

Aimia Inc.

Second Quarter 2025 Conference Call

Event Date/Time: August 14, 2025 — 8:30 a.m. E.T.

Length: 43 minutes

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PRESENTATION

Operator

Good morning, ladies and gentlemen. Welcome to Aimia Inc.'s second quarter 2025 results conference call. At this time, all lines are in a listen-only mode.

Following the presentation, we will conduct a question-and-answer session.

If at any time during this call you require immediate assistance, please press the *, 0 for the Operator.

This call is being recorded on Thursday, August 14, 2025.

I would now like to turn the conference over to Joe Racanelli. Please go ahead.

Joe Racanelli — Vice President, Investor Relations & Communications, Aimia Inc.

Thank you, Operator, and good morning, everyone.

Joining me on today's call are Aimia's Executive Chairman, Rhys Summerton, and our President and CFO, Steven Leonard.

Before we begin, I'd like to make note of the following. We issued our financial results for the second quarter earlier this morning. All of our materials, including our news release, MD&A, and financial statements, are available from our website as well as SEDAR+.

We will be using a presentation today, and for those listening to the call by phone, a copy is available from the IR section of our website.

Some of the statements made on today's call may constitute forward-looking information, and our future results may differ materially from what we discuss. Please refer to the risks and uncertainties that may affect our future performance referenced in our presentation and discussion today in our MD&A as well as in the Annual Information Form filed on SEDAR+.

In addition, we will be making note of GAAP and non-GAAP financial measures. Reconciliation of these numbers is provided in the appendix of our presentation and, as well, was also included in our press release.

Following today's presentation, please reach out if you do have any outstanding questions or require clarification on any of the matters discussed today.

Rhys, please go ahead.

Rhys Summerton — Executive Chairman, Aimia Inc.

Thanks, Joe. Well, good morning, good afternoon, good evening to our shareholders and those that take an interest in Aimia. Thank you for joining us today.

The second quarter results, I think we would describe as solid. There was progress across the board, and particularly in areas that are under our control.

So if you have gone through the numbers, you would have seen that our key financial metrics experienced growth, which was good.

And then when it comes to our three-step strategy, I think what we were really happy with was the reduction in the holdco cost guidance down to \$9 million for the year. We achieved a number of important milestones regarding the share buyback program, which was renewed. And there was also the settlement with the CRA, which will lead to a total refund of \$33 million. So that all was good progress.

I think we will talk a little bit more about the strategy and some of our priorities in the near term and the medium term. But I think what I'd like now to do is to hand over to Steve, who will take you through the key financial results and the operating highlights for the second quarter.

Steve Leonard — President & Chief Financial Officer, Aimia Inc.

Thank you, Rhys. Good morning, everyone.

I'd like to begin my remarks with the review of our consolidated results.

As you'll note from Slide 7, Q2 was marked by improvements to a number of our key financial metrics, despite growing economic uncertainty triggered by the onset of the new US tariffs.

Worth noting, consolidated revenue grew 5 percent to \$128.7 million.

Gross profit was up 11 percent to \$34.9 million.

SG&A expenses declined by 33 percent to \$25.9 million.

And adjusted EBITDA increased to \$19.7 million from \$12.3 million.

Our improvements on a year-over-year basis were largely due to the stronger performance by Cortland; reduced holdco costs, including the absence of shareholder activism costs incurred last year; and the positive impact of foreign currency fluctuations relative to the Canadian dollar.

Our results through June 30 and our outlook for the balance of the year are the reasons behind our decision to reiterate guidance for adjusted EBITDA for our core holdings and lower our holdco cost target. I will expand on our guidance later in my remarks.

Turning to our core holdings, starting with Bozzetto on Slide 8. The results of our specialty chemical business in Q2 were consistent with its performance in recent quarters as management was able to adapt to the changing market dynamics and still generate increased profitability.

In Q2 '25, Bozzetto generated revenue of \$90.9 million, up from \$87.4 million for the same period last year. On a constant currency basis, Bozzetto's revenue was down 2 percent or \$2.1 million. The decline was due to lower volumes sold by the textile solution sector as a result of market uncertainty associated with the pending implementation of US tariffs on Asian imports, particularly in Bangladesh, where Bozzetto sells into.

The revenue decline was partially offset by improved pricing and product mix as Bozzetto's dispersion solution sector, which primarily serves plasterboard, agrochemical, and concrete markets outside of the US.

