

Calian Group(Q3 2025 Earnings)

August 13, 2025

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:

- Paul Treiber; RBC Capital Markets; Analyst
- Sam Schmidt; CIBC; Analyst
- Jesse Pytlak; Cormark Securities; Analyst
- Benoit Poirier; Desjardins; Analyst

PRESENTATION

Operator^ Good day, everyone. Thank you for standing by. Welcome to Calian Group's Third Quarter 2025 Earnings Conference Call. (Operator Instructions)

Please note that today's conference is being recorded.

I will now hand the conference over to your speaker host, Jennifer McCaughey, Director of Investor Relations.

Please go ahead.

Jennifer McCaughey^ Thank you, [Olivia]. And good morning, everyone. Thank you for joining us for Calian's Q3 2025 conference call.

Presenting this morning are Kevin Ford, Chief Executive Officer, and Patrick Houston, Chief Financial Officer. They will present our increasing opportunities in Defense and Space as well as financial highlights of our Q3 consolidated results.

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^ Thank you, Jennifer. And good morning, everyone.

From my viewpoint, we had a mixed quarter. Despite ongoing headwinds in certain aspects of our ITCS business, we experienced significant positive developments. Notably, our defense business is thriving, with growth continuing at a robust double-digit rate.

Additionally, we are witnessing a return to organic growth in the majority of our businesses.

A testament to our progress is the substantial increase in our signed backlog, which grew robust by \$640 million during the quarter.

We also announced the arrival of Chris Pogue to lead our newly formed Defense and Space business unit as we look to capitalize on global tailwinds in the defense and space markets.

Our overall defense business, which now represents 50% of our revenues, continues to grow.

In fact, trailing 12-month revenues reached \$373 million, up from \$330 million in fiscal '24.

On a trailing 12-month basis, defense revenues are up 19%.

Of this amount, 12% represents organic growth as demand in Canada and Europe is ramping up for our mission-critical defense solutions including health care, manufacturing, engineering, cyber and military training.

In Europe, there is strong momentum supported by a deal pipeline exceeding \$1 billion.

Although we have secured several new contracts, we are unable to disclose the details of these contracts due to security sensitivities.

This demand highlights the strategic impact of expanding our footprint in Europe with acquisitions such as Mabway and leveraging them to propel growth.

With the promising developments anticipated in the coming year, we plan on making further investments in our European and U.K. operations, sales and marketing efforts to capitalize on the expanding market opportunities and securing longer-term market share.

In Canada, we're beginning to observe promising signs of momentum.

We are actively engaging in discussions with Canadian Armed Forces and members of Parliament in an effort to become a strategic partner. The CANSEC trade show in Ottawa this past May provided an excellent platform for us to showcase our strong range of solutions, significantly enhancing our brand presence in the marketplace. The recent \$250

million defense health increase we announced earlier is an early indicator of more opportunities on the horizon.

With current discussions focusing on significantly increasing defense spending to 2% to 5% of GDP, alongside the Buy Canadian movement and the federal government's investment plans for the North, we are strategically positioned to capitalize on these favorable conditions. The timing for the initiation of the new defense contracts remains uncertain at the present.

However we anticipate gaining clear insights in our fourth quarter following the unveiling of the federal budget in the fall. This budget announcement is expected to provide information regarding the renewed defense plans including aspects such as scale, implementation, speed and strategic priorities.

By then, we should have a more comprehensive understanding of how these factors will influence our contract opportunities and timelines.

Just a reminder that defense is not only air ground and sea, but increasingly space and cyber as well. The space and cyber industries are set to be a major growth driver in the future as investments increase, and we see promising opportunities for Calian in these areas. To maximize our potential in the global defense and space opportunity, we recently announced the merger of our Advanced Technologies and Learning segments.

This strategic move aims to harness the synergies between our communications and manufacturing solutions and our expertise in both the defense domain and specifically immersive training and simulation, thereby accelerating mission success for our Defense and Space clients. Chris Pogue will lead this new combined business.

