

**Core Laboratories Inc.**

**Q2 2025 Earnings Call**

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## **CORPORATE PARTICIPANTS**

### **Larry Bruno**

*Core Laboratories Inc. — Chairman of the Board, President, and Chief Executive Officer*

### **Gwen Gresham**

*Core Laboratories Inc. — Senior Vice President, Corporate Development & Investor Relations*

### **Chris Hill**

*Core Laboratories Inc. — Senior Vice President, Chief Financial Officer*

## **CONFERENCE CALL PARTICIPANTS**

### **Sean Mitchell**

*Daniel Energy Partners — Analyst*

## PRESENTATION

### Operator

Good day and welcome to the Core Laboratories Q2 2025 Earnings Call. All participants will be in listen-only mode.

Should you need assistance, please signal a conference specialist by pressing the \* key, followed by 0.

After today's presentation, there will be an opportunity to ask questions. To ask a question, you may press \*, then 1, on your telephone keypad. To withdraw your question, please press \*, then 2.

Please note, this event is being recorded.

I would now like to turn the conference over to Larry Bruno, President. Please go ahead.

**Larry Bruno** — Chairman of the Board, President, and Chief Executive Officer, Core Laboratories Inc.

Thanks, Keith. Good morning in the Americas. Good afternoon in Europe, Africa, and the Middle East. And good evening in Asia-Pacific. We'd like to welcome all of our shareholders, analysts, and, most importantly, our employees to Core Laboratories second quarter 2025 earnings call.

This morning, I'm joined by Chris Hill, Core's Chief Financial Officer, and Gwen Gresham, Core's Senior Vice President and Head of Investor Relations.

The call will be divided into six segments. Gwen will start by making remarks regarding forward-looking statements. We'll then have some opening comments, including a high-level review of important factors in Core's Q2 performance. In addition, we'll review Core's strategies and the three financial tenets that the Company employs to build long-term shareholder value.

Chris will then give a detailed financial overview and have additional comments regarding shareholder value. Following Chris, Gwen will provide some comments on the Company's outlook and guidance.

I'll then review Core's two operating segments, detailing our progress and discussing the continued, successful introduction and deployment of Core Lab's technologies as well as highlighting some of Core's operations and major projects worldwide.

Then we'll open the phones for a Q&A session.

I'll now turn the call over to Gwen for remarks on forward-looking statements.

**Gwen Gresham** — Senior Vice President, Corporate Development & Investor Relations, Core Laboratories Inc.

Before we start the conference this morning, I'll mention that some of the statements we make during this call may include projections, estimates, and other forward-looking information. This would include any discussion of the Company's business outlook.

These types of forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to materially differ from our forward-looking statements.

These risks and uncertainties are discussed in our most recent annual report on Form 10-K as well as other reports and registration statements filed by us with the SEC.

We undertake no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events, or otherwise.

Our comments also include non-GAAP financial measures. Reconciliation to the most directly comparable GAAP financial measures is included in the press release announcing our second quarter results. Those non-GAAP measures can also be found on our website.

With that said, I'll pass the discussion back to Larry.

**Larry Bruno**

Thanks, Gwen.

Moving now to some high-level comments about our second quarter 2025 results.

Core continued to execute its strategic plan of technology investments targeted to both solve client problems and capitalize on Core's technical and geographic opportunities.

Second quarter 2025 revenue was up 5 percent compared to Q1, and Core achieved nice sequential improvement in operating income, operating margins, free cash flow, and earnings per share.

Looking at Reservoir Description in more detail, revenue in the second quarter was up 7 percent compared to Q1.

The segment's financial performance in the second quarter reflects continued demand for rock and fluid analysis across the Company's global laboratory network, along with a solid quarter of laboratory instrumentation sales.

In addition, there was some rebound in the demand for laboratory services tied to the assay of crude oil and derived products as trading patterns partially reset following disruptions caused by enhanced sanctions that were announced on January 10th of this year.

