Q3 2026 DCM Earnings Call – Meeting Transcript

November 11, 2026

James Lorimer

Welcome to the DATA Communications Management Corp. Third Quarter Fiscal 2026 Financial Results Conference Call. My name is James Lorimer, CFO of DCM, and I'm pleased to join today's call.

Joining me today are Richard Kellam, President and CEO, and Lee Berger, Managing Director of our IDP division. After our prepared remarks, we will open the call for Q&A. As a reminder, this conference call is being broadcast live and recorded. Richard and I can also be available after the call for any follow-up questions you may have.

Before we begin, I'll remind everyone that today's call will include forward-looking information. This information is subject to risks and uncertainties described in our press release and in our public disclosure filings on SEDAR+. We will also be referring to non-IFRS measures. Details on these and reconciliations to the most relevant IFRS measures can be found in our most recent public disclosure filings on SEDAR+ as well.

The presentation recording and transcript will be available on our website following the call. Additional information relating to DCM is also available on our website and on SEDAR+. We also invite you to follow DCM on LinkedIn for updates on business developments. And I'll now turn the call over to Richard.

Richard Kellam

Thank you, James, and good morning, everyone. And anybody joining from other time zones, good afternoon and good evening. Happy to report our quarter —three, and some highlights here, and we'll do a double-click on some of these as we progress to the deck here. Plan for the call is we're going to do about 10 minutes of DCM; Lee's going to join in and give us about 10 minutes on progress at Octacom; and then we'll use the final 10 minutes for any Q&A. So we'll move fairly swiftly through the deck today.

Certainly point number one, as you can see on the screen, DCM core is back to growth. We've had some incredible new logo wins. We've got a very good pipeline that we converted, and our core market is certainly showing signs of stabilization. We've had a strong financial contribution from Octacom, and you'll see that in the numbers, due to the higher margin mix that adds to our profitability.

Our revenue overall, very solid at plus 8.2% versus the same quarter a year ago. And happy to report, given all the great work that the team has done, we're finally back to organic growth and solid organic growth of 2.9%. And that, as you'll see in the numbers below, is extremely profitable growth at the same time. So very strong performance in the marketplace.

Gross profit of $30.2 million — that's 26.5% of revenue. And you can see that gross profit growing faster than revenue at 22.7%, well up over a year ago. Adjusted EBITDA also extremely strong at $15.9 million versus $12.3 million a year ago, up 29.07% and coming in at 13.9% of revenue.

So all lines up, revenue up, gross profit up, adjusted EBITDA up. Free cash flow also very strong at $15.5 million on a year-to-date basis versus $8.2 million last year. So up over $7.3 million over a year ago. And adjusted net income — we'll do a double-click on this as we get into the deck — at $1.3 million, well up over a year ago. We were about $100,000 in adjusted net income a year ago.

Happy to also report — you'll see #8 here, the tariff update. We've had minimal tariff impact crossing the border into Canada. And that really is kind of due to a lot of the work we did to procure raw materials from different markets around the world. Our procurement team did a fantastic job. So we really have no impact at all — immaterial impact from a tariff perspective.

We also have very positive momentum that we expect to continue through Q4. Organic growth is expected to continue and obviously we'll have a full quarter of Octacom. These numbers for Octacom are a quarter less a week because we didn't close the deal until the end of the first week of July. So these are one quarter less a week to be clear to all shareholders. And you'll hear from Lee, a great start with Octacom and lots of good work happening there. And I'll let Lee take you through those details.

So that's the summary. We'll just do a double-click on this pretty quickly as we progress through. There's the revenue number, and you can see plus 8.2% — $114 million, up from $105 million a year ago. And if you look at that line graph below, you can see the plus 2.9% orgranic growth. We did guide to that: Low single digit in the quarter, and you can see we delivered against that, and you can see the improvement from quarter one to quarter two to quarter three in our underlying business, and obviously the contribution of Octacom — a very solid quarter overall.