Chris is one of Canada's most accomplished leaders in defense and space innovation. He recently served as President and CEO of Thales Canada, where we expanded naval support services, reestablished land force capabilities and guided key AI and digital transformation initiatives.

Prior to Thales, he led MDA's government defense portfolio and held leadership roles at General Dynamics Mission Systems Canada and CAE Professional Services. His track record gives him the vision and operational rigor to power Calian's next-generation defense and space capabilities.

We're excited to welcome him on board, and we are confident in his ability to lead Calian into becoming a defense leading OEM.

On that note, let's turn to our Q3 results.

As we stated last quarter, ITCS continues to face headwinds, but the majority of our business is growing.

Our consolidated revenues were up 4%, reflecting a 10% decrease in the ITCS segment, which was offset by a robust growth of 9% in the rest of our business. Excluding ITCS, organic growth was 4%, demonstrating an improvement over the past few quarters. Adjusted EBITDA was down 5%, reflecting a significant downturn in the ITCS segment profitability, partially offset by 10% growth in the rest of our business.

In Q3, ITCS continued to face headwinds from the cybersecurity platform transition to Microsoft and lower sales from its U.S. customers.

In response, we have continued to implement strategic measures to optimize the business that will require time to translate these efforts into significant improvements in profitability.

It's important to note, however, that the Canadian Defense and Government Solutions business continues to meet expectations and provides a strong footprint to capitalize on the macro environment. Last week, Mike Tremblay, served as President of the ITCS segment, announced his resignation from his role.

We extend our gratitude to Mike for his contributions during his tenure at Calian, and we wish him success in future endeavors.

In collaboration with the current team, we will be actively involved in developing a seamless transition plan leading up to his departure in early September.

I've asked our CITO, Mike Muldner, to work with the existing team as they continue to work diligently to reverse the current situation and regain momentum.

Encouragingly, we are beginning to see positive indicators highlighted by several key wins that demonstrate our potential for recovery and growth. These key wins reflect the team's commitment and resilience, and we're optimistic about the path forward as we strive to achieve our strategic objectives and enhance our market position.

As I mentioned, the rest of our business combined, our core space, defense and health and other strategic growth areas footprint has demonstrated robust revenue and adjusted EBITDA growth in the quarter, and we are committed to building on this momentum.

Our recent contract signings and backlog figures highlight the positive trajectory of our business. This quarter, we achieved a significant milestone by securing over \$640 million in contracts. A substantial portion of these contracts is attributed to the health segment, particularly through our AMS acquisition and the expanded HCPR contract, which together added close to \$0.5 billion. Year-to-date, our contract signings have surpassed \$1 billion, and our backlog stands at an impressive \$1.5 billion with two-thirds concentrated in the defense sector.

I believe we are among a handful of companies in Canada with the defense backlog exceeding \$1 billion, complemented by a strong national footprint, underscoring our strong position in this marketplace.

On that note, I'll now ask Patrick to discuss Q3 consolidated results. Patrick?

Patrick Houston^ Thank you, Kevin. And good morning. Q3 revenues increased 4% to \$192 million as the combined growth of 9% from Event Tech, Learning and Health was offset by ITCS, which saw revenues down 10%. Acquisitive growth was 4% and was generated by the contributions of partial quarters for Mabway completed last year and AMS closed this May.

Organic growth was flat, primarily impacted by the ITCS segment, as Kevin explained earlier. Excluding ITCS, organic growth would have been 4%, demonstrating an improvement since the start of the year.

We continue to have high-performing assets in our portfolio, such as our global navigation satellite system antennas, which increased 49% quarter-over-quarter.

We continue to grow outside of Canada with 44% of total revenues coming from international customers in Q3. This is the highest quarter of international revenues, both in terms of revenue dollars and as a percentage of overall revenues.

