

# Q1 FY2024 RESULTS PRESENTATION

October 30, 2023



When being **ertain** is everything

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Certain totals, subtotals and percentages may not reconcile due to rounding.

# Q1 FY2024 BUSINESS HIGHLIGHTS

<p><b>\$451 mm</b> LTM Q1 FY24 Revenue</p>	<p><b>\$248 mm</b> LTM Q1 FY24 Adj. EBITDA<sup>1</sup></p>
<p><b>\$120 mm</b> Q1 FY24 Revenue</p>	<p><b>\$69 mm</b> Q1 FY24 Adj. EBITDA<sup>1</sup></p>
<p><b>57%</b> Q1 FY24 Adj. EBITDA Margin<sup>1</sup></p>	<p><b>49%/27%</b> Revenue with global/Canadian real estate transaction exposure</p>
<p><b>27%</b> ARR under contract</p>	<p><b>60,000+</b> Customers</p>

## Practice Management Software

**D&D's market-leading practice management software lets legal professionals execute every transaction with unmatched reliability, security and ease.**

Our digital products are purpose-built to efficiently connect people with assets, and to empower lawyers and their teams to get more done in less time, driving productivity and enabling them to profitably grow their business.

## Data Insights & Due Diligence

**D&D aggregates a mix of public records and proprietary data into valuable insights which let legal professionals around the world make key decisions with confidence.**

Whether evaluating an acquisition, laying the groundwork for a market expansion or performing corporate registrations, our software informs strategy and drives certainty of execution.

## Payments Infrastructure & Banking Technology

**D&D's payments infrastructure software makes sure that money gets where it needs to go, on time and every time.**

This business serves financial institutions across Canada and Australia, providing critical technology and products which support essential front-end and back-end uses, including payments, information services and property settlements, and core banking infrastructure.

Note: All figures in CAD unless otherwise noted

1. Adjusted EBITDA and Adjusted EBITDA margin are non-IFRS measures. Please see "Non-IFRS Measures". Additional details regarding the reconciliation of Net Income to Adj. EBITDA are available in the appendix

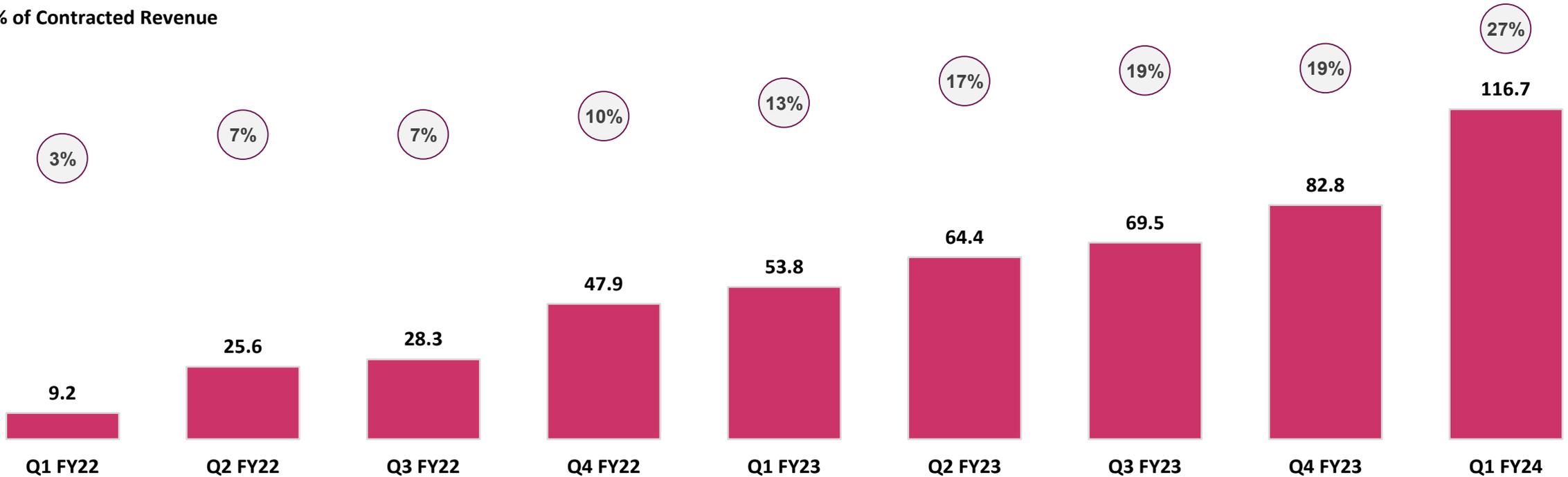
# GROWTH IN ANNUAL RECURRING CONTRACTUAL REVENUE

