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Q3 2024 Earnings Call Transcript

November 13, 2024

James Lorimer:

Good morning, ladies and gentlemen, and thank you for standing by.

Welcome to the DATA Communications Management Corp. third-quarter fiscal 2024 financial results conference call.

My name is James Lorimer, CFO, DCM, and I'm pleased to be hosting today's call. Joining me on the call today is Richard Kellam, our President and Chief Executive Officer. 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 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 will remind everyone that we'll 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've posted a brief message from Richard, along with a summary of our results and our key initiatives for the third quarter, 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 with other business developments.

And now I'd like to turn the call over to Richard.

Richard Kellam:

Thank you, James.

Good morning, and I guess good afternoon and good evening for anybody joining us from other time zones. Agenda today is very clear. Want to talk about our performance on Q3 and year to date; get into a deeper review of the financial results; and we'll turn it over to the Q&A at the end.

Okay?

So quick progress… on priorities first. Our priorities for 2024 were very, very clear. It was all about advancing integration in 2024, so that we have a very clear and clean platform to grow off of in 2025. Reminding shareholders that we've done a ton of work, and you'll see a little bit as we get through the deck here, on operational consolidation, on organizational consolidation, on commercial leadership, and then of course, one thing we don't talk about much, but is systems integration, which is kind of a very heavy lift.

So lots of work on integration.

Also to remind shareholders: Originally when we were in the pre-merger integration process, and then stepping into post-merger integration, originally our plan was to have everything complete by mid and latest third quarter 2025.

Happy to report that all of our integration work will be complete by the end of 2024, and we'll talk in a little bit more detail as we progress through the deck here.

So lots of heavy lift. Probably the heaviest quarter we've had on the year given the closure of some facilities. But a lot of work on the integration side and advancing the integration.

Some good work on gross margin improvements to build a better platform and a better base for growth over time. Resetting kind of our base to get back to profitable growth; we'll talk about that today.

And then obviously driving higher levels of cash flow.

So lots of good work from the team, as you'll see in the few slides here.

We announced the four plant closures. Three are now complete. You can see on the left here: Our Fergus plant is complete and swept clean and keys are going back to the landlord.

And then our Trenton facility, which we're shifting into Torbram. We only have one line left on the floor and that will be complete and closed by the end of November. Sweeping the floors in December and handing back the keys to the landlord. Our lease expires the 15th of January.

So both of those are about 6 to 8 months ahead of what we originally planned in our pre-merger integration process.

So very, very good results there. Again, the other two factories are already closed. So again, as we exit this year and enter into next year, we've got a nice clean platform.

We've also invested in new equipment. Up in the far left is the Heidelberg Speedmaster; a state-of-the-art Heidelberg press—commercial printing press. Runs 18,000 sheets an hour.

We actually reduced from three presses into one as a result of this. Additionally, on the centre of the page—the new Durst, two large format presses. We put one in our Burlington facility and one in Calgary; getting great results on that.

Bottom left is our saddle stitcher. We took 3 saddle stitchers into one, again to drive efficiency and productivity.

And then bottom right is our new Omet press; that is to run labels. It's got incredible capability. We're just in the final stages of commissioning the first press in our Torbram Brampton facility. And two more presses are on the water that we expect to install by year-end.

And that will take 6 presses in Trenton down to 3 new presses in Bramtpon, given the state-of-the-art labelling presses that we've acquired here.

So great platform for growth as we think about moving into 2025. That will all installed and is intended to add improved efficiency and productivity.

Our technology migration: We haven't really talked to shareholders too much about this, but I'd say this is probably the heaviest lift, in addition to the factory closures, but the heaviest lift we've had migrating MCC customers to DCMFlex. The MCC legacy clients were using a product called CustomPoint. So all of those clients will now be using DCMFlex by the end of 2024.

We've only got a couple left to complete by year-end.

Our ERP and manufacturing: So ERP and MRP migration from SAP—SAP was MCC's legacy ERP solution—into Microsoft D365. We've been managing that sequentially, so it wouldn't disrupt our business. And that will all be complete by year-end. It's essentially, 95% complete at this point.

And then lots of work obviously on technology and security and infrastructure, given the importance of security in our business. And I can say that we've successfully done that.