On a last 12-month basis, revenue stood at \$752 million, up slightly from FY '24. Gross margin was 35%, up from 33% for the same period last year, driven by revenue growth, increased utilization across our engineering teams and revenue mix.

It represents the 13th consecutive quarter above 30%.

This consistent performance demonstrates we can sustain this level on an ongoing basis.

Adjusted EBITDA decreased 5% to \$19 million from \$20 million last year, mainly as a result of the ITCS segment. Excluding ITCS, adjusted EBITDA increased 10%, demonstrating that our core business in space, defense, health care and strategic growth areas remained resilient.

As a result, adjusted EBITDA margin stood at 9.9%, down from 10.7% for the same period last year.

On a trailing 12-month basis, adjusted EBITDA stood at \$78 million, reflecting a margin of 10.4%. A result of our lower adjusted EBITDA, adjusted net profit stood at \$12 million for the quarter or \$1 per diluted share, down from \$13 million or \$1.06 per share in the prior year.

In the quarter, we posted only a small net profit, mainly due to noncash accounting charges related to acquisitions.

Turning to cash flow and capital deployment. Cash flow from operations was \$25 million this quarter compared to \$14 million in the same period last year, mainly reflecting the recapture of working capital.

We maintained our working capital efficiency level in Q3 by using 8% of revenue. This is at a similar level from FY '24, but down slightly from FY '23, where we stood at 14%.

Operating free cash flow stood at \$12 million, representing a 63% conversion from adjusted EBITDA.

On a trailing 12-month basis, operating free cash flow stood at \$54 million, reflecting a conversion rate of 69%, in line with our target of 70%. Turning to capital deployment.

In Q3, we used our cash and a portion of our credit facility that made CapEx investments of \$4 million.

We also completed the acquisition of AMS and paid an earn-out for Mabway for a combined outlay of \$27 million.

We also provided a return to shareholders in the form of dividends of \$3 million and continued buying back shares to the tune of \$16 million.

In the last 12 months, we've invested \$13 million in dividends and \$28 million in share buybacks for a total of \$41 million.

We continue to believe that Calian shares are undervalued and plan on continuing to deploy capital towards repurchasing shares in order to deliver long-term value to our shareholders. Year-to-date, we've purchased 556,000 shares or 5% of shares outstanding.

As stated last quarter, we plan on repurchasing approximately 6% of shares outstanding through a combination of daily repurchases and block trades under the NCIB this fiscal year.

We also plan on renewing our NCIB when it comes due at the end of the month, subject to TSX approval.

We continue to spend considerable time evaluating opportunities in defense, space, healthcare and growth markets and plan on continuing to deploy capital towards M&A alongside our activities on the NCIB.

In terms of our M&A agenda, we have a good pipeline of targets.

We're having many discussions, are optimistic to close some transactions by the end of the calendar year.

In the meantime we are continuing to buy back our shares as we believe it presents a good investment.

Let's take a look at the balance sheet and cash availability.

As of June 30, we had drawn \$141 million on our debt facility.

During Q3, we drew an additional \$20 million on our facility to fund the AMS acquisition as well as buying back shares.

We ended the quarter with net debt of \$83 million, representing a net debt to adjusted EBITDA of 1.1x. This is well below our threshold of 2.5x, meaning we have ample capacity on the balance sheet to pursue our growth with over \$170 million in available funds.

Having said this, we are in the process of renewing and expanding our debt facility, which is due in 2026.

Our last 12 months adjusted EBITDA yield, operating free cash flow yield and adjusted EPS yield were approximately 13%, 9% and 8%, respectively. This demonstrates our ability to generate solid returns and reflects our focus on operational efficiency, robust cash generation and profitability, positioning us well for sustained growth.

With that, I'll now turn it back over to Kevin for his closing remarks. Kevin?

Kevin Ford^ Thank you, Patrick.