There is still uncertainty in the demand for these assay services due to ongoing international geopolitical conflicts and sanctions, as well as pending tariffs and the resultant volatility in commodity prices.

For the second quarter, ex items, operating margins in Reservoir Description were 13 percent, up from 10 percent in Q1.

In Production Enhancement, second quarter revenue was up 3 percent compared to Q1.

Ex items, second quarter 2025 operating margins were 9 percent, up from 8 percent in Q1.

This sequential improvement in margins reflects ongoing demand for high-margin diagnostic services in the US, both onshore and offshore, and improved international and domestic completion product sales.

Core Lab returned excess free cash to our shareholders by repurchasing more than 237,000 shares of company stock during the second quarter, a value of \$2.7 million.

In line with our stated financial strategy, in addition to funding our dividend and repurchasing shares, Core also continued to strengthen its balance sheet.

During the second quarter, Core's net debt was reduced by more than \$9 million, and our leverage ratio now sits at 1.27, its lowest level in eight years.

Looking forward, Core intends to use free cash to fund our quarterly dividend, pursue growth opportunities, and improve shareholder value through opportunistic share repurchases while we continue to strengthen our balance sheet.

As we look ahead, Core will continue to execute on its key strategic objectives by, one, introducing new product and service offerings in key geographic markets; two, maintaining a lean and focused organization; and three, maintaining our commitments to return excess free cash to our shareholders and delevering the Company.

Now to review Core Lab's strategies and the financial tenets that the Company has used to build shareholder value over our nearly 30-year history as a publicly traded company.

The interests of our shareholders, clients, and employees will always be well served by Core Lab's resilient culture, which relies on innovation, leveraging technology to solve problems, and dedicated customer service.

I'll talk more about some of our latest innovations in the operational review section of this call.

While we continue to pursue growth opportunities, the Company will remain focused on its three long-standing, long-term financial tenets, those being to maximize free cash flow, maximize return on invested capital, and returning excess free cash to our shareholders.

I'll now turn it over to Chris for the detailed financial review.

**Chris Hill** — Senior Vice President, Chief Financial Officer, Core Laboratories Inc.

Thanks, Larry.

Before we review the financial performance for the quarter, the guidance we gave on our last call and past calls specifically excluded the impact of any FX gains or losses and assumed an effective tax rate of 25 percent. So accordingly, our discussion today excludes any foreign exchange gain or loss for current and prior periods.

Additionally, adjustments, which net to a gain of \$800,000, have been excluded from today's discussion of the second quarter 2025 financial results. You can find a summary of those items in the tables attached to our press release for the second quarter of 2025.

So looking at the income statement, revenue was \$130.2 million in the second quarter, up \$6.6 million or 5 percent compared to the prior quarter and flat year over year.

Sequentially, the primary drivers were a rebound or restabilization of the maritime movement and trading of crude oil and our associated laboratory assay services, which were disrupted in the first quarter after the expanded sanctions were announced in January.

Additionally, we had elevated levels of international product sales for both laboratory instrumentation and completion products when compared to the first quarter.

Of this revenue, service revenue, which is more international, was \$96.2 million for the quarter, up 1 percent sequentially and flat year over year.

As mentioned earlier, we saw a nice recovery in our laboratory assay services in the second quarter following the sanction-driven disruptions in the first quarter.

However, this was partially offset by a sequential decrease in our diagnostic services during the second quarter after coming off a five-year high in the first quarter.

Additionally, the noticeable decrease in success rates over the past 12 months in drilling international offshore exploration and appraisal wells has negatively impacted some of the growth we had anticipated for reservoir rock and fluid analytical programs in 2025.

Product sales, which are more equally tied to North America and international activity, were \$33.9 million for the quarter, up 19 percent sequentially and down slightly year over year.

Our international product sales are typically larger bulk orders and can vary from one quarter to another.

Sequentially, we saw a 25 percent increase in our international product sales, again driven by increase in bulk shipments and increased laboratory instrumentation sales.

