Core Laboratories LP [CLB] Q3 2025 Earnings Conference Call
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Larry Bruno
Core Laboratories Inc. — Chairman and CEO

Gwen Gresham
Core Laboratories Inc. — Senior Vice President and Head of Investor Relations

Chris Hill
Core Laboratories Inc. — Chief Financial Officer

CONFERENCE CALL PARTICIPANTS

Josh Jayne
Daniel Energy Partners — Analyst

PRESENTATION

Operator

Good morning and welcome to the Core Laboratories Third Quarter 2026 Earnings Conference 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, Chairman and CEO. Please go ahead.

Larry Bruno — Chairman and CEO, Core Laboratories Inc.

Thanks, Cindy (phon). 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's third quarter 2026 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 Q3 performance. In addition, we'll review Core's strategies and the three financial tenets that Core Lab 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, recent client interactions, 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 and Head of Investor Relations, Core Laboratories Inc.

Before we start the conference this morning, I'll mention that some of the statements that 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 risk and uncertainties that could cause actual results to materially differ from our forward-looking statements. These risk 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 third 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 third quarter 2026 results.

Compared to the second quarter, operational performance improved nicely with higher revenue, operating income, operating margins, and earnings per share.

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. The ongoing military conflict in the Middle East, which began during the first quarter of 2026, continued to affect operations, causing project delays and logistical disruptions across several countries where the Company operates.

Reservoir Description experienced the greatest impacts of the Middle East conflict as crude assay work and reservoir characterization projects depend on predictable field operations, active maritime hydrocarbon trade and transportation, timely sample acquisition, and access to client facilities.

The intermittent closures of the Strait of Hormuz and the widespread disruption to maritime hydrocarbon transportation routes throughout the third quarter extended beyond the Middle East region as the global movement of hydrocarbon cargoes was impacted. There was some improvement in the movement of hydrocarbon shipments in the last weeks of the quarter, but activity remained below pre-conflict levels through quarter-end. In addition, escalating attacks on energy infrastructure in Russia and Ukraine, together with evolving sanctions, created further headwinds.

Production Enhancement remains comparatively less impacted by these geopolitical conflicts, although some product shipments have been delayed, and Middle East field operations have been suspended from time to time.

Looking at Reservoir Description, third quarter revenue was up 7 percent from Q2 of 2026, but down 4 percent compared to Q3 of last year. Third quarter operating margins in Reservoir Description, ex-items, were 10 percent, up from 5 percent in Q2.

Despite the multiple factors impacting Core Lab's third quarter results, Reservoir Description achieved higher sequential revenue, operating income, and operating margins.

Throughout the quarter, the Company maintained its focus on creating new technology offerings, maximizing operating efficiency, and leveraging its global network to support client operations.

In Production Enhancement, third quarter revenue was up 4 percent compared to Q2 of 2026. Third quarter 2026 operating margins in Production Enhancement, ex-items, were over 9 percent, down from 12 percent in Q2 of 2026, reflecting a greater proportion of product sales versus higher-margin diagnostic services when compared to the second quarter.

Even in this challenging operating environment, product sales improved during the quarter in both US land and international markets, reflecting continued operator adoption of Core Lab's advanced completion technologies.

The Company maintained its long-standing commitment to shareholder returns during the quarter, returning free cash to our shareholders through our quarterly dividend, and by repurchasing approximately 88,000 shares of company stock, representing a value of $1.1 million. Q3 marks the eighth consecutive quarter of share buybacks.

Core intends to continue to use free cash to fund our quarterly dividend, pursue growth opportunities, reduce debt, and improve shareholder value through opportunistic share repurchases.

Considering current market dynamics and looking at over the mid and longer term, Core Lab has decades of experience supporting clients through periods of geopolitical uncertainty. The Company's long-standing presence in the Middle East, along with its proprietary technologies and dedicated employees, will allow Core Lab to continue serving its clients across this strategically important region.