So as we wrap up, as a reminder, our goal is to continue to build a sustainable double-digit growth company through both organic and acquisitive growth.

In the upcoming quarters, we'll prioritize capitalizing on the substantial opportunities within our defense & space portfolio, which is experiencing significant market tailwinds.

With Chris at the helm, we'll reorganize strategically, execute our market strategy and harness our top assets for organic growth.

In health, we will also leverage the recent acquisition of AMS and growth in demand for our health contract.

These market tailwinds offer a prime opportunity for Calian, and it is imperative that we execute effectively to create substantial value for all of our shareholders.

Revitalizing the ITCS segment and steering it towards growth is also crucial.

We'll transition to the Microsoft Cyber platform, boost sales efforts and adjust the cost structure to fit the new revenue model. The cyber sector is set for major growth in both

commercial and government markets, and Calian must be ready to seize the opportunity. Cybersecurity is linked to national security and defense, where we excel, is a strong -- is a strength we must leverage.

We'll expedite our portfolio review to focus on core mission-critical solutions.

Our ongoing process with the Board involves categorizing businesses by growth potential, cash generation and strategic importance, then deciding how to manage noncore assets that will continue to add value. This is a comprehensive process that will take some time to execute.

However the recent amalgamation of our Learning and Advanced Technologies business into a combined Defense and Space business unit is in support of our portfolio review and focused efforts.

Finally, we will use our strong balance sheet to pursue acquisitions that enhance capabilities within key mission-critical solutions, expand practice area expertise or provide access to new markets and regions and to further drive growth and synergies.

We are optimistic about our future prospects given the end markets we are targeting. The defense and space sectors are now experiencing significant tailwinds as our other strategic areas where we are targeting such as health, especially with our recent AMS acquisition, nuclear, cyber and energy.

With a solid backlog of \$1.5 billion, new leadership at both the management and Board levels, a robust M&A pipeline and a solid balance sheet, we're strategically positioned for growth and success.

In summary, our focus over the next 12 months are to capitalize on the defense momentum, evaluate core assets and invest the funds and synergistic M&A that further propels our position in Canada, Europe and the United States and drive long-term organic growth.

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

QUESTIONS AND ANSWERS

Operator^ (Operator Instructions) Our first question coming from the line of Paul Treiber with RBC Capital Markets.

Paul Treiber^ Just a question on ITCS and the trajectory of that business.

Obviously going through management changes will be a focus in the short-term.

But when do you see the revenues there stabilizing? And related to that, the segment returning back to historical profitability levels?

Kevin Ford^ Yes. Paul, it's Kevin.

So from my viewpoint, what we're seeing right now is we're seeing some positive signs of that turnaround and returning to levels that we would expect from ITCS, some exciting wins recently.

But I still believe it's going to take a couple of quarters to get it back to where we would like to have it.

We are continuing to work with the team on both prioritizing key opportunities, cost structure, marketing and sales efforts.

So it's all hands-on deck right now with ITCS. The team is dedicated. They're doing great work. And I'm confident over the next couple of quarters, we'll get that back.

So I want to reiterate as well the importance of that defense and cyber capability within our ITCS segment as we look at defense longer term as well.

So I think a couple of quarters, we'll get this back.

But in the same context, all hands-on deck, as I said, with focus right now on many elements of our ITCS business.

Paul Treiber^ Looking at defense, where are you seeing the greatest momentum in terms of the product segments? Is it mostly on the learning side? Or is it also advanced tech? And then how do you think about capacity to deliver against these contracts? Meaning will you need to proportionately expand your employee base to deliver it?

Or with the existing cost structure, there's a lot of capacity available.

Kevin Ford^ Great question.

As a reminder, defense consumes all of Calian's services, health care, manufacturing, engineering, training, cyber, IT, our largest segment both in Canada and now growing in Europe.

So from my viewpoint, currently, we're seeing a strong demand, obviously in Europe, as I mentioned, on our training portfolio.