Looking at year over year, demand for product sales decreased in the US onshore market. However, this decline was substantially offset by a higher level of product sales to international markets.

Moving on to cost of services, ex items for the quarter was 77 percent of service revenue and comparable to the prior quarter and improved from 78 percent in the same quarter in the prior year. The year-over-year and sequential change in cost of services were in line with changes in service revenue.

Cost of sales ex items in the second quarter was 85 percent of revenue and improved compared to 91 percent last quarter but up a little compared to 82 percent last year. The sequential improvement



was due to improved manufacturing efficiencies and absorption of fixed costs on a higher revenue base in the quarter. These gains were achieved despite some increase in costs due to elevated tariffs.

We anticipate the manufacturing absorption rate in future quarters will be in line with projected product sales.

G&A ex items for the quarter was \$10.5 million, a slight increase from \$10.1 million in the prior quarter and \$10.3 million in the same quarter of the prior year.

For 2025, we expect G&A ex items to be approximately \$41 million to \$43 million.

Depreciation and amortization for the quarter was \$3.7 million, comparable to the last quarter and the same quarter in the prior year.

EBIT ex items for the quarter was \$14.5 million, up \$2.7 million from \$11.8 million last quarter and yielding an EBIT margin a little over 11 percent and expanding 160 basis points from last quarter.

Our EBIT for the quarter on a GAAP basis was \$15.3 million.

Interest expense of \$2.7 million increased from \$2.6 million in the prior quarter but has decreased from \$3.2 million last year due to lower average borrowings on the credit facility compared to last year.

Income tax expense and an effective tax rate of 25 percent and ex items was \$3 million for the quarter.

On a GAAP basis, we recorded a tax expense of \$1.9 million for the quarter.

The second quarter includes the release of a FIN 48 accrual for uncertain tax positions, which decreased income tax expense for the second quarter.

The effective tax rate will continue to be somewhat sensitive to the geographic mix of earnings across the globe and the impact of items discrete to each quarter.

We continue to project the Company's effective tax rate to be approximately 25 percent for 2025.

Net income ex items for the quarter was \$8.8 million, an increase from \$6.7 million in the prior quarter but a decrease from \$10.4 million in the second quarter last year.

On a GAAP basis, we had net income of \$10.6 million for the quarter.

Earnings per diluted share ex items was \$0.19 for the quarter, an increase from \$0.14 in the prior quarter and a decrease from \$0.22 last year.

On a GAAP basis, EPS was \$0.22 for the second quarter of 2025.

Turning to the balance sheet, receivables were \$113.9 million and decreased approximately \$3.1 million from the prior quarter.

Our DSOs for the second quarter improved to 75 days from 79 days last quarter. The improvement was primarily driven by the timing of billings and the continued focus on collection efforts during the quarter.

Inventory at June 30, 2025 was \$59.8 million, slightly up from last quarter-end and down approximately \$10.1 million year over year.

Inventory turns for the quarter were 1.9, a slight improvement from the prior quarter.

With continued focus, we anticipate inventory turns will gradually improve, and inventory levels will decline as we progress through the remainder of 2025.

And now on the liability side of the balance sheet, our long-term debt was \$126 million as of June 30, 2025. And considering cash of \$31.2 million, net debt was \$94.8 million, which decreased \$9.1 million from last quarter-end.

Our leverage ratio was reduced to 1.27 from 1.31 last quarter-end.

As of June 30, 2025, our debt was comprised of our senior notes at \$110 million and \$16 million outstanding under our bank credit facility. Our credit facility has a borrowing capacity of \$135 million, of which approximately \$108 million was still available as of June 30.

On July 22, 2025, the Company renewed and extended its credit agreement with our corporate bank group. The credit agreement was expanded to include a \$100 million revolving credit facility, a \$50 million delayed-draw term loan. The credit agreement also includes an accordion feature to expand the facility by \$50 million.

The term loan component can be accessed until January 12, 2026, and the Company plans to use these funds to retire \$45 million of private placement notes that mature in January 2026.

