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Profire Energy Inc.

First Quarter 2021 Earnings Conference Call

May 6, 2021

CORPORATE PARTICIPANTS

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Ryan Oviatt, *Co-Chief Executive Officer and Chief Financial Officer*

CONFERENCE CALL PARTICIPANTS

John White, *ROTH Capital*

Rob Brown, *Lake Street Capital Markets*

Jim McIlree, *Dawson James*

John Bair, *Ascend Wealth Advisors*

PRESENTATION

Operator

Good afternoon, everyone, and thank you for participating in today's conference call to discuss Profire Energy's first quarter 2021 ended March 31, 2021.

Joining us today is the Co-CEO and CFO of Profire Energy, Ryan Oviatt, and Co-CEO Cameron Tidball.

Before we begin today's call, I would like to take a moment to read the Company's Safe Harbor statement. Statements made during this call that are not historical are forward-looking statements. This call contains forward-looking statements, including but not limited to statements regarding the Company's expected growth, success of new partnerships, expansion outside of the Company's traditional markets, and impacts on supply chain. All such forward-looking statements are subject to uncertainty and changes in circumstances. Forward-looking statements are not guarantees of future results or performance and involve risks, uncertainties and assumptions that could cause actual events or results to differ materially from the events or results described in or anticipated by the forward-looking statements.

Factors that could materially affect such forward-looking statements include certain economic, business, public market, and regulatory factors identified in the Company's periodic reports filed with the Securities and Exchange Commission. All-forward-looking statements are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. All forward-looking statements are made also only as of the date of this release, and the Company assumes no obligation to update forward-looking statements to reflect subsequent events or circumstances, such as required by law. Readers should not place undue reliance on these forward-looking statement.

I would like to remind everyone that this call is being recorded and will be available for replay through May 20, 2021 starting later this evening and will be accessible via the link provided in yesterday's press release, as well as the Company's website at www.profireenergy.com.

Following the remarks of Mr. Oviatt and Mr. Tidball, we will open the call to your questions as part of the question-and-answer session. Mr. Oviatt and Mr. Tidball will be joined by Profire Energy's Vice President of Operations, Jay Fugle, and Vice President of Product Development Patrick Fisher.

Now I would like to turn the conference over to Co-CEO of Profire Energy, Mr. Cameron Tidball. Please go ahead.

Cameron Tidball

Thank you, Operator.

And we welcome all of you who are joining us on the call today.

I will start the call by providing some updates on the industry and our business, then I will turn the call over to Ryan to provide a review of the financials and outlook. Following Ryan's remarks, I will share an update on our strategic direction and recent business development initiatives.

After the unprecedented challenges of 2020, the current year has shown signs of improvement in oil and gas markets. However, overall demand continues to trail pre-pandemic levels. Since turning negative for the first time in history, WTI prices stabilized and over the past few months have rebounded to the mid $60 range thanks to increasing optimism for future demand as COVID-19 restrictions continue to loosen and the Northern Hemisphere enters late spring and summer. However, some regions, such as India, continue to be severely affected by the virus, limiting the recovery of global economic activity.

Despite the strong price appreciation for crude oil in the first quarter, major EMP's are still not expected to ramp production activity in 2021, given their ongoing commitment to capital discipline. Rather than investment in expanded drilling programs, we expect operators to utilize excess cash flows towards debt reduction, reinstatement of dividend programs, and the maintenance of existing infrastructure.

Given the realities we have and continue to face, we believe that drilling and completion activity will continue to see improvement through the remainder of the year. This should result in increased opportunities for Profire's products and services. We also remain encouraged by the sustained increase in focus from the industry to improve operational and environmental efficiencies, of which Profire solutions pertain. These actions represent opportunities for Profire to support the upgrade and retrofit market, as well as to provide valuable preventative maintenance services.

I will now turn the call over to Ryan to discuss our financial results and outlook.

Ryan.

Ryan Oviatt

Thanks, Cam.

As discussed, 2021 has started off with improved optimism for the oil and gas industry. With the uptick in our business and improved outlook for the year, and we hope the worst of the pandemic behind us, during Q1, we started to reinvest in our business to ensure we are well positioned to take advantage of the pending recovery.

The first major reinvestment was to remove the furlough program that impacted all of our employees for the majority of 2020. Second, we've begun hiring critical support roles that were eliminated in 2020 within our operations and back office support function; this will ensure we continue to deliver the exceptional customer service that Profire customers have been accustomed to. These roles will be paramount as we continue to grow our business through entry into new markets as well as our partnerships with Spartan Controls and ECI, which Cam will talk more about in a moment.