In Q2 '25, Bozzetto generated adjusted EBITDA of \$16.9 million, which represents a margin of 18.6 percent. In the same period last year, Bozzetto generated adjusted EBITDA of \$15.1 million and a margin of 17.3 percent. The improvements were driven by the favourable foreign currency and reduced SG&A costs.

Cortland's results for the second quarter are presented on Slide 9.

Cortland grew revenue in Q2 '25 by 8 percent on a year-over-year basis to \$37.8 million. On a constant currency basis, Cortland increased its revenue by \$2.4 million, or 6.9 percent. The growth was driven by increased market demand and improved product mix, including the higher volumes of higher-performance rope sales.

Cortland's sales grew despite some economic uncertainties created by the latest round of pending US tariffs.

Cortland adjusted EBITDA grew by 36 percent to \$4.9 million, while adjusted EBITDA margin improved to 13 percent in Q2 '25. The improvements were largely driven by higher gross profit, offset by higher SG&A costs associated with an expanded sales force, excluding the nonrecurring \$1.2 million of professional and advisory fees that were incurred in the same period last year.

We ended the second quarter with \$70.5 million of cash, down from \$94.7 million at the end of Q1. Slide 10 shows a waterfall of the cash movements in Q2.

In the quarter, we generated \$9.4 million in operating cash flow and received \$2.7 million from a loan repayment from Kognitiv.

Cash outflows in Q2 included \$9.4 million of senior Bozzetto debt payments, of which \$6.3 million were voluntary; \$8.2 million related to the buyback of common shares; \$6.4 million of interest payments related to the 2030 notes; and \$5.2 million of interest payments on Bozzetto's credit facilities; and \$3.7 million of capital expenditures.

Looking at our liquidity more closely, Slide 11 shows a breakdown of our cash position by segment at the end of June. Over the next 12 months, our cash requirements will include less than \$9 million of holdco costs, \$13.9 million of interest payments for our 2030 senior notes, \$10.5 million of senior debt principal repayments on Bozzetto's debt, \$9.6 million of Bozzetto's interest payments.

I should point out that our June 30 liquidity totals exclude the anticipated \$33 million tax refund we're expecting from government agencies, and our cash requirements do not reflect the expected operating cash flow over the next 12 months from the businesses.

Through the six-month period, Bozzetto and Cortland generated \$44.2 million of adjusted EBITDA on a combined basis, putting us on track to reach our guidance for 2025.

Despite the emergence of economic uncertainties related to trade barriers, we remain cautiously optimistic about our outlook. It's why, as mentioned earlier, we are reiterating our guidance for the year.

As illustrated on Slide 12, we continue to forecast adjusted EBITDA in 2025 to be in the range of \$88 million to \$95 million for our core holdings on a combined basis, albeit at the lower end of the scale.

We will, of course, monitor these macroeconomic developments and adjust our outlook if necessary.

Given our progress at lowering holdco costs through June and our belief that we will sustain this momentum through the end of the year, we are lowering our target from \$11 million to \$9 million. Some of these cost savings we have made so far include reduced audit and professional fees, relocating our

Montreal office to a lower-rent facility, and reduced compensation expense stemming from the optimization of our board earlier this year.

That concludes the summary of the financial results. I'd like to turn the call back over to Rhys for closing remarks. Rhys.

Rhys Summerton

Thanks, Steve.

So following my appointment as Executive Chairman at the end of the first quarter, we rolled out a three-point strategy. And just a reminder about that. The three points were: reduce holdco costs; reduce the discount Aimia shares paid relative to intrinsic value; and three, allocate capital effectively with the goal of eventually utilizing the tax loss carry-forwards.

And I think over the past four months, we have made fairly good progress on the first two priorities. Firstly, we achieved the \$1.4 million of cost-cutting initiatives in Q2. We've kept our holdco costs from continuing to grow, and we've actually reduced the anticipated spend down from \$11 million down to \$9 million, as Steve remarked upon. And we've renewed the share buyback, which will run through to the end of June 2026 at the latest.

So this progress, I think, has allowed us to initiate efforts on our third step, which is really the exciting part. It's about deploying capital, looking at new investments, and we might get there sooner than I probably initially anticipated us getting to this point.

More specifically, we've made good progress on determining the market value of our core holdings and also understanding how we can get the best value for them.

While we don't have any specifics to share with you today, and I kind of sympathize how irritating that might be, as soon as we do have something to share, we will, obviously, update our shareholders and the market.