Growth in annual recurring revenue contracted is a result of D&D’s successful practice management subscription sales initiative and strategic M&A

## Annualized Minimum Contractual Revenue<sup>1,2</sup> (C\$ mm)

■ Contracted Revenue

○ % of Contracted Revenue



1. Annualized figures for each quarter (i.e., quarterly exit revenue for the period multiplied by 4), prior periods adjusted for comparability purposes  
 2. Total Revenue does not include TM Group

# FULL SUITE OF MARKET LEADING LEGAL SOFTWARE



Dye & Durham is one of the world's largest providers of mission-critical software that law firms rely on every day to efficiently and reliably run their practice, enabling them to simultaneously grow their business

Fully Integrated Capabilities Set		
	Practice Area & Functions	
Workflow / Matter Modules	Real Estate	✓
	Wills & Estates	✓
	Other Practice Areas	✓
	Property Search <sup>1</sup>	✓
	Corporate Search	✓
	Compliance & Fraud	✓
Firm Management	Accounting	✓
	Productivity Tools	<ul style="list-style-type: none"> <li>✓ Document Storage</li> <li>✓ Case Management</li> <li>✓ CRM</li> <li>✓ Staff Management</li> <li>✓ Client Portal</li> <li>✓ Mobile app</li> <li>✓ Forms</li> </ul>

## Key Benefits to Law Firms

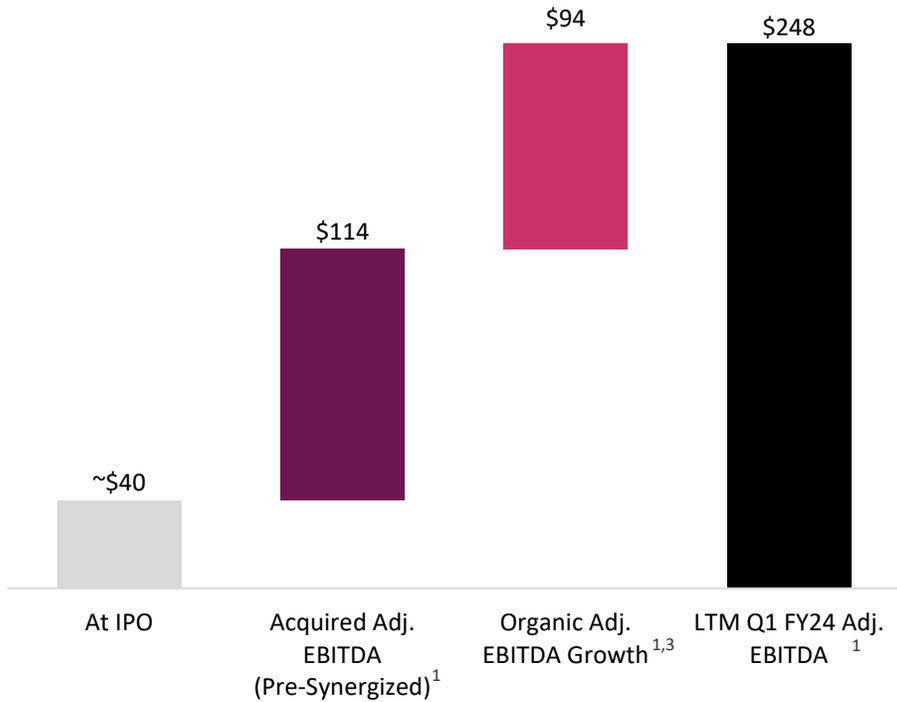
- ✓ Essential software required to run a law firm
- ✓ Improve visibility on firms' costs with **one** minimum spend
- ✓ Increase firm efficiency and productivity
- ✓ Eliminate multiple vendors with **one** contract
- ✓ Automated cost recovery to eliminate dropped disbursements
- ✓ Streamlined support