With that, let me turn to our financial results for the first quarter 2021. Yesterday after the market closed, we filed our 10-Q with the SEC and discussed the quarters highlights in a press release. As always, both of those documents are available on the Investor section of our website. The transcript of this call will be posted in the coming days.

In the first quarter, we recognized $5.1 million in revenue, which represents a 10% decrease from Q4. As we indicated on our year end call in March, we experienced an increased amount of year end spending in Q4, which was driven by the combination of the end of the presidential election cycle and the optimism associated with the COVID-19 vaccine.

Revenue decreased 32% compared to the first quarter of 2020. The prior year quarter was mostly unaffected by the pandemic and the price war between Russia and Saudi Arabia, which ultimately caused crude oil prices to turn negative in April 2020 and significantly impacted the subsequent 2020 quarterly result.

Gross profit for the quarter was $2.2 million as compared to $2.8 million in the fourth quarter of 2020 and $3.2 million in the year ago quarter. Gross margin was 42.7% of revenues, a 20 basis point improvement from the prior year quarter but still below our historical range due to the decreased revenues caused by the pandemic. Gross margin in the fourth quarter of 2020 was 48.7%, which benefited from higher revenues during the period as previously noted.

Total operating expenses for the first quarter were approximately $3 million. This represents a $216,000 increase sequentially as we began to unwind COVID related furloughs that were implemented last year. On a year-over-year basis, operating expenses decreased $850,000, reflecting the actions taken throughout 2020 to modify our cost structure for the unusual operating environment. Specifically, G&A expenses for the first quarter decreased 22%, R&D expense decreased 37%, and depreciation and amortization expense increased 14% from the first quarter of 2020.

Net loss for the first quarter was approximately $602,000 or $0.01 per share. This compares to net income of approximately $56,000 or $0.00 per diluted share in the fourth quarter of 2020 and a net loss of $365,000 or $0.01 per share in the first quarter of last year.

Cash flow from operations in the first quarter was approximately $1.8 million compared to $271,000 in the prior year quarter. The quarter cash flow was achieved through strong cash collections on accounts receivable, good working capital management, and the sale of our old building in Canada.

Our inventory balance at the end of the quarter was $8.1 million, down from $8.4 million at the end of 2020. We believe our current inventory levels, which are mostly finished goods, remain sufficient to address our customers' orders in the near term. However, we are closely monitoring inventory lead times and supply chain challenges in order to ensure we are able to remain a supplier of choice for our customers.

Cash and liquid investments totaled $19.4 million at March 31, 2021 compared to $17.6 million at the end of 2020, and the Company continues to operate debt free.

I will now turn the call over to Cam to provide a strategic overview of our business.

Cam.

Cameron Tidball

Thank you, Ryan.

In the first quarter of 2021, the weekly average rig count for North America increased to 522 from the fourth quarter average of 384. While this number has risen since the middle of last year, it still represents a 46% decrease from the weekly average of 958 for the first quarter of 2020.

Towards the end of the quarter, we are pleased to announce that we had entered into strategic agreements with two Emerson Impact Partners, Spartan Controls and ECI. These partnerships align with our strategy to grow and strengthen our core legacy business and to expand our presence in industrial combustion markets beyond upstream, midstream and downstream transmission.

Spartan Controls has the potential to bring Profire products to a wide range of industrial growth market. With their well positioned and respected brand and widespread footprint in Western Canada, we look forward to enabling their sales and application experts. Currently, we are focused on training initiatives to support their sales and engineering teams, which should lead to new revenue opportunities in the latter half of 2021.

ECI, a longstanding provider of process controls and automation solutions in Pennsylvania, Ohio, and West Virginia, will support our strategy to increase our strong end-user footprint in the Marcellus Shale region. ECI's reputation and expertise complements our sales and service strategy. We are encouraged by the progress achieved in the first quarter, as ECI was in the top quartile for customer sales.

Prior to the pandemic, we were working on the expansion of our sales team focused on downstream petrochemical and industrial combustion. In the first quarter and as part of our investment strategy, we resumed our search and we are happy to report that we were able to fill this role in the second quarter. This well qualified and experienced sales and business development asset will be pivotal to identification and development of new project opportunities and alternative combustion markets.

COVID-19 continues to impact our traditional sales process due to the various travel restrictions and our customers pandemic response plans. However, our industry and our customers remain reliant on our products and services and solutions. They continue to work with us directly through OEMs and other resellers to procure our product, service, and expertise.