Gross margin, as I mentioned in the highlights, in the summary — growing faster, well faster than revenue — 22.7% growth in gross margin. And that is not just due to the contribution of Octacom; the gross margin on the underlying business is well up over the net sales growth as well. So not only growing organically, but growing profitably organically as well. And you can see the gross margin at 26.5% up from 23.4% a year ago — a combination of better mix and more profitable growth in the core and obviously bringing the higher-margin Octacom business into the mix as well. So very solid there. And then James is going to talk about EBIDTA on the next page. James?

James Lorimer

Thanks, Richard. Yes, as a result of the factors that Richard mentioned — revenue and higher gross profit margins — we delivered $15.9 million of adjusted EBITDA, which was up from $12.3 million last year and came in at 13.9% of revenues, up nicely from 11.7% last year. And you'll see that we also improved on a sequential basis compared to the second quarter.

Richard Kellam

And this is — in my many years in my prior company, this is what we called a very virtuous circle from a business perspective. So I wanted to put this all in context. When your revenue is growing at a solid number of 8.2% and your gross profit is growing much faster than revenue — you can see it's 14.5% greater than revenue — and adjusted EBITDA growing at 6.3% greater than gross profit, this is what we call a virtuous circle in business. And we're certainly delivered against that on this quarter and expect to continue this delivery over time as well. So very solid quarter in all areas of the business.

James Lorimer

This is also reflected in strong free cash flow, which was up 90% compared to last year — really led by strong cash from operations of about $27.3 million, which was up from $16.8 million last year. CapEx was actually kind of similar levels to last year on a year-to-date basis. We did have some modest increases in our principal payments on leases. So as a result, we delivered free cash flow on a year-to-date basis of $15.5 million compared to $8.2 million last year.

Richard Kellam

Thank you, James.

James Lorimer

We also delivered improved adjusted net income, which was up $1.2 million compared to last year. A couple one-time adjustments here related to the repayment of our Fiera debt, which occurred during the quarter when we acquired Octacom. There are some other debt modification charges, so about $2.9 million net of add-backs. We had about $800,000 of one-time restructuring and acquisition integration costs, and about $1.9 million of net fair value losses, aand that's related to our compensation expense.

Richard Kellam

Great. I'm sure there may be a few questions on that during the Q&A, but very clear. As I mentioned, minimal tariff impact on either side of the border. I mentioned that we had a lot of diversification in our sourcing and the team has done a great job finding materials from Europe and from Asia. U.S. imports impacted by September 2026 counter-tariffs have been mitigated by continued supply chain diversification. So again, our procurement team is best-in-class. And any outbound tariff exposure is minimal. We have roughly a little less than 10% of our total revenue that goes from north to south. And the product that we ship is non-tariffed, thankfully. So minimal to no tariff impact at all. I think we got, what James, a $100 invoice or something like that. So nothing, which is great. So we were well-positioned for any any threats, and thanks to the team for that.

Okay, so we're exactly on 10 minutes as planned. I'm going to turn it over to Lee to give us an update on the first 90 to 100 days of Octacom being part of the DCM group. Lee.

Lee Berger

Perfect. Thanks, Richard. Good morning, everyone. And as Richard mentioned, it's been about 120 days since we closed. We've got almost a full Q3 in the numbers that you're seeing. And our thesis is largely playing out as we hoped. What I'll do today is really take you through what we've done commercially, how we're going to market, and a little bit about the operating platform.

And this slide really talks to how hard we've been hitting the ground running, and we really have been have been hustling to put all the pieces in place, and integrate the two organizations from a commercial standpoint in order to deliver more value for shareholders.

And so priority one was really ensuring that no client felt this change and that the only changes felt were improvements, in fact. And so we were successful in retaining our customer base, securing many key renewals, and really tells us a lot about the relationships that we have, the service model that we've built, and just how strong the fit Octacom and DCM are from a service provision standpoint.

We've also been able to secure new and expanded relationships across a number of key verticals. There was a press release that was out talking about some new wins in the utility space on the healthcare side, on the municipal government side, and also in the lottery and sweepstakes business.

And so we're quite pleased about the progress commercially that we've seen. We're winning in verticals, really where secure, compliant document processing matters most. And we are being relied upon as a critical vendor, really an integrated vendor to our clients. And that's quite important to us from a from a values perspective.