PCI compliant in a couple of facilities, and we're SOC2 Type 2 compliant across our business. So great work from the team, from a security and from an infrastructure standpoint.

From a new business perspective, we are—these are our year-to-date numbers. We continue to win new business: $5.1 million in revenue year to date.

We'll see that increase significantly as we move into 2025, now that our commercial teams can really focus on the market versus focus internally on integration changes.

And then we've had some good wallet share: about $28 million in annualized growth within existing accounts as well across multiple number of verticals.

We've also got a very active pace on contract renewals and extensions and I can say that we've got virtually 100% retention rate on any contracts that have come up for renewal this year.

We've had 15 enterprise client renewals that have come up to be renewed anywhere from 2 years to 5 years across verticals representing 20% of our revenue, and we've had a 100% win rate.

So it shows the quality and capability of our team here to be able to secure 100% of that client base moving forward. So really positive results on our extensions.

And then we've had some good tech-enabled service wins. We obviously can't talk about the clients publicly, but we've had some wins with an alternative lender, a couple of financial wins, some good wins on a company that specializes in loyalty in healthcare and in airlines.

So good progress on some of the tech-enabled solutions that we're delivering to clients, and continuing to drive that client penetration.

We launched ASMBL in July. We really didn't get started until people got back to work in September, right? Post holidays. So we really got into market in September.

We're making good progress; we've got a very active funnel. We already have—again, for competitive reasons, we won't tell you how many are active in top of funnel, but we've got many that are already in bottom funnel in proposal stage.

To remind shareholders, the average kind of time to revenue is about 180 days in the digital asset management solution space. And so we will certainly be announcing some good success as we continue to progress and get those proposals into conversion and into clients, okay?

But really good progress. The platform demos very well, and it's an incredible platform that we've built. So we'll see some good success there.

Also, I'm sure shareholders read the announcement we put out; it was about a week ago, James, right? Closing an acquisition we completed called Zavy. Zavy is a software-as-a-service solution that was founded in New Zealand about 5 or 6 years ago. It plays in the social media, analytics, and management space of martech.

That is a very sizable category currently, given the amount of investment in social media by large enterprises. And that category is growing. You can see on the chart here. It's currently a $4.8 billion market, just the analytics side of the market and management side of the market. And it's projected to grow to $14.7 billion.

So we're really pleased with this acquisition. The team that founded it has done a great job in New Zealand, but New Zealand is a relatively small market, of course; they can only go so far. And we have the opportunity to bring it out and put it into our Commercial team, and really kind of North-Americanize the product.

I will be clear in terms of what we paid for it: We paid approximately $800,000 for this platform and it has about $600,000 Canadian in ARR. So a good opportunity for us to build off of something that's kind of well-established.

So we're very pleased with that acquisition and will be able to report progress on that as we move forward. We're already accelerating the introduction to our commercial teams. Okay?

Also happy to report that we published our first ESG Report, and you can see it here. Very well-received by our client base. And we did a good marketing effort around it to let current clients and future clients understand our leadership in ESG.

So very good success behind the launching of that report.

Now moving over to our financial results, in quarter three and year to date.

On the revenue side, our revenue was certainly lower than we expected, at $108.7 million. We were down 11.4%. The reason we were down in the quarter—a few reasons: One is obviously we continue to exit lower margin businesses, and you'll see that when we look at our gross profit line. We obviously were pretty internally focused in the quarter.

It's the heaviest quarter of restructuring that we've had, especially on the factory closures and legacy system migrations.

And then we had a few—not many, but we had a few large enterprise accounts that had some budget shifts that we'll see reappear, you know, as we move into 2025. So again, you know, a little less than what we expected.

But you'll see that return as we exit this year and into next year.

Year-to-date revenue is still positive at 14.5%—just over $360 million in revenue year to date.

Now the line I want to draw your attention to, of course, is that gross profit line. Because we've always said we want to continue to improve gross profit, build a better platform for growth off of, and you can see that we're up just over 1% on gross profit—or gross margin, rather. Gross profit down slightly, and that's really just a function of revenue. So as our revenue grows off of a much stronger client base, much more profitable client base, a much more profitable mix of business, a far more effective and efficient way of running our business as well, you'll see that gross profit increase as a result of the gross margin increase.

Gross profit on a year-to-date basis: 27.4%—about $100 million in gross profit, and you can see the increase at about 15.7% over a year ago.

