

**Calian Group (Q1 2024 Earnings)**  
**February 15, 2024**

Corporate Speakers

- Jennifer McCaughey; Calian Group; Director of Investor Relations
- Kevin Ford; Calian Group; Chief Executive Officer
- Patrick Houston; Calian Group; Chief Financial Officer

Participants

- Doug Taylor; Canaccord; Analyst
- Scott Fletcher; CIBC; Analyst
- Robert Goff; Echelon Capital Markets; Analyst
- Jonathan Lamers; Laurentian Bank Securities; Analyst
- Michael Kypreos; Desjardins

**PRESENTATION**

Operator^ Good day and thank you for standing by. Welcome to the Calian Group first quarter 2024 Earnings Conference Call. (Operator Instructions)

Please be advised that today's conference is being recorded.

I would now like to hand the conference over to your speaker today, Jennifer McCaughey, Director of Investor Relations.

Please go ahead.

Jennifer McCaughey^ Thank you, [Shannon]. And good morning, everyone. Thank you for joining us for Calian's Q1 and fiscal year 2024 conference call. Presenting this morning are Kevin Ford, Chief Executive Officer and Patrick Houston, Chief Financial Officer.

As noted on slide 2, please be advised that certain information discussed today is forward-looking and subject to important risks and uncertainties.

The results predicted in these statements may be materially different from actual results.

As a reminder, all amounts are expressed in Canadian dollars except as otherwise specified.

With that, let me turn the call over to Kevin.

Kevin Ford^ Good morning. Thank you, Jennifer.

I'd like to start by saying that you will increasingly hear we talk about Calian on a consolidated basis.

While we manage the different segments as distinct P&Ls, we're judging the performance of the company on a consolidated basis.

Now, for some Q1 highlights.

We had a strong start to the year with revenues up 21%, driven by double-digit organic growth and the contribution from two recent acquisitions.

Organic growth outpaced M&A growth this quarter. Steps to improve our efficiency are bearing fruit with gross margin at an all-time high of 32.5% and adjusted EBITDA margin bordering 11%.

These results demonstrate the strength of our business model, our diversification in new markets and offerings as well as the value creation generated from our M&A agenda.

In fact, our M&A engine is working with the completion of two acquisitions in the past six months for a total consideration of approximately \$100 million. Notable highlights in Q1 include the completion of the Decisive acquisition, which performed a key part of our [ITCS] strength in North America, and we welcome Michael Tremblay as President of our IT and Cyber services group.

The contribution from our recent acquisition of Hawaii Pacific Teleport continues to be a highlight, and our sales engine was able to secure \$150 million in new signings this quarter.

Given these strong results, we are reiterating our fiscal year -- fiscal '24 guidance, which puts us on track to deliver our seventh consecutive year of double-digit profitable revenue growth. This strong performance is an early indicator of our path to reach \$1 billion in revenues by the end of fiscal '26.

Now I will turn it over to Patrick to discuss consolidated results and guidance for fiscal '24.

Over to you, Patrick.

Patrick Houston^ Thank you, Kevin.

Q1 revenues reached \$179 million, up 21% compared to the same period last year, and represents the highest revenue quarter in our history. This increase was driven by growth across all four segments, including double-digit growth in Health, ITCS and Advanced Technologies. Acquisitive growth was 9% and was generated by the acquisitions of HPT and Decisive.

Organic growth was 12% and was mainly driven by double-digit growth in Health and Advanced Technologies. Our steps to restore efficiency are clearly working.

Gross margin reached a record 32.5%, representing the seventh consecutive quarter above 30% and the first time above 32%. Adjusted EBITDA increased 37% to \$20 million, driven by strength, overall revenue growth and margin expansion in Advanced Technologies and Health as well as from benefits generated from the restructuring plan implemented midway through our fourth quarter.