Moreover, despite near-term headwinds, Core's global operations, asset-light business model, and diversified technology portfolio position the Company for long-term success. For 90 years, Core Lab's resilience, technical leadership, and unwavering focus on client service have enabled the Company to deliver differentiated solutions that help our clients de-risk their operations and their operational decisions.

As we move 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 returning excess free cash to our shareholders while preserving the Company's strong balance sheet.

Core's strengths, together with disciplined capital deployment, continued free cash flow generation, and the Company's commitment to returning excess capital to its owners will drive long-term value creation for Core Lab's shareholders.

The interests of our shareholders, clients, and employees will always be well served by the Company's resilient culture, which emphasizes innovation, the application of technology to solve complex problems, and dedicated customer service.

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

Now to review the Company's strategies and the financial tenets that have guided Core Lab's shareholder value creation through our 31-year history as a publicly traded company.

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 — 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 excluded the impact of any FX gains and 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.

The comparison periods for the second quarter of 2026 and the third quarter of 2025 also include items that were discussed on those calls and highlighted in our earnings release for those periods. These items have also been excluded from our discussion of the financial results today. You can find a summary of those items in the tables attached to our press release for the third quarter of 2026.

So now looking at the income statement, revenue was $132.1 million in the third quarter, up 6 percent compared to the prior quarter and down 2 percent year over year.

Sequentially, we saw growth in demand for our completion products in both the US land and international markets, while service revenue increased in several international regions. The conflicts in both Russia-Ukraine and the Middle East have continued to primarily impact service revenue.

Of this revenue, service revenue, which is more international, was $96 million for the quarter, up 2 percent, sequentially, and down 5 percent year over year. Our service revenue associated with crude assay services and proprietary studies continue to be impacted by the geopolitical conflicts in the Middle East and Russia-Ukraine, which are the primary reason for the year-over-year decrease. However, growth in other regions outside these affected areas offset some of the impact.

Sequentially, service revenue is up as we continue to see increased demand for our reservoir rock and fluid analytical programs in nearly all international regions, including the Middle East. However, the increase was partially offset by a lower level of well completion diagnostic services, as several large projects scheduled for the third quarter were delayed due to changes in the client's schedule.

Product sales, which are more equally tied to North America and international activity, were $36.1 million for the quarter and were up 19 percent sequentially and 8 percent year over year.

Sequentially, we saw improved demand for completion products and a growing adoption of our proprietary completion technologies in the US. International product sales were also up nicely and up 31 percent compared to the second quarter. As a reminder, international product sales are typically larger bulk orders and can vary from one quarter to another.

Additionally, laboratory instrumentation sales were higher in the third quarter compared to the prior quarter. When looking at year over year, the growth in product sales was primarily in the US.

Moving on to cost of services, ex-items, for the quarter was 78 percent of service revenue, which improved from 80 percent in the prior quarter, but increased from 74 percent last year.

Sequential improvement was primarily driven by higher revenue, supported by a relatively fixed cost structure. The year-over-year increase is primarily a result of the Company continuing to carry costs in the regions which have been more negatively impacted in 2026 by the escalation of the conflicts in both Middle East and Russia-Ukraine.

As discussed on prior calls, the service side of our business has been more affected by geopolitical conflicts and expanded sanctions. Volatility in crude oil prices, along with the continued conflicts in Russia, Ukraine, and the Middle East, have disrupted regional operations and reduced demand for our crude assay services, which are closely tied to the trading and maritime movement of crude oil and

derived products. We will continue to manage our cost structure as effectively as possible as we work through these disruptions in certain regions.

Cost of sales, ex-items, in the third quarter was 83 percent of revenue, an improvement from 85 percent in the prior quarter and 88 percent compared to last year. Sequential improvement was primarily driven by absorption of fixed costs on higher revenue and continued cost-control initiatives and manufacturing efficiencies. With these initiatives in place, we anticipate the manufacturing absorption rate in future quarters to be in line with projected product sales.