In Canada, we're seeing strong demand in health care with the recent announcement, obviously the increase in scope of our health care contract.

We're seeing it across the training.

We're seeing now an exciting pipeline of engineering and manufacturing capabilities.

As a reminder, we probably don't talk enough about that, Paul, with regard to -- we're one of a few companies that has a complex engineering and manufacturing presence here in Canada, defense grade.

We manufacture components today for defense equipment.

So we see it right across the portfolio, clearly, training and capacity building in the short-term, health care, but we are seeing some exciting opportunities emerge on leveraging our defense and manufacturing footprint as well as space and cyber.

So again, almost uniquely so in Canada, we're a company that can support many elements of defense spend as they now focus on increasing defense spending to that 2%.

So exciting times for us on the defense side.

Paul Treiber^ And then just lastly, could you elaborate a bit more on the M&A pipeline within defense, specifically around valuations? Have you seen valuation multiples increase just as the market has become more enthusiastic about the growth potential of defense businesses? And then strategically, what subsegments within defense do you see as the most attractive for you from an M&A perspective?

Patrick Houston^ Good question, Paul.

I don't think we've seen a significant change yet because I still think it's early, but I think your question is a valid one.

I think where we've been focusing is on what would be smaller to midsized defense companies, which can really add synergistically to ours.

So in one way, I think we'll still be able to buy them at with a decent valuation, but then the combination of them as well as Calian's footprint and relationships both in Europe and Canada can really kind of propel their growth, and we'll share that as we go.

So I think that's a way we're looking at it in order to maintain the discipline we've shown in the past but also be able to do M&A in this environment.

Kevin Ford^ Paul, it's Kevin. Chris has been on board a couple of months now and talking to him even the Board update that he provided formulating strategy on Calian. And as I mentioned, I think we have the opportunity to become a defense OEM from a Canadian viewpoint, but also the strength in our European business right now.

So both organically and M&A, we're focused in on differentiation where we have most around our business and where we see strong growth potential for Calian to differentiate.

So standby.

We'll give an update once we see the defense budget.

We'll give an update to our shareholders and where -- and give Chris a chance, frankly, to present his vision on where he wants to take our defense & space segment.

Operator^ (Operator Instructions) Our next question coming from the line of Scott Fletcher with CIBC.

Sam Schmidt^ It's Sam Schmidt on for Scott Fletcher.

I just wanted to dig a little bit more into the ITCS segment.

Can you share some details on the macro headwinds that you're seeing? And how much of the impact that you're seeing relates to the Canadian government side of the business versus the U.S. side?

Patrick Houston^ We did see some delays, like the budget is not out in Canada yet.

So I think that's taken some of the larger projects that we would usually be doing in IT for defense customers.

But I think that's more of a timing issue.

I think the budget is still coming out in the fall. And it will be a short year, but we're expecting to see momentum there, and we're certainly in place to capitalize on it.

I think in the U.S., it's been -- we've been working at that one.

I think the team is seeing a bit better visibility, but it's been a slow year for that team.

But I think there's promising opportunities on the horizon there, and I think next year should look better.

Sam Schmidt^ And then one more for me. The new President of defense and space, you noted a focus on leveraging synergies between advanced technologies and learning.

Can you share some color on what those synergies might look like and opportunities to bring those cross-segment offerings to market?

Kevin Ford^ Yes, great question.

First and foremost, the domain expertise we have in defense and space, and support of defense is significant.

So number one, what we're doing, bringing those teams together, we have years of experience of both ex-military veterans' capabilities.

So number one, it's going to give us an opportunity to leverage that domain expertise that we have with our personnel right now on identifying those solution areas that we can differentiate and scale for both Canada, Europe, and global defense.

So number one, just the synergies on our domain expertise.

Number two is when you look at the defense opportunity funnel, a lot of it is coming from new solution sets, for example, NORAD modernization will require equipment.

It will require healthcare.