During the first quarter, we engaged in a project and design discussions with a midstream energy infrastructure company regarding a major 3100 project to upgrade several critical thermal appliances. We are excited to report Profire's proposal was accepted, purchase orders were received, and we are currently in process of project execution, installation and commissioning. Profire continues to demonstrate a compelling story to our existing and future customers with similar application needs. Profire's expertise in design, application credibility, product availability, cost competitiveness and project turnaround are key components that we will continue to present and exploit.

In the quarter, we collaborated with a food and beverage manufacturer to support a combustion process need in one of their plants. We received the purchase order and expect to complete installation towards the end of the quarter. This project utilized core Profire technology and represents potential repeat opportunities outside of our traditional market.

On our prior call, we announced the successful installation of our PF3100 solution on a hydrogen production unit. This unit has been developed by a leading integrator and innovator of clean energy solutions that continues to test and develop their product with a goal of fourth quarter commercialization. Projects such as this demonstrate the capability and reach our solutions and team can support.

We also completed the successful installation of a critical thermal appliance upgrade for a major renewable fuel producer with our PF2200 technology. We continue to explore additional opportunities in this and other adjacent markets.

We continue to see increased adoption of the PF2200 by our existing and new customers, as customers have greater opportunity to see it in person and to witness firsthand the incredible improvements we have integrated into our latest system. Field performance coupled with customer feedback is validation of our product development and safety approval process.

As some of our highlights have shown, the PF3100 pipeline continues to grow. We are encouraged by the breadth of applications and projects that we are capable of supporting. We expect this to continue to expand as we work with our partners, gain broader installation experience, and introduce and solidify our brand in new industries and markets.

Profire's balance sheet remains well positioned for potential investment opportunities. We continue to conduct ongoing due diligence on potential acquisition prospects that are a fit for our core business as well as new market opportunities that could utilize our products and technology or leverage our reputation and significant customer base. We remain committed and focused in the careful and strategic use of these assets.

Before we turn to questions, Ryan and I would like to express appreciation, and to thank our employees for their continued dedication and contributions towards the success of the Company.

Operator, would you please provide the appropriate instructions so we can get the Q&A started?

Operator

Certainly, we will now begin the question-and-answer session.

Our first question is from John White with ROTH Capital. John White, your line is open.

John White

Good morning.

Cameron Tidball

Hi, John.

John White

Hi, guys, congratulations on the midstream deal. I know you worked really hard to get into that subset of the energy industry.

Cameron Tidball

Thank you.

John White

You mentioned hiring a new business development executive. Would you mind telling us a little bit more about his or her background and what industry they're joining you from.

Cameron Tidball

Yes, definitely. So we should qualify that this person, he is not an executive with Profire, at least not yet, but he is a direct sales and business professional. He comes to us from, I won't name the company, but a well-known competitor in the thermal appliance and thermal burner industry, so he has over 10 years' experience with combustion, working in refineries, petrochem, in that space, so really lucky to find him. We're happy to have him board, look forward to over the coming quarters to see what he can do to help us either grow organically, build out the sales channels, but for the most part, to start he'll be working on the Gulf region.

John White

Sounds good, thanks very much for the additional detail. In your traditional upstream business, are you seeing any particular focus of activity according to basin or play?

Cameron Tidball

For the most part, we've relatively stayed the course. Obviously, Permian leads the way with production and drilling and completing activity overall. However, the BMS ratio to well by our experience is a little lower in that area, but still remains to be strong. The Marcellus where Profire's invested heavily over the last couple of years continues to be very strong, but we are seeing a nice we'll call it steady uptick in all areas, except the Bakken as everyone knows is struggling the most.

John White

Okay, well nice job getting through what is hopefully the worst part of this storm, and I'll pass it on.

Cameron Tidball

Thanks, John.

Operator

The next question is from Rob Brown with Lake Street Capital markets. Rob Brown, your line is open.

Rob Brown

I just want to follow up on that 3100 project that you talked about receiving orders. Could you give us a sense of the size of the project? And maybe is this a one-time project, or are there other growth opportunities in that customer vertical?