If you go to Slide 15, there, I think it demonstrates—and we keep this updated on a monthly basis—the number of shares outstanding. And I think what you would see there, we're down to about 91 million shares. And largely, we've been able to reverse some of the poor issuance that happened in the past. And we will continue to execute on a share buyback program while it makes sense, and I think you would have noted that we've continued with our renewal of the share buyback on the NCIB, which, as I said, will run through until June 2026.

Then on Slide 16, this is the updated valuation metrics slide, and we've added one line item to this. And that is, we've now been able to take that tax deposit, which you would see there's now \$33 million. So that's going to come through shortly. And we've added also this focus on book value or net book value attributable to common shareholders. And we've done that because we expect our performance in future will be able to be better measured based on the growth in that number.

So just to reiterate, this book value or balance sheet book value number is not the same as intrinsic value or net asset value. But if you take the great capital allocation machines in the world, they kind of use this book value number. And we thought we would highlight it from this quarter so that it can be monitored going forward.

If you look at the net book value per common share over time on Slide 17, you can see that there hasn't been all that much progress in the past. It's kind of been the reverse of that.

But then we had, in the first quarter 2025, we completed the substantial issuer bid and that realized a gain of \$54 million. And we kind of intend to reverse the historic performance so that this metric can grow as we create value for shareholders.

Going forward, we anticipate enhancing our disclosure by reporting our net asset value per share and our estimate of intrinsic value per share. We think that'll be really helpful to shareholders to monitor the discount to NAV per share.

As you have heard, Q2 was marked by an improvement in a number of financial metrics, and we've made progress on that three-step strategy, which we outlined in prior quarters.

When taken as a whole, our performance in Q2 puts us firmly on the path of becoming a sustainable permanent capital vehicle.

We still want our holdco costs down. We reiterate that longer term, we still want to get to 1.5 percent and below of our equity value. So there's still work to do, but we're making good progress.

Our focus over the next 12 to 18 months will be to sustain this momentum and continue to execute on our three-step strategy.

In the near term, we will continue to focus on holdco costs, continue with our share buyback program, and continue on that step three, which will be getting confidence on the underlying value of our holdings and how we can best allocate that capital.

We look forward to providing updates on that progress as soon as we can. Thank you for your time today and we'd love to hear your questions.

Joe Racanelli

Operator?

Q&A

Operator

Thank you. And ladies and gentlemen, we will now begin the question-and-answer session. To ask a question, you may press the *, followed by the number 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 the *, 2.

With that, our first question comes from the line of Surinder Thind with Jeffries. Please go ahead.

Surinder Thind — Jeffries

Thank you. If we take a step back and we think about getting value for the assets, we think about the strategic options here, how do you think about the actual value that you're getting in the current environment in terms of, is it okay that you get what you get that's fair in the current environment? Or are there options here where maybe if there's a bigger delta than you would like to see that you would want to wager (phon)? How do we think about the different options there?

Rhys Summerton

Yeah, thanks. I think that's an excellent question, and it's one that I spend a lot of time on.

Now, you mentioned taking a step back, and I'm going to ask you to take a step back as well for a second. Because if you just think back to where Aimia was heading a couple of months ago, there were kind of no real solutions to what to do with Aimia. I think that's what I picked up before I took on this role.

Now that we know where we're going, I think it's a really good question to kind of consider what is the best possible outcome for these assets.

And all the way through, I've indicated that what we try to do is get to the best market value for them. And the more we get to know them and also the environment we're in, the more we kind of understand what we need to do to get to that best value for them.

So in some cases, it might be that now is a good time to create value. In other cases, it might be that we see multiples of the current market or the current valuation that's on the balance sheet as being realizable if we made a few adjustments to the assets.

And I would just say sort of from an outsider's point of view that I would say all our core assets, I would say, are better than I thought they were before I was involved with Aimia. It's just my personal view, but I kind of have the outsider view and the insider view. And I would say that they are better-quality businesses with brighter futures than I initially anticipated.

So a very long answer, but the point is that we don't have to sell any asset right now, but it might make sense to create value because there's the other side of the coin. And the other side of the coin is what we can do with that capital that we might raise. And those are very exciting opportunities, which I kind of salivate at on a daily basis.

So I'm looking forward to the future of Aimia. But I would say that you should be rest assured, we will make the best decision possible. And we are in a very strong position to make those decisions now that we know what the strategy is of Aimia.

Surinder Thind

That's helpful. And then maybe one more question just on the NCIB. Just any colour on how we should think about the cadence on a go-forward basis over the next 12 months or anything there that you can provide that would be helpful.