# STRONG TRACK RECORD OF EXECUTING AND INTEGRATING ACQUISITIONS

Since our IPO in July 2020, D&D has deployed a total of ~\$1.9 billion on acquisitions across Canada, UK, Ireland, Australia and South Africa

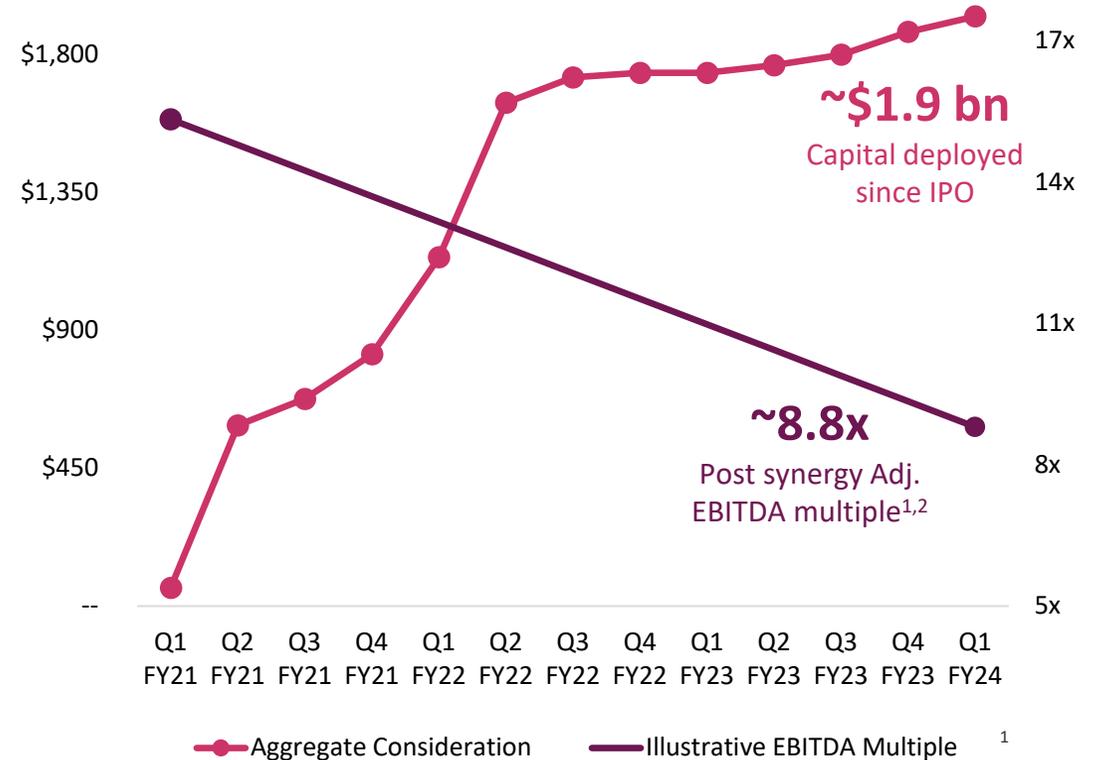
## Adjusted EBITDA Growth since IPO<sup>1</sup> (\$ mm)



from  
**15.3x**

down to  
**~8.8x**<sup>2</sup>

## Post-synergistic Performance on Capital Deployed Since IPO (\$ mm)



Note: All figures in CAD unless otherwise noted

- Adjusted EBITDA and Adjusted EBITDA margin are non-IFRS measures. Please see "Non-IFRS Measures". Additional details regarding the reconciliation of Net Income to Adj. EBITDA are available in the appendix
- Illustrative multiple only; calculated as aggregate consideration of all acquisitions since IPO divided by incremental EBITDA since IPO (LTM Sep-23 Adj. EBITDA less Adj. EBITDA at IPO plus full year contribution for Adj. EBITDA from recent acquisitions)
- Adj. EBITDA for acquisitions completed in FY23 are pro-rated based on each business' in-year contribution to FY23 EBITDA