G&A, ex-items, for the quarter was $11.3 million, which was up slightly compared to the prior quarter and up $600,000 from the same quarter in the prior year.

For 2026, we expect G&A, ex-items, to be approximately $43 million to $45 million.

It is also important to note that 100 percent of our corporate G&A expenses are allocated and absorbed into the financial performance of the reported segments.

Depreciation and amortization for the quarter was $3.7 million, relatively flat compared to the prior quarter and the prior year.

EBIT, ex-items, for the quarter was $12.6 million, up from $9.4 million last quarter, yielding an EBIT margin of approximately 10 percent and expanding 200 basis points from last quarter. Our EBIT for the quarter on a GAAP basis was $12.1 million.

Interest expense of $2.8 million for the third quarter is relatively flat compared to the prior quarter, and $2.7 million in the same quarter in the prior year. The changes in interest expense were primarily due to changes in average borrowings with variable interest rates during these periods.

Income tax expense, at an effective tax rate of 25 percent and ex-items, was $2.5 million for the quarter. On a GAAP basis, we recorded tax expense of $3.8 million for the 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.

Net income, ex-items, for the quarter was $7.4 million, up sequentially from $5.1 million last quarter, but down from $10.2 million in the third quarter of last year. On a GAAP basis, we had net income of $5.4 million for the quarter.

Earnings per diluted share, ex-items, was $0.16 for the quarter compared to $0.11 in the prior quarter and $0.22 in the third quarter of last year. On a GAAP basis, EPS was $0.12 for the quarter.

Turning to the balance sheet, receivables were $115.6 million, an increase from $108.8 million in the prior quarter. Our DSOs for the third quarter were at 72 days, which improved slightly from the 73 days last quarter.

As discussed on prior calls, the timing of collections has been impacted by the ongoing conflicts, and we will continue to remain focused on our collection efforts in these affected regions.

Inventory, as of September 30, 2026, was $60.7 million, up from $58 million at last quarter-end. The increase in inventory during 2026 is primarily associated with increased costs of raw materials.

Inventory turns for the quarter improved to 2.0 compared to 1.8 at the last quarter-end. With continued focus, we anticipate inventory turns will gradually improve as we progress through the remainder of 2026.

And now to the liability side of the balance sheet.

Our long-term debt was $114.8 million as of September 30, 2026. And considering cash of $21.4 million, net debt was $93.4 million, which decreased slightly from last quarter.

Our leverage ratio is currently just under 1.5, compared to 1.3 last quarter. Our debt is currently comprised of $65 million in senior notes, a term loan of $48.8 million, and $1 million outstanding under our bank credit facility.

Looking at cash flow, for the third quarter of 2026, cash flow from operating activities was $5 million. And after paying $3.3 million of CapEx for operations, our free cash flow for the quarter was $1.7 million.

As a reminder, the capital expenditures associated with rebuilding our UK facility, which are covered by the Company's insurance, have been excluded in the calculation of free cash flow. In the third quarter of 2026, capital expenditures associated with rebuilding the UK facility were $500,000.

Looking ahead to the rest of the year, we will continue our strict capital discipline and asset-light business model with capital expenditures primarily targeted at growth opportunities. Excluding the CapEx for rebuilding the UK facility, we expect capital expenditures for the full year 2026 to be in the range of $14 million to $16 million.

Core Lab's operational leverage to provide the ability to grow revenue and profitability with minimal capital requirements. Capital expenditures for operations has historically ranged from 2 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 fourth quarter 2026.

Ongoing geopolitical conflicts in the Middle East and Russia-Ukraine, along with associated sanctions, continued to disrupt the transportation and trading of crude oil and refined products during the third quarter of 2026.

Although the cargo traffic in the Strait of Hormuz gradually improved late in the quarter, crude oil supply remains significantly disrupted, creating near-term volatility in commodity prices and uncertainty around the timing of upstream client activity. These geopolitical events also impacted upstream operations and slowed the pace of client projects.