Adjusted EBITDA margin reached 10.9%, up from 9.7% in the previous year. In Q1, we signed \$150 million in gross new contracts and ended the quarter with a backlog of \$1.1 billion, positioning us well for the balance of this year and into FY25.

Net profit in Q1 increased to \$5.5 million or \$0.46 per diluted share compared to \$4.6 million or \$0.39 per share for the same period last year. The increase was mainly driven by higher adjusted EBITDA, partially offset by higher expenses related to acquisitions and higher interest expenses as we drew on our credit facility to fund the acquisitions of HPT and Decisive.

Noted in FY24, we are expecting to pay the year two earn-out for Simfront. This amount is recorded on our balance sheet.

We generated cash flow from operations of \$18 million in Q1, down from \$25 million last year.

Working capital was neutral in the quarter while we had significant recapture in Q1 of last year. When we take working capital on our balance sheet and put it in relation to our revenue generation, we've made great strides in recent years.

In FY20, we required \$92 million in working capital to generate \$432 million of revenue or 21% efficiency.

In FY23, we now required \$90 million to generate \$659 million of revenues or [14%] efficiency. In Q1, we required \$71 million of working capital to generate the last 12 months of revenue of almost \$700 million or 10%.

Going forward, we'll be looking to drive more efficiency in working capital as we continue to deliver double-digit revenue growth.

Operating free cash flow was up 17% to \$14 million and represented a 73% conversion from adjusted EBITDA.

Looking at it through our shareholder lens, our operating free cash flow per share increased 15% to \$1.20 per share.

We continue to have a disciplined and balanced approach to capital deployment in the first quarter.

We invested in our business with the acquisition of Decisive for \$47 million. We also made CapEx investments of \$2 million.

Our CapEx levels have remained stable despite significant increase in the size of our business over the last few years.

We continue to invest in capital to help us scale and not inhibit our growth aspirations.

We also provided a return to shareholders in the form of a dividend and share repurchases.

We paid dividends of \$3 million or \$0.28 per share, representing 23% of operating free cash flows.

In Q1, we continued to repurchase shares through our NCIB program we put in place on September 1.

We purchased 27,226 shares for cancellation for approximately \$1 million.

Since the launch of the NCIB plan, we've repurchased just under 60,000 shares for cancellation of approximately \$3 million. Although we believe our share price remains undervalued, our capital allocation priority is still our M&A agenda.

As a result, any future dividend increases, or share repurchase decisions will be evaluated in the context of this while being mindful of our leverage.

After making all these investments, we ended the quarter with a solid balance sheet.

As of December 31, we had drawn \$94 million on our debt facility and we had net debt of \$41 million and a net debt-to-EBITDA ratio of 0.6x, well below our target of 2.5x.

We maintain considerable debt capacity with our existing lenders and staying within our 2.5x EBITDA leverage target to further fund our M&A agenda.

Let's take a look at our guidance for FY24.

Given our strong start to the year and our confidence for the balance of the year, we are reiterating our guidance.

As a reminder, we expect revenues in the range of \$730 million to \$790 million for the year ended September 30, 2024.

At the midpoint, this reflects revenue growth of 15%. This would represent our seventh consecutive year of double-digit growth and record levels. In this guidance, the acquisition of HPT and Decisive represent approximately 7% acquisitive growth over last year.

At the midpoint of the range, organic growth would represent 8%.

When taking into account Q1 revenues of \$179 million, our \$342 million of backlog earmarked for the remainder of FY24, and our deferred revenues of \$30 million and our recurring revenue

streams of approximately \$30 million, we have 76% of FY24 already booked and ready to deliver.

In terms of profitability, we expect adjusted EBITDA in the range of \$83 million to \$89 million. At the midpoint, it reflects adjusted EBITDA growth of 30%, significantly outpacing our revenue growth. This is a result of expanding our business into higher-margin areas as well as the full year benefit of our restructuring plan. It also implies a margin of 11.3%.

