Q2 2024 Earnings Call Transcript

August 8, 2024

James Lorimer:

Good morning, ladies and gentlemen; thank you for standing by, and welcome to the DATA Communications Management Corp Second Quarter Fiscal 2024 financial results conference call.

My name is James Lorimer, the CFO of DCM, and I'm pleased to be hosting today's call.

Joining me on the call today is Richard Kellam, our President and CEO. Following our prepared remarks, we will be moderating a Q&A session.

As a reminder, this conference call is being broadcast live and recorded. We'd also like to remind everyone that Richard and I can be available after the call for any follow-up questions that you might have.

Before we begin, I'd like to remind everyone that we will be referring to forward-looking information on today's call. This information is subject to certain risks and uncertainties as outlined in the forward-looking information disclosure in our press release and more fully within our public disclosure filings on SEDAR+.

We will also be referring to certain non-IFRS measures and accounting measures which are more fully defined in our public disclosure records as well. We have posted a brief message from Richard along with a summary of our results and key initiatives for the quarter and the coming year on our website in the form of an infographic.

Our detailed information is also available on our website and SEDAR+. Please follow us on LinkedIn to keep up to date with other business developments, and I'll now turn the call over to Richard.

Richard Kellam:

Thank you, James, and good morning, good afternoon, good evening to anybody joining us from other time zones or overseas. Thank you for joining us today.

We're super-excited to talk about our quarter. Today's agenda: We're going to quickly look at highlights of the quarter and the first half. We'll talk about some balance-of-the-year priorities, and we'll turn it over to attendees to ask any questions.

So looking at highlights for the first quarter and first half: We've executed our game plan one quarter at a time, and we made some tremendous progress, especially around integration execution. We've advanced our consolidation planning and systems migration.

We successfully completed the integration or consolidation of our Thistle facility that was in Don Mills, here in Toronto, into our Bond facility—about 7-8 kilometers down the road. That was completed in June; I was actually out at the facility a couple of weeks ago and things are going fantastic there.

Our Trenton and Brampton consolidation is on path to be completed before year-end, and our Fergus-into-Drummondville consolidation is also due to be completed by year-end.

We've also accelerated our capital investment—we'll talk a little bit on that later.

Synergies are ahead of plan as presented last quarter. We're targeting $30 to $35 million versus our original plan of $20 to $25 million. So certainly on track for solid synergy delivery. They're actually going to be ahead of schedule: So originally we were planning completion of our synergy work by mid-2025; that will substantially happen by end of 2024. And then our costs of integration are tracking at approximately 1X the synergies anticipated, which is a best-in-class return.

So very good progress on our integration effectiveness.

Focusing on profitable growth has been a key theme for us through the year—really driving transitioning from low-margin clients to high-margin clients; improving work-value, which we call strategic revenue management. So that's really kind of optimization, client by client.

We've secured a lot of new logo wins for the first half of the year—we'll talk about that in a minute.

And our gross margin or gross profit is certainly moving in a very favourable direction, which we'll get into in a couple of minutes here.

So very good progress in terms of building our growth platform.

In terms of new business development, we've secured 30 new client wins in the first half of the year, roughly $4.2 million in revenue. Now that $4.2 million in revenue gives us a lot of opportunities to what we call land and expand. So we'll see that expand over time.

And our client wins—I'm going across multiple verticals—some significant ones in government and loyalty and grocery, healthcare and utilities, and one maybe honourable mention here is automotive, which has typically been an underserved vertical for us. We've really moved into strength in that vertical and we picked up a few large automotive clients, and they're very well set up for success over time.

So we're really understanding how to win in that automotive vertical.

From an expansion revenue standpoint, as we call it, or wallet share increase, we've generated $19.2 million. Not all that flows in the quarter, obviously—that flows into Quarter 3 and Quarter 4 and next year —but some good expansion revenue. And to remind shareholders, when we talk about expansion revenue, that's new services we're bringing to existing clients, right, and new product sales we're bringing to existing clients. And again, you'll see that's across multiple verticals, from government, transportation, lottery, retail, finance, healthcare.

So good diversification in that wallet-share expansion as well.

We're also making fantastic pace on contract renewals. We have won 100% of the contracts that came up for renewal so far this year. We have renewed and retained on the government side $12 million in revenues in 2023 that represented. That's across two clients in government. So 100% retention there.

On healthcare, we renewed two client contracts—terms between one and three years, but $9 million in revenue from 2023 sales to these clients.