Higher energy prices and constrained availability of certain petroleum products have weighed on crude oil demand in the near term. Looking ahead, the IEA, the EIA, and OPEC all anticipate strong global crude oil demand in 2027 as supply disruptions ease and trade flows normalize.

Short-cycle US onshore activity is more sensitive to crude oil price volatility, while large-scale international projects are expected to be more resilient and proceed as planned, unless directly impacted by regional conflict.

Overall, the Company believes the historic disruption to the global supply of oil and gas caused by the Middle East conflict will support improved activity in 2027 and a long-term growth cycle for oil field services.

Natural production declines from existing fields, the need to rebuild depleted global inventories, and clients' increasing focus on reserve replacement underscores the importance of investment in new resources of production and in maximizing recovery from existing fields.

Core Lab's reservoir description and production optimization technology support operators in evaluating new resources, reducing development risk, and recovery from producing reservoirs.

For the fourth quarter 2026, Core Lab expects revenue to remain relatively flat, sequentially, reflecting continued disruptions in the Middle East. Early in the quarter, attacks affected client operations in the region and have resulted in some project delays.

In the US, Core expects the customary year-end seasonal moderation in land activity, partially offset by the sequential improvement in Diagnostic Services. A sequential increase in Production Enhancement service activity is expected to drive growth quarter over quarter.

Although recovery in certain Middle East countries remains difficult to predict, Core Lab's international laboratory network, proprietary technologies, and specialized expertise position the Company to capitalize on emerging opportunities across global markets.

In summary, Reservoir Description's fourth quarter 2026 revenue is projected to range from $81 million to $85 million, with operating income of $5.1 million to $8.3 million.

Production Enhancement's fourth quarter revenue is estimated to range from $47.5 million to $49.5 million, with operating income of $5.5 million to $6.7 million.

The Company's fourth quarter 2026 revenue is projected to range from $128.5 million to $134.5 million, with operating income of $10.7 million to $15.1 million, yielding operating margins of 10 percent. EPS for the fourth quarter 2026 is expected to range from $0.12 to $0.20.

The Company's guidance is based on projections for underlying operations and excludes gains and losses in foreign exchange and assumes an effective tax rate of 25 percent.

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

Larry Bruno

Thanks, Gwen.

First, I'd like to thank our global team of employees for their continued commitment to innovation, integrity, and exceptional service to our clients. I'd particularly like to thank our employees throughout our Middle East operations for dealing with a wide range of challenges that have resulted from the conflict in the region.

Looking at the macro, global energy markets continue to navigate geopolitical uncertainty tied to disruptions in the production, trade, and shipment of crude oil, natural gas, and derived products, along with commodity price volatility.

Although crude and derived product exports from parts of the Middle East improved late in the quarter, the conflict continued to affect infrastructure, transportation routes, and the timing of client activity related to the production, refining, and distribution of hydrocarbons.

The IEA, EIA, and OPEC have revised their near-term oil demand outlooks amid the ongoing geopolitical disruptions. Their latest forecast projects global oil demand growth of approximately 2 million to 2.6 million barrels per day in 2027, reflecting an anticipated recovery from the disruption to demand that is unfolding in 2026.

This year, global inventory draws have helped offset supply disruptions, with further draws occurring in the third quarter. The EIA estimates that global inventories declined by approximately 1.8 million barrels per day during the quarter and projects an additional draw of 0.7 million barrels per day in the fourth quarter.

Although Middle East production and exports have improved over the past several weeks, the agency expects constraints on regional oil flows to persist through year-end.

Beyond the near-term supply and demand outlook, replacing production loss to natural field decline remains a significant factor in future activity levels. The IEA estimates that if all capital investment in existing sources of oil production were to stop, global oil production would decline by approximately 8 percent annually, on average, over the next decade. This underscores the need for continued investment in existing producing fuels, as well as the exploration, appraisal, and development of new resources.

