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Earnings Call

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Call Participants

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Presentation

Operator

Thank you for standing by. My name is Kate, and I will be your conference operator today. At this time, I would like to welcome everyone to the Haivision First Quarter 2025 Earnings Call. [Operator instruction] I would now like to turn the call over to Mirko Wicha, President of Haivision. Please go ahead.

Miroslav Wicha
Chairman, President & CEO

Thank you, Kate and thank you, everyone, on the call for joining us today to discuss our first quarter of the fiscal year 2025, which ended back in January 31. As mentioned on our last earnings call back in January, we have successfully completed our 2-year strategic plan end of last year to deliver EBITDA and profitability transformation as promised. Now we are now well into our next 2-year strategic initiative for fiscal '25 and '26, which will complete our overall business transformation and return Haivision to the double-digit revenue growth we have seen in the past. It will also return us to a long-term CAGR growth rate of approximately 20% per year. As mentioned earlier, we have completed our operational efficiency model and have a solid handle on the OpEx, the gross margins, EBITDA, cash generation. The focus now is all about high revenue growth.

Now the great news today is that we have seen the bottom of the revenue curve we have been discussing for more than a year. And we always said it was difficult to project exactly which quarter we would see the lowest level of revenue, and this is during this integrator to manufacturer transformation and we saw that after Q4, we were getting close. And sure enough, Q1 was the bottom. Now we see the continued increase in orders, pipeline and revenue building in the C360 business globally, not just in the US, which is all about high growth in the coming quarters and years.

Now let me share a few thoughts on what to expect from us during fiscal '25 to prepare for this high growth in '26 and to demonstrate the business scalability we have always been talking about. Our key fundamental business model for the controllable market, again, the move away from being an integrated to manufacturer is now complete. And I repeat again, we are seeing a good solid increase in our long-term pipeline. Our business forecast is compelling, and we are seeing strong order and revenue increase in the controllable market. Now this is what we've been working on for the past 18 months, and it's really great to see. And we have always said that this transformation will be at the expense of our top line, which is very similar to when we decided to transition a couple of years ago out of the house of worship market.

However, what is left will be our proprietary high-margin business, which we all know is great long-term business. And we expect to see the net revenue increase showing up during the second half of this fiscal year and increase during fiscal 2026. Remember that the control room sales and pipeline is very different from our other, what I say, "book and ship the same quarter business'', which typically converts to revenue within 2 to 4 quarters. When you couple this with our large US Navy program, which, by the way, is about to kick into high gear, you can understand our enthusiasm for high growth for our fiscal '26 and beyond. Now we are also investing on many product developments and introductions throughout this year, some of which we discussed earlier, but here are some of those highlights.

Some very strategic developments in AI. We announced last year that Haivision is partnering with Shield AI, a leading defense technology company whose mission is to protect service members and civilians with intelligent systems. With this partnership, Shield AI's Kelstrel can now be fully integrated with Haivision's real-time transcoding cracking software system and deployed across a wide range of air, land and sea-based platforms. We are also increasing our investments into our next-generation hardware AI technology, and we'll be launching this new AI-based platform and edge device for the defense and ISR markets later this year. And we are the standard low-latency edge transcoding delivery platform in the defense market and our market leader. We expect our Kraken AI technology to drive many long-term defense projects and increase our footprint within the global defense space. This is an area that is expected to have huge potential for the next 5 to 10 years, and we expect to be the leader.

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Talk a little about next-generation 5G transmitters. Now in another major development project, we'll actually be showcasing our next-generation transmitter platform and NAD next month in Vegas. This will be the basis for the next 3 years of transitioning our entire line of transmitters to advanced 5G private networking. We've incorporated some revolutionary technologies and created a lower cost structure, which will result in much better margins for the company. This will be very exciting as we also venture into an adjacent "lower-cost market with a small lightweight 2 antenna private 5G solution that we can now take advantage to go after." It's a very exciting new market for us, thus a new revenue stream for Haivision.

We'll be announcing more systems within this platform throughout the next 3 years. We have some pretty cool advancements to 5G technology and antennas. Last year, we again announced the Haivision joint, a multi-company consortium led by Airbus Defense & Space to develop new technologies for rapid, secure and reliable communications, representing a multiyear multimillion- dollar development contract. Now as part of the Air 5G project, Haivision will develop 5G transmitters that provide connectivity in mission-critical situations where normal communication lines are disrupted or unavailable. This consortium is building land and sea-based tactical 5G communication systems that support mission-critical operations during emergencies when network infrastructure is compromised or absent.