From a financial standpoint, we've retained four clients across different FIs, notably one large bank—we secured a retention of between two and three years.

And then transportation: One is a large kind of courier, and one a large airline. And those contracts have been retained as well.

So 100% retention. Team's doing a fantastic job of continuing to add value within our existing client base and that's certainly been reflected in the contract renewals.

From a revenue perspective on the quarter, we're up 5.7% at about $126 million, and you know a lot of positive benefits reflected from that MCC acquisition.

Looking at revenues by reported segment, you know we've been breaking this up for the last couple of quarters for shareholders. You'll see our product sales about $110 million, up 1.3% versus a year ago.

Our technology services, $4.4 million in revenue; you can see that it's up significantly. I'll talk about that in a minute—111% increase.

Our freight team has done a great job making sure we're recovering and generating revenue from freight. It's about $4 million, up 14%. Warehousing up 73%, so again, we're generating a lot of revenue from warehousing and logistics services from a client perspective—that's $4.4 million.

Our tech-enabled hardware—so think of that as some of the digital displays that we're selling, as well as some of the printers and scanners that we're reselling for healthcare. That's up 32% on the quarter.

And our marketing services: Again, you know, pretty strong—the value of bringing to clients creative and development work and strategy work—about 16% growth.

So solid across all of our six segments, notably the technology services segment; as I said, $4.4 million in revenue, up 111%.

Maybe James, you just jump to the next slide: We're happy to announce that we have just launched ASMBL—I'm sure shareholders saw the press release the other day. We've actually been working this platform for the last couple of years and really, you know, full-time development over the last 11 or 12 months. It's now live in-market.

It's our first, pureplay SaaS product that we have moving out of DCM here in the marketplace. It's a fully AI-enabled product; extremely user-friendly with high UX. We have a very unique route to market because we're talking to 400 of the largest enterprise clients in Canada with 63 or 64 of our sales reps, so certainly we'll leverage that route to market.

And we've got a strong integration story with our DCMFlex platform and we've got a fantastic kind of onboarding and support model.

So we're very excited to get this to market. And we're already active—we launched a couple of weeks ago and we're already active, with a lot of demos set up with clients. And it is a highly competitive product to what other DAMs are out there, from a marketing perspective. And the AI is incredible that we incorporated into the platform.

So really pleased with the team and really excited about the future of that platform.

From a tech-enabled service win—so think of this as our DCMFlex platform, which does a whole lot of things, kind of workflow automation and customized and personalized communication. A lot of recent customer wins; the team's doing a fantastic job. Customer wins across alternative lenders: We picked up a large bank—one of the largest banks here in in Canada—that will now be using the platform for all of their workflow.

Again, automotive: You know the automotive wins I talked about from a new client perspective—those are all tech-enabled.

We picked up two providers of loyalty services: one, a retailer and one, a pure loyalty provider.

We picked up a couple of airlines as well—actually one airline and one airport; it's using our platform for all of their workflow.

And a couple of new clients in healthcare, one notably that's using the platform for email communication—customized and personalized email communication distribution.

So a lot of good wins. Some of these wins obviously will generate revenue for the Flex platform, but also downstream revenue for print and email distribution. In fact, in total it's about $6.5 million in revenue that this technology enables across these six verticals that we've secured wins.

And so very good momentum; pleased with the progress the team is making here, and great support from clients. Once we get this in front of clients and they understand the power of Flex, it's a pretty compelling sale, shall we say.

Year-to-date revenue is up 30.7% over year ago—we're about $255 million, so we're $60 million up over the same period a year ago.

Gross profit—I like to say to James, it's always easy math here, my simple marketing math: If gross profit is growing faster than revenue, then you know your gross margin is moving in the right direction. That's certainly our strategy.

So as I said, revenue growing 5.7%, gross profit growing 7.2%, about $34 million on the quarter, and you can see our gross margin at 27.3%, up 4/10 of a percentage point versus a year ago. So well on track to get back up into that 30 level, which is where we were prior to transacting or prior to acquiring MCC.

Year-to-date, we're up 28.4% in gross profit. You can see our gross margins at 28.1%; it's obviously down versus a year ago and that's really strictly due to the overlap of not having MCC in our world. So a higher margin in that first half last year, and now obviously consolidating a lower-margin business into our work.

