Operator: Greetings, and welcome to the Global Power Equipment Group First Quarter 2018 Financial Results Conference Call. At this time, all participants are in a listen-only mode. A brief question-and-answer session will follow the formal presentation. If anyone should require Operator assistance during the conference, please press star, zero on your telephone keypad. As a reminder, this conference is being recorded.

It is now my pleasure to introduce your host, Deborah Pawlowski, Investor Relations for Global Power Equipment Group. Thank you; you may begin.

Deborah Pawlowski: Thank you, Christine, and good morning everyone. We certainly appreciate your time today and your interest in Global Power. On the call with me are our President and CEO, Tracy Pagliara, and Chief Financial Officer, Erin Gonzalez.

We will begin with our prepared comments and then open the call for questions. After the close of market yesterday we released our first quarter 2018 financial results and filed with the Securities and Exchange Commission our First Quarter Form 10-Q. You can find these documents in the slides that will accompany today's conversation on our website at www.globalpower.com.

If you open the slide deck, I will review the Safe Harbor regarding forward-looking statements. As you are aware, we may make some forward-looking statements during the formal discussions as well as during the Q&A session. These statements apply to future events which are subject to risks and uncertainties, as well as other factors that could cause actual results to differ materially from what is stated here today. These risks and uncertainties and other factors are provided in the earnings release as well as with other documents filed with the Securities and Exchange Commission. You can find these documents on our website or at sec.gov.

During today's call we will also discuss some non-GAAP financial measures. We believe these will be useful in evaluating our performance. You should not consider the presentation of this additional information in isolation or as a substitute for results prepared in accordance with GAAP. When applicable we have provided a reconciliation of the non-GAAP measures to comparable GAAP measures in the tables that accompany today's release and slides, for your information.

If you will turn to Slide Number 2, I will turn the call over to Tracy to begin. Tracy?

Tracy Pagliara: Thanks, Deb, and good morning, everyone. While it's only been about five weeks since we last talked, we are happy to report that we had a solid first quarter that underscores the potential of our business. We are headed in the right direction to become a leader in specialty construction, maintenance and modification, and plant support services for the energy and industrial end markets we serve, including nuclear, hydro, and fossil-power generation, as well as pulp and paper, refining, petrochemical and other industries.

Excluding Hetsco's revenue and a beneficial reversal in last year's first quarter, revenue was up 8% for the first quarter of 2018 to $43.1 million. Importantly, we achieved a gross margin of 15%, validating our earnings potential.

Backlog was $150.1 million at the end of the first quarter, as we had previously reported. This provides a solid base for delivering a successful 2018. In fact, our operating activities generated $7.1 million in cash from continuing operations during the first quarter, which is a significant step forward. We have a business that can generate positive cash flow and has significant upside potential due to the strength of its service offerings and end markets.

We have multiple bidders for our Koontz-Wagner business and have stabilized our Houston facility. We continue to work towards our goal of having Koontz-Wagner sold by the end of June.

Please turn to Slide Number 3. Based on the growing momentum in our business, the Board has eliminated from consideration the potential sale of Global Power and/or our Williams subsidiaries at this time. We are now focused on growing top-line revenue and bottom-line operating income of our business. In order to increase our revenue, we are building out our physical presence in new markets. We recently opened new offices in Houston to support the oil and gas industry and in Ontario, Canada to expand our nuclear services geographically. We are on the approved bid list for prospects in both regions and have a great degree of confidence in our potential to grow revenue in these markets.

We have been gaining significant additional scope at Vogle Units 3 and 4 directly with the owner. We also have been gaining more scope with our longtime customer, TVA, both directly and indirectly. In fact, we've been building upon our relationships with larger engineering and procurement contractors. Again, our unique capabilities and strong reputation to deliver on time and safely help to augment opportunities with larger EPC's. We are encouraged by Energy Northwest Management's recommendation to renew our maintenance and modification contract, subject to final approval by the Energy Northwest Board of Directors. We are expanding geographically as well with a dry fuel storage project for a nuclear facility in the Midwest.

In the first quarter, we also won a wastewater project in the Southeast. To further grow operating income, we plan to reduce our general and administrative expenses to a $14 million to $18 million annualized run rate by the end of 2018. We expect to incur $8 million to $12 million in restructuring costs to implement this plan. In addition to these other initiatives, we are also planning to recapitalize our balance sheet. Erin will cover these plans in greater detail.

With that, let me turn the call over to Erin.

Erin Gonzalez: Thank you, Tracy, and good morning, everyone. During today's conference call we will cover our first quarter 2018 financial results in detail and will generally follow the presentation slides provided. Towards the end of the call, I will provide an update on our progress with our financing.

As previously reported, the Mechanical Solutions and Electrical Solutions segments have been classified as discontinued operations and, accordingly, the results for those segments are presented as such. Results are presented as a single segment comprised of the former Services segment, or Williams, and corporate operations, unless otherwise noted.