Rhys Summerton

Yes. I wouldn't want to talk too much about that. I think we've made the disclosure we can make. And what we've done, just to make sure shareholders are kept abreast of the developments, is, on a monthly basis, you'll see how many shares we were able to execute on. And we continue to do that. There's no change to that strategy, and it does run until June 26. I would think that we will get there a little bit sooner, but we can't really say too much more about that because we don't want anybody to gain (phon) the number of shares we're buying back with what's happening in the Company.

Surinder Thind

Of course. And then I'll sneak in one more just on Cortland. When we think about just the revenues over the past year plus. And how much of this is do you think it's tariff related? How much is just other what I would call global changes in the business itself?

It just seems like revenues have been pressured for quite some time. And when I think about where Q3 was and then Q4 and then Q1 and now Q2, what is the normalized level here that we should be thinking about?

Rhys Summerton

So there's good revenue, and there's not-so-good revenue. When you look at it, there's, I would say, good revenue is high-margin revenue. And not-so-good revenue is revenue you don't want to fight too hard for.

The way I kind of look at Cortland, particularly during this kind of tariff-related issues and some uncertainty around the world, the way I look at it is, is Cortland gaining market share or losing market share? And I think we're fairly confident that Cortland is not losing market share anyway, that we don't want to lose.

So there might be some bottlenecks in growing market share, particularly in some of the high-margin revenues that we're looking at. But on the whole, we're kind of satisfied that we will get to an inflection over the next quarter, and you'll see revenue stabilize and then start to pick up again.

But like I said, there's nothing that causes me any concern there because I think, if you look at our market share, our market share is actually—at least our estimated market share, I would say is stable, if not improving in the areas that we want to compete in.

Surinder Thind

That's helpful. I appreciate the colour. Thank you.

Operator

And your next question comes from the line of Brian Morrison with TD Cowen. Please go ahead.

Brian Morrison — TD Cowen

Oh, thank you. Good morning. Steve, just a housekeeping question to start with.

What is the reason behind the delay in the receipt of the tax refund? Is there any probability of any change of potential probability of receipt? Or do you feel pretty good that it's going to be coming through?

Steve Leonard

Hi, Brian. No. We feel ... There's two parts to it. There's about \$27 million that we expect from Revenue Canada and around \$6 million from Revenue Quebec. We'll expect the Revenue Canada piece to come in the short time frame, likely within this quarter. And the Revenue Quebec will be a little bit longer just because they have to follow, they have to understand the terms of the settlement, and we're working on that. So that'll take a few more months. Probably, we're thinking by the end of the year.

But that's the timing we're expecting, and we have confidence we'll receive from both government authorities.

Joe Racanelli

Operator?

Operator

Yes. Our next question ... Oh, one second.

Joe Racanelli

Is Brian—

Operator

Brian? There you go.

Joe Racanelli

Go ahead, Brian.

Brian Morrison

Yeah. Sorry. I'm not sure if I dropped from the call. I apologize for that.

I want to turn to Bozzetto. And looking at the results, I see there's a constant currency decline. Is that due to destocking on textiles because of tariff uncertainty? And now that there's a deal with Bangladesh, have we now started to see that normalized?

Steve Leonard

Yeah. So definitely there was uncertainty in Q2 with all the tariff noise, and that was impacting the markets that Bozzetto sells into primarily in Bangladesh. And that was reflected in the second quarter in their textile segment.

We're early into Q3. July was better than June. And as you noted, with things stabilizing, with all those Asian markets being roughly around the same level, I'm talking about some of the other markets like Vietnam, Malaysia that produce garments being around the same level of tariffs exporting to the US, it kind of is—it's a level playing field. So some of that uncertainty is coming away.

Bangladesh is also going through a little bit of political instability, which is also having some impact on that market for the Bozzetto business. But yeah. We're feeling that second half will start showing better signs.

And the other piece that's important in my remarks is in their dispersion segment. So they've made a focus in terms of putting more priority in agrochemical and plasterboard in terms of their business, and it's yielding results, both on the top line, but more importantly—and this is what Bozzetto focuses on, is on gross margin. They're yielding much better margins in those two sub-sectors of their dispersion segment.

Brian Morrison

Okay. I want to just move on for a second here, and Rhys, congratulations on the progression of your three-step strategy.

I wanted to ask you on the process of evaluating the market value of your core holdings, but you addressed that. It sounds like you're potentially a bit more optimistic. Could we potentially see a disposition as a potential 2025 event?