# STRATEGIC PLAN



Dye & Durham’s vision is to be the to be the world’s most trusted provider of mission-critical software for legal, regulatory and business professionals

Strategic Theme	Objective
<p><b>Deliver strong and sustainable results</b></p>	<ul style="list-style-type: none"> <li>Achieve annual 20-25% Adj. EBITDA<sup>1</sup> growth</li> <li>Create more predictable recurring revenue streams &amp; further diversify revenue mix</li> </ul>
<p><b>Extend and grow our market leading product offering</b></p>	<ul style="list-style-type: none"> <li>Roll-out the global Unity platform as our main practice management tool</li> <li>Provide fully integrated legal practice management offering for customers globally</li> </ul>
<p><b>Continue M&amp;A Growth</b></p>	<ul style="list-style-type: none"> <li>Continue to execute upon strategic M&amp;A initiatives, leveraging proven strategy to acquire complementary products and businesses</li> </ul>

<b>Other Key Medium Term Success Metrics:</b>	<b>50%+</b> Annual Recurring Contracted revenue in <b>3 years</b>	<b>Build to \$1 billion</b> Adj. EBITDA <sup>1</sup>	<b>Less than 33%</b> Global real estate exposure in <b>3 years</b>
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Note: All figures in CAD unless otherwise noted

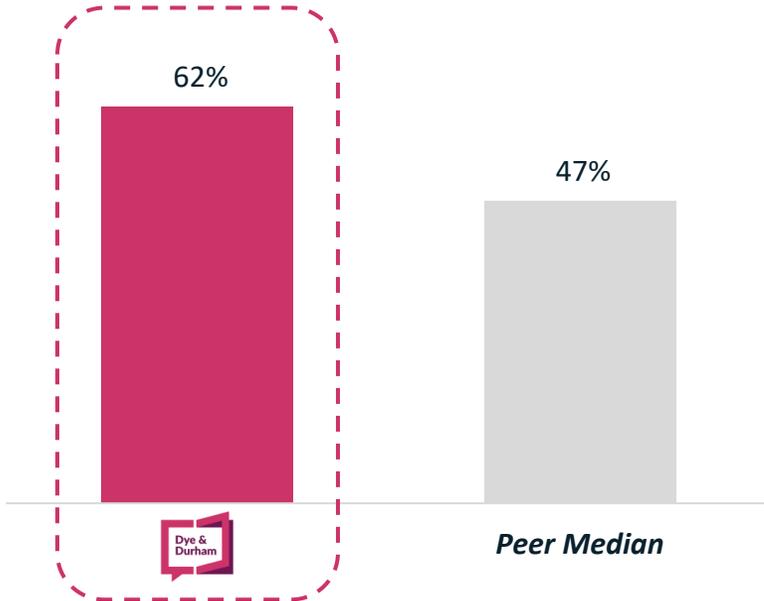
1. Adjusted EBITDA and Adjusted EBITDA margin are non-IFRS measures. Please see “Non-IFRS Measures”. Additional details regarding the reconciliation of Net Income to Adj. EBITDA are available in the appendix

# LEADING AMONG PUBLIC SOFTWARE COMPANIES, LAGGING VALUATION

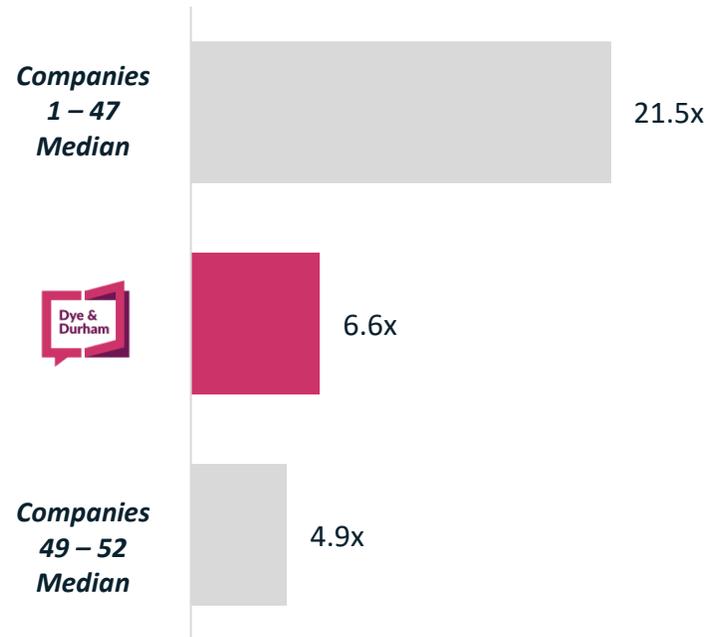
When viewed relative to all publicly traded North American software companies with Adj. EBITDA<sup>1</sup> of greater than \$200 million, Dye & Durham's valuation multiple ranks 48 out of 52 companies, despite being top quartile on revenue growth + Adj. EBITDA Margin<sup>1</sup> (rule of 40)