It's going to require connectivity.

It's going to require many elements of the capabilities Calian brings to market.

So what we're trying to do now is quit talking about this company as ingredients but look at where we can actually and uniquely build solutions for things like the NORAD, for sovereignty, for things like Europe, and what we're trying to do there in training and capacity building.

So that's really what we're trying to do here is -- look at the synergies that we see now in defense and space and engineered manufacturing, health care learning, and go to market as a strong defense prime. That's what we're trying to do.

Operator^ Our next question comes from the line of Jesse Pytlak with Cormark Securities.

Jesse Pytlak^ Just hoping you can maybe provide a little bit more detail on where you are in the business review process. Any information on maybe some initial learnings from that? And just finally, when we can maybe expect some outcomes or decisions from that process?

Kevin Ford^ Yes.

We continue to work with our Board. Even this quarter, we're having discussions on how do we ensure that we have focus on our strong growth assets, the assets that align to our strategic -- the update to our strategy that we presented in May.

So that's ongoing. And as I mentioned, creating a defense and space business unit is really an alignment to the strategic review on where we want to focus.

So ongoing dialogue right now with our Board, looking at our assets on different categories of strategic importance, and continue to work with our teams day-to-day, frankly, on delivering for our customers, which is critical as we go through this process.

So stand by, we're expecting we'll have some initial results of this in the fall.

We'll look forward to give an update in the fall time-frame on any decisions we're making there.

But right now it's all hands-on deck, frankly, on our growth agenda as well as aligning on those tailwinds we see in the market.

So standby.

Jesse Pytlak^ All right. Understood. And then maybe just as a second question, if I remember correctly, I think the D&D went through some changes within their kind of procurement department maybe, over the past year.

Can you comment on just maybe how you feel that their -- how their capacity sits now to really accelerate their procurement as defense budget ramps up?

Kevin Ford^ Yes, great question.

We're watching this very closely. There was an announcement with Stephen Fewer looking at defense procurement.

What we haven't seen yet is the outcome of the analysis from a government perspective. There's been speculation.

There has been discussions whether, or not there's a defense procurement agency. Nothing has been formally announced. And again, I expect that with the fall budget, we're going to see some more clarity on both priorities for defense spending as well as how, to your point, they're going to expedite procurement capability within government to match the pace of the spending targets that they've set in place.

So nothing specific yet.

We're seeing lots of discussions.

We see some industry engagement on this. And I expect in the fall, when I'm talking about our Q4 results, I'm hoping that we'll be able to talk a bit more clarity on the pace of that procurement. How they're doing, how they're going to do it to your point, and also, what are the opportunities for Calian to participate in that increased spend.

Jesse Pytlak^ Got it. And then just a final question, more of a housekeeping question.

Can you just remind us within the ITCS business, the customer mix, just Canadian defense and government versus U.S. commercial customers?

Patrick Houston^ Yes. The U.S. is about a third.

Canadian defense is about a third, and the other a third is Canadian commercial hospitals and other kinds of government organizations.

Operator^ Our next question comes from the line of Benoit Poirier with Desjardins.

Benoit Poirier^ Yes. With the Canadian armed forces now accelerating recruitment stating that 13,000 additional service members are needed, can you speak to how specifically this increased spending and recruitment pace could benefit your health and learning segments?

Kevin Ford^ Yes. From our viewpoint, and again, I think where Calian is uniquely positioned, the capacity building that the military and the forces are on will be expedited to your point, Benoit. And all of it will require training and support in healthcare.

As you saw, we've got an increase in our health care contract, which I think is a precursor to increased demand. And on the training side now a year ago, I know we're talking about cuts to training, but what we're seeing now is discussions on ramping up training and capacity as they get specific on the recruiting targets.

So I think there's going to be a good opportunity for us to participate and support our largest customer on their capacity building across training and healthcare.