We've talked a little bit about cross-selling. It's happening in a big way. We had two wins coming from DCM relationships already, including a comprehensive digital mailroom for a Schedule I bank that we had put out there. Really, as everyone knows, a core part of the deal thesis for DCM was combining DCM's enterprise relationships with our IDP capability, and we're seeing that really play through. We've also done quite a few exercises amongst the client bases, mapped dozens of shared government and pseudo-government or crown corporation accounts across DCM and Octacom, and we're working towards running a larger number of joint discovery sessions and ultimately with the ambition to grow our wallet share amongst these existing clients. And again, the proof points are already there in that respect, and we're seeing some really strong success.

And then just generally, both organically and through the DCM network, our IDP pipeline is growing. We've had a number of new contracts signed, a number of net new contracts in negotiation at this stage. This market continues to grow at attractive rates. We're really positioned to capture a larger and larger share of it. And then, of course, it comes down to execution and operations and innovation, where DCM is adding a tremendous amount of value as well, which I'll get into on the next slide.

One of our key goals that we had set out in our strategic planning between DCM and Octacom is growing our federal and provincial government services business. We do have a federal standing offer. We are an Ontario vendor of record, and DCM has a tremendous number of government contracts in place as well. And the goal is to leverage these agreements to transact as quickly as we can with a broader set of government buyers. And we're specifically focused on the federal government with a number of campaigns on the go at this time.

In order to support this broader government focus, we're also broadening the geography in which we can cover these clients. And so that entails using a number of additional facilities within the DCM network to grow our physical footprint and processing services capabilities, both nationally and into the U.S.

From a marketing perspective, just yesterday, brand new, we relaunched our corporate website at Octacom.com. This augments Octacom's image and the IDP messaging. Please do check it out. The team has done a fantastic job getting that site live and the messaging is crystal clear. It brings our solutions, security credentials, and our customer stories together in one place. We're seeing improved rankings already, great performance from a site speed and messaging perspective, and expected to lead to a greater amount of inbound opportunity, as well as being a catalyst for our increased digital ad spend, which we've been holding off actually until we had the new website and new messaging ready. So very, very pleased that we're there at this point.

Also over the past quarter, lots on the go. We've trained the DCM sales team and senior leaders on IDP solutions, which means really every DCM account manager is a new channel for us. We're really leading with tailored use cases and customer stories. We're booking discovery meetings, and then the Octacom commercial team and myself included are getting involved in discussions with DCM clients to talk about the opportunities that exist in the IDP space and how we can help them solve internal business process challenges.

And so what we're really doing is working to build a flywheel. We have a 60-plus- person strong DCM go-to-market team, augmenting the existing Octacom organic growth engine that we built and on top of the technology that we've built. And so we're incredibly excited about what's to come.

Maybe the last point on marketing is, over the last two months, went live with an outbound BDR team, and we're seeing tremendous success from a meeting bookings standpoint. This is a very strong leading indicator, as we talked about on the last call. Sales cycles can be six months, they can be 12 months. And so filling that top of funnel at this early stage is incredibly important and is showing positive signs. So we're quite excited about that.

And if we could just flip to the next slide, we come to the operational footprint. So I've talked a little bit about the commercial and the marketing side of things where a lot of focus is going in, but equally on the operations and technology side of house, there's a tremendous amount of work on the go amongst both the DCM and Octacom teams. We, over the quarter, now officially lead the DCM Montréal and Mississauga digitization operations. This gives us complete control of the IDP business under the Octacom leadership team and allows us to apply our operating playbook and our technology to the complete solution delivery across the full network, and so with that in mind, in 2027, we'll migrate DCM's existing IDP services onto the Octacom platform, and what that will do is it will help drive efficiency, lift, productivity, and improve gross margin on some of that work. There is some added cost that is borne by the Mississauga and Montréal operations based on some of the technology stack that's being used. And so we'll have the ability to both put in our efficiency, but also cut out some costs in the process.

As we press-released about a month ago, we launched our U.S. operations centre for IDP in the Chicago area within a DCM site — a similar approach that we're using across several other DCM sites to grow our national footprint here in Canada, specifically growing the Western Canadian footprint.

That U.S. facility in Chicago went live in October. It gives us a great footprint to serve U.S. clients as we continue to see growth in the U.S., and is a perfect proof point of how we're leveraging the DCM physical footprint.