So you'll see that correct itself as we move through Quarter 3 and Quarter 4, now that we're fully one company in those quarters. So that was exactly plan. In fact, we're ahead of what we planned from a gross margin perspective overall.

Adjusted EBITDA: very strong at up 22%, just under $17 million, up $3.1 million over a year ago.

And you can see that we're 13.4% on our path to 14, which we kind of stated as our five-year goal. So well on track to deliver that, up from 11.6% in the quarter last year.

And on the half, we're up close to 34%, about $35 million or $36 million in total—compared to $27 million last year. And you can see—I talk about that 14 on the half; we're at 13-9. So we're approaching that 14 zone, which we're very comfortable in crossing that in the next couple of quarters.

So very good progress on our year-to-date adjusted EBITDA as well.

And I'll turn it over to James just to talk about our one-time restructuring and some of our debt as well. James?

James Lorimer:

Thanks Richard.

We had about $1.3 million of restructuring and one-time charges in the quarter. As we've noted before, most of our heavy restructuring charges were taken in 2023 and so we see kind of similar levels going forward in Q3 and Q4, but most of the significant charges are now nicely behind us.

Year-to-date, certainly down considerably versus last year. And just to remind everyone that in the fourth quarter, we did take charges for Fergus and Trenton, and those will be closed later this year.

The reason we took the charges in the fourth quarter last year was because with our contracts and union agreements, we substantially were able to determine what the cost of closing those facilities would be. And of course, we're pleased to announce that we do expect those to be fully completed by the end of this year. And we've already been advancing workflow out of those plants to the Brampton and Drummondville plants, which are going to be receiving that work.

Net income: $4.1 million, which was up from a negative net loss last year. EPS as well, 7 cents versus a negative 6-cent loss last year. Year to date, we're up about $200,000. So with adjusted net income, it's about $4 million, and adjusted EPS is about 7 cents.

The one line-item that's making a little bit of noise is the fair value adjustment for our long-term compensation. And we've seen some share price decreases this year. So that's been actually a benefit to us from a P&L perspective. Last year we saw some significant increases in our share price. So that was kind of a larger expense last year.

Year-to-date income: Net income, $5.5 million up from a significant loss of about that amount last year. And EPS up to $0.10 versus -11 last year.

You don't see as much of the adjusted net income because we're tax affecting that net fair value gain and loss. But certainly with restructuring and one-time charges behind us, you should start to see net income and adjusted net income more closely aligned going forward.

From a synergies perspective, we're maintaining our target of $30 to $35 million in annualized synergies. We do expect to have most of our major consolidation and initiatives completed by the end of this year. So we expect to pretty much fully complete those synergies. The big contributors are going to be the ultimate final closures of our Fergus and Trenton facilities later this year.

Net debt: We're pleased to continue to pay down net debt, even since the first quarter. Despite some increased investment in plant and equipment and capital equipment, our net debt was down a little over $3 million compared to the first quarter. And since the acquisition, we're down $70 million or 48%.

So we're continuing to focus on paying down debt. Our Fiera Private Debt $50 million facility, which we put in place for the acquisition, is now amortizing. So we are seeing regular monthly payments on that as well as the other Fiera piece that we have in place, which is was about $7 million at the end of the quarter.

So a continued path there to paying down debt through free cash flow.

You want talk about SG&A, Richard?

Richard Kellam:

Yeah, sure.

SG&A: You can see in the slide here we’re just under $24 million. So we're operating at negative overhead growth, ‘cause you can see we're $25.4 million over a year ago, which is on plan, and we're at the 19% range.

You know, we'll see that as we continue to operate at negative overhead growth and we continue to grow our revenues; you’ll see that number decline, or that percentage of revenue come down over time as well.

So exactly on plan.

Our year-to-date: We're at $49.2 million. Obviously we're up over a year ago, and that's just the effect of the timing of the acquisition, right? We didn't have MCC in our world in the comparative period; now we do. But you can see that the percentage is up slightly as well as a result of that.

And again, if you look at that quarterly trend, you'll see a kind of normalizing Quarter 3 and Quarter 4 as we are now fully one company.

So it's just some noise and comparables versus year ago, but overall great improvement in driving that negative overhead growth agenda.

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And you can see that on the next slide; you can look at our head count. Head count's gone down from call it roughly 1,900 to 1,673. We'll see that decrease as we close a couple more facilities. And you can see our productivity per associate or revenue per associate is improved up to just under $304,000 per associate. Again, you'll see both of these heading in the right direction as we get into Quarter 3 and Quarter 4 as well.