Now these technologies will begin appearing at the end of 2026 and promise to be very exciting. I'd like to talk about our next-gen Makito strategy. Later this year, we also plan to introduce a new Makito product, specifically for the broadcast and sports market that will open additional revenue streams for Haivision. We will be delivering full Genlock synchronization capability, including JPass technologies. And our Makito clients have been asking for this, and we will deliver with our signature capabilities of high quality, reliability, low latency and security. This will enable all our largest broadcast clients to use Haivision for their full end-to-end workflow. This will be very exciting. All of these developments and strategic investments are key during 2025 and will mostly affect revenues starting in our fiscal '26, another reason why we are so excited about 2026 and beyond. We couldn't be happier with our performance. And now we move our focus and attention to revenue growth.

So I'll pass this on to Dan, please, to continue with the detailed financials of Q1.

Dan Rabinowitz
CFO, Secretary & EVP of Operations

Thank you, Marcus. So let's get into the numbers. Revenue for the first quarter of fiscal 2025 was $28.2 million, a decline of $6.4 million or 18% from the same period in the prior year. This quarter's revenues were impacted, as was the case last quarter, by changes in procurement processes and the transition away from the integrator model in the control room space. With respect to changing buying behaviors, as we communicated last quarter, we just didn't see the fourth quarter bounce in the pipeline that we typically experience. That change in buying behavior in turn impacted this quarter's revenue as well. probably need not have to say, but there is still some ambiguity in the U.S. administration's priorities. I'm not sure anyone knows what the impact is of the U.S. Congress' increasing reliance on continuing resolutions to fund the government versus a complete appropriation bill.

On the other hand, the transition to manufacture in the control room space is largely complete. Sales from third-party components and the professional services related to those opportunities as a percentage of total sales fell in half when compared to the same period last year. More importantly, we have seen the total pipeline for opportunities in the control room space increase significantly, which bodes well for second quarter revenue and for that matter, revenue for the remainder of the year. I should mention that aside from the revenue implications of our migration from integrator to manufacturer, which may still have a role in explaining year-over-year differences, all other year-over-year revenue comparisons should be clean.

Recurring revenue was $7 million in the quarter. That's an increase of 12% from the prior year. That's despite the year-over-year decrease in revenue. Recurring revenue is defined as our maintenance and support revenues and cloud service revenues and the nature of our agreements with our customers is like an annuity with auto renewal features, and it represents a higher percentage of total revenue when compared to last year. Gross margins for the quarter were 72% compared to 72.9% in the prior year comparative period. That's a 90 basis point decline. The decrease in gross margin is largely the result of

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fixed cost of our production like certain technology licenses, reserves for obsolescence, production supplies and depreciation, all of those being amortized over lower levels of revenue.

Our fixed production costs were $1.9 million in both this year's first quarter and last year's first quarter. Direct product costs, on the other hand, as a percentage of product revenue actually improved by 190 basis points in this first quarter compared to last year. We saw a similar dynamic last quarter when comparing the resulting gross margin to gross margins in earlier quarters. We should see our gross margins revert back to our average as revenues increase. With that said, we may continue to see some quarterly variations of gross margins related to the seasonality of certain product families, although the gross margin differences between our product families have been dissipating. And we hope to see modest increases in the sales of software-only options or virtual machine deployments, which have a higher gross margin than our typical software sales when pre-installed on servers and sold as a complete appliance.

Total expenses for this first quarter were $22.5 million, a decrease of $500,000 when compared to the same period last year. The year-over-year decrease is largely related to the decline in amortization expenses of about $400,000 as certain intangible assets acquired in 2021 have since been fully amortized. We've also had a decline in professional services expenses by about $300,000 year-over-year. Now these 2 reductions were offset by a modest increase in compensation-related expenses by about $200,000. We ended the quarter with 379 employees compared to about 358 employees last year.

On an aside, total expenses did increase by about $600,000 in this first quarter when we compare it to the prior 2 quarters. As approximately 40% of our OpEx is within Canada, the weaker Canadian dollar had its impact. Otherwise, expenses continue to be very stable. With that said, the National Association of Broadcasters Show, commonly referred to as NAB, will be held in Las Vegas in April and as in years past, we will have a big presence as an exhibitor. This is the first of 2 large shows that we exhibit at and the cost of that trade show will be reflected in our second quarter results.

