Clarus Securities

Okay. That's great, guys. I appreciate the time. Thanks. That's all I had.

Dan Hilton — Chief Financial Officer, BluMetric Environmental Inc.

Thanks, Steve.

Operator

Thank you. Your next question is from Kirk Wilson from Beacon Securities. Your line is now open.

Kirk Wilson — Analyst, Beacon Securities

Good morning, gentlemen, and great to see continued upward trend in revenue in the quarter, so that was great. Just quickly, you guys ended the quarter with net cash of \$2.2 million. You're in a growth phase here, both in Canada and down in the US at Gainesville. Do you need to use some of that cash to build out their facilities at Carp and down at Gainesville?

Scott MacFabe — Chief Executive Officer, BluMetric Environmental Inc.

Let me start with, ah, both of those locations, the increased capacity results in increased revenue, so the necessity to invest is really to accommodate a higher run rate, so I want to say they pay for themselves. But there is an element of initial investment certainly to get things started and rolling and I think that's part of our story. When you look at how things have evolved with Gemini, they went from 10,000 square foot facility to 25,000 square feet. We've doubled the business in seven months staff-wise, even more so on footprint, and the footprint can accommodate a \$30 million run rate on an annual basis. And so we look at it as cost benefit. And we're pretty frugal with our investments. I mean we understand that there's a necessary attention to EBITDA, we have the very same attention, but at

the same time we do have to, along the way, make some strategic investments. But as we say, it's one foot on the break one foot on the gas constantly to make sure that we're driving this thing efficiently and managing our available cash as well very strategically.

Kirk Wilson — Analyst, Beacon Securities

Yeah, that makes a lot of sense, Scott. Thanks for that. And then just one more kind of along those similar lines, I guess. In the past you guys have talked about pre-ordering some materials to try and stay ahead of the tariffs. Was that the case in Q2 or are you kind of feeling good on that front?

Scott MacFabe — Chief Executive Officer, BluMetric Environmental Inc.

Dan, do you want to update that one?

Dan Hilton — Chief Financial Officer, BluMetric Environmental Inc.

Yeah. I'm hoping you can hear me. I'm never sure if I'm cutting out here, I apologize. The experience in Q1, I think, was trying to get ahead of some uncertainty with the election. I think we've established now a baseline for how we're going to operate going forward, so we no longer have that situation where we're trying to buy anything in advance and that did not happen in Q2. We are fortunate that, for sales into the Caribbean, we can bypass the US procurement system and sell directly from Canada, so that gives us a bit of a hedge with any potential uncertainty related to tariffs. But for sales in the United States, whether that's Texas or into Florida, it appears that the clients are willing to bear the additional cost, which we've estimated to be about 13% right now, so we don't anticipate that it'll have any material impact on the business.

Kirk Wilson — Analyst, Beacon Securities

Excellent. Thanks, Dan. I'll leave it there for now, guys.

Operator

Thank you. Once again, please press star one should you wish to ask a question. And your next question is from John Lewis. Your line is now open.

John Lewis — Private Investor

Gentlemen, good morning.

Scott MacFabe — Chief Executive Officer, BluMetric Environmental Inc.

Hi, John. Good to hear from you.

John Lewis — Private Investor

I think it's mostly been covered, but I just wanted to confirm. The gross margin was 27%. In the past you have had higher numbers in mind. Do you think this is the low watermark, so to speak, and do you have a percentage in mind going forward?

Dan Hilton — Chief Financial Officer, BluMetric Environmental Inc.

Yes. Longer term, when we've modeled out at the \$100 million mark, so we've got a few months still ahead of us before we get to that number, obviously, but the anticipated settling just based on the

sales mix between the two groups on the gross margin side is 35%. So we do anticipate that margin level to increase. On the EBITDA side, we believe it's very achievable to get north of 10%. And I can maybe reference some of our historically public company competitors in our space have been able to get slightly better than 10%, closer to 15%. So there are economies of scale to be had for sure, but in the next, call it, year to two, our ambition is to get our EBITDA north of 10% and to stay north of 35% on the gross margin.

John Lewis — Private Investor

Okay. Perfect. Thank you. Lots going on, so I'm just curious, how many employees do you have now? And do you think you're completely staffed up or is there more to go? And are they all permanent? Or as far as costs go, of course, I'm thinking, but...

Scott MacFabe — Chief Executive Officer, BluMetric Environmental Inc.

Well, I think the current number is around 225, in that range. We always bring a stable of co-op students in. They're deeply deployed and quite financially positive. And they end up being new hires, right? That's how we operate to groom, bring in new talent. But hopefully we've demonstrated over the years strategic frugality. We don't look to bring in more overhead and know immediately it's going to affect our bottom line. I think the challenge we've got right here, especially, as Dan and I've tried to point out, you can't make up the revenue when you have stalled contracts if you let the people go, so that capacity is gone, and you really can't drive that into sort of new efficiencies because the scale mix may not be necessary or the same. So, from the professional services game, the last thing you want to be known for, too, is a quick trigger, cut people, and then try to hire them all back in a month because

then you just become that company that has no gravity to it and we know our people are really important. So it is a bit of a challenge sometimes when we have to cross over these bridges where we see things happen like new government, but as Dan pointed out, I think the one foot on the brake one foot on the gas analogy is never more true. Now we're hitting the gas and we're starting to see that uptick and we're starting to recover that revenue that we had, you know, production of revenue delayed by those contracts, and we move forward.