With this guidance, we're on track to achieve another record year in FY24 and are off to a great start to achieve our \$1 billion revenue target by the end of FY26.

As a reminder, we're expecting to see increased fluctuation in our quarterly results due to our revenue mix, which is more highly skewed towards products where the timing of deliveries come into play as well as commercial customers characterized by greater demand variability.

As always, we must caution that this guidance is ultimately dependent on the extent and timing of future contract awards and customer realization of existing contract vehicles. The guidance also implies no major changes to current economic environments, defense spending and supply chains as well as no major increases in interest rates or labor costs.

Note that our guidance does not incorporate any additional M&A activity than those already mentioned, and should we close any new opportunities, their contributions would be incremental.

Finally, in terms of capital deployment for the year, earn-out payments should be approximately \$3 million.

We continue to have a robust pipeline of acquisitions, and we're working hard to close a few of those in the balance of FY24.

We expect to maintain our CapEx investments in the range of \$8 million to \$10 million and our current dividend at \$1.12 per share.

We believe this guidance reflects the strength of our business and momentum coming off a very strong quarter.

I'll now turn the call back over to Kevin to provide color on our business segments.

Kevin?

Kevin Ford^ Thank you, Patrick. Let me start with our ITCS segment.

As mentioned, major highlights in this quarter included the start of Mike Tremblay as President and the acquisition of Decisive and continued margin recovery.

Mike has been onboard for about two months now, and has met with the teams in Ottawa, Toronto and Houston and has quickly assessed the people and assets we have. He is already

implementing changes to our strategy and go-to-market business model, which is expected to just -- support higher sales generation.

Recall that Decisive closed December 1, so it only contributed one month in our quarter, early interactions with the excellent team as well as key customers have been positive.

We believe this acquisition will be a great asset looking forward.

When looking at our EBITDA margins, we are back in the 14% range, similar to where we were at the beginning of last year. These are solid signs that the assets on our ITCS business are strong.

I look forward to working with Mike to drive future growth across North America.

We also ended Q1 with new contract signings of \$62 million, an indication that bookings continue to be healthy. With the full year benefit and the cost reductions implemented in Q4 and the addition of Decisive, which complements and rounds out our current IT and Cyber Solutions portfolio in North America, we are well positioned to extract a lot of synergies over the next 24 months.

Turning to our Health segment. The major highlights this quarter are the continued growth momentum, both from a top line and profitability perspective, digital opportunities on the horizon and investments in growth.

We had a strong performance coming off of record Q4 with revenues up over 24% and adjusted EBITDA up 46%. This growth is all organic.

We continue to experience strong demand from our long-standing customers as well as short-term health response demand, which is characterized by higher margins.

Furthermore, we're seeing exciting opportunities in our digital platform.

We onboarded two customers so far and a promising pipeline. These early wins reinforce our willingness to invest more.

In fact, we'll be investing in our sales capacity to get more feet on the street to sell both our service and digital product portfolio.

With new contract signings of \$40 million and a solid backlog of \$626 million, we believe that revenues of \$200 million per year are in sight for the first time in company's history.

The M&A environment in health has improved, and we are looking to deploy capital to further accelerate our growth in this segment.

Turning to our Learning segment.

As we mentioned last quarter, the pace of growth for Learning has started to slow down due to longer procurement decisions.

However, we continue to see strong activity from existing customers, driven by global conflicts and a renewed focus on readiness. What is exciting is that we are seeing some good defense opportunities, both domestically and globally as well as in the commercial market.

We recently hired a VP Sales to help bring them to fruition.

At the same time, we're also continuing to invest in growth to make sure we are well positioned to capitalize on the macro environment where military training is mission critical.

We believe the global defense market will yield future opportunities; it is just a matter of time.

In the balance of the year, we will focus on upping our sales engine, unlocking opportunities and targeting acquisitions to strengthen our presence in Europe and complement our diversification and innovation strategy.