The second large show is the international broadcasting convention commonly referred to as IBC in Amsterdam, and that will be held in September, which is our fourth quarter. The result of the decrease in year-over-year revenue is that the operating loss for the quarter was $2.2 million compared to an operating income of $2.3 million in the same period last year. The $500,000 reduction in total expenses was only partially able to offset the $6.4 million decline in revenue and the resulting $4.9 million reduction in gross profit. The adjusted EBITDA story isn't much different. Adjusted EBITDA for the quarter was $400,000 compared to $5.2 million in the same period last year. Again, the decline in year-over-year gross profit explains the resulting decline in adjusted EBITDA.

With any cancellation, our cost structure has provided us the flexibility to weather certain market dynamics. With respect to the balance sheet, we ended the quarter with a cash balance of about $16.6 million, and that was an increase of about $200,000 from the end of last quarter. However, the amount outstanding on the credit facility was $4.9 million, an increase of $2.7 million in the quarter. But note, we have continued to make purchases of equity shares for cancellation during the period, and we made purchases totaling $800,000 during the quarter, and we continue to make payments on term loans and lease liabilities amounting to another $800,000 during the quarter. I should mention that in January, we did announce the approval from the TSX for the renewal of our normal course issuer bid. We intend to continue to make purchases for cancellation when the share price doesn't reflect the value of the business being built.

Also, I want to remind our investors, we still maintain the $35 million credit facility with the opportunity to expand the size of that facility if a strategic opportunity arises. And there's only $4.9 million extended on the line of credit at the moment. Total assets at quarter end were $143.9 million. That's an increase of $2.6 million from the end of fiscal year 2024. The increase in assets is largely the result of an increase in inventory by $1.4 million. We invested incrementally in inventory to support a buoyant second-quarter forecast, and we invested incrementally in inventory to mitigate the possible impacts of tariffs on our second-quarter results. The increase in assets is also the result of an increase in the value of right-of-use assets, which increased by about $900,000.

As conveyed last quarter, we had a one-time opportunity to downsize our Atlanta office facility and exit one of our more expensive leases before the end of its term. The former facility was vacated last quarter,

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and we realized a $1.2 million decrease in right-of-use assets. And I just want to mention on an aside, the Atlanta production facility was not impacted by the move of the Atlanta office location. Total liabilities at quarter end were $46.8 million. That's an increase of $2.3 million from the end of fiscal 2024. The obvious increase in liability is the increase by $2.7 million in the amount extended on the line of credit, but we also increased these lease liabilities related to that office move by about $800,000. Now those 2 increases were offset by a decrease in total payables of $1.1 million.

So let's talk about the 600-pound gorilla in the room, tariffs. I suppose to suggest that things are fluid might be a massive understatement. To illustrate some of the complexities we are facing, in anticipation of possible tariffs, we shipped finished goods to our Atlanta production facility. Apparently, other Canadian companies had similar ideas, and our trucks were still in queue at the border at the time of the deadline. Fortunately, the tariffs were postponed, and we were able to direct the trucks to return to our facility in Montreal. I'm telling you the story to suggest that this is just a very complicated issue. But let me try to box the impact for everyone here. Yes, we are a Canadian company, but only certain of our product families would be impacted in the short term. And even then, tariffs will only impact the portion of that product family that is shipped to the U.S.

Further, we have several tactics at our disposal to mitigate the impact of tariffs, and each of these tactics can be accelerated or delayed depending on the actions, I should say, the day-to-day actions of the U.S. administration. I'm not trying to suggest that the impact is insignificant, but it certainly shouldn't be viewed as fatal. Nevertheless, these tariff discussions are challenging, and there may be a cost incurred to implement certain of these tactics. As the above story suggests, just moving finished goods across the border in anticipation of the tariffs resulted in some incremental costs. But I would put this challenge in the same category as the challenge we faced during COVID, both on the sales side and the production side or the challenge we faced during the worldwide component shortage.

I guess the sum of it is, I'm hoping that people far smarter than us are on this issue and that cooler heads will prevail and ultimately, we will have more clarity on how we will be treated going forward. Last earnings call, we suggested that providing guidance has become increasingly challenging, and the threat of tariffs add yet a new dynamic to the equation. But I want to remind everyone, there's changing spending priorities under the new U.S administration. There's a shifting purchasing behaviors within the U.S. government. There's a Canadian Prime Minister who's reacting differently to the tariff threats. The timing and scope of the U.S. Navy production agreement and option years may present additional opportunities. There are continued opportunities in our U.S. transmitter business. We have needs for strategic incremental investments to capitalize on certain emerging opportunities. And the precise timing of our upcoming product launches and their projected impact to revenue has yet to be uncovered.