The renewed credit agreement extends the maturity to July 22, 2029, and there are no significant changes to the terms, including the pricing of variable interest rates on outstanding borrowings.

As Larry stated, the Company will remain focused on executing its strategic business initiatives while maintaining a healthy balance sheet.

Looking at cash flow for the second quarter of 2025, cash flow from operating activities was approximately \$13.9 million, and after paying \$3.5 million of CapEx, our free cash flow for the quarter was \$10.4 million, a nice increase from the first quarter.

As discussed in prior quarters, the capital expenditures associated with rebuilding our UK facility, which was damaged by fire in February 2024, are covered by the Company's property and casualty insurance and have been excluded from the calculation of free cash flow.

As we indicated in our last call, we expect CapEx to modestly expand in 2025 compared to 2024, and we will continue to manage investment in working capital.

Additionally, we expect CapEx to remain aligned with activity levels, and for the full year 2025, we expect capital expenditures to be in the range of \$14 million to \$16 million. The forecast for capital expenditures excludes the CapEx associated with rebuilding the UK facility that was mentioned earlier.

Core will continue its strict capital discipline and asset-light business model with capital expenditures primarily targeted at growth opportunities.

Core Lab's operational leverage continues to provide the ability to grow revenue and profitability with minimal capital requirements.

Capital expenditures have historically ranged from 2.5 percent to 4 percent of revenue, even during periods of significant growth. That same level of laboratory infrastructure, intellectual property, and leverage exists in the business today.

We believe evaluating a company's ability to generate free cash flow and free cash flow yield is an important metric for shareholders when comparing and projecting companies' financial results, particularly for those shareholders who utilize discounted cash flow models to assess valuations.

I will now turn it over to Gwen for an update on our guidance and outlook.

**Gwen Gresham**

Thank you, Chris.

Turning to Core Lab's outlook for the third quarter.

Recent impending tariffs announced by the US, along with the OPEC+ decision to increase required oil production levels, have contributed to additional volatility and uncertainty for crude oil prices.

Uncertainty surrounding crude oil demand, driven in part by ongoing trade negotiations and macroeconomic concerns, coupled with OPEC+ increasing required production levels, has prompted oil and gas companies to reevaluate their near-term upstream spending priorities.

Despite near-term volatility, Core Lab maintains a constructive long-term outlook for international upstream activity.

The IEA, EIA, and OPEC+ continue to forecast global crude oil demand growth ranging from 700,000 to 1.3 million barrels per day for 2025. This growth continues to be driven primarily by demand from the non-OECD countries, including Asia, India, and emerging markets across the Middle East and Africa.

Outside the US, large-scale international oil and gas projects are expected to be less sensitive to near-term volatility of crude oil prices, and Core Lab sees steady activity across committed, long-cycle investments in the South Atlantic margin, North and West Africa, Norway, the Middle East, and certain areas of Asia-Pacific. And Core views these developments as stable contributors to global activity levels.

These projects, by nature of their scale and planning cycles, tend to be less reactive to near-term commodity price fluctuations. As always, Core Lab's revenue opportunity on awarded projects will remain dependent on our clients' geological success rates.

In contrast, US onshore activity levels tied to small-scale, short-cycle crude oil development projects remains more sensitive to crude oil price volatility. As a result, Core Lab anticipates that changes in crude oil prices will have a more immediate and pronounced impact on drilling and completion activity across the US onshore market.

Core projects Reservoir Description's third quarter revenue to be flat sequentially. Geopolitical conflicts, evolving trade and tariff dynamics, and volatile commodity prices continue to create uncertainty in the demand for laboratory services tied to the maritime transportation and trade of crude oil and derived products.

Turning to Production Enhancement, the US frac spread count continues to trend lower, and the Company anticipates a soft market for the remainder of the year.

However, growth in demand for Core's international and offshore diagnostic services and energetic system product sales are anticipated to offset declines in US onshore activity.