## Revenue Growth + Adj. EBITDA Margin<sup>1,2,3,4</sup>

### Rule of 40



## FY2024 EV / EBITDA Valuation Multiples<sup>1,2,4</sup>



Median EV / EBITDA<sup>1</sup> multiple across all peers is **19.5x<sup>5</sup>** vs D&D's of **6.6x**

Note: All figures in CAD unless otherwise noted; fiscal year ended June 30

Source: Cap IQ as of October 27<sup>th</sup>, 2023

1. Adjusted EBITDA and Adjusted EBITDA margin are non-IFRS measures. Please see "Non-IFRS Measures". Additional details regarding the reconciliation of Net Income to Adj. EBITDA are available in the appendix

2. Peer group based on North American Application Software providers with EBITDA greater than C\$200 mm (52 total) per CapIQ

3. Rule of 40 metric, calculated as revenue growth (FY24 / FY23) + Adj. EBITDA Margin (FY24)

4. This is forward-looking information. Please see "Forward-Looking Statements"

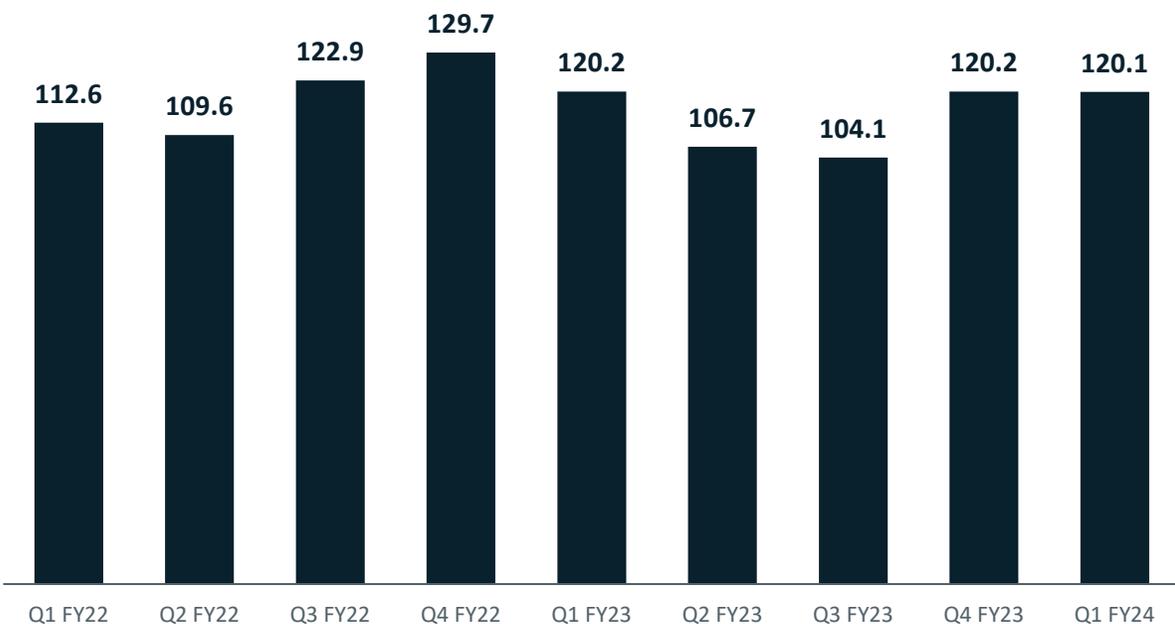
5. Median of consensus estimates for North American Application Software providers with EBITDA greater than C\$200 mm (52 total) per CapIQ