In the United States, the EIA's October short-term energy outlook projects crude oil production to average approximately 13.9 million barrels per day in 2026, up marginally from 2025. While US oil production growth in 2027 may slightly add to global supply, it does not remove the need for replacement production to account for the natural decline from existing fields.

Taken together, the need to offset natural field decline, combined with the need to replace depleted inventories and the production growth required to support future demand, all reinforce the importance of a sustained investment cycle across geographically diverse sources of supply.

These requirements will drive both new field discoveries and developments, including international and offshore projects, as well as programs to improve recovery from existing fields. Core Lab's global reach, proprietary technologies, and specialized technical expertise will support operators across these investment priorities.

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

Turning first to Reservoir Description. For the third quarter of 2026, revenue came in at $84.3 million, up 7 percent compared to Q2 of 2026.

Operating income for Reservoir Description, ex-items, was $8.1 million, up from $3.7 million in Q2, yielding operating margins of 10 percent, with strong sequential incremental margins of 78 percent.

Despite the quarter-over-quarter improvement, revenue and margins continued to be impacted by a year-over-year reduction in demand for assay work, resulting from disruptions to hydrocarbon cargo movements through the Strait of Hormuz, along with delayed project execution and reduced client activity across the Middle East.

In addition, expanded sanctions and military action against oil and gas infrastructure continue to negatively impact the Company's operations in Russia and Ukraine. These collective geopolitical headwinds were partially offset by continued investment in reservoir characterization programs that are supporting international exploration, appraisal, and development projects in many regions.

Now for some operational highlights from Reservoir Description. Even as portions of our business remain negatively impacted by geopolitical disruptions during the third quarter of 2026, clients continued to rely on Core Lab's specialized technical expertise and global laboratory network.

During the third quarter, Core Lab secured a carbon capture and storage project in Malaysia, supporting a sequestration program for a major international operator that is evaluating long-term CO2 injection into a depleted natural gas reservoir. The project includes a comprehensive reservoir characterization and CO2 storage qualification program, incorporating advanced petrophysical, geochemical, and geomechanical performance analyses. Core Lab's analytical program will generate the critical data required to evaluate CO2 storage capacity, formation damage risks, and seal integrity.

Also during the third quarter, the Company secured a key role in supporting a major offshore operator in the Black Sea, as their development project advances toward first hydrocarbon production. With the infrastructure installed and drilling underway, Core Lab is providing a specialized offshore mobile laboratory with on-site sampling and analytical services to support start-up and initial production

operations. These real-time datasets are helping the operator reduce risk during this important phase of development.

This project award highlights Core's ability to integrate advanced laboratory capabilities with on-site expertise and positions the Company for additional opportunities as this project transitions into long-term production operations.

Moving now to Production Enhancement, where Core Lab's technologies continue to help our clients optimize their well completions and improve production. Revenue for Production Enhancement for the third quarter of 2026 came in at $47.8 million, up 4 percent sequentially, and 3 percent year over year.

Q3 2026 operating income for Production Enhancement, ex-items, was $4.4 million, yielding operating margins over 9 percent. Operating margins were down sequentially as revenue shifted to a proportionally higher volume of product sales versus diagnostic services.

Diagnostic services in the Gulf of Mexico were down sequentially due to project timing. Several large diagnostic projects reached successful completion in the second quarter, while new projects, originally scheduled for the third quarter, were delayed until the fourth quarter due to a shift in client schedules. We anticipate improved diagnostic activity in the Gulf of America in the fourth quarter as these projects get underway.

Now for some operational highlights from Production Enhancement. During the third quarter, Core Lab was selected by a national oil company in Southeast Asia to develop and deploy an integrated water shutoff solution for its offshore well intervention program. To meet the operator's specific requirements, Core's team developed and commercialized a proprietary retrievable packer designed for

water shutoff applications. This new packer was combined with our proprietary X-SPAN tubing and casing patch technology to provide a comprehensive well intervention solution.