The Company believes that tariff measures under consideration will not apply to the vast majority of service, revenue, and product sales provided by Core Lab. Core's services account for over 75 percent of its total revenue and are currently not subject to tariffs.

The Company's product sales have been less than 25 percent of total revenue and are primarily manufactured in the US. Import tariffs would not apply to approximately 50 percent of these products as they are consumed in the US drilling and completion markets.

Certain raw materials imported and used in Production Enhancement's US manufacturing of products are attracting import tariffs. Core is currently taking steps to mitigate the impact of tariffs.

In summary, Reservoir Description's third quarter revenue is projected to range from \$84 million to \$88 million and operating income of \$10.6 million to \$12.4 million.

Production Enhancement's third quarter revenue is estimated to range from \$43.5 million to \$46.5 million with operating income of \$2.9 million to \$3.7 million.

Core's third quarter 2025 revenue is projected to range from \$127.5 million to \$134.5 million with operating income of \$13.6 million to \$16.2 million, yielding operating margins of 11 percent.

EPS for the third quarter is expected to range from \$0.18 to \$0.22.

The Company's third quarter guidance is based on projections for underlying operations and excludes gains and losses in foreign exchange.

Core's third quarter guidance assumes an effective tax rate of 25 percent.

With that, I will turn the call back over to Larry.

**Larry Bruno**

Thanks, Gwen.

First, I'd like to thank our global team of employees for providing innovative solutions, integrity, and superior service to our clients. The team's collective dedication to servicing our clients is the foundation of Core Lab's success.

Looking at the macro, even after assessing current and near-term economic conditions, IEA, EIA, and OPEC projections show that there will be growth in global crude oil demand in 2025 and beyond.

The various estimates show growth in demand of between 0.7 and 1.3 million barrels per day for 2025, with similar additional demand growth projected for 2026. This growth is driven mainly by strong non-OECD demand, including Asia, India, emerging markets in the Middle East, and Africa.

In addition to the forecasted growth in demand, new production will need to be brought online to account for the natural decline from existing producing fields.

Combined, these trends will require continued investment in the development of onshore and offshore crude oil fields.

Furthermore, the most recent EIA forecast for US oil production is 13.4 million barrels per day in 2025, and the agency currently projects production to remain at the same level in 2026, with little or no growth in US production over this time frame.

Aside from the COVID period and a transitory market reset at 2016, these forecasts for nominal year-over-year production growth would suggest the smallest annual adds to US oil production in the past 15 years.

US tight oil production has been, by far, the largest component of non-OPEC oil production growth since 2010.

Continued growth in global oil demand, combined with slowing year-over-year US oil production growth, supports the thesis that future crude oil demand will be largely met from international, conventional, offshore discoveries and developments, all trends that bode well for increasing demand for the Reservoir Description services that we provide through our global lab network.

We project this international cycle will play out for the next several years and perhaps longer as the growth in US land production continues to decline.

Production Enhancement, in addition to its exposure to the US land market, also has expanding opportunities across international markets such as with unconventional plays in the Middle East and emerging onshore and offshore conventional plays in a number of regions.

Core Lab also continues to expand its portfolio of innovative offerings for perforating applications, plug and abandonment operations, and completion diagnostics for our growing global client base.

Now let's review the second quarter performance of our two business segments.

Turning first to Reservoir Description. The second quarter of 2025, revenue came in at \$86.3 million, up 7 percent compared to Q1.

For Q2, operating income for Reservoir Description ex items was \$10.8 million, up from \$7.8 million in Q1, yielding operating margins of 13 percent and incremental margins of 57 percent.

While demand for Reservoir Description lab services remained strong in several regions across our global network, ongoing international geopolitical conflicts, along with expanded sanctions that were enacted in early Q1, continue to produce headwinds that impact the demand for laboratory services tied



to the trade and transportation of crude oil and derived products. The demand for these services did rebound some in the second quarter as trading patterns continued to realign.

Now for some operational highlights from Reservoir Description.