# SECOND BEST ADJUSTED EBITDA QUARTER EVER DEPSITE DIVESTITURE OF TM GROUP

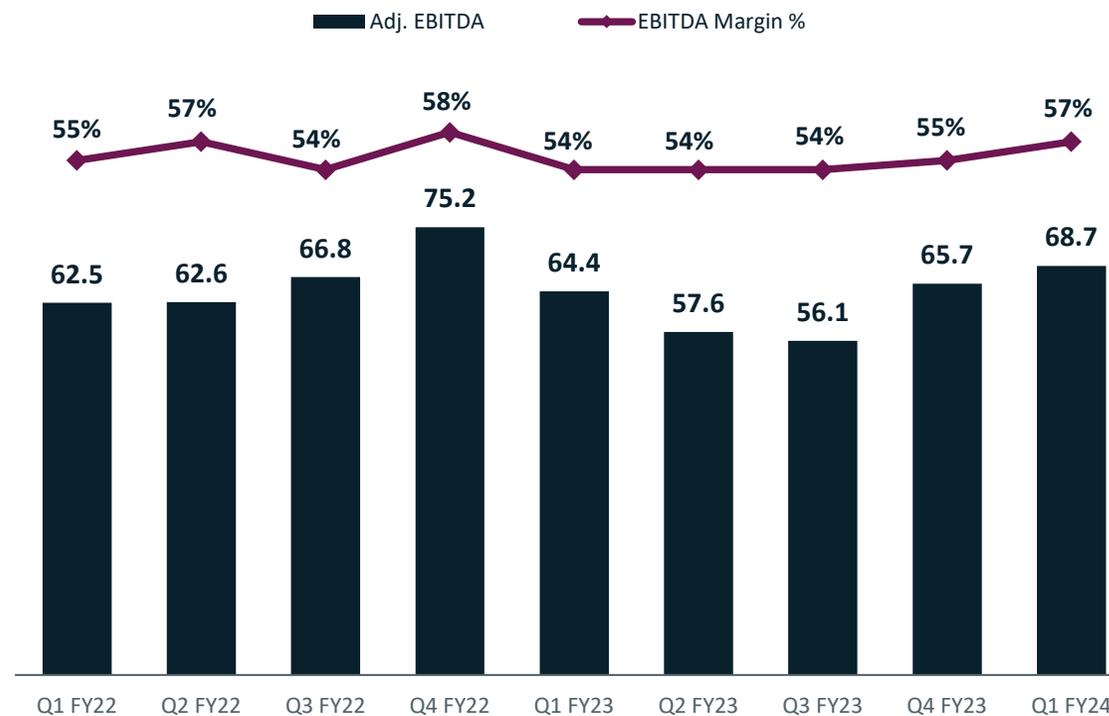


Dye & Durham continues to effectively navigate the current high interest rate environment, delivering stable financial performance

Revenue (\$ mm)



Adjusted EBITDA<sup>1</sup> (\$ mm)