What allows us to do that is DCM obviously has this national footprint, 1600 team members across 18 Canadian locations. And so as we look to scale up, we're incredibly well-supported. The messaging that Richard and James and Christine and Jason and the rest of the team have passed on to the teams across the country has have been nothing short of spectacular, and given us all of the support that we need to grow in the DCM environment, which is fantastic.

And then finally, from an IT security and compliance standpoint, obviously not a commercial driver, but absolutely critical and of paramount importance to our clients. We are actively partnering with the DCM security and compliance teams to augment their certifications, to add additional sites to those certifications, and working with the DCM IT infrastructure team to really set us up successfully with the expertise and bandwidth needed to manage this multi-site operation with ease and in a secure way. And so once again, thank you to the technical team for engaging so deeply and so quickly and supporting us in a number of these initiatives.

Maybe last point is we are accelerating now investments in our IDP roadmap. We've found our feet commercially and operationally. We're now accelerating investments on the AI-driven capture and redaction side of house. One thing I'll say in particular for government, legal, healthcare, and other large enterprise clients, is we are focused on data sovereignty and all data stays hosted in Canada, which has been a real advantage for our public-sector and regulated clients.

And so in summary, I'd say so far so good. Business is performing well. The team is collaborating incredibly well. We're leaning in and finding our rhythm and look forward to sharing more updates as we go.

With that, Richard, I'll hand it back over to you.

Richard Kellam

Thank you, Lee. Appreciate it. And thanks to the entire Octacom team. We wanted to be transparent to shareholders. The last quarter, we just announced the acquisition. Now we wanted to let shareholders know the progress is being made over the first 100, 120 days. And you can see a lot of progress. So we're off to a great start, and lots of opportunities moving forward. So thank you, Lee and team.

Okay, have a look at our priorities, and we'll turn it over to Q&A.

Priorities are pretty similar to what we presented the last couple of quarters: maintaining our high revenue retention and really continuing to focus on new business development. Our team is all over that. And we've had really good progress on new biz.

Continue to drive gross margin improvements through strong mix and operational efficiencies. As I said in the last quarter, our strategy is to fuel the Octacom growth, really bring all the resources from DCM into Lee and his team, and hopefully you saw that in the last 10 minutes. And I think the team's done a fantastic job to kind of support this acquisition.

And then obviously, we're going to continue to look at some opportunistic M&A opportunities as well. And then finally, generate robust cash flow — you saw the cash flow in the quarter that we fully expect to continue — and reduce our debt and deliver shareholder returns as well. So those are our priorities.

And then we got one last slide, James, before we turn it to Q&A — which is our outlook, positive business momentum. As I said earlier, we expect it to continue. We've got a very healthy pipeline. Our core is stabilized. We will have a full quarter of Octacom in Q4. So the full quarter, not like this one, which was less a week. And again, strong free cash flows and liquidity to fund our growth. And we're well- positioned to deliver — you heard from Lee — the tech-enabled capabilities with the IDP, within the IDP market. It's a growing market, and we're certainly well-positioned to take advantage of that — arguably the best company in the market to take advantage of that.

We've got operational discipline that will support our growth, and we certainly prove that over many quarters. Our quarterly dividend program obviously continues — fully committed to that. And then we are constantly watching a monetary and trade policy. As I said, no tariff impact now, don't expect any, but we monitor that on a consistent, regular basis.

Okay, so that's the outlook, and I'm now going to turn it over to Q&A.

James Lorimer

Thanks, Richard. And thank you, Lee. We'll now take questions from the audience. If you have a question and you're on Teams here, please use the raise-your-hand feature and we'll queue up questions. You may also submit questions through the chat feature. When called upon, please unmute and introduce yourself before asking your question.

First question is from Noel.

Noel Atkinson

Yeah, hi, it's Noel Atkinson from Clarus Securities. Yeah, good morning guys. Well done in Q3 and thanks for taking our questions this morning.