So great improvement from an SG&A perspective.

You want to talk to capital, James?

James Lorimer:

Sure. Capital investment: The first half of this year has been a big focus on integration planning and readiness for some of the big moves that are happening this year.

As we previously noted, the Thistle and Bond closure happened, and so a significant piece of the PP&E investment so far was related to that closure. We upgraded the facility. And most of those PP&E investments are related to either preparing facilities with electrical or HVAC or otherwise.

We've also been making equipment investments. You'll see on our cash flow statement year-to-date, we're about $6.9 million of capital investment. We do see that kind of tapering off through the balance of the year. We still probably have a couple million dollars of capital investment on the PP&E side.

There's about $6.5 million of, I guess the technical term is construction in process for equipment that we ultimately plan to lease. But given some of the timing of the equipment, we had advanced deposits; we will be getting that capital back from the leasing companies, and have actually received some of it already in July as that equipment gets refinanced. We intend to lease a lot of that kind of new capital that's sitting in a—let's call it a temporary holding account for now. But it'll ultimately flow into lease liabilities as we install that equipment.

Richard Kellam:

Yeah. And I'll just add that I've been around the network and have had a look at the new capital that we're investing in. We have really built a world-class factory—a world-class network here that is gonna allow us to grow quite significantly off of this new platform.

So really proud of the team in terms of what they've accomplished, in terms of consolidation and new capital and new capital deployment.

And it's going to be fantastic for our clients in the market here.

So congrats to the team for a lot of hard work, but again, we've really optimized the network very effectively.

Just let me look at our sustainability effort here. Shareholders know we reforest 100% of the paper that we use on behalf of clients. So think of it: Every 83 pounds of paper we use in client workflow, we put a tree in the ground for that client and the client takes advantage of that credit in their ESG efforts.

So you can see on the quarter we reforested 244,000 trees and are happy to announce—we're going to do a little celebration in September—that we've actually crossed 2,000,000 trees since we commenced the program kind of mid- to late 2021.

Looking at the balance-of-the-year priorities before we turn it over to Q&A, for any shareholders joining us, this this page should look familiar, and intentionally familiar because in our priorities haven't changed.

You know, we're driving hard on the MCC integration. Quarter 3 and Quarter 4 will be the first full quarters that we're fully integrated as one company. A lot of harmonization, obviously in back office, and we referenced the plant consolidations, which will be completed by year-end. So thanks to the entire team for all the work—the heavy lifting and work that's happening here. We're running a business as we integrate a business.

So great work happening across the organization.

We're relentlessly focused on improving gross margin and getting to pre-acquisition levels. That's through what we call our strategic revenue management process—driving those lower overheads and operating costs. We already talked about the capital, which is going to significantly improve our productivity and effectiveness, which obviously flows directly into gross margin, and then driving hard on the operational efficiencies. And again, a ton of work across the network.

We've obviously built a solid platform for growth and we're seeing that in new business development. We're not forgetting about going out and winning new business and securing new business in the market. You know the 30 new clients kind of speak to that.

We've built a real solid growth muscle and our 63, 64 front-line salespeople—all of our sales leaders wake up every morning and they dream about growth. And I can tell you that the conversations were fantastic. This is a very bright future; lots of opportunities in the marketplace. Lots of opportunities around cross-selling and upselling.

I talked about some vertical focus—I said automotive, but there's other verticals as well that we're penetrating.

And then great pace on our digital acceleration, and you know, really pleased with the progress we're making on DCMFlex.

And again, the launch of ASMBL, which will see great results as we move through Quarter 3, Quarter 4, and in the next year.

And then we want to continue to focus on generating higher levels of free cash flow, and you know as we get through all this restructuring work, we'll certainly see that into 2025. So 2025 will be a very clean year, as restructuring will be behind us, our integration capital will be deployed, and our platform for growth will have been built—it's already been built today. And we'll enter into a highly productive year as we move forward in 2025.

So that's our focus for this year.

Lots of heavy lifting. Team's done a fantastic job. Big shout out—thanks to the entire team; we couldn't be here without everybody working and heading in the right direction. So congrats, and thank you for all your hard efforts.

So now we'll turn it over to any Q&A that our investors have here.

James Lorimer:

Thanks, Richard.

We'd now like to take questions from the audience. If you have a question and you're accessing the call through the Teams function, please raise your hand and we will queue up questions.