Note: All figures in CAD unless otherwise noted

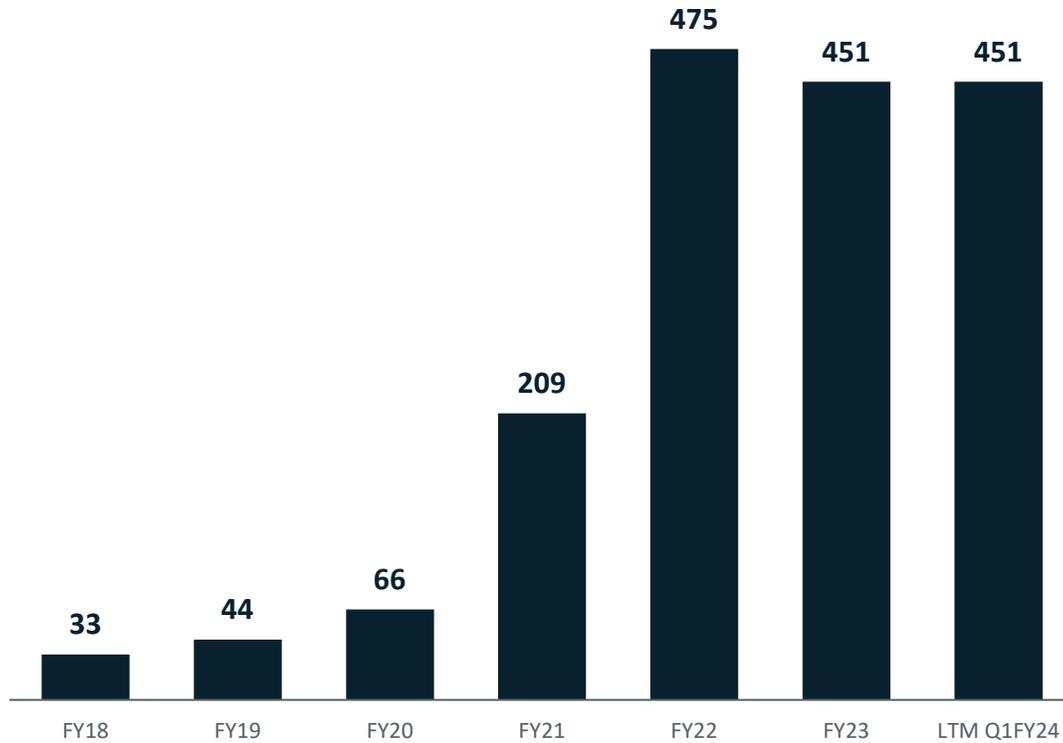
1. Adjusted EBITDA and Adjusted EBITDA margin are non-IFRS measures. Please see "Non-IFRS Measures. Additional details regarding the reconciliation of Net Income to Adj. EBITDA are available in the appendix

# ANNUAL FINANCIAL PERFORMANCE

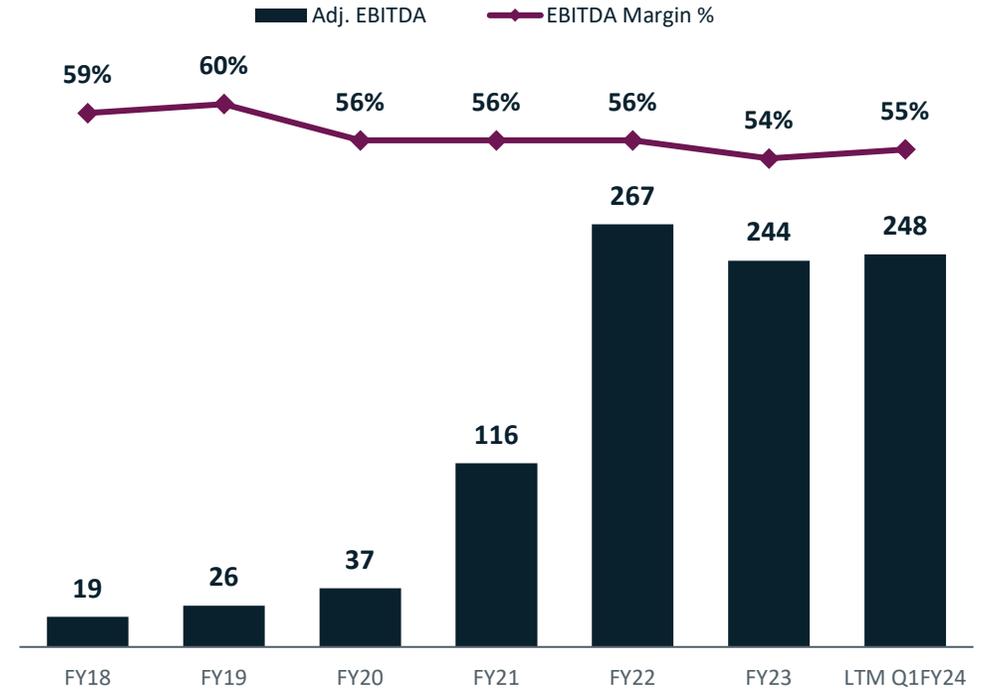


Dye & Durham has scaled significantly over the last many years, with a revenue CAGR of 65% from FY2018 to Q1 FY24

