



## Dye & Durham Reports Third Quarter Fiscal 2025 Financial Results and Unveils New Customer-Focused Strategy Under Leadership of New Board and Management

- Revenue of \$108.3 million, up 1%, in Q3 FY2025 compared to Q3 FY2024
- Leveraged free cash flow of \$24.5 million, up \$31.6 million, in Q3 FY2025 compared to \$(7.1) million in Q3 FY2024
- Net cash provided by operating activities of \$29.4 million in Q3 FY2025, compared to \$35.0 million in Q3 FY2024

TORONTO, May 13, 2025 /CNW/ – Dye & Durham Limited (“**Dye & Durham**” or the “**Company**”) (TSX: [DND](#)), one of the world’s largest providers of cloud-based legal practice management software, today announced its financial results for the three and nine months ended March 31, 2025.

Additionally, the Company unveiled its new growth strategy and highlighted early progress under the leadership of its new Board of Directors and Interim CEO, Sid Singh. The new strategy is focused on enhancing customer experience and is built around three strategic pillars: Customers First, Product Transformation, and Portfolio Optimization.

“In the past four months, we’ve taken decisive actions to build customer trust, reinvest in our people across customer support, product, and research and development, and refocus our portfolio,” said Sid Singh, Interim CEO. “With the support of our new Board, we are establishing a strong foundation for long-term, sustainable growth that will benefit our customers, employees, and shareholders.”

Dye & Durham is committed to putting customers first and making decisions that will positively impact both customers and investors.

“The fundamentals of our core operations continue to perform well despite uncertainties in the macroeconomic environment. ARR<sup>1</sup> and ACR<sup>1</sup> continue to grow, up to 36% and 61% of revenue, respectively,” said Frank Di Liso, CFO of Dye & Durham. “Leveraged Free Cash Flow<sup>1</sup> continues to be strong at \$24.5 million in the period, up \$31.6 million driven by continued focus of increasing Adjusted EBITDA<sup>(1)</sup> cash conversion and a reduction in other cash uses.”

### Third Quarter Fiscal 2025 Highlights

(Comparison periods in each case are to the three months ended March 31, 2024)

- Revenue was up 1% to \$108.3 million
- Annual Recurring Revenue<sup>1, 2</sup> was up \$28.4 million to \$153.9 million, representing 36% of total revenue
- Adjusted EBITDA<sup>1</sup> of \$55.2 million, a decrease of \$4.5 million or 8%
- Net loss of \$21.8 million, relatively unchanged compared to a net loss of \$21.1 million

## Key Strategic Pillars

“Our new strategic direction marks the beginning of the Company’s journey toward becoming a truly customer-centric organization. While past efforts were focused on rapid scaling, our current strategy prioritizes organic growth and operational optimization to become a partner of choice for the legal community. Our strategy is firmly centered around what matters most to our customers,” continued Singh. “Putting customers first is our top priority. We are committed to enhancing our customer relationships by fulfilling our promises and ensuring their needs drive every decision.”

### 1. Customers First – Rebuilding Trust with Customers

- We have engaged with thousands of customers to directly inform our go-forward strategy and have reintroduced the Company’s Net Promoter Score (NPS) program to ensure that the voice of the customer is embedded within our organization
- We implemented go-to-market strategies that prioritize customer needs, offering increased commercial contract flexibility to ensure transparency and stability
- We invested in our service and support teams, resulting in a greater than 75% improvement in email response times
- We launched Zendesk, a customer service platform, which has improved phone response times by more than 85%
- We have created a regional organizational structure to deepen relationships with customers in our primary markets and to promote local market accountability

### 2. Product Transformation – Acceleration and Reliability at Scale

- We launched a redesigned Unity® interface that significantly enhances usability and navigation for our users
- More than 100 improvements have been made to our products to enhance usability, functionality and overall experience, which are now standard expectations that our customers can expect going forward; by significantly expanding our product and software teams, we will ensure these benefits will continue
- Launch of our Unity® platform for British Columbia is scheduled for the fall of this year