Turning to our Advanced Tech segment.

The major highlights for Advanced Tech this quarter are its continued growth momentum, especially with its product portfolio and the solid contribution from Hawaii Pacific Teleport.

We are pleased to see AT have a strong start to the year, continuing the momentum generated in the latter part of last year.

Revenues increased 49% to \$51 million from \$34 million last year when the segment was dealing with supply chain issues. This represents the second consecutive quarter above the \$50 million mark for our Advanced Technologies Group. This performance was driven in part by the space segment, mainly from performance from our software business and the first full quarter contribution from HPT.

This top line growth was also driven by terrestrial segment, where our products portfolio, including GNSS, AgTech and nuclear continue to demonstrate significant growth.

We have not spoken about defense in AT recently.

However, if we do see signs of increased demand as procurement starts to finalize plans on large capital programs, it's just a matter of time before these opportunities turn to revenue.

Given this higher volume and sales mix, gross margins hit an all-time record above 36% and adjusted EBITDA more than doubled to \$9 million. With continued strong demand for our products, the contribution from HPT, new contract signings of \$44 million and a solid backlog of \$142 million, we expect to surpass the \$200 million revenue in FY24, again for the first time in company history.

EBITDA margin should also increase given the higher margin HPT contribution and favorable revenue mix.

Lastly, I wanted to announce that Patrick Thera, President of Advanced Technologies, recently informed us that he will be retiring after an illustrious 38-year career with Calian. Patrick played a pivotal role in shaping the success of the Advanced Technology segment, I am immensely grateful for his dedication, sage counsel and commitment to the business. He will remain at the helm of the segment while we conduct a search for a successor, and we look forward to working on a successful transition.

In conclusion, I'd like to leave you with three key takeaways.

One, our guidance reflects another double-digit record year, both on top line and adjusted EBITDA.

Our Q1 results demonstrate that we are performing on track.

We generated 12% organic growth in the quarter and 21% including acquisitions and converted that into 37% EBITDA growth.

Two, our business model and strategy are working.

We are on our way to the seventh consecutive year of record results and have achieved this through challenges such as global conflicts, the pandemic, labor shortages, inflationary pressures, and higher interest rates to name just a few. Our business is solid and growing.

Three, we are a consistent capital deployer with an objective of deploying over \$100 million per year.

So far in fiscal '24, we have deployed half of that with the Decisive acquisition and have a robust M&A pipeline that we continue to pursue.

We feel confident we have the opportunity to meet these objectives by the end of the year. The combination of M&A and organic growth, coupled with our dedicated and talented team, continued investment in innovation across all that we do, and the globalization of the company will position us to continue to sustain our track record as a double-digit profitable growth company.

On that note, I want to thank our staff for their commitments and dedication. They do make all the difference and are working extremely hard every day in support of our growth objectives.

I also want to thank our customers for their loyalty, our suppliers for the collaboration and our shareholders for their continued support.

And with that, [Shannon], I'd like to now open the call to questions.



## QUESTIONS AND ANSWERS

Operator^ (Operator Instructions) Our first question comes from the line of Doug Taylor with Canaccord.

Doug Taylor^ I'd like to ask a question about the Advanced Technology section -- segment. The acquisitive growth related to HPT last year implies, I think, a revenue contribution, which will be well above what HPT was producing or the run rate at the time of the acquisition.

So, I guess I wanted to speak to you about what's driving that?

I understood that to be a largely recurring revenue business model. So, to what degree is there a seasonal element to that?

Or can you speak to success in cross-selling or expanding the existing customer base there?

Patrick Houston^ Doug, yes, HPT has gotten off to a really strong start.

We did win a project with a LEO operator and we're deploying all of that equipment for them.

So, there was a one-time increase in revenue because of that project.

But that recurring component of the business you mentioned continues to be very strong, and we're continuing to see that grow. So, I think so far, it's been very positive.