We're always reevaluating the skills mix, the market conditions, we benchmark with our competitors. They're feeling and seeing the very same things we are, which, you know, it's like misery loves company, perhaps, but at the end of the day, we have to be really strategic and almost surgical when it comes to staff reductions, and frankly, we have done some in the last quarter. We really cut down our hiring. We often don't replace when someone retires. So we've seen some of those things, but it's not like we're going to take out 10% of our labour cost and then immediately see a jump commensurate in revenue. It doesn't often work that way. Often what happens is you see more people leave and then you don't get them back.

John Lewis — Private Investor

Yeah, no, appreciate it, and you've got a great history of profitability. Last question, just it's a general question, it's in the PR. Gemini is also looking at strategic partnerships that could offer access to new customers, applications, technologies, and geographies. Can you flesh that out a little bit more? Is there anything in particular or...? Thanks.

Scott MacFabe — Chief Executive Officer, BluMetric Environmental Inc.

Yeah. To the extent we can talk about it, John, when we're looking to really take advantage of what we have in hand and what we could do on a broader basis to be a more full-service water provider, there's other aspects of the supply chain that come into the mix. What we currently have now, we've pulled together. Design systems is a very consistent process and designs, we scale them up or down as needed, but things like tankage, different key aspects of the designs, things like that come into play. And to the extent that now, as we grow the Company, specifically in the States, the gravity that's coming to BluMetric or from a lot of the providers or ancillary providers that want to be part of it, and that's a really interesting dynamic whereby we can grow different aspects of the business, not necessarily selling hours, on that basis. And so, looking at the future, we can selectively have consideration and discussions with those aspects of a design that we don't typically produce but we buy. So that's an interesting development.

And then also on the O&M side, we're really excited about that because, as Dan mentioned, that's the long-term, sticky revenue. These clients, it's not their core competency. We would love to be able to design, install, and operate those systems for those clients. And then even those systems we didn't design to operate for those clients because, again, that's not what they really want to do. So how you build that business out and the tools that you need, the telemetry you might deploy to make them even more efficient in remote sites, that's all part of the story.

John Lewis — Private Investor

Okay. Cheers, guys. I appreciate it. Great work and look forward to next Q. Thank you.

Scott MacFabe — Chief Executive Officer, BluMetric Environmental Inc.

Thanks, John.

Operator

Thank you. Your next question is from Ian Cassel from IFCM. Your line is now open.

Ian Cassel — Analyst, IFCM

Congratulations on the quarter and progress. The one question I had might tie in with your answer that you just gave, but I was curious if you could talk a little bit about repurposing some of the Gemini technology that is used in the Caribbean to sort of attack the large opportunity in the small and mid-sized municipal opportunity market here in the United States. I'm just curious to hear you talk a little bit about that.

Scott MacFabe — Chief Executive Officer, BluMetric Environmental Inc.

That's a great question, Ian. Great to hear your voice. One of the, I would say, strengths of Gemini is they're extremely efficient at delivering systems up to around, say, five million gallons per day. Those systems are not necessarily the target market for the big, big competitors. It's very difficult for them to deploy on an efficient basis. We often now can, from signing a contract to turning the tap on can be eight or nine months, which is just unattainable for those bigger companies. That is a bandwidth or a target market that is pretty fertile and the clients are funded and our ability to do that efficiently

and reproduce that result makes us very competitive. And when you look at coastal communities or island nations, that's a pretty strong market. It's a very strong market.

The other side of it too is, as we talk about, what we can do to improve the telemetry and integrate technology in remote areas that have a difficult time finding competent technologists to operate the equipment. So you build out an O&M business, it can support what you design and install, you have telemetry to manage and handle that from afar, and then you have key staff to support as needed on site when necessary. And so it's a bundled business that really, from the Gemini side and the [inaudible] side, hasn't really been deployed yet, but it's a natural adjacent that fits perfectly with what we're doing and growing now.

So, as mentioned, we hired a good friend of mine who is stepping down as the controller, or not a controller but a managing director at the Southern California Water District. He's the person who's responsible for all water districts from LA to San Diego, Mohsen Mortada. So in his role, as he's stepping down, as a water expert, we can sit down and say what are the five key water districts that we could really effectively compete in compared to perhaps what's in state or who can we team with who would benefit by our ability to execute the way we can with the systems we know. So it's a pretty exciting way to grow. I think it's a natural extension of the business. And it doesn't stretch us too far. It's just, it's starting to all come together, so we're pretty excited.

Ian Cassel — Analyst, IFCM

Thanks, Scott. Appreciate it.

Operator

Thank you. There are no further questions at this time. Please proceed.

Scott MacFabe — Chief Executive Officer, BluMetric Environmental Inc.

Excellent. Well, thank you, operator, and all that have joined the call. Definitely appreciate your time. We hope we've answered all of your questions. Most certainly, if you have any further consideration or questions, please send them to Brandon Chow, our IR consultant, and we will look forward to responding posthaste. So, until our next call, we wish you all well and we'll continue to work hard to improve our business going forward. Thank you.

Dan Hilton — Chief Financial Officer, BluMetric Environmental Inc.

Thank you.

Operator

Thank you. Ladies and gentlemen, the conference has now ended. Thank you all for joining. You may all disconnect your lines.