### 3. Portfolio Optimization – Disciplined Focus on Core Markets

- We have strategically halted all mergers and acquisitions to concentrate on operational execution
- We are committed to reducing leverage to 3x through meticulous capital allocation and the prospective divestiture of non-core assets
- The strategy was put into motion in late February 2025 and, since then, the Company has committed investments to build out the customer service, sales and product teams. Customers are already experiencing the direct impact of these meaningful changes, which include increased customer service support, product improvements, and a steadfast commitment to enhancing the customer experience.
- Within the next 12 months, the Company anticipates that delivering on this strategy will result in a greater than \$40 million reduction in acquisition, restructuring, and other costs, and a \$5-10 million reduction in net interest payments relative to last 12 months ended March 31, 2025. In the long term, being a time horizon of three or more years, the Company expects this will result in: Organic Revenue Growth Rate<sup>(1)</sup> to be in the high single digits+, Adjusted EBITDA Margin<sup>(1)</sup> to be between 50-55%, Capital Expenditure as a percentage of revenue to be between 5-7%, and Adjusted EBITDA<sup>(1)</sup> / cash flow from operations to be 85%+.

## Quarterly Dividend

On May 13, 2025, the Board of Directors approved a dividend for the three months ending March 31, 2025 in the amount of \$0.01875 per common share to be paid on or about May 27, 2025 to holders of common shares of record as of the close of business on May 21, 2025.

### **Conference Call Notification**

The Company will hold a conference call to discuss its business later today, Tuesday, May 13, 2025, at 5:00 p.m. ET hosted by senior management. A question-and-answer session will follow the corporate update.

DATE: Tuesday, May 13, 2025

TIME: 5:00 p.m. ET

RAPIDCONNECT: To instantly join the conference call by phone, please use the following URL to easily register and be connected into the conference call automatically: <https://emportal.ink/43J3IFL>

TRADITIONAL DIAL-IN NUMBER: (416) 945-7677 or (888) 699-1199

TAPED REPLAY: (646) 517-4150 or (888) 660-6345

REPLAY CODE: 67551#

This call is being webcast and can be accessed by going to: <https://app.webinar.net/98w3NJADYWn>.

- Represents a non-IFRS measure. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. For the relevant definition, see the “Non-IFRS Measures” section of this press release. Management believes non-IFRS measures, including EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Organic Revenue Growth Rate, Leveraged Free Cash Flow, and Annual Recurring Revenue provide supplementary information to IFRS measures used in assessing the performance of the business by providing further understanding of the Company’s results of operations from management’s perspective. Please see “Cautionary Note Regarding Non-IFRS Measures” and “Select Information and Reconciliation of Non-IFRS Measures in the Company’s most recent Management’s Discussion and Analysis, which is available on the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), for further details on certain non-IFRS measures. Please see the “Non-IFRS Measures” section of this press release for the applicable reconciliation of Adjusted EBITDA, Organic Revenue Growth Rate, and Leveraged Free Cash Flow to their most directly comparable IFRS measures.**
- 1)
- 2) **As of March 31, 2025.**

### **About Dye & Durham**

Dye & Durham Limited provides premier practice management solutions empowering legal professionals every day, delivers vital data insights to support critical corporate and property transactions and enables the essential payments infrastructure trusted by government and financial institutions. The Company has operations in Canada, the United Kingdom, Ireland, Australia and South Africa.

Additional information can be found at [www.dyedurham.com](http://www.dyedurham.com).

**Non-IFRS Measures**

This press release makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies.

Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company’s results of operations from management’s perspective and to discuss Dye & Durham’s financial outlook. The Company’s definitions of non-IFRS measures may not be the same as the definitions for such measures used by other companies in their reporting. Non-IFRS measures have limitations as analytical tools. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of Dye & Durham’s financial information reported under IFRS. The Company uses non-IFRS measures, including “EBITDA”, “Adjusted EBITDA”, “Adjusted EBITDA Margin”, “Organic Revenue Growth Rate”, “Leveraged Free Cash Flow”, and “Annual Recurring Revenue” (each as defined below) to provide investors with supplemental measures of its operating performance and to eliminate items that have less bearing on operating performance or operating conditions and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures. The Company’s management also uses non-IFRS financial measures in order to facilitate operating performance comparisons from period to period. The Company believes that securities analysts, investors, and other interested parties frequently use non-IFRS financial measures in the evaluation of issues.

Please see “Cautionary Note Regarding Non-IFRS Measures” and “Select Information and Reconciliation of Non-IFRS Measures” in the Company’s most recent Management’s Discussion and Analysis, which is available on the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), for further details on certain non-IFRS measures, including relevant reconciliations of each non-IFRS measure to its most directly comparable IFRS measure, which information is incorporated by reference herein.

**EBITDA**

“EBITDA” means net income (loss) before amortization and depreciation expenses, finance and interest costs including change in fair value of the Company’s convertible debentures, loss on settlement of loans and borrowings, gains and losses on derivatives, gains or losses from re-financing transactions and provision for income taxes.

**Adjusted EBITDA**

“Adjusted EBITDA” adjusts EBITDA for stock-based compensation expense, loss on contingent receivables and assets held for sale, specific transaction-related expenses related to acquisition, listing and reorganization related expenses, integration and operational restructuring costs. Operational restructuring costs are incurred as a direct or indirect result of acquisition activities. Operational restructuring costs include the full period impact of cost synergies related to the reduction of employees for acquisitions.

Below is a reconciliation for Adjusted EBITDA to Net Loss.

<b>Adjusted EBITDA Reconciliation</b>	<b>Q3 FY2025</b>	<b>Q3 FY2024</b>
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<b>Loss for the Period</b>	<b>\$(21.8)</b>	<b>\$(21.1)</b>
<b>Amortization, Depreciation and Impairment</b>	<b>41.1</b>	<b>39.8</b>
<b>Finance Costs</b>	<b>31.6</b>	<b>30.1</b>
<b>Income Tax Recovery</b>	<b>(7.0)</b>	<b>(6.5)</b>
<b>EBITDA<sup>1</sup></b>	<b>\$43.8</b>	<b>\$42.3</b>
<b>Loss on Assets Held for Sale</b>	<b>—</b>	<b>—</b>
<b>Stock-Based Compensation<sup>1</sup></b>	<b>0.1</b>	<b>10.4</b>
<b>Acquisition, restructuring and other costs<sup>2</sup></b>	<b>11.0</b>	<b>7.1</b>
<b>Salaries Synergies<sup>3</sup></b>	<b>0.3</b>	<b>—</b>
<b>Adjusted EBITDA</b>	<b>\$55.2</b>	<b>\$59.8</b>

Stock-based compensation represents expenditures recognized in connection with stock options issued to employees and directors and cash settled share appreciation rights issued to directors and other

1)

related costs.

2) Acquisition, restructuring, and other costs relates mainly to Chief Executive Officer separation costs, professional fees, and integration costs incurred in connection with acquisition, divestiture, 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.

3) Salaries synergies relate to the impact of the full period of cost synergies related to the actual or

planned  
reduction of  
employees in  
relation to  
acquisitions.

### Adjusted EBITDA Margin

“Adjusted EBITDA Margin” means Adjusted EBITDA divided by revenue.

### Organic Revenue Growth Rate

“Organic Revenue Growth Rate” means the percentage increase in revenue, excluding the impact of revenue from acquired businesses for the first 12 months post-acquisition and adjusting for the revenue from discontinued and divested businesses. Equivalently, this is the percentage increase in “Organic Revenue”. Below is a reconciliation of Organic Revenue to Revenue.