Revenue (\$ mm)



Adjusted EBITDA<sup>1</sup> (\$ mm)



Note: All figures in CAD unless otherwise noted

1. Adjusted EBITDA and Adjusted EBITDA margin are non-IFRS measures. Please see "Non-IFRS Measures". Additional details regarding the reconciliation of Net Income to Adj. EBITDA are available in the appendix

## CAPACITY FOR GROWTH

**Dye & Durham's strong and stable revenue profile and sticky customer base mean the business is well-equipped to generate strong returns to support future growth**

Leverage Ratio (\$ mm)	
<b>As of September 30, 2023</b>	
Total Debt Outstanding <sup>1</sup>	1,046
(-) Cash	(20)
<b>Net Debt</b>	<b>\$1,026</b>
(-) Impact of Subsequent Events <sup>5</sup>	6
<b>Adj. Net Debt</b>	<b>\$1,032</b>
Consensus FY2024E Adj. EBITDA <sup>2,3,4</sup>	\$271
<b>Net Debt/Adj. EBITDA<sup>2</sup></b>	<b>3.8x</b>
<b>Net Debt incl. Convertible Debenture/Adj. EBITDA</b>	<b>5.1x</b>

Note: All figures in CAD unless otherwise noted; fiscal year ended June 30

1. Excludes convertible debentures which are settleable in shares or cash at the Company's right in 2026
2. Adjusted EBITDA and Adjusted EBITDA margin are non-IFRS measures. Please see "Non-IFRS Measures". Additional details regarding the reconciliation of Net Income to Adj. EBITDA are available in the appendix
3. Per FactSet consensus estimates as of October 27, 2023
4. This is forward-looking information. Please see "Forward-Looking Statements"
5. Following quarter end, the Company drew \$6 million from its DDTL to fund acquisitions.

# | APPENDIX

# ADJUSTED EBITDA RECONCILIATION



## Net Income to Adjusted EBITDA

(C\$ 000's)	Three months ended September 30,		Twelve months ended June 30,	
	2023	2022	2023	2022
Income (loss) for the period	\$(13,512)	\$(11,499)	\$(170,643)	\$7,841
Amortization and depreciation	\$39,608	\$38,348	\$151,129	\$132,932
Finance costs, net	\$35,139	\$16,188	\$131,866	\$42,377
Income tax expense (recovery)	\$(2,646)	\$(2,391)	\$(23,207)	\$10,246
EBITDA <sup>1</sup>	\$58,589	\$40,646	\$89,145	\$193,396
Impairment on assets held for sale	--	--	\$66,716	--
Loss on disposal of assets held for sale	\$190	--	--	--
Stock-based compensation <sup>2</sup>	\$3,491	\$5,318	\$28,767	\$23,962
Acquisition, restructuring and other costs <sup>3</sup>	\$6,111	\$18,483	\$58,712	\$49,572
Salaries synergies realized <sup>4</sup>	\$319	--	434	--
<b>Adjusted EBITDA<sup>1</sup></b>	<b>\$68,700</b>	<b>\$64,447</b>	<b>\$243,774</b>	<b>\$266,930</b>

1. EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, Basic Adjusted Net Income per share, Diluted Adjusted Net Income per share and Adjusted Operating expenses are not recognized measures under IFRS. See "Cautionary Note Regarding Non-IFRS Measures".
2. Stock-based compensation represents non-cash expenditures recognized in connection with stock options issued to employees and directors and cash settled share appreciation rights issued to directors and other related costs.
3. Acquisition, restructuring and other costs relates to professional fees and integration costs incurred in connection with acquisition, divesture, listing and reorganization related expenses. Restructuring expenses mainly represent employee exit costs as a result of synergies created due to business combinations and organizational changes and are expected to be paid within the fiscal year.
4. Salaries synergies relates to the impact of the full period of cost synergies related to the actual or planned reduction of employees in relation to acquisitions.