Nevertheless, we remain highly optimistic about our growth prospects, and we look forward to our next earnings call to discuss our financial performance as we continue to execute on these significant growth initiatives. So that really concludes my prepared remarks. I'm going to pass the microphone back to you, Mirko, and then we'll open the floor to questions.

Miroslav Wicha
Chairman, President & CEO
Thank you, Dan. I think we open the questions, and then I'll do a closing session after the questions. So operator, Kate, maybe we can start with the questions.

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Question and Answer

Operator

[Operator Instructions] First question comes from the line of Nick Corcoran.

Nick Corcoran
Acumen Capital Finance Partners Limited, Research Division

A couple of questions from me. The first is the Trump administration be focused on cutting government expenditures through and other means. Are you seeing any sales being delayed or canceled?

Miroslav Wicha
Chairman, President & CEO

You talking about the administration for federal government deals? I would say no, we're not seeing anything at the moment. In fact, interestingly enough is that since Q1, we've actually seen an increase or movement of funding, believe it or not, in a positive way within our federal government space, defense, especially. So it's actually quite the opposite. But we have not seen any slowdown or any changes because of those.

Nick Corcoran
Acumen Capital Finance Partners Limited, Research Division

That's helpful. And the related question is the delivery timeline for the U.S. Navy contract changed at all in the last few months?

Miroslav Wicha
Chairman, President & CEO

No, absolutely not. In fact, the good news that the Navy is actually trying to accelerate it and pushing us. We it's a pretty tight production schedule, very well laid out. We've already got the schedule already for the next almost 2 years. And it's already a tough one. And in fact, they're actually trying to expedite that. So I would say at this point, even keeping our schedule is already going to be a challenge for us, but we don't see them at all pushing back.

Nick Corcoran
Acumen Capital Finance Partners Limited, Research Division

And can you remind me when you expect the first deliveries of that to be?

Miroslav Wicha
Chairman, President & CEO

Dan do you have some idea on that?

Dan Rabinowitz
CFO, Secretary & EVP of Operations

Well, we have been making deliveries. The real question is when do we get into sort of a production cycle here? And I don't think that happens until our fiscal fourth quarter, that's when we're sort of getting to scale, and that's when we're sort of having a consistent cadence.

Nick Corcoran
Acumen Capital Finance Partners Limited, Research Division

That's helpful. And maybe one last question for me. We're halfway through the second quarter. Any indication what the sales pace is being relative to the first quarter?

Miroslav Wicha
Chairman, President & CEO

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What can we say? I think we kind of said in our prepared remarks, we are extremely optimistic on the future quarters going forward. We've seen the bottom in Q1. So at this point, I think it just wouldn't be appropriate to try to guess and we're not giving any guidance quarterly. We feel very comfortable about saying what we said for the year being similar to last year. We know that our second half of the year is going to be much stronger than our first half of the year. And we're seeing all those trends like we predicted that's going to help the double-digit growth for 2026.

So everything is pointing in the right direction. We feel actually pretty pumped and pretty optimistic that we've turned the corner. The transition of the business model is done. and it's like full cylinders ahead. And the good news is that the U.S. Navy will kick into gear in our Q4, which is another bonus.

Operator

I will now turn the call back to Mirko for closing remarks.

Miroslav Wicha
Chairman, President & CEO

Just pop up. I think that's one from Robert.

Operator

Your next question comes from the line of Robert Young.

Robert Young
Canaccord Genuity Corp., Research Division

I joined a bit late. I was hoping that if you haven't already addressed it and I missed it, but if you could help maybe delineate or separate how much of the year-over-year decline is driven by the business model change. I know you said the third party was down by half. And how much would be macro headwind? If you could just, in some way, help break that down a little bit so we understand how much is macro and how much is temporary?

Dan Rabinowitz
CFO, Secretary & EVP of Operations

Well, I'm not exactly sure what your definition of macro is going to be. But I would tell you that the decline in year-over-year is a lesser factor in the $6.4 million difference in revenue than it would be the macro factors that we're speaking of.

Robert Young
Canaccord Genuity Corp., Research Division

Okay. So when you say that you expect to return to growth in the second half of H2, are you thinking as you exit the second half of the year and head into 2026? Or do you think that Q3 and Q4 both will show revenue growth?