Alternatively, you can use the chat feature and we'll respond to chat questions as well.

I see a couple of questions here… I have a question from Max Ingram. Max, do you want to go ahead please?

Max Ingram:

Yeah. Can you guys hear me okay?

James Lorimer:

Yes, we can.
Thanks, Max.

Max Ingram:

Okay. Thanks for taking my question. So I have just a couple from me.

First one was, it sounds like you're expecting incremental year-over-year growth in Q3-Q4. If I'm thinking about the timing of MCC, this implies a return to organic growth.

So I guess my question is, am I thinking about that correctly, and maybe you can touch on what's driving the visibility you have, 'cause based on my calc, I think organic growth was still negative this quarter.

Richard Kellam:

Yeah, great question and you're absolutely right, your calc is correct. Organic growth was negative on the quarter—you know, obviously overall, with integration—but that was planned, Max, given all the integration work that we're completing. We've just brought two sales forces together. We've moved books of business across our teams. We're going through massive ERP implementation: MCC at SAP and DCM legacy D365.

So you can imagine we're working through two systems and bringing those together. Those are, you know, kind of planned programs. And you are correct: We are anticipating organic growth in Quarter 3 and Quarter 4. Now that we've kind of settled down a lot of the integration work or teams, all the books have transferred across to the 63 or 64 front-line salespeople.

And we're seeing lots of opportunities with existing and new businesses as we move into the next couple of quarters.

I will remind you as well that Quarter 4 will be a softer comp. I mean quarter 4, we were pretty active bringing teams together as well. So we're up against—you know, underlying comps were a little stronger in Quarter 1 and Quarter 2 and a little softer in Quarter 3 and Quarter 4.

So we have that kind of tailwind as well to our advantage.

So a combination of work that's completed: what we can see in our funnel at this point from existing client workflow and new business development, and then some of the softer comps we were expecting positive organic growth in 3 and 4.

Max Ingram:

Okay, thanks very much. That's helpful.

And then my next question is also sort of related to demand. I know that you guys have been focusing on the higher-margin business, which has caused some customers to fall off, which makes sense.

Richard Kellam:

Yeah.

Max Ingram:

And then there's also some deferral in projects to later quarters. So my question is, do you see anything outside of these two dynamics? Like any comments about softening of the demand or is demand still strong and it's just these two factors at play?

Richard Kellam:

Yeah, I know it's a great question.

Overall, we see demand as still strong. We have a couple of anomalies with a couple with a couple of large FIs that actually reduced some of their workflow this year. When I say ‘reduce workflow’, think of, you know, kind of personalized direct mail campaigns—two fewer campaigns, which were sizable campaigns.

We think that's just timing. We don't think it's anything underlying from a market standpoint. It's just, you know, sometimes you experience those years, year on year; you may have a couple of programs in the prior year that don't repeat this year.

So we don't think that's anything due to demand. It's just sort of program timing with clients.

And you know, you always have boost between clients. One year, a program may run; the next year, it may not, etc.

But what I can tell you, Max, is, we see continued opportunities in the market and that's why we stay growth-obsessed and hunt for new clients. We've got a very focused but strategic leadership model that all of our client reps work on, if you will, and identify opportunities in the marketplace to secure wins.

So you know, if there are any clients where we're seeing some work move between years or programs that may not be repeating, we certainly look to offset that with new business development, and expand our revenue between clients as well.

But along with answering your question, we're not seeing any significant headwinds from a marketing planning, marketing budget, marketing execution perspective.

Max Ingram:

Okay. Thanks Richard, thanks James, for taking my questions. I'll pass the line.

Richard Kellam:

Okay.

James Lorimer:

Okay, thanks.

We have a question from Noel Atkinson. Hello.

Sorry, Noel, I'm having a problem getting you in here.

Richard Kellam:

As we wait for Noel, there’s one question that I didn't answer of Max's—just reflecting on this. We have intentionally walked away from some business where we've worked to improve the margin, and clients have gone elsewhere and that's okay for us. That was planned. Not significant. And we think we've got most of that cleaned up at this point. So we won't see that in our numbers in Quarter 3 and Quarter 4 as well.

So most of that work again has already been completed—at least the sizable clients, legacy clients that needed to be margin-approved, shall we say.

Max Ingram:

Yeah, okay. That makes sense. Thanks.

James Lorimer:

Okay, great. And maybe we'll figure out the audio here for Noel.