All right, turning it over to James to talk about SG&A.

James Lorimer:

SG&A expenses came in nicely down about $2.7 million compared to last year, which is really kind of the first, you know, direct comparable. We had started to accelerate a lot of our overhead reductions in the second quarter of last year, but really got at it in the third and fourth quarters of last year.

And then you would have seen additional plant overheads reducing throughout the first part of this year.

So nicely—about 20.6% of revenue, and, you know, we expect those kinds of levels to maintain through the next few quarters.

SG&A to date is about $71.7 million up a little bit vs. last year. But last year, the comparable period included—or sorry, this year included the full first four months of the year, which we didn't have the MCC acquisition last year.

Adjusted EBITDA: Despite the lower levels of revenue, the overhead improvements that we've made contributed to a 6.6% increase in Adjusted EBITDA on a year-over-year basis. We came in at $12.6 million, up almost $1 million from last year, and 11.6% of revenue.

We continue to, really strive for that north of 14% Adjusted EBITDA margin as a percent of revenues.

Adjusted EBITDA on a year-to-date basis is up 25.4%. Again, we include the full benefit of the MCC acquisition here.

Synergies: We're pleased to say that we substantially completed our plans to drive our $30 to $35 million of annualized synergies following the acquisition of Moore Canada. The organizational, operational, procurement synergies are well in place, and we've been pushing hard on the revenue and revenue synergies. We think those'll really accelerate next year, particularly through some of our strategic revenue management opportunities.

You can see the fairly significant declines in headcount that we've gone through since the acquisition. We're sitting a little bit north of 1,600 active employees today. That's helped drive revenue per associate to continued higher levels. We're up about 3.7% on a revenue-per-associate since the closing of the acquisition.

Net debt continues to be at very nice levels. We're down about $68 million since the acquisition closed, almost a 50% reduction. That's largely because of the real estate sales we completed, right after the acquisition and last year, as well as the equity offering that we did about a year ago, and free cash flow generation.

So our revolver is kind of floating in and around the $75 to $77 million on a net basis. We have brought our cash balance down; it's below $10 million now.

Q & A

With that, I'd like to turn the call over to our audience for questions. And if you have a question and are accessing the call through Teams, you can use the raise-your-hand feature in Teams and we'll queue up questions.

Alternatively, you can also use the chat feature in Teams and we will respond to chat questions as well. If you have dialed in, you may use *5 to raise or lower your hand, and pressing *6 will mute or unmute your microphone.

Please introduce yourself once you are introduced to this session.

I see a call from Max Ingram. Max, would you like to go ahead please?

There you are, Max.

Max Ingram:

Sorry about that. Can you hear me okay?

James Lorimer / Richard Kellam:

Yeah, we got it now.

Max Ingram:

Thanks guys. Good morning. So my first question's on the revenue line. You touched on, Richard, you touched on budgetary shifts from some large enterprise clients. Can you just touch on the visibility you have there? Like, is this gonna be a Q1 '25 thing? Maybe some will hit in Q4?

It kind of feels to me like, just based on your commentary, maybe it's a Q1 type of event, but any colour you have would be helpful.

Richard Kellam:

Yeah, we've got—thanks, Max, good question. We have very good sightlines on workflow through to our top enterprise clients. We're seeing a very healthy pipeline as we move into 2025. There will be some work that will flow back in, in '24, but the majority will, likely shift in to the early part of '25 at this point.

Max Ingram:

Okay. That's helpful. And then my second question is pivoting on the Zavy acquisition. Congrats on that. It seems like you paid a pretty reasonable multiple. Can you just touch on the M&A pipeline? Maybe some colour on the composition valuations you're seeing. That would be helpful.

James Lorimer:

Sure, Max. You know we've got a very healthy M&A pipeline. There's kind of three different markets that we've talked about as opportunities where we're targeting. One would be conventional print companies and we have a nice pipeline in that market.

The other would be marketing services businesses: Think about companies that provide strategy or advice to clients but don't own any print. But there might be some downstream print opportunities that could fall out of that if we were to own those.

So we've got a a few companies that we're looking at in that space.

The other area that we looked at was, as you know, marketing, technology applications and opportunities. Zavy was certainly in that in that bucket. And we're pleased to get that deal closed; we're really excited about it. You know, we continue to look at some other opportunities out there.