Cameron Tidball

Yes, great question. This project is specifically what we internally called the downstream side of midstream; that being bigger heaters similar to some of the things we've done in the past for some of the large EMP's who have these big midstream facilities. So the size of magnitude we did three of the appliances that we'll be doing here in the quarter, we're actually commissioning two of them today, which is great. We've got a team out there. But these are more in the six figure line, low six figures, so just over 100, but they're nice-size projects. We believe that these types of applications we've really done well with them over the last three years in Canada, started to do some in Oklahoma, and these are first that we've really gotten in West Texas area, and so we know these exist. We know there's a lot of them out there, we're trying to get our sales team to not be afraid of these, not that they ever were afraid of these, but they exist in almost all of our territories and great opportunity. They're often very old and antiquated and they're ripe for being upgraded.

Rob Brown

Okay, great. Good to hear. And then you talked about the ECI in the quarter having an impact. Could you just sort of quantify or give us—not quantify, but give us a sense of the impact there and how that relationships been growing out of the game?

Cameron Tidball

Yes, well, we've had them aboard for pretty much the whole first quarter. We solidified things late Q4. They're well established in upstream, midstream, in the Marcellus region. Our strategy was to work with them closer. We thought it gave us broader end-user focus with their relationships, their size of sales team, and some of the revenue that was generated as we mentioned there in the top quartile top 25% of customer revenue for Q1 was probably revenue Profire would get anyways. We would probably estimate that 50% of their revenue was new revenue, which is great. So far, things are going very well there with the ECI. We like to combine strategy, our teams are getting better at working together and collaborating on opportunities, and the goal is really is to just bring as much as we can through the direct channel and as well through them.

Rob Brown

Excellent. Maybe you talked about kind of the balance sheet strength that you have and what opportunities that opens up on the on the M&A side. I can't say exactly, but what are some of the areas you're thinking about and how do you see that and where are you at in your maturity of that effort?

Cameron Tidball

Ryan, I've done a bit of the talking here. You want to tackle this first?

Ryan Oviatt

Yes, I was going to jump in here. A good question, Rob.

We certainly have. Obviously, this last year has presented some very unusual challenges and circumstances for us that we were working through; but even through that, we've continued to evaluate various investment opportunities, some of that being M&A. Obviously we've been able to do some things with partnerships as we've been talking, we're looking at other products, the product channel that we've got internally: how to build that, where to build that, what process to use. In doing that, whether we do it all homegrown, or we're you're partnering with other strategic partners, so there's certainly a number of things that we're looking at, and the fact that we were able to grow our cash position a little bit this last quarter through the sale of our building and some good working capital movements are certainly good as well, though at the same time we look forward and see additional challenges that we will need to face.

Certainly, some challenging circumstances on the supply side with vendors and our levels of inventory; we've been able to manage inventory down a little bit over the last year, and that's helped us get through some of those challenging circumstances, but we also believe we're going to need to reinvest and potentially grow that a little bit because of lead times and other things that are challenging there.

We certainly are looking across the spectrum of opportunities and needs, and see a lot of activity. A lot of things happening that we certainly want to invest in and hope to be making some more strategic moves with that cash throughout this year.

Rob Brown

Okay, great, thank you. I'll turn it over.

Ryan Oviatt

Excellent, thanks, Rob.

Operator

Our next question is from Jim McIlree with Dawson James. Jim McIlroy, your line is open.

Ryan Oviatt

Good afternoon, Jim

Jim McIlree

Thank you.

Cameron Tidball

Hi, guys, how's it going?

Jim McIlree

Fantastic doing well, thanks.

Ryan, in your comments, you talked about reinvesting in the business and I'm wondering if the increase we saw in Q1 is the beginning of further increases as the year progresses, or if you pretty much completed that process.

Ryan Oviatt

I would have to say it's probably a beginning. It was a big step because of the unwinding of the furloughs which we did. If you look at our headcount or I guess if I communicate our headcount, we're still down quite significantly from where we were a year ago. We're on average I think about 90 employees company wide right now; a year ago, we were about 120, maybe 125. We're down very significantly from that and some of that is strategic and how we've repositioned ourselves, but some of it is also in capacity within our operations and our support function, so we've begun to rehire a few roles to improve those support functions and make sure that we can continue to grow and support our customers throughout that process. We're not planning to go crazy; we're not planning to return to 125 anytime soon, but there are a few other roles that we will probably bring on later in the year. But some of that is also dependent on realizing some of what we anticipate in this recovery.

It is certainly an investment. There will probably be a bit more throughout the year, but we're going to be very strategic and pragmatic about how we do that, where we do it, and why. Then, as I mentioned, we'll also be using some of our money to reinvest in restructured or reprioritized R&D plans for product development, which may have a few roles associated with that as well, inventory reinvestments and some other things. From a G&A perspective, this is a first step, but we'll probably see some modest increases as we move forward as well.