Following successful product development and qualification testing, the operator deployed the integrated system in our offshore fields, achieving 100 percent operational success. As a result of this successful deployment, Core Lab was awarded a five-year contract to support the operator's ongoing water shutoff program.

Also during the third quarter, Core Lab deployed its proprietary oil and water tracer technologies to support a large-scale, onshore, unconventional development program in the Middle East. The operator is developing closely spaced horizontal wells across multiple reservoir intervals, using completion designs adapted from successful multi-bench Permian Basin operations.

With reservoir modelling indicating potential hydraulic fracture communication between wells, the operator engaged Core Lab to provide direct diagnostic measurements of inter-well connectivity. The engagement built on the client's prior experience with Core Lab's diagnostic technologies on legacy US land projects.

Working closely with the client, Core Lab's technology team executed a tracer diagnostic program that provided data to help the operator evaluate well interconnectivity and completion effectiveness in this new development. This work will be used to optimize well spacing and demonstrates Core Lab's ability to apply its proprietary technologies and North American experience to emerging international unconventional field developments.

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

Q&A

Operator

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. To withdraw your question, please press *, then 2.

At this time, we will pause momentarily to assemble our roster.

Our first question comes from Josh Jayne of Daniel Energy Partners. Go ahead, please.

Gwen Gresham

Good morning, Josh.

Josh Jayne — Daniel Energy Partners

Good morning. I think it was in Gwen's commentary, you noted that the conflict driving higher commodity prices will drive higher spending in 2027. Maybe you could just go into a little bit—are there regions where you see more of an uptick relative to others? Or do you see global CapEx from operators next year? Are there more relative dollars moving a certain way than what you experienced this year? Maybe you could just dive into that a little bit, would be great.

Larry Bruno

Yeah. Josh, good question.

I mean, we're still putting together our thoughts and our conversations with clients about 2027. But I think it's more of the latter. A global increase in capital spending is emerging across our conversations with our client base. And I think, with many of those, they're long-cycle projects. And so I don't think they're going to be terribly influenced by short-term fluctuations in the price of crude oil. And so we just see, across the globe, an increase in activity next year.

Josh Jayne

And then, maybe on the Production Enhancement side, what are you seeing in the US as you move forward? Could you speak to if you're seeing a difference in demand from the privates versus the larger publics moving forward, given most of the uptick over the course of this year has been driven by privates and smaller operators? Just what do you see?

Larry Bruno

Yeah. That's pretty much what we've seen. It's been the smaller operators, privates. I think the—I think, if I could characterize a consensus among the larger operators, it's been, they're going to execute their budgets that they had and not flex that very much. And so I'd say the uptick that we've seen on US land has been more smaller operators being a little opportunistic.

Josh Jayne

Okay. Thanks. I'll hop back in the queue.

Gwen Gresham

Thanks, Josh.

Larry Bruno

Okay. Thanks.

Operator

Again, if you have a question, please press *, then 1.

This concludes our question-and-answer session.

I would like to turn the conference back over to Larry Bruno, Chairman and CEO, for any closing remarks.

Larry Bruno

Okay. I think we'll wrap up here.

In summary, Core's operational leadership continues to position the Company for improving client activity levels in the coming quarters and years.

For nine decades, through many cycles, Core Lab has successfully navigated changing industry dynamics, political uncertainty, and global market disruptions by remaining focused on innovation, operational excellence, and servicing our clients.

Core Lab is well positioned, both operationally and technologically, to help our global clients optimize reservoir performance and address their evolving needs. Our focus on differentiated technologies, scientific expertise, and client collaboration continues to distinguish the Company across the oil field service sector.

The Company will remain focused on maximizing free cash and return on invested capital. In addition to our quarterly dividend, we'll bring value to our shareholders via growth 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 while preserving its strong balance sheet.

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 our continuing achievements.

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

Operator

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