In the conventional print market we are looking a little bit at some kind of adjacencies with some of the new equipment that we have.

We're seeing some market opportunities to go after in areas that are a little bit different from what we've historically done, but leveraging the same kind of print and you know kind of project management and complex projects expertise that we have.

So say, you know, that kind of first market that I talked about, you'll see that probably expanding a little bit.

Max Ingram:

Okay. Thanks so much for the colour. I'll pass the line.

Richard Kellam:

Yeah, I want to—I also want to amplify or come back to your first question as well regarding the revenue line. I said, we've got very good sightlines through our CRM. We use Microsoft Dynamics 365 as our CRM.

So we have a good understanding of what our funnel looks like moving into 2025. I can tell you that the team has had a lot more time recently to spend on new business development and new business development doesn't come overnight, right? You start, and then, you know, eventually you see it appear.

But much more time spent, obviously, in the market versus internally, and we'll see that move through in new business wins as we progress into 2025.

So we're actually very optimistic that we've got a nice kind of clean, clear profitable platform to now grow off of in 2025. And the fact that all of our restructuring will be complete and behind us.

And listen, it's a heavy lift moving two ERP systems into one. For a period of time, all of our CX folks, right—all the customer service people and all of our sales people needed to understand how to operate within two systems.

We've been essentially invoicing MCC legacy clients on an MCC invoice, and invoicing DCM clients on a DCM invoice.

All that is behind us as we close the year. So it'll be a very different year in 2025.

Max Ingram:

Thanks Richard.

James Lorimer:

And have a call caller here—Clarus. I think this is Noel Atkinson. Please go ahead, Noel.

Noel, I think you should be good now.

Alright, apologies, Noel. Maybe we'll come back to you in a minute here.

Chris Thompson?

Chris Thompson:

Hey, can you hear me guys?

James Lorimer / Richard Kellam:

Yeah, Chris, we got you. Yep. Go ahead, Chris; good morning.

Chris Thompson:

Oh, great. Thanks. Congrats on the quarter. Just wanted to have a couple of questions on your lease liability. It seemed to increase quite substantially. You did make a comment on doing some acquisitions of equipment. Can you just give me a little more colour on the quarter and how you see that playing out, say, maybe in Q4 and maybe early next year?

James Lorimer:

Yeah, Chris, we had a number of the pieces of equipment that Richard highlighted earlier in the presentation, came on or are kind of in flight right now. The Heidelberg press in Bond-Thistle: That commenced, I guess, it was really kind of operational in June.

So we started to see the full impact of that lease expense and liability in the third quarter.

The saddle Stitcher as well came on in the third quarter in Bond.

The three Omet presses: First one's just getting set up right now, so we'll see that come on this quarter. And the remaining two, which are literally on the water—on a boat from Italy right now—are expected to be delivered in late November, probably early December. So we'll start to see those leases come on probably more in the in the first quarter.

We also have the two Durst presses, one in Burlington, one in Calgary. Those were installed in July. So those would be kind of the primary pieces of equipment that we installed in the quarter. We've got, you know, one or two other small things coming on. We will see kind of our overall lease liabilities come down a little bit next year with the exit of the Trenton and Fergus facilities.

Our Trenton lease expires January 15th, and the Fergus lease is December 31st. So starting in the in the first quarter, we'll see a little bit of an offset from those reductions.

Chris Thompson:

Okay, so by my calculations in looking at your financials, it was about $12 million this quarter and in expenses, additional equipment. Is that, like, a portion? Is that covering up all the equipment or is there going to be another sort of half that amount in Q4 then as the other stuff comes online?

James Lorimer:

Some of the equipment that's coming in or to be installed in the balance of the year has been, you know, prepayments have been in advance for those. So you'll see a little bit of—we had some interim funding agreements for those with the leasing companies that are financing those. So once those are fully installed, they'll flip to a kind of a complete lease.

Chris Thompson:

RRight, okay. And on the debt side, how much debt did you go down? I have about $5 million this quarter. Is that sort of correct, right, and that is that sort of what you're going to go forward with moving for Q4 and Q1?