Jim McIlree

Before the pandemic hit, the plan was to increase spending in selling and marketing in order to drive the top line. Is that completely off the table now, or is that still something that you're evaluating as business improves?

Ryan Oviatt

Certainly something that we're continuing to evaluate, and we do believe that there's value there. It'll probably be structured and prioritized a little bit differently than we were focusing on doing a year or two years ago as part of the plan, that you mentioned. We do believe that we need to invest and market things in certain ways as Cam highlighted that 3100 project that we did with the large cabin-style heaters. We believe there's a lot more that we can chase there, and so we'll probably allocate more into that effort specifically to grow that part of the business. Continue to invest and focus in the downstream petrochemical area, especially with this additional sales person that we have, so certainly continue to do that, maybe slightly prioritized differently.

Cam, anything you want to add or comment on there.

Cameron Tidball

I think you captured it perfectly. It's a great opportunity first, but again, we're going to be very careful and pragmatic about it. We're blessed to have this nest egg. We don't want to just sit on it. We obviously realize that's investor money and we want to get a return on that, but we will be cautious and smart with it.

Jim McIlree

All right, and one more. You've mentioned inventory a few times. I just want to understand better what's going on. Are customers demanding short lead times and so you have to sit on more inventory, or you feel like it's a way to win business if you can deliver quickly and so you're willing to invest in inventory? It seems like you're much more sanguine about sitting on high inventory balances than you have in the past.

Ryan Oviatt

Yes, I'll comment, but Cam, I think you can add here as well.

We continue to see supply chain challenges as far as getting product in. We're managing very well. We believe our proprietary products, our systems, the components associated with that. But even with those and the large inventory levels that we carry, we are seeing significant increases in lead times for those components.

Then, the focus that we've had over the last couple of years in providing solutions, not just BMS, controllers, or units boxes, but the whole package, the whole solutions for our customers, that's where we're seeing an even greater challenge as far as valves and solenoids and other third-party components that we have to procure and then build our full solution and provide it to customers.

We certainly are seeing longer lead times associated with that and supply chain shortages as many other industries are experiencing right now, and we've talked internally about not only about the need for us to be able to supply quickly to continue to support our customers, but strategically, how can we turn this to be an advantage for us.

Cam, I think that's where you could comment here a little bit.

Cameron Tidball

Yes, we definitely look at this as an opportunity to an away ship the way big oil has operated in North America for a long time now. We're naive to think we can do this on our own, but the fact of the matter is what Ryan has portrayed. We will see slow down; we already are seeing it. This is probably the worst supply chain, I guess, feel that we've had in in 20 years over the way that the global economy is moving or not moving or moving slowly. Costs will increase, of course, so what we're planning to do is where I mentioned is use this as an advantage or an opportunity to go to the clients, to our customers and lock in solidify specification.

For example, we'll get sometimes from OEMs, production equipment manufacturers, the spec will say Profire under burner management. Well, what that means to one OEM is, okay, I need a Profire's box; to another OEM it means do I need the burner; to another OEM, it just means several things. So we feel and we've worked at this for the last five years and continue to work on it but we have to tell the story. We have to have customers understand that if they don't lock in specification, if they don't work with us to further understand their forecasts and what they're going to need, it's not that Profire won't have the product, because Profire in our space has the biggest pockets to get that product and to store it and to hold it, but if we don't have it, it's not that somebody else will have it, it won't exist, it won't be ordered, it'll be backordered for so long.

And so we're working on with operations at Profire a strategy to go out to the customers and in a way share this message that they've got to get ahead of this. It won't be because we don't want to supply it or we can't afford to. It just won't exist, and that's what we're getting from our vendors that you need to get your orders out. Jay is on the call: his team is ordering things out quite a bit in advance. As Ryan mentioned that will be part of our investment because it is one of those things, if you have it, it makes a difference, but we're going to definitely favor customers who lock in with us and work together as opposed to those who just rely on the way it has been in the past.

Jim McIlree

All right, very good, that's helpful. Thanks a lot, guys, and good luck with everything.

Cameron Tidball

Yes, thanks, Jim.

Ryan Oviatt

Thanks, Jim.

Operator

The next question is from John Bair with Ascend Wealth Advisors. John Bair, your line is open.

John Bair

Thank you, good afternoon.

Ryan Oviatt

Hi, John.

John Bair

How are you guys doing?

Ryan Oviatt

We're doing well.

John Bair

I want to kind of touch on something that you just were talking about before I get into my main question.