And we want to commend the team there for great work, and I think the teams are really meshing together.

So, I think from a cross-sell, I think there's still quite a lot of upside as the teams start to get together and try to make some of those opportunities come to fruition.

Doug Taylor^ That's great to hear. Is that program -- that project with the LEO operator now -- I mean the, I guess onetime, or the hardware related parts of that program complete now?

Or is that expected to extend here into the next couple of quarters?

Patrick Houston^ No. We expect it to go online here in our Q2 and start to deliver services on a recurring basis for that operator. So, I think it's a big win for us.

Doug Taylor^ Okay. Shifting gears here. The ITCS business. First, I just wanted to speak about the organic growth profile and the demand profile there. I mean we've heard from a lot of other issuers that the enterprise spending environment has been slow for a couple of quarters now.

As you sit here today can you speak to the near-term outlook for better organic growth with that business as you roll out the new go-to-market strategy that under new leadership there?

Kevin Ford^ Yes, Doug, it's Kevin. I think neutral deposit for sure. I think from an IT market perspective, I mean thinking how we go to market between our value-added resell, our consulting services, our cyber services, our managed services, we still see good demand. The commercial markets in the U.S., we were reviewing this yesterday over 1,000 customers, we're supporting in some shape or form, some smaller, some larger. Mike is really taking a regional model approach to this.

So, really focusing in on our regions that we believe there are growth opportunities and taking a customer-first view into those regions.

So, a bit of a change in philosophy, I would say, and really trying to get close to those customers, including some of our largest customers.

So, while I support the other companies, I know there's some headwinds out there from an IT and [expense] but we still see some very good opportunities, and I'm confident now with Mike and some of the changes he's made. And frankly, the team that's been there continues to work incredibly hard.

We'll soon see some organic growth over IT, probably single digits and then continue to look for M&A opportunities to support more of a regional focus in certain areas that Mike wants to target.

So yes, I think it's positive. I think we'll continue to do well. And coming out of the blocks, I'm excited where Mike and the team are trying to take IT going forward.

Operator^ Our next question comes from the line of Scott Fletcher with CIBC.

Scott Fletcher^ I wanted to ask a question on the contribution from Decisive Group. I think the idea was that there was pretty significant seasonality and that Q2 would be the strongest quarter. Is that still the case?

Or any changes to how we should be thinking about how Decisive will contribute going forward?

Patrick Houston^ A strong start -- as Kevin mentioned, they were part of the Calian for a month, so they had a good first month. Q2 is still the strongest quarter. I think as work with the team and try to reprofile. I think we're staying a bit smoother throughout the year.

So, I think the second half will be stronger than maybe we've indicated before, with some of that coming off of Q2.

But Q2 is still the strongest quarter with -- but maybe a little bit less peaky than we said the previous time.

Scott Fletcher^ Okay. That's helpful.

Then just on the guidance -- on reiterating the guidance, I mean a very strong Q1. Do you have more confidence about getting to the upper end of that guidance range now that you sort of have a strong Q1 in the books?

Kevin Ford^ Scott, it's Kevin. I think right now, our guidance from our viewpoint, is it represents -- I think we're going to have another strong year. We're going to have another double-digit profitable growth year. I prefer not to comment on specific ranges where we are at this point just because I think coming out of Q1, reiterating our guidance, I think we're definitely still in that range.

I think coming into Q2, we'll be in a better position to talk about where we're sitting in that range right now. We still three quarters ago.

So, I don't want to get ahead of ourselves. That being said, the guidance we have issued will be another record year for Calian.

So, very confident that we can achieve that.

Operator^ Our next question comes from the line of Rob Goff with Echelon Capital Markets.

Robert Goff^ My question would turn over to the Health side. Could you perhaps dive a little bit deeper into the increased demand?

You referenced long-standing customers and short-term demands.