Organic Revenue Reconciliation	Q3 FY2025
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Revenue	\$108.3
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Pre- Acquisition Reporting Results <sup>1</sup>	(3.0)
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Organic Revenue <sup>2</sup>	105.4
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Prior Year Revenue Excluding Divestments, Pre- acquisition Reporting Results	107.3
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Organic Revenue Growth <sup>2</sup>	(2) %
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1)	Pre- acquisition quarterly revenue of those acquisitions
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executed in  
the last  
twelve-  
month  
period.

Represents  
a non-IFRS  
measure.

2)

See  
“Cautionary  
Note  
Regarding  
Non-IFRS  
Measures”.

### Leveraged Free Cash Flow

“Leveraged Free Cash Flow” means net cash provided by operating activities excluding any contingent consideration paid, less additions to intangible assets and property (including capitalized software) less net interest paid and payments under lease arrangements. In this quarter, the Company refined the definition of Leveraged Free Cash Flow to provide more clarity on its components. Specifically, it now explicitly states that contingent consideration irrespective of cash flow presentation is excluded, although this has been the Company’s consistent practice historically. This clarification does not impact previously reported figures.

<b>Leveraged Free Cash Flow Reconciliation</b>	<b>Q3 FY2025</b>	<b>Q3 FY2024</b>
<b>Net Cash Provided by Operating Activities</b>	<b>\$29.4</b>	<b>\$35.0</b>
<b>Add back: Contingent Consideration Paid (within operating activities)</b>	<b>12.3</b>	<b>—</b>
<b>Additions to Intangible Assets</b>	<b>(3.7)</b>	<b>(5.8)</b>
<b>Purchases of Property and Equipment</b>	<b>(0.6)</b>	<b>(1.3)</b>



<b>Net Interest Paid</b>	<b>(11.2)</b>	<b>(33.4)</b>
<b>Payments for Lease Obligations</b>	<b>(1.7)</b>	<b>(1.7)</b>
<b>Leveraged Free Cash Flow</b>	<b>\$24.5</b>	<b>(7.1)</b>

### **Annual Recurring Revenue**

“Annual Recurring Revenue” or “ARR” means revenue under contract that is expected to recur over a fixed term. ARR percentage is determined by taking the total recurring revenue divided by total consolidated revenue for the period (adjusted for in-quarter acquisition and other timing impacts, as well as certain revenue accrual adjustments).

### **Forward-looking Statements**

This press release may contain forward-looking information and forward-looking statements within the meaning of applicable securities laws, which reflects the Company’s current expectations regarding future events, including with respect to the Company’s financial outlook, business strategy, strategy of prioritizing organic growth and operational optimization, strategic pillars of putting customers first, product transformation, and portfolio optimization, the statements under the heading “Key Strategic Pillars” of this press release. In some cases, but not necessarily in all cases, forward-looking statements can be identified by the use of forward looking terminology such as “plans”, “targets”, “expects” or “does not expect”, “is expected”, “an opportunity exists”, “is positioned”, “estimates”, “intends”, “assumes”, “anticipates” or “does not anticipate” or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might”, “will” or “will be taken”, “occur” or “be achieved”. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking statements. Forward-looking statements are not historical facts, nor guarantees or assurances of future performance but instead represent management’s current beliefs, expectations, estimates and projections regarding future events and operating performance.