James Lorimer:

Yeah, I think net debt was flat to up a little bit compared to last year—or sorry last quarter. We'll see it likely come down a little bit with some working capital in the improvements in the fourth quarter. The fourth quarter's typically you know stronger quarter as we kind of gear up for the first quarter, which is typically strongest with the transactional print business in particular that does personalized communications, tax forms, etc. in the first quarter. So yeah, we will see—certainly we expect free cash flow to improve as some of the heavier kind of capital expenditures are behind us this year.

And so I think our capital expenditures year-to-date are a little over 9, 9-and-a-half million dollars. We expect CapEx will come down, you know, by probably 30% next year.

Chris Thompson:

Great. Just on your technical sales, I see that like when I'm looking at your, your breakdown, you don't seem to be sort of gaining traction in your tech-enabled subscription service sales. On that side of things, how are you seeing that going to be changing going into Q4 and into 2025?

James Lorimer:

Yeah, we had a couple of smaller clients that we ceased work with. They were doing lower-margin scanning and archiving work but it was not very profitable for us. So you'll see a little bit of a revenue decline there—about half a million dollars. Not material at all from a margin perspective, so we are kind of focusing on kind of high-grading some of the tech services that we're offering.

And tech services will definitely kind of bump up in the fourth quarter and then the first quarter, as those are typically heavier quarters for some of the programming work that we do for transactional print.

Chris Thompson:

Gotcha. Okay, I'll yield the floor to questions. Thanks for your time.

James Lorimer / Richard Kellam:

Thanks Chris.

James Lorimer:

Noel, do you want to try and…

Yeah, we have a Q&A here; I'm just teeing up a question.

Thanks, Noel, for the question in the chat: "What are you seeing for business activity so far in Q4 and also what do you see as annual market opportunity for Zavy revenue within our enterprise client base?"

Do you want to handle…

Richard Kellam:

I'll handle Zavy and you can take on Q4.

Yeah. So huge opportunities obviously within our client base. You know, most of our large enterprise B2C clients are doing a fair bit of social media, buying social media communication and few have an analytics tool today.

So we see a big opportunity. We had 53 of our commercial leaders on the line on Monday to introduce Zavy to the team. We were quick to introduce them to the team; we already have about four or five demos lined up over the course of the next week, week and a half.

So we see a big opportunity. The platform is a great platform—they built an incredible piece of software. I spent a lot more money building it than we paid for it, by the way, so we get the benefit of that.

And it's very quick to demo and the time to revenue is shorter than a digital asset management solution. Because remember, with a digital asset management solution, you essentially have to change your workflow and adopt—adopt a different process when you're introducing a DAM.

You may be moving from a SharePoint or moving from, you know, a different kind of internal system, whereas with a social media analytics platform, you can switch it on, you know, kind of overnight and start understanding how you're performing, how your posts are performing relative to your competition.

So it really is a great solution. So we're quite, you know, we're quite optimistic about how we'll progress from a revenue perspective on that given it's now in our world.

You want to talk about quarter four outlook?

James Lorimer:

Yes. So the second question—or maybe the first question, I guess, from Noel was: What are you seeing for business activity so far in Q4?

We are seeing improved strength certainly compared to Q3. In a couple of our larger facilities, we're seeing healthy backlog, which is a good sign. We also have some programs that are coming on in the fourth quarter.

So, we think we'll end the fourth quarter certainly better than we performed in the third quarter.

Do you wanna add anything, Richard?

Richard Kellam:

No, I'd say that also, we're certainly seeing improvements as we move into quarter four. Also remind shareholders: Quarter one and quarter two, but especially quarter one, is a big, big quarter for us, 'cause that's when we do a lot of what we call business communication services—a lot of tax stuff.

And our factories or our plants run in a kind of all-in high utilization. So you'll see that happen again, you know, as we get into quarter one and quarter two and you'll see that margin turn as well because of course you've got the high utilization and fixed-cost overhead recovery.

So that BCS business is kind of you know, runs hard in quarter 1, quarter 2, then it drops a little bit. Obviously in quarter three and quarter four and then peaks again in quarter 1, quarter 2.

We're trying to obviously flatten the trough a little bit by putting, you know, hyper personalized direct mail communication through those facilities. We'll see that continue to improve as we progress through 2025.

But yeah, you know what? We've got a good pipeline. We've got good client renewals; 100%—15 clients who represent 20% of our revenue fully renewed for future.