Kevin Ford^ Yes, really, what we're seeing is it's kind of coming from a few different areas. From our defense -- legacy defense customer, that we value really, was the start of our healthcare business, we are seeing continued increased demand to support military requirements.

So -- and that's right across all the different categories, support from healthcare that we provide the military.

So, definitely continued strong demand to support the military -- in support of their missions. The second one is on our psychological services.

Now we've recently hired a new Chief Psychologist for the company and psychological services, nationally, as you know, is a major issue.

We are becoming very specialized in psychological services' support to first responders, first psychological support to military, dealing with a whole bunch of different use cases, if I can say it that way.

So, our national psychological services presence is strengthening, and we're seeing a lot of customers ping us on that now to support, and we all recognize that some of the challenges we're having in the health area these days. The third is just on our general clinician services piece. Again, strong demand.

We see post-COVID now that the workforce is back. We're having more opportunity. We've invested in our recruiting engine and we're looking at pilots on AI and how we actually get at our medical network more effectively. I think that's paying dividends as well.

Then our pharma business and our digital business are also doing well.

So, we continue to see new mandates for our patient support programs, contract research organization capability. And as I mentioned, we're actually starting to see some uptake now in our digital health portfolio.

So, the growth of the Health business is not one thing. It is a few things that is happening in parallel, and Derek and the team are doing a great job. We've just invested in new sales.

Nancy White just joined the company as the VP of Sales.

So, we're pretty excited about where we're going there. And as mentioned, that's all organic.

So very excited where the healthcare business is today.

Robert Goff^ Great. This is perhaps a bit too granular, but you made reference to the strength in Cyber, both within the quarter and in the backlog. Is there anything further you could take on that?

Patrick Houston^ Yes, Cyber business continues to be probably the strongest one in our ITCS business. We're seeing -- we worked with a few of our customers that had breaches.

We were able to help them recover their networks.

We've continued to see strong -- specifically in the healthcare market in Ontario, strong uptake for the services that we offer.

So, I think we're pretty optimistic that our product and our offering right now is really hitting the right mark with our customers, and we're optimistic that we can continue to expand that here in the coming years.

Operator^ (Operator Instructions) Our next question comes from the line of Jonathan Lamers^ with Laurentian Bank Securities.

Jonathan Lamers^ Starting on the gross margin percentage, Nice to see the new record level there for the quarter. Just at a high level, could you review some of the shifts in business mix that you see driving that?

And how much of those are expected to continue over fiscal '24?

Patrick Houston^ Yes. I think this has been a concerted effort of ours for multiple years.

I think it's been a combination of our M&A agenda, doing acquisitions that are bringing in businesses at higher margin profiles. I think you saw that with Decisive, you're seeing that with HPT. I think that's contributing. We've been continuing to -- a lot of our investment has been going into our own products where we can drive higher products, and that mix has continued to increase.

So, I think it's probably multiple things, but I think all of them have been efforts we've been working on for multiple years, and I think you're just starting to see that impact over time.

So, I think we're trying to keep it going and continue to accelerate that in the coming years, and we're going to talk about that at the Investor Day.

Kevin Ford^ Yes. I mean, it's Kevin. I'd echo Patrick's comments. The other thing I'd say and people that know me talk how I'm passionate of the brand, I'm also seeing our brand get recognized now, our brand is getting presence in our key markets.

While there's work to be done, we can establish the direct -- the brand has successful delivery across mission-critical functions and do it consistently, whether it's emergency management, healthcare, IT, Cyber, Advanced Technologies, Learning, missions.

Our brand is getting out there.

With that, becomes the opportunity to increase margins just by the fact that people do want to work with Calian in the most critical processes.

So, I think we're also starting to see the effect of that in our targeted markets.

Jonathan Lamers^ Great. I'll leave more on that for the Investor Day. Just a question on the backlog.

So, if we look versus this time last year, there's a couple of shifts. The health portion of the backlog like seems to be lower for this year -- sorry, a lot higher through this year, rather, sorry, up to \$137 million to be recorded in the balance of the year.