Dan Rabinowitz
CFO, Secretary & EVP of Operations

When you're speaking revenue growth, are you speaking against where we were first quarter? Or are you speaking against year-over-year comparisons?

Robert Young
Canaccord Genuity Corp., Research Division

Year-over-year.

Dan Rabinowitz
CFO, Secretary & EVP of Operations

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So under that scenario, I would say you're going to start seeing year-over-year significant growth in the third and fourth quarters compared to 2024.

Robert Young
Canaccord Genuity Corp., Research Division

Okay. Okay. That's great. And when you're talking about the reaction to tariffs, have you already started moving manufacturing to the U.S. or starting to shift your manufacturing footprint? Or are you holding that back still as a strategy? Are you just trying to be as flexible as possible? I'm not sure I understood the comments there.

Dan Rabinowitz
CFO, Secretary & EVP of Operations

So we are trying to be as flexible as possible with the shifting priorities of the U.S. administration. We haven't made any firm moves that we can't reverse. And we're going to continue to have that posture until we have a little bit more clarity on how to move. But these plans are fully vetted, and we're willing and able to pull the trigger in very short order if we have to.

Robert Young
Canaccord Genuity Corp., Research Division

Right. And I think you said that you're going to use facilities in Atlanta, but you're also using a third-party outsourced manufacturer has a footprint in the U.S. as well. Is this the combined Haivision and outsourced solution? Maybe give us a little more detail there on the flexibility.

Dan Rabinowitz
CFO, Secretary & EVP of Operations

Well. It's kind of difficult. I guess what I could suggest to you is that our contract manufacturer has multiple facilities in multiple countries with capacity. And so we could move to any one of those other facilities in short order. They have all of our componentry. They have all of our diagrams. It would take a little bit of an initiative to actually transfer the manufacturing to one of those other facilities, but that's just one of a number of different mechanisms available to us if we choose to go down that path.

Robert Young
Canaccord Genuity Corp., Research Division

Okay. So something you could react to within the quarter, I guess, if I put a finer point.

Dan Rabinowitz
CFO, Secretary & EVP of Operations

I would say that, that tactic is probably the extreme tactic, and it would take us about 3 months.

Robert Young
Canaccord Genuity Corp., Research Division

Okay. And then last question for me. You're foreshadowing some of the 5G transmitter products that you're going to unveil. I don't know that I've seen that yet. Just maybe an update on that business and the share and your ability to drive that business in the North American market. Maybe just an update on where that is going into NAB and then I'll pass the line.

Miroslav Wicha
Chairman, President & CEO

Sure. No, it's a very good question. In fact, I believe Robert, you're probably going to be at NAB. Unfortunately, I'm not going to be there this year, but we're going to have a pretty tremendous presence with some key North American partners for 5G transmission and private 5G transmission. So we're fostering partnerships with our technology. You're going to see a very big focus on that from us. We're going to be launching this next-generation product, which is really very unique within the MIMO

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technology. So it's all state-of-the-art new antenna technology. It excels at private 5G networks, which is exactly where the future is, and we've been working on it for quite a while. So we're pretty excited.

We're going to see a massive push in the U.S. And I'd say can't really talk about it too much, but we've got some pretty big wins coming our way in the next two, three months that you're going to see us chomping at the 5G market in a much accelerated fashion than we've ever been. So the new product is just the beginning. It's a whole next generation. I think next year, we're going to take it to a different defence ISR blue light level with the Airbus project. And then we're also going to be doing some more higher-level 5G products based on this new architecture. So we know it's going to be an important market. We're going to, no question, be a leader, and we're using also all of the Olympics with the FIFA and all of that stuff that we're involved heavily, pushing the envelope against the 5G. So yes, so look, go to our booth, check it out, look at our partners, speak with our folks, but there's going to be a lot of activity in this space for us.

Robert Young
Canaccord Genuity Corp., Research Division

Sounds great. Is there anything on business model as far as the leasing solution? Is that going to be a bigger part of the go forward? Or is that still a small piece of the offering?

Miroslav Wicha
Chairman, President & CEO

It's still a small piece, but we're actually bidding and winning some pretty interesting long-term rental deals, which is cool. It's kind of -- again, this is all new business for us, this whole long-term rental. But it's interesting. We've had a lot of very large opportunities, and the customers last minute just decided, you know what, we're just going to buy everything. So not because the rental wasn't attractive, they just decided as a CapEx model, right? But we are seeing we are winning some good long-term rental business in Europe and the U.S. And I think that's going to continue because people are still looking at the OpEx model a lot. So as we fine-tune our offerings, I don't see that stopping, but it's still a small piece of our business.