Rhys Summerton

We've got a lot of interest in our underlying assets. That is clear. And we've engaged with many different players in the time that I've been involved, with different options. Some of those options might materialize in the short term. Some of those options, we might take a bit longer, but the end result will be

a positive one, I believe, for Aimia shareholders. It will at least be positive in terms of being able to allocate any kind of capital that might come into the group.

At times, you go down a road with some partners that kind of turn out to be less reliable than you would have liked, but I think it's possible that 2025 does crystallize some value. I wouldn't put a probability on it, but it's definitely a possibility.

Brian Morrison

Okay. So if we take that one step forward and you look at the next steps of potentially putting capital into public assets, you've got \$23 million of cash on the holdco balance sheet. You're going to get this tax refund of \$33 million. You're going to remain active to some extent in the NCIB. Would you be willing, in advance of potential monetization, of moving forward with that next step of deploying capital?

Rhys Summerton

Yes. Absolutely. Yeah. There's opportunities that are available, and we have different ways of accessing those opportunities. Some of them are with cash. Some of them might be other kinds of transactions. We will evaluate them.

But the point for Aimia shareholders, of which I'm the second biggest, is the fact that we will only do deals that are fair and are beneficial on where the relative value will be. In other words, it doesn't make sense for us to buy things that are fully valued if Aimia is still undervalued. So that's part of the capital allocation decision which I make.

Brian Morrison

Thank you very much.

Rhys Summerton

But the point is we are eager to get going.

Brian Morrison

I appreciate that.

Joe Racanelli

We have a couple of other questions in the queue. We also received a couple of email. Can you provide some colour on the performance of Clear Media?

Rhys Summerton

I'll hand that over to Steve, and if I have anything to add, I'll come back in.

Steve Leonard

Yeah. I mean Clear Media, as we've said previously, has had some challenges with what's going on in the—it basically follows the path of what goes on in the consumer spending side of the Chinese market, which has had weakness over the last few years exiting COVID. The management team there has been focusing on optimizing its cost structure and ensuring that it has a good foundation on the cost structure.

And we're starting to see some glimmers of improved results. We don't disclose their results, but we have recently seen some good news come out of Clear Media. And we expect, as the Chinese consumer comes back and starts spending more, more advertising dollars will be put in that market. And we expect that business to start providing healthy returns.

Joe Racanelli

One more. What should the—

Rhys Summerton

Let me just add to that, Joe, if I can. I think we've also improved our communication and dialogue with Clear Media. And I think we'll be more influential than perhaps we have been as a passive bystander up to now. So we look forward to seeing what value we can help them accrete over time.

Joe Racanelli

Which core holding is more exposed to tariffs?

Rhys Summerton

I think both holdings have exposure on the tariff side, but there are swings and roundabouts. For example, if you think about Cortland, it's obviously got the Indian business, but then the value of the US business, it should actually become more valuable with tariffs. Might not come through in the numbers in the short term, but all things being equal, that will grow in value.

I think, on Bozzetto, the issue is more just the uncertainty that tariffs create.

But I think it's an important point to make sure people understand is that in both businesses you'll see swings and roundabouts in the quarters. But over time, these are products that you can't really do without. So if one quarter is slightly low, you should expect that in the subsequent quarters, there's going to be a catch-up because the products are important and needed.

So I wouldn't read too much into quarterly numbers. I would take a longer-term view. And that's why I remarked earlier that if you take the market share numbers, at least the estimates of market share in Cortland and, I think, the estimates of market share in Bozzetto, I think both businesses are actually doing well. And there's potential for catch-up over the remaining part of '25 and into '26.

Steve Leonard

I would just add that in both businesses, with Cortland specifically, when you look at India, there's a lot of noise right now, India going into the US, but the size of the volume or the size of revenues

going from India into the US on Cortland is less than 10 percent. It is having an impact, but Cortland is a global business. It sells in over 70 countries, and it's focused on growing not just in the US, but in the rest of the world.

And then on the Bozzetto side, we commented about some of the tariffs uncertainty. As Rhys said, we see that more as a temporary item. And then we also have an advantage with Bozzetto with the Honduras acquisition which, when you look at the tariff rates, is on the lower side. So that's going to have an advantage.

So in some places, it's having some negative effects on us. But in some places, we expect to have positive outcomes related to this.

Operator

Thank you. And your next question comes from the line of Chris Currie with Goodwood Funds. Please go ahead.

Chris Currie — Goodwood Funds

Thank you very much, and thanks for holding the call and the great disclosure in the presentation.