Now I will review our operational results for the first quarter of 2018. Please turn to Slide Number 4. First quarter revenue was $43.1 million. As illustrated in the revenue bridge, the first quarter 2017 was favorably impacted by $1.2 million of revenue from our divested business Hetsco, and a $4.4 million reserve release for liquidated damages. After excluding those impacts, revenue increased 8% over the first quarter of 2017. We had an $8.4 million increase in revenue from the construction activities at Plant Vogtle Units 3 and 4 in the 2018 first quarter, more than offsetting lower revenue of $3.3 million related to nonrecurring nuclear fossil fuels and other industrial projects and a $2 million decline due to the timing of a nuclear outage in the 2017 first quarter.

Please turn to Slide Number 5. In the first quarter of 2018, our gross profit increased $8 million to $6.5 million, and margin improved to 15%, which is back to historical performance levels. As highlighted in the gross margin bridge on this slide, the improvement over the prior period came from nonrecurring loss contracts in the first quarter of 2017.

Please turn to Slide Number 6. Our operating loss decreased $11.2 million to a loss of $800,000 in the first quarter of 2018, primarily as a result of the improvement in gross margin. Restatement expenses decreased $1.6 million compared with the prior-year period due to the wind down of the restatement process. Also important to note, general and administrative expenses decreased $1.4 million, due primarily to a $700,000 decrease in labor-related expenses and a $500,000 decrease in stock-based compensation.

Please turn to Slide Number 7. Our Adjusted EBITDA for the first quarter of 2018 improved significantly due to the $9.4 million decrease in net loss from continuing operations.

Please turn to Slide Number 8. In the first quarter of 2018, we generated positive cash from operations, including discontinued operations of $2.2 million. At the end of the first quarter of 2018, cash and cash equivalents were $8 million, which is an improvement on cash and cash equivalents at the 2017 year-end of $4.6 million. Our outstanding term loan debt at the end of the quarter was $25 million. We are currently in active discussions with various potential lenders and our efforts to secure an asset-based revolver which will secure our letters of credit and provide incremental borrowing capacity. When this new revolver is in place, the restricted cash currently securing letters of credit can be released and will be used to pay down our term debt. Following the sale of Koontz-Wagner, we plan to refinance our existing term debt under more favorable terms.

With that, Operator, we can open the call for questions.

Operator: Thank you. We will now be conducting a question-and-answer session. If you would like to ask a question, please press star, one on your telephone keypad. A confirmation tone will indicate your line is in the question queue. You may press star, two if you would like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up your handset before pressing the star keys. Once again, if you would like to ask a question, press star, one on your telephone keypad. One moment please while we poll for questions.

A final reminder, if you would like to ask a question, press star, one on your telephone keypad.

Thank you. Our first question comes from the line of John Deysher with Pinnacle Capital Management. Please proceed with your question.

John Deysher: Hi. Good morning. It looks like you're making solid progress. I just have a quick question on the reduction of SG&A. That's a pretty big number that you've targeted and I'm just wondering exactly how you get there, what specific actions you're going to be taking, and what will drive the restructuring costs.

Erin Gonzalez: Absolutely. What we are planning on doing is to consolidate our corporate office into our Tucker, Georgia office so that it's under the one-company concept. That will mean there's going to be significant headcount reduction in our corporate office here in Dallas, and also we will have a lot of savings related to IT costs. That plan has already been in motion and will continue throughout this year.

John Deysher: Okay. How much will the headcount come down relative to year-end?

Erin Gonzalez: The headcount will come down in our corporate office significantly; it will probably be 25% of what it was to start the year. Again, we'll have all reporting functions going up to our Tucker, Georgia office.

John Deysher: So where do you expect the headcount to be at the end of this year?

Erin Gonzalez: In our corporate office?

John Deysher: No, total.

Erin Gonzalez: Total headcount probably about 500 people, but, again, that would be full-time equivalents across our business, not just corporate functions.

John Deysher: Okay. Let me rephrase it. How many do you expect to reduce the corporate headcount by?

Erin Gonzalez: About 20 to 25 people.

John Deysher: Okay, and most of the restructuring cost is related to the reduction of 20 to 25 people?

Erin Gonzalez: Yes. That's correct.

John Deysher: Great. Thank you very much.

Operator: Thank you. We have no further questions at this time. I would now like to turn the floor back over to Management for closing comments.

Tracy Pagliara: This is Tracy Pagliara. Thank you, everyone, for participating in our earnings conference call. We appreciate your time and interest in Global Power. We are excited to see encouraging progress in the business after working through what has been a difficult period. There is still much to do, but we are very confident there will be positive outcomes ahead for all of our stakeholders. We look forward to talking with you all again after our second quarter results.

Thank you and have a great day.

Operator: Ladies and gentlemen, this does conclude today's teleconference. You may disconnect your lines at this time. Thank you for your participation and have a wonderful day.