Despite Columbia instituting restrictions on new exploration programs, Core Lab continued to engage on new projects during the second quarter.

Core has expanded its technical support for the country's national energy sustainability efforts by engaging in both enhanced oil recovery and carbon capture and storage projects.

Core Lab is providing essential laboratory services for a project in the Eastern Llanos Basin, where Columbia's most critical in situ combustion-enhanced oil recovery initiative is underway.

The analytical measurements Core provided serve as the foundation for data-driven decisions that are key to understanding how to best unlock up to a billion barrels of recoverable heavy oil.

While the in-situ combustion process efficiently boosts production by reducing oil viscosity and improving flow, it also generates significant volumes of CO<sub>2</sub> from the production wells that must be either sequestered in the subsurface or re-injected into oil-bearing zones as part of a companion EOR program.

Core Lab's Bogotá laboratory is using its proprietary PVT technology to assess CO<sub>2</sub> phase behaviour and the interaction of CO<sub>2</sub> with other subsurface pore fluids.

This high-accuracy testing is vital for validating the technical feasibility of CO<sub>2</sub> sequestration and utilization opportunities in Colombia's heavy oil fields.

Around the globe, Core Lab remains a critical partner in maximizing oil production from challenging mature fields.

Moving now to Production Enhancement where Core Lab's technologies continue to help our clients optimize their oil completions and improve production.

Revenue for Production Enhancement for Q2 came in at \$43.9 million, up 3 percent compared to Q1.

Second quarter operating income for Production Enhancement, ex items, was \$3.1 million, yielding operating margins of 9 percent, up from 8 percent in Q1.

In the US, diagnostic services benefitted from increased demand as complex US land completion designs like trimul-fracs become more and more common.

Core's expansive portfolio of completion products also saw increased demand in both international and domestic markets.

Now for some operational highlights from Production Enhancement.

During the second quarter of 2025, following a competitive evaluation of shaped charge performance, Core Lab secured a project with two major international E&P operators doing business in Canada.

The clients sought an energetic solution capable of delivering the most consistent perforating results for unconventional reservoir completions in their upcoming campaign.

Using third-party downhole imaging technology to verify the performance of multiple competing technologies, the client confirmed that Core's proprietary HERO PerFRAC perforating system outperformed the competition, earning the top rank due to its exceptionally consistent hole size and repeatable performance.

The operators have now specified that Core Lab proprietary charge will be used on their upcoming completion activities moving forward.

Core's HERO PerFRAC energetic technology is engineered with advanced design protocols and under strict quality control and continues to distinguish itself as a preferred solution for onshore, unconventional frac operations.

Also in Q2, Core Lab continued to expand its engagement on geothermal energy projects across North America through the deployment of its proprietary thermal profiler tracers.

This advanced technology utilizes Core's select portfolio of tracers that provide extreme thermal stability, even for applications where temperatures exceed 500 degrees Fahrenheit.

Core Lab's thermal profiler tracers are being used to map the flow pattern of water injected into high-temperature subsurface geothermal structures. Unlike other tracers which degrade under such extreme conditions, Core's suite of thermal profiler tracers maintain their integrity at high temperatures. This capability is critical to optimizing geothermal project performance, particularly in hot, complex, frequently fractured igneous and metamorphic rock formations.

Core Lab has successfully deployed its thermal profiler diagnostic tracer technology in multiple geothermal projects and is actively engaged in discussions with additional geothermal operators regarding future deployments.

That concludes our operational review. We appreciate your participation, and Keith will now open the call for questions.

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## Q&A

### Operator

Yes. Thank you. We will now begin the question-and-answer session. To ask a question, you may press \*, then 1 on your telephone keypad. If you are using a speakerphone, please pick up your handset

before pressing the keys. If at any time your question has been addressed and you would like to withdraw it, please press \*, then 2. At this time, we will pause momentarily to assemble the roster.

And the first question comes from Sean Mitchell with Daniel Energy Partners.