And we're expecting to see, you know, good, profitable growth—so not growth at any expense, but profitable growth as we step in or move forward into 2025.

James Lorimer:

Thanks Richard.

And then Noel has a follow-on question: "Do all $30 to $35 million per year of expected merger synergies still get recognized in, or realized in, 2025 results with our revenue baseline exiting Q3 2024?"

Richard Kellam:

I can talk about one—that's a great question.

So we said that the $30 to $35 million operations organization and procurement were hard synergies, not soft synergies. So of course, operations are a hard synergy. Those are hard cost savings when you close 4 facilities.

Same with organization. When you're downsizing, and work with fewer people.

The only one there's a slight variability on obviously is procurement: About 50% of what we projected would be somewhat volume variable. Obviously if you're buying less, you're saving less. If you're buying more, you're saving more, right?

But we're still comfortable with that, given what procurement represented as a total of those synergy savings.

And we track this stuff every day. So we're comfortable in the 30 to 35 range.

Given they are hard synergies—and there's opportunities; you know, one thing James pointed to in that slide is the revenue synergy line. We haven't forecasted any revenue synergies in that 30 to 35.

So as we return to growth, and that growth is profitable growth, so we see margin improvements, then there's an upside there as well.

James Lorimer:

Given their given their hard synergies—and there's opportunities; you know, one thing James pointed to in that slide is the revenue synergy line. We haven't forecasted any revenue synergies in that 30 to 35.

So as we return to growth, and that growth is profitable growth, so we see margin improvements, then there's an upside there as well.

James Lorimer:

Okay, thanks Noel. We have a question from Nick Corcoran at Acumen.

Nick's asking: "Recent news with the rotating strike at Canada Post and postage rate increase in 2025. How may this impact your business?"

Yeah, I guess we're certainly kind of keeping a close eye for both those events or possibilities? You know the potential for a rotating strike is certainly kind of near-term here. We're actively engaged in discussions with our clients for alternative distributions and other things that we can do to serve them better in this period.

We're also working actively with our clients on their direct mail programs and other kind of personalized communications, transactional mail work. The postage rate increase is scheduled to go into effect in kind of mid-January. So we're certainly working with customers to best communicate with their clients. Are there opportunities to maybe bring some of that work forward and get some mailing done before those rate increases kick in.

Richard Kellam:

Yeah. And just on that, on the postal increase, I think it's important to understand that there is a regulatory requirement that if I'm a client of a financial institution or utility, that I get paper, right? So clients can't just switch because of a postal increase.

Of course, clients, and of course, you know the FIs and the utilities of the world and anybody printing paper statements are continually trying to get people to move to digital. That's kind of a headwind that we face. You know, we face that forever, right?

But there's still a requirement, a regulatory requirement, to offer paper.

So we've actually looked at and modeled this out when there have been postal increases, what the impact of business is, and it's not that significant, believe it or not.

So obviously it could be a little more significant on the discretionary side. So a hyper- personalized direct mail: Let's say you're a, I don't know, a not-for-profit, and you're mailing personalized communication out, then, you may—that's discretionary, right? You may decide to mail fewer of them, but more targeted. Of course you get a better return if they're more targeted, so that that may move around a little bit.

And then on the strike? Hard to predict what the impact of that could be. You know, how long it will—if there is a strike, how long it will last? What will happen with mail during that time? What will happen with—certainly there will be an impact, but it's very hard to predict exactly what that impact could be on any of, you know, anybody in the industry's business.

Okay, so hopefully that helps. It's a great question though.

James Lorimer:

Looks like we have no further questions. Richard, did you want to provide some closing remarks?

Richard Kellam:

No, I just want to say thanks to our all of our associates—our 1,600+ associates doing a fantastic job bringing these two companies together and building a good solid platform for profitable growth as we move into 2025.

Again, it's been a heavy lift and I appreciate the efforts of the entire team, and thank you to all of our clients for standing by us and we appreciate doing, you know, fantastic work for you as well.

So we'll report back to shareholders as we close out the year and step into 2025, because our next contact will be sometime in middle of March, mid-March.

James Lorimer:

Yeah, mid-March.

Richard Kellam:

So we'll have lots to report at that time, but thank you.

James Lorimer:

Thanks everyone.