So if I could direct the first one to Lee or the group in terms of Octacom. So you were talking about government as an exciting potential vertical for building your pipeline. A note that, you know, Iron Mountain's doing, I think, $140 million a year just in one IDP contract with the IRS in the States. So yeah, I agree that it seems like an exciting vertical. Is the government side in Canada — is it primarily responding to RFPs or are you guys able to go and work through some sort of master agreements — master service agreements that you guys have with government?

Lee Berger

Yeah, I can take that. I'll take that, Richard. And thanks, Noel. Good to hear from you. We, so we do have a federal — what's called a standing offer. It's a national master standing order. It's a procurement vehicle that a large number of federal, provincial, and municipal groups can use to purchase from Octacom. And so we're making the availability of that procurement vehicle better-known along with the post-DCM acquisition.

I would say a large proportion of government services do come through competitive tender, so through RFP processes. And so we're very active now over the last six or nine months — very active in those tenders. We're experienced with them and we position ourselves really well, especially with previously three processing sites and now much more within the DCM network.

They come to market generally in smaller increments, I'll say. So in the U.S., the IRS may have come out with one broad-based IRS procurement requirement. And what we see in Canada is more what I'll call departmental or divisional solutions coming out. And so some of the work that we're doing in Ottawa, I'll say, is educating on just how much more we can do under the DCM roof for these organizations. And we're probably 8 weeks, 10 weeks into really pushing that agenda and are seeing some pretty positive results coming out of it. Although keep in mind, sales cycles do take time in the space.

And then maybe the only other thing that I'll say is we do service a large number of government organizations already. We work with over 100 municipalities in Ontario. We're looking to broaden that outside of Ontario, but over 100 municipalities inside of Ontario. We work with a number of Ontario provincial ministries, and then we do some federal government work, but it is an area we're looking to push hard into and expect to see some strong results in the next coming quarters, I'll say.

Noel Atkinson

Okay, great. And then so that's a good segue. Maybe you guys could talk a bit about CapEx outlook for 2027 and how many additional facilities you're thinking about outfitting for IDP.

James Lorimer

Yeah, sure. I'll maybe handle that, Lee. CapEx is, I think most of the audience knows for the IDP business, is pretty modest. And, you know, in our CapEx that we've seen in the last quarter, really, we've stood up our Chicago facility for IDP digitization. We've also done some work in our Vipond and Mississauga sites and our Montréal site. So as we explore opportunities to continue that across other areas, we're certainly focused on using DCM sites to offer them, and use our existing physical footprint.

So it's pretty modest. I think our CapEx this year through third quarter is about $3.5 million dollars. We'll probably have about another million or so in the fourth quarter. That's across our whole business. And then next year, we'll see our probably CapEx grow a little bit, but it's fairly modest from the Octacom side and a little bit more on the maintenance and growth capital for the DCM side.

Noel Atkinson

Okay, great. And then maybe one more for me: Going back to the core business, Richard, you mentioned positive momentum entering Q4. The filing showed that there was pretty good results out of the tech-enabled hardware side of the business in Q3. So as you guys come into Q4 here, are you expecting like product sales or tech hardware to be the main growth driver in the in the core business?

Richard Kellam

It'll be a combination of both. We're seeing good momentum on the core physical print coming into quarter four. We've also had good momentum on the resale side of our business as well. When you talk about that technology, some of that is part of a bundle. So think of — I'll give you an example: positive patient ID, PPI. You know, we're selling the hardware solution, the scanners, the printers, as well as the consumable, the bracelet, which is a label. So it's part of an ecosystem. We've been quite successful. There's opportunities that we'll see play into this quarter and the next one there as well.

But certainly in the underlying business — the core print business — we're seeing some good wins, new business wins, and expansion revenue with existing clients.

Noel Atkinson

Okay, great. That's it for me. Thanks. I'll get back in the queue.

James Lorimer

Okay, thanks, Noel. We have a question from Chris Thompson.

Richard Kellam

Thanks, Noel.

James Lorimer

Oh, Chris, I think you have to unmute. There we go. Yep.

Chris Thompson

Yeah, yeah, can you hear me now?

James Lorimer

Yes.

Richard Kellam

Yeah.

Chris Thompson

Congrats on a great quarter. Just a couple of questions. On the sales you mentioned for the — sorry, it's Chris Thompson from eResearch. For the sales going forward, was any of the revenue pulled forward or one-time project work in Q3? Are you seeing just a real change in the actual business lines?