Specifically, statements regarding Dye & Durham’s expectations of future results, business strategy, growth strategies, plans and objectives, performance, prospects, the markets in which we operate, or about any future intention with regard to its business, acquisition strategies and debt reduction strategy, including the Company’s expectations regarding the reduction in acquisition, restructuring, and other costs, reduction in net interest payments, and its long term objectives in respect of its Organic Revenue Growth Rate, Adjusted EBITDA Margin, CapEx as a percentage of revenue, and Adjusted EBITDA, are forward-looking information. The foregoing demonstrates Dye & Durham’s objectives, which are not forecasts or estimates of its financial position, but are based on the implementation of its strategic goals, growth prospectus, and growth initiatives. The forward-looking information is based on management’s opinions, estimates and assumptions, including, but not limited to: (i) Dye & Durham’s results of operations continuing as expected, (ii) the Company continuing to effectively execute against its key strategic growth priorities and execute on its key strategic pillars, including through: (a) a material reduction in acquisition, restructuring, and other charges, and (b) working capital flowthrough from accrued accounts receivable, (iii) the Company continuing to retain and grow its existing customer base and market share, (iv) the Company being able to take

advantage of future prospects and opportunities, and realize on synergies, including with respect of acquisitions, (v) there being no changes in legislative or regulatory matters that negatively impact the Company's business, (vi) current tax laws remaining in effect and not being materially changed, (vii) economic conditions remaining relatively stable throughout the period, (viii) the industries Dye & Durham operates in continuing to grow consistent with past experience, (ix) exchange rates will be approximately consistent with current levels, \* the seasonal trends in real estate transaction volume continuing as expected, (xi) the Company's expectations for increases to the average rate per user on its platforms, contractual revenues, and incremental earnings from its latest asset-based acquisition will be met, (xii) the Company will be able to effectively upsell and cross-sell between practice management and data insights & due diligence customers, (xiii) the Company's expectations regarding its debt reduction strategy being met, (xiv) the Company's expectations regarding its cost reduction plan being met, (xv) interest costs continuing to decrease reducing the Company's net interest payments moving forward, and (xvi) those assumptions described under the heading "Caution Regarding Forward-Looking Information" in the Company's Management's Discussion and Analysis for the period ended March 31, 2025. While these opinions, estimates and assumptions are considered by Dye & Durham to be appropriate and reasonable in the circumstances as of the date of this press release, they are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, levels of activity, performance, or achievements to be materially different from those expressed or implied by such forward-looking information.

The forward looking information is subject to significant risks including, without limitation: that the Company will be unable to effectively execute against its key strategic growth priorities, including in respect of acquisitions; the Company will be unable to continue to retain and grow its existing customer base and market share; risks related to the Company's business and financial position; that Dye & Durham may not be able to accurately predict its rate of growth and profitability; risks related to economic and political uncertainty; income tax related risks; and those risk factors discussed in greater detail under the "Risk Factors" section of the Company's most recent annual information form and under the heading "Risks and Uncertainties" in the Company's most recent Management's Discussion and Analysis, which are available under Dye & Durham's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Many of these risks are beyond the Company's control.

If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information. Although the Company has attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to the Company or that the Company presently believes are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information.

Although the Company bases these forward-looking statements on assumptions that it believes are reasonable when made, the Company cautions investors that forward-looking statements are not guarantees of future performance and that its actual results of operations, financial condition and liquidity and the development of the industry in which it operates may differ materially from those made in or suggested by the forward-looking statements contained in this press release. In addition, even if the Company's results of operations, financial condition and liquidity and the development of the industry in which it operates are consistent with the forward-looking statements contained in this press release, those results of developments may not be indicative of results or developments in subsequent periods.

There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. No forward-looking statement is a guarantee of future results. Accordingly, you should not place undue reliance on forward-looking

information, which speaks only as of the date made. The forward-looking information contained in this press release represents Dye & Durham's expectations as of the date specified herein, and are subject to change after such date. However, the Company disclaims any intention or obligation or undertaking to update or revise any forward-looking information or to publicly announce the results of any revisions to any of those statements, whether as a result of new information, future events or otherwise, except as required under applicable securities laws. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless specifically expressed as such, and should only be viewed as historical data.

All of the forward-looking information contained in this press release is expressly qualified by the foregoing cautionary statements.

SOURCE Dye & Durham Limited

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