**Sean Mitchell** — Daniel Energy Partners

Hey, Larry. Thanks for taking my question. Any additional colour around the kind of new proppant design that you've kind of partnered with the West Texas operator in the quarter? Is that really above and beyond? Is that really a new proppant design? Or is that a frac design? Or can you talk a little bit more about that?

**Larry Bruno**

Yeah. So our engagement on that was less about the design of the proppant in this particular case, although we do engage in those types of analyses through our Stim-Lab operation. Our engagement was about them trying different designs of the proppant sort of particle size and the sorting, if you will, or the uniformity of the particles, and then putting tracers in to alternating zones, testing the—sort of their existing proppant configuration versus the new one they were trialling.

And with the tracer flowback, we were able to confirm that the new design was producing better results from those intervals that deployed the revised design of the proppant particle size and sorting.

**Sean Mitchell**

Okay. That is helpful. That's good colour.

And then anything else on the new product or kind of service offering side? I know you guys are constantly coming up with new ideas that you're super excited about, maybe over the next kind of 12 to 18 months, in particular in the Middle East.

**Larry Bruno**

Yeah. I mean one of the things, going back on that, to the proppant deal, I think it's an important thing to understand about our diagnostic services. As people try new technology, they—and just conceptualize this. Think about a well with a three-mile lateral. You're 15,000 feet from the surface. You're trying to figure out in a hole 10 inches around or less, did I execute the completion the way I wanted; or, as I change and modify completions, am I getting the desired results. And the diagnostic tracers really unravel that.

So we've got a number of technologies on both sides of the business. I'd say one that we're really focused on is formation damage. We've made quite an initiative into looking at ways of laboratory testing formation damage. As people are introducing various different completion fluids into the well, how's that reacting with the rock and with the fluids? So that would be something that we've made investments in the Middle East in particular.

Another one in large scale that we did, and Gwen and I were over earlier in the second quarter, we opened up our unconventional laboratory in Dammam, Saudi Arabia.

So we do see that there are, let's say, growing opportunities into a game that's in the early innings of unconventional resource development throughout the region. And so we've taken a lot of the proprietary technologies that we've developed for dealing with the unconventional reservoirs in North America, and we've now replicated that equipment and those techniques and technologies, and we've brought that into Saudi Arabia.

We've always had a great partnership with Saudi Aramco, and we think that we can service them and others in the region as unconventional grow along the Arabian Peninsula.

**Sean Mitchell**

Got it. That's very helpful. I appreciate the colour. I'll turn it back.

**Gwen Gresham**

Thanks, Sean.

**Operator**

Thank you. And once again, please press \*, and then 1 if you would like to ask a question.

All right. As there is nothing else at the present time, I would like to return the floor to Larry Bruno for any closing comments.

**Larry Bruno**

Okay. Yeah. I think we've had kind of a busy morning of earnings releases coming out, so we'll wrap up here.

In summary, of course, operational leadership continues to position the Company for improving client activity levels in the upcoming quarters.

We have never been better operationally or technologically positioned to help our global client base optimize their reservoirs and to address their evolving needs.

We remain uniquely focused and are the most technologically advanced, client-focused reservoir optimization company in the oil field service sector.

The Company will remain focused on maximizing free cash and returns on invested capital. In addition to our quarterly dividend, we'll bring value to our shareholders through opportunities driven by both the introduction of problem-solving technologies and new market penetration.

In the near term, Core will continue to use free cash to repurchase shares and strengthen its balance sheet while always investing in growth opportunities and evaluating various methods to increase shareholder value.

So, in closing, we thank and appreciate all of our shareholders and the analysts that cover Core Lab.

The executive management team and the board of Core Laboratories give a special thanks to our worldwide employees that have made these results possible. We're proud to be associated with their continuing achievements.

So thanks for spending time with us, and we look forward to our next update. Goodbye for now.

**Operator**

Thank you. The conference is now concluded. Thank you for attending today's presentation. You may now disconnect your lines.