Have a call from—looks like Chris Thompson. Chris, if you're dialing in, you can use STAR 5 to enable your microphone.

Chris Thompson:

James, can you hear me now?

James Lorimer:

Yes, got you live, Chris.

Chris Thompson:

Okay, great. How are you?

James Lorimer:

Excellent, thanks.

Chris Thompson:

Hey, how are you? Just a quick question: On the on the positive side, just looking at your admin expenses, on your expense side, it looks like you've done a good job coming down again quarter over quarter. Is that sort of your new benchmark?

And I know that you mentioned that the headcount will come down probably a little further as the facilities close. So can you just give a little guidance, because it was a good incremental change even quarter over quarter?

James Lorimer:

Yeah, I'd say from an SG&A perspective, the second quarter is a pretty good run rate to use for the balance of the year, Chris.

Most of the additional changes that we'll see through the balance of the year will be more in the cost of goods line as we finish some of the plant closures in Trenton and Fergus.

Chris Thompson:

Okay.

James Lorimer:

So it'll be more an impact that we should start to see through Q3 and particularly Q4, and then really a fully loaded improvement in Q1 of 25.

Chris Thompson:

Okay. So great, 'cause I did notice that there was a slightly lower gross margin this quarter over quarter, but you think that's gonna start turning around towards the end of the year.

James Lorimer:

Yeah, a little bit of the gross margin quarter over quarter. Remember, the first quarter is typically very strong, not only for the DCM legacy business, but also it's historically been the MCC legacy business' strongest quarter from a revenue and a gross margin perspective. And that's because of a lot of the transactional print work that's done in the first quarter relating to year-end statements and tax forms and things like that.

Chris Thompson:

Okay. And I don't necessarily want to continue to talk about this, but you know the Q2 of last year was only a sort of a two-month of three. And so the incremental—but I think, Richard, you mentioned that you don't really see any headwinds; it's just a matter of some timing and a little bit of a change.

But I also did notice that even though your tech-enabled subscription fee is up, you know, substantially year over year, quarter over quarter, it kind of dropped, and I'm just wondering how much of that may have been one-time purchases in Q1 versus other items, of a trend.

James Lorimer:

Yeah, because of the stronger first quarter that MCC typically has, that also has higher programming fees which fall into that tech-services bucket. And so that's why that would typically be stronger in the first quarter as well, Chris. So there are kind of higher programming fees.

You'll see a bit of a blip in that line in the fourth quarter as well for work that's gearing up for the first quarter. But then also in the first quarter would be kind of the lump of that programming work that gets done for annual statements.

Chris Thompson:

Great. And then sort of my last question is: On the equipment purchases, like Q1 you did 2.2; Q2, you did 4.3. I know you were consolidating, buying new equipment, upgrading to help with the gross margins, which is all great.

What are you sort of forecasting for the rest of the year? Similar to Q1, similar to Q2, or where do you see things hitting in?

James Lorimer:

Yeah, I'd say Q2 was kind of a big quarter because we certainly advanced payments for number of pieces of equipment, and making ready some of the facilities, particularly the Bond facility to receive Thistle, but also some other work that was done in Torbram and Drummondville to get ready for the move.

So most of that is now behind us. I see it's more second and third quarters should look more like the first quarter, maybe even a little bit lower total purchase of property, plant and equipment, and a lot of the equipment that we planned to lease has already been—prepayments and advanced payments have already been made.

So we're kind of well down that path. Some of that equipment has already been installed in the first and second quarter. Some of that equipment is going to land in—particularly in Brampton—in the third and fourth quarters of this year: some new label equipment, and some other related workflow equipment.

Chris Thompson:

Okay, great. That's it for me. Thanks.

James Lorimer:

Thanks, Chris. Great.

Noel, do we wanna try again—see if we've got our mic working?

No luck. No luck with Noel.

Alright, well apologies for that. It doesn't appear that we have any other questions. Richard, did you want to leave the closing remarks?

Richard Kellam:

Yeah, sure. Listen, thank you everybody for joining us today. Solid quarter; looking forward to continuing our integration and acceleration journey in Quarter 3, Quarter 4.

Maybe I'll just close on thanking the entire DCM team for the hard work and delivering on the quarter, and look forward to the progress we're gonna make the rest of the year.

Thank you, everybody, and thanks to all of our shareholders for continuing to follow our journey. Appreciate it. Thank you everybody.