When you're working on these projects in advance and trying to work with these customers, do they provide any upfront funding at all with some of the equipment that you're trying to build for them?

Cameron Tidball

That's a great question, actually. With some of our projects, the larger projects, specifically that midstream one we mentioned here on the call, we will often ask for some money upfront on the larger project, especially if it's product we don't normally stock, which for some of these larger applications is sometimes prevalent.

There is an opportunity to get some of—its standard industry process to get some up front. This will continue as well as we engage and get into larger projects, we hope and our planning for in refining and petrochem. That is the normal course of business.

John Bair

Yes, okay, very good. My broader question was this. We're seeing vaccination rates going up generally speaking; many companies, different industries are announcing they're re-opening their offices and bringing employees back in and so forth. And not only in this call but the previous ones, you mentioned that obviously not being able to get out and personally interact with potential customers and customers has been a drag on this whole sales process, realizing obviously that companies have cut back their spending, so that's probably the first and for most part, but now that we've got prices have come back pretty strongly, even seeing nat gas prices, spot prices close to $3.00; that's an encouraging tailwind, hopefully.

What I'm wondering is, what are you seeing from the customers or hearing from your customers about trying to get in front of them again on a face-to-face basis? Are they putting any kind of restrictions? Are they asking you have your sales force vaccinated? And how is that playing out right now?

Cameron Tidball

Great question. So far, to my knowledge nobody is asking for that level of detail on vaccinations. However, we have had to and we provide our COVID response plan to certain customers on how we're dealing with things. Even if we're just shipping, some of the companies that just order for our team members that go out more and more we're able to get on site. It's not locked down near as much as it had been previously. Q1 really started to change and towards the end of Q4, so we're able to get out with customers, even the Northeast. I know if anyone on the call works in Manhattan or Chicago, they know they're not really going to the offices, but for us, we're able to get out in the field quite prevalently, that hasn't been as big an issue and that's why some of the things we've highlighted in the call, our ability to get out. And actually our customers love to feel and touch what we're doing. They love the getting them.

For example, we were meeting with a customer in the Northeast and they had stated they didn't want to move to the 2200, they wanted to stay on the 2100, which is 10 years old now. Well, we just did somewhat of a mini trade show we'll call it with them last month here and we had 75 of their people out on a site. One of the supervisors, heads of the department that overseas burner or production equipment saw the 2200 and said, why aren't we doing this, we're switching.

As customers can see it, as they see new products, and it's not just our electronics, we want to show them some of our package solutions, because as they see these things, they're going to want it. It's definitely a great thing for us, the sales team has noticeably been more active and out with customers than they had been previously, they're all loving it, which is great. It's good for their morale as well, so we're not as limited as we were previously.

John Bair

Well, that's good insight there. That's good to hear, because I was going to kind of follow up and say, you know how permanently changed do you think the whole sales process is going to be? I mean, people have been used over the last year to be interacting on teleconferencing and so forth, but it sounds like really that the in person kind of thing is really going to be meaningful once there's more of a true reopen that goes on. Is that a fair statement, do you think?

Cameron Tidball

Yes, definitely fair statement. We do think that it's changed forever. We don't think it'll swing and stay where it is today. If you ask me, in three years will all the office towers be empty? No, I think people will go back to some sort of hybrid home-working, at home and in the office, and most companies will want to do the same as well.

But we will say, Ryan and I have been incredibly impressed with how the team has adapted not just from a sales process, but from a technical support, even a service support; all departments within Profire have adapted well to what customers need. This I think will allow us to have just a really nice hybrid; again, some of these companies that have downsized their office space, well, for now they don't always have people in the offices, and so we will continue to employ technology, video technology, training online training via video conference and it's worked well. It's just nice to get that tactile thing that humans seem to like.

John Bair

Sure, very good, thank you. Thank you for taking my questions, and look forward to seeing you at the conference sometime before too long.

Cameron Tidball

Sounds good, maybe in person.

John Bair

Yes, have a good summer. Thanks.

Operator

This concludes the question-and-answer session. I would now like to turn the conference back over to Cameron Tidball for any closing remarks.

Cameron Tidball

Thank you, everyone, for joining us on our call today to discuss our first quarter 2021 results. We appreciate your continued support of Profire. As always, we are available for any discussion or question that you might have. Also, we will be participating in the Three Part Advisors' virtual East Coast Ideas Conference in June.

Thank you, and have a great day.

Operator

This concludes today's conference call. You may disconnect your lines. Thank you for participating, and have a pleasant day.