Richard Kellam

No, it's nothing pulled when you say pulled forward, pulled forward from quarter four and a quarter three.

James Lorimer

Yeah, right.

Chris Thompson

Yeah.

Richard Kellam

No, it's all real revenue in the quarter, nothing pulled forward at all. In fact, if anything, there's probably some stuff that went from quarter three into quarter four, just, you know, given the utilization of our facilities.

Chris Thompson

Oh, great. Okay. And I know there's a little bit of seasonality in the core DCM revenue. What sort of seasonality is in Octacom revenue?

Lee Berger

There's not much, if at all, Chris — like completely immaterial is what I would say.

Chris Thompson

Okay.

Lee Berger

Yeah.

Chris Thompson

Great. And just a question on your SG&A — it trended higher, I guess, because of the inclusion of Octacom in that grouping. Is that still your expense reduction mandate in that whole line? Was it mostly made up of the acquisition?

James Lorimer

Yeah, I think most of the change you saw in that was related to the acquisition, Chris. No material, one-time SG&A expenses. So yeah, that's probably not a bad run rate to use for quarter four.

Chris Thompson

Oh, great. Okay. And just a last question, can you just provide a little more colour on your $25 million acquisition accordion that you mentioned?

James Lorimer

Sure. As part of our new credit agreement, we have baked into the credit agreement the ability to draw on another $25 million for acquisitions. Now that would have to be approved by the lenders. So we'd have to go back to them and say, okay, we've got an acquisition facility or an acquisition opportunity here, pitch them on that, and get their support for it. But it's already kind of papered into our credit agreement. So that makes it a little bit easier if and when we find the right opportunity.

Chris Thompson

Okay, great. Those are my questions. Thanks for taking my questions.

Richard Kellam

Thanks, Chris.

James Lorimer

OK, thanks, Chris. We have a call or hand up from Daniel Rosenberg. Yeah, Daniel, can you unmute on your end? There we go. Morning.

Richard Kellam

Hey, Dan.

Daniel Rosenberg

Yep, yep, I'm here. Good morning. Thanks for taking my question. Hi, guys. So, first one, I was just curious, you mentioned migrating DCM's IDP to Octacom. I was just curious around the investment required to do that. You know, is it people, is it tech, or otherwise? Can you just walk us through a little bit what that investment entails?

Lee Berger

Yeah, good question, Daniel. There would be a modest amount of human capital invested in that transition. So, there's some minor modifications to our core IDP processing software that we'll have to make in order to facilitate that transition. This is all people-time as opposed to technology, and it'd be relatively modest — in the scheme of our technical team budget, it would just be absorbed in the existing team. There's no incremental spend or hire specifically for this initiative.

Daniel Rosenberg

And maybe another one for you, Lee: just curious about your go to market. Understanding it's still early days under the DCM umbrella, but could you kind of contrast your experience — the benefits of going to market as a team together? Timelines, close rates, or any colour there in terms of the advantages you're seeing so far in your early wins?

Lee Berger

Yeah, I'd say there's quite a few benefits in leveraging the DCM relationships. There's more than 2500 DCM customers. Obviously there's some overlap, but Octacom is a much smaller organization than DCM. And so we are really leveraging those relationships as inroads to accelerate the number of — I'll call them discovery meetings, but oftentimes clients already have use cases and pain points that they're coming to those discussions with — and/or large-scale digitization initiatives to bring documents and data into the modern day, whether it be for training models or for archival and compliance, or there's multiple drivers, I'll say.

It's early to report on win rates based on those discussions, but there's a large number, and Richard, I'll leave it to you if you want to comment on exact numbers, but there's a large number of ongoing discussions and client pursuits with specific use cases that are ongoing at this very moment amongst the teams. So there's been a lot of value in the DCM go-to-market channel, because for Octacom, these are largely net new relationships that we're able to form in an accelerated fashion.

If I think on the last call, we had articulated that most of our go to market was RFP- and inbound-driven prior to the DCM acquisition, and so this is a little bit of an exciting pivot for us to more what I'll call sort of outbound proactive and more aggressive, if you will, to really grow our commercial footprint.