The Learning backlog is down a bit. Advanced Tech, we've seen down a bit.

So, I guess two questions.

One, is there anything in terms of seasonal timing going on there between Health and Learning?

And could you just comment on how you expect that to -- expect to impact the results over the balance of the year?

Patrick Houston^ I'm not seeing it impact this year. I think the reality, both in Health and Learning, like we have several large contracts that we only re-compete every five to 10 years.

So, we are burning those off, which you can see in the backlog.

But I think the positive this quarter was strong signings -- \$150 million signings across the entire business. So, that was a very positive note.

And I don't think there's any dynamics there that are particularly concerning this year. I think it's going as we expected.

Jonathan Lamers^ And just in Advanced Tech, the backlog is down just a little bit. Does that reflect the shift in business toward more short lead time type orders like GNS antennas away from longer-term contracts?

Or am I reading too much into that?

Patrick Houston^ No. I think you're right. The mix -- well, I think that's what you're seeing in the margins. The mix is going more towards our products, which generally we're getting orders and delivering them within six to eight weeks, depending on any supply chain issues.

This is different than if you think 3, four years ago when much of the backlog versus large ground system projects, which are multiyear projects, which bring longer backlog.

So, I think it's just been a shift to the mix.

But I think the positive has been the margin impact.

I think you've seen that in the results.

Jonathan Lamers^ Okay. I noticed on the slides, it now says that you're targeting capital deployment of over \$100 million per year. Has that target moved up as you've introduced your new strategic plan?

Patrick Houston^ Yes. And that's going to be a highlight today at the Investor Day. We're going to talk about how we increase the pace of our capital deployment. I think it's been a huge success for the company over the last five years. And part of getting to \$1 billion is going to be -- continue to do the same thing we're doing, but at an increased pace and I think that's going to be something we're going to dig into today at the Investor Day.

Operator^ Our next question comes from the line of Michael Kypreos with Desjardins.

Michael Kypreos^ Congrats on the strong quarter -- maybe just on SG&A. It looks like, sequentially, it took a bit of a step up in the quarter. Was the main -- what was the main driver of this? And is that in any way related to the acquisition?

And should we expect to step back down as we approach the second quarter?

Patrick Houston^ Michael, more than half of that was really the acquisitions of HPT and Decisive.

So, HPT in for a full quarter versus Q4 partially and then Decisive coming in.

So, I think a lot of it has been just the acquisition impact, also spending money kind of on our M&A pipeline right now that we're working.

The rest was just kind of just more natural growth in line with revenue.

Michael Kypreos^ Perfect. I appreciate it. And now that you have your full hands on Decisive, with the acquisition closing, do you have any maybe incremental tidbits that you've discovered since getting your hands on the business?

Patrick Houston^ I think so far so good. I mean we really like this business. The team has been excellent. We've -- they're in Ottawa with us.

I think after meeting with the team, I think there's -- I think the similarities and being able to work together is evident.

And I think that we've only -- the interactions so far have only reinforced that.

So, we're really looking forward to a positive year with the team.

Operator^ And I'm currently showing no further questions at this time. I'd like to hand the call back over to Kevin Ford for closing remarks.

Kevin Ford^ Thank you, [Shannon], for facilitating today's call. It's very much appreciated.

I'd like to mention as you've heard on the call today that we'll be hosting our AGM and Investor Day today in Toronto over here at the Globe and Mail Centre -- actually doing this from the Globe and Mail Centre this morning.

So it's a beautiful view, 17 floors above.

So, I'm hoping to see you folks and other folks on the call today. I hope to see you here.

So on that note, I'd like to thank each of you for attending, And we look forward to providing you with an update at our next quarterly call.

And with that, [Shannon], we can close the call.

Operator^ This concludes today's conference call. Thank you for your participation.

You may now disconnect.