Robert Young
Canaccord Genuity Corp., Research Division

And when you talk about -- sorry, Dan.

Dan Rabinowitz
CFO, Secretary & EVP of Operations

I would just add that because we have capacity to both, we have flexibility, and our customers appreciate it. And we can have conversations about each of them, and they can make a decision.

Robert Young
Canaccord Genuity Corp., Research Division

Okay. And so the expectation of revenue growth in the second half is mostly, I guess, driven by the pipeline coming to maturity in the MCS business and then also this new 5G product rollout. And then, of course, the Navy contracts all at the same time. This is all happening at the same time, which is giving you the confidence in the revenue growth in the second half, I guess. Am I missing an element there?

Miroslav Wicha
Chairman, President & CEO

No, you're not. You're hitting them right on. In fact, we're seeing this really, really not only growing at the second half. Well, Dan mentioned, you'll see this comparison year-over-year will be pretty cool, but it's really going to drive our heavy double-digit growth for 2026. That's when we're seeing it's going to significantly take off because in 2026, the U.S. Navy deal will turn into turbo mode. We're into an auction year again. And it's going to start multiplying. So you're going to see pretty strong transmitter

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stuff. You're going to see, we're seeing a rebound on the defense business, and we're definitely seeing a rebound on the control room space. So right now, it's a huge optimism for our 2026 business.

Operator

Your next question comes from the line of Daniel Rosenberg.

Daniel Rosenberg
Paradigm Capital Inc., Research Division

I just was curious around just given the state of affairs of the turbulence around tariff and what have you, just any changes to competitive pricing that you're seeing from some other guys out there and the pricing power that you're able to have given the value you provide? Just any commentary around any changes that you've seen on the front line?

Miroslav Wicha
Chairman, President & CEO

Surprisingly, we haven't really seen any major changes. And even given the tariffs or tariff threats, I would say, we haven't obviously reacted. We're not planning to change anything at the moment with our pricing. But the only place that we actually might have seen is there is some play in the 5G transmitter space. So there's only, I'd say, three, I would say, maybe four vendors. And we've seen some opportunities where people are, as we say, dropping their pants on their pricing. But I don't see anything unusual. I mean that's just massive competitiveness. It's getting asked out there all the time, but nothing different from any other year.

Daniel Rosenberg
Paradigm Capital Inc., Research Division

And then just one other one for me. I thought I heard in your remarks that the headcount has increased. So I was just curious on plans around hiring, any resources needed to deliver on the 5G products, MCS initiatives, et cetera? Or are you kind of good with the roster you have right now?

Miroslav Wicha
Chairman, President & CEO

Well, we think well, I mean, we increased our headcount from last year this time, but a lot of those additions

[Audio Gap]

and we're still filling a few other slots. So we're pretty much done for this year. I expect for next fiscal year, we're going to be preparing an increase. So yes, I think there'll be a slight increase in headcount for next year, absolutely. But for the 2025, we're pretty much full.

Dan Rabinowitz
CFO, Secretary & EVP of Operations

Yes. Daniel, I would suggest this. Yes, the absolute number in headcount has gone up from a year ago. But most of those positions were in customer-facing, tech support, production, professional services, those people that are actually touching the customer. And not trying to beâ€Š demeaning here, but they're not the high-priced scientists that we had in development, what have you. So yes, the numbers went up. But from a compensation standpoint, it was a relatively modest increase.

Operator

I will now turn the call back to Mirko for closing remarks.

Miroslav Wicha
Chairman, President & CEO

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Great. Thank you, Kate. I guess just in closing, look, now that we absolutely established the bottom, we're pretty pumped, as you can see, about the remainder of the year and not to mention 2026 and beyond. So as always, we're committed to maximizing long-term value for all of our shareholders, and we are confident in our ability to execute on our strategic revenue growth plan and deliver solid growth for the future as promised. I just want to thank, again, all our shareholders and analysts on the line today for their continued support of Haivision. I look forward to speaking with you in mid-June when we will discuss our fiscal second quarter results. Thank you, everybody.

Operator
Ladies and gentlemen, that concludes today's call. Thank you and have a great day.

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