So it's a little bit of a vague answer, Daniel, but just to say that we can probably start to report on some data in the coming quarters, but given it's been three, four months since we've been active on the commercial side, it's probably early to comment on win rates that are coming through the DCM

channel, just because there's so many that are in the queue now, either, you know, qualified or active or in negotiation, but not yet closed, if you will.

Richard Kellam

And Lee, I would just also add the national reach that DCM has, so a lot of activity happening in Western Canada, Eastern Canada, Quebec as well, whereas Octacom was more of an Ontario-based, targeted company — U.S. as well, but now has a lot of activity happening in multiple provinces right now as well. Is that fair to say, Lee?

Lee Berger

Yeah, absolutely. Big, big push in Western Canada — a number of very strong deals that are late-stage, and then, as James mentioned, sort of outfitting existing DCM sites for at least the front-end digitization capabilities, and then our core operations can take on the IDP and capture and integration and so on. So that comment sort of goes both operationally and commercially.

Richard Kellam

Yeah, and I just had maybe one last piece of colour as well, because I think this is important: We haven't switched on true marketing automation on the outbound side, because we're waiting to get the refreshed and renewed website. The site went live yesterday. So you'll see a lot of activity moving forward from a marketing automation standpoint to drive that lever — that client-development lever as well.

Daniel Rosenberg

Okay, great. And in terms of markets: I know you have a small presence in the U.S. and you mentioned the Chicago work that you've been doing. Does your thinking change at all in terms of geographic focus? I guess it does sound like you have a lot of opportunity right here in Canada, but just curious if your thoughts, maybe longer- term, have changed around that.

Lee Berger

Yeah, the focus is certainly Ontario, Quebec, Alberta, B.C., and Canadian-centric. But we do have a good slice of U.S. business, and we wanted to be able to service that business internally as opposed to through a subcontractor network going forward. And so this was including some meaty, higher-margin opportunities. And so we wanted to stand up that facility in Chicago within the DCM footprint so there's no incremental real-estate costs, lease costs, and so on to optimize that work, and be able to tackle new work going forward in the U.S. But I will say, go-to-market wise, Daniel, I think is your question: We're focused in Canada as a primary avenue.

Daniel Rosenberg

And I was curious, Richard, actually, I was curious about your thoughts on that specifically — I know it's a long-term thought here, but has it changed at all in terms of what is possible now with Octacom under the umbrella?

Richard Kellam

In terms of, I'm not clear on the question.

Daniel Rosenberg

Geographies, geographies outside of Canada.

Richard Kellam

Oh yeah — look, we're going to play to our strength. As you know, we have north of 2500 clients across Canada that we're going to play to right now, but there's clearly the opportunity south of the border. I mean, these services have no borders, essentially. We can have clients anywhere in the world and use the Octacom processing methodology to create value and intelligence off that data. So certainly, the step that we took to set up an operation in the U.S. to service the existing clients that Lee and the Octacom team are already providing to those clients — there's tremendous opportunities there. But we're going to crawl, walk, run. Right now, I'd say we're in the walk stage as we continue to drive hard across the Canadian market, and certainly we're well-positioned to take advantage of the U.S. at some point. Okay?

Daniel Rosenberg

Great. Thanks for taking my questions. I'll pass the line.

James Lorimer

That's it. All right. It doesn't appear we have any questions. Maybe I'll pause for a minute in case anyone else has a question they'd like to ask.

Richard Kellam

Yeah.

James Lorimer

All right, it appears we have no more questions. Richard, would you like to provide some closing remarks?

Richard Kellam

Yeah, I just want to thank all of our shareholders for the interest and the support that you provide to DCM. I want to also thank all of our associates, all of our team members, the Octacom and DCM team members. Thank you for everything that this team does every day to deliver results and to support our client base out there. And also, thank you to our clients for your continued support of our services. We're here to deliver and hopefully you can see that on the quarter, and many to come. Thank you everybody for your listening and engagement today on the call.

James Lorimer

All right, thanks everyone for joining us. That concludes our call today. Thanks everyone, and have a great day.

Richard Kellam

Thank you.

Lee Berger

Thank you.