I wanted to ask about, if you agree with what I'm hearing, that US companies are going to get a big boost from the Big Beautiful Bill, from tax cuts, CapEx benefits. Let's call those in Q3, Q4, sort of the pumped-up US competitors. I was wondering how you assess the competitive landscape vis-a-vis these newly pumped-up US competitors.

Rhys Summerton

I don't think we see a lot of that right now. When I think about competitors, I'm more thinking about the local competitors, local manufacturing competitors in these businesses. We don't really see much from US competition. Maybe a little bit in Cortland.

And to go back to the previous question on the tariff side, what's interesting is that, for example, to produce in India, even with considerable tariffs, it's still more cost-advantageous to produce in India compared to the US.

So, I'm not commenting on what's going on in the US, but we just don't see that in our businesses right now.

Chris Currie

Fair enough. Thank you. Just one last quick one.

Along the lines, same with the theory of the pumped-up US companies, are you seeing that reflected in sort of M&A multiples of prospects that you examine?

Rhys Summerton

What I've noticed about US prospects and things to maybe allocate capital to is that the US has forgotten that there's what Charlie Munger used to say, debt is always 100 percent. US companies, particularly on the smaller end, have got considerable debt compared to UK companies, for example. So our strategy will be looking at UK-linked companies because they've got much stronger balance sheets. Most of the targets that we have in mind have got net cash on the balance sheet, not net debt. That's going to help us as well.

And we would rather start off our capital allocations with those kind of companies than US ones because the valuations aren't favourable. The balance sheets are weak. I think we can do a lot better than buying companies in the US right now.

Hopefully, that changes in the future so that we can start utilizing the tax losses. I look forward to that time.

Operator

Thank you. And your next question comes from the line of Conrad Scheurkogel with Goldman Sachs. Please go ahead.

Conrad Scheurkogel — Goldman Sachs

I hope you can hear me. Thank you very much. Congratulations for the progress, especially the three-pronged strategy.

And then I recognize that the needle movers are Bozzetto and Cortland International. But my question goes to the holding segment. A couple of questions here.

The first is the \$1.6 million termination expense. Is that done? Or are we going to see it come through in the second half of the year as well? That's the first question.

The second question is just on the holding segment and then goodwill. How much of goodwill is related to the holding segment? Just so that as and when there are disposals, are we going to see a change in goodwill? Thank you.

Rhys Summerton

Yeah. Thanks. I'll ask Steve to answer those questions.

Steve Leonard

Yeah. So on the second one, there's no goodwill at the holding segment. The goodwill that's on our balance sheet is attributable to both of the Bozzetto and Cortland businesses. When we sell, if we sell one of those businesses, the goodwill would follow with the disposition of one of those businesses.

On the holdco costs, I think, for the quarter, we ended up somewhere around \$2 million. There was a small—on what we call a normalized basis, there was around \$100K related to some work that we did on the tax settlement.

So on a run rate basis, and that's why we've updated the guidance, if you take the next two quarters and where we're at for June 30th, I think we were at \$4.5 million. And then you take \$2 million over the next two quarters, that would be another \$4 million. It would give us \$8.5 million. We're being a little bit conservative. We think we'll land somewhere between that number and the \$9 million. You never know. Sometimes things will come up upon us.

But as you've seen and what we said in our prepared remarks, we've taken some action on reducing our professional fees, reducing our other costs, like we said, rent, and there's other places we've taken action, and those things will no longer be reoccurring in the forward periods.

Conrad Scheurkogel

Okay. Thank you very much. I wish you well.

Do you have something to add, Rhys?

Rhys Summerton

Yeah. I think I'll just reiterate that although holdco costs will be here in terms of the guidance for '25, we still believe that we will get below 1.5 percent in future, below 1.5 percent in future. So there's still more room—more work to be done there.

Conrad Scheurkogel

Perfect. Thank you very much. I wish you well, second half of the year.

Operator

All right. Thank you. And we have no further questions at this time.

I would like to turn it back to Joe Racinelli for closing remarks.

Joe Racanelli

Thank you for joining us. Rhys, do you have any closing remarks?

Rhys Summerton

Well, thank you, yeah, from my side as well for joining us for this call.

As I said, I appreciate that quarterly results are not always newsworthy events. And in our case, we haven't been able to elaborate on a lot of the work that we've done behind the scenes. But as soon as we have something to report to our shareholders, we will be in touch. So we look forward to that.

Operator

Thank you, presenters. And ladies and gentlemen, this concludes today's conference call. Thank you all for joining. You may now disconnect.