But also, as I mentioned, equipment, connectivity, satcom, cyber, all of that, I think, is going to come with a stronger increase in demand for industry support.

So we're feeling pretty good.

We just need to see the specifics, and I think that's coming soon.

Benoit Poirier^ Okay. And when we look, Kevin, at the new defense spending plan, they also mentioned Arctic sovereignty at several occasions.

Obviously you did the acquisition of AMS.

So can you tie this into this recent acquisition and how you could potentially benefit from this new plan? And any thoughts on potential synergies of AMS with the rest of your platform?

Kevin Ford^ Yes, great question. Why we're excited about AMS is, number one, just on our health care business, and looking at this is not easy in the North. And what we accelerate as Calian is things that are not easy.

So working with that team, which is a great team as we get to integrate them now just a very strong team.

We see capability and potential there that your point, Benoit, can be leveraged in looking at Arctic sovereignty.

It's one of the reasons that we are so interested in AMS, both in strengthening our healthcare business, and also our defense footprint for the North.

Again, when I think about companies and Canadian companies that can support other Northern sovereignty, again, I believe we're uniquely positioned, whether it's the satcom, the healthcare, the training, remote medicine. You think of all the different areas we participate right now what we're doing is working on solution sets that will actually support Arctic sovereignty and leveraging assets such as AMS.

So we're excited by the opportunity.

We are having lots of discussions around this.

Our team is building solutions that we think can help respond to the increased demand for Arctic support.

Again, and so standby, we look forward to giving an update as soon as we get the specifics from the federal government.

Benoit Poirier^ Okay. And Pat, starting in Q4, you'll begin lapping negative organic growth quarters.

So could you maybe speak about the expectation or cadence of organic growth through the balance of the year and what it means in terms of EBITDA generation?

Patrick Houston^ Yes.

I think we posted positive organic growth outside ITCS this quarter.

So I think that was a positive indicator.

I think the signings are another one, like over \$1 billion in signings. The majority of that is in future years.

So I think that's going to certainly help us going into next year in terms of just entering the year with strong backlog and able to post kind of positive organic growth.

So I think we did post to your point, for a couple of quarters there, but I think we're starting to see the turnaround, and we're optimistic about getting back to where we were in the last several years next year.

Benoit Poirier^ Okay. And maybe the last one. You recently appointed three new Board members who have all solid public markets experience. Kevin, any early tidbits you can share from your discussion with these new Board members?

Kevin Ford^ Yes, Benoit, I think the Board is listening to this call.

So I'm going to be very positive, as you can imagine. All aside, what we've heard, and I want to reiterate this, we are a company that continues to evolve and continues to strengthen our Board and continues to strengthen our management team and align to our strategy.

So initial feedback from me is you take a great base of Board members who've had experience with Calian over years, and now we've added some new ideas, some new thought processes with regards to how we move forward as a company with demonstrated capability and experience in other companies that have done what we've been trying to do here.

I'm enjoying it actually.

I think it's great.

We're having great dialogue on strategy, great dialogue, on growth, great dialogue on focus, the portfolio review. And I've been hearing from shareholders for years on just continuing to evolve and making sure we're aligning competencies on Board, competencies on management to strategic growth and shareholder value.

So I think we've made some great changes.

I'm excited to work with the folks that are on the Board. And I think it's just a sign, hopefully, the market recognizes this is our commitment to ensure that we continue to inject new thought processes and competencies to support our growth objectives.

So so far, so good, and I'm not saying that just because they're listening to this call Benoit.

Operator^ And there are no further questions in the Q&A queue at this time.

I will now turn the call back over to Mr. Kevin Ford for any closing remarks.

Kevin Ford^ Thank you, [Olivia], again, for facilitating the call.

We do appreciate it.

So as I close here, I just hope that people are sensing my excitement with our defense and space capabilities.

What we're seeing is, I think, frankly, I've done this a long time a once-in-a-lifetime opportunity in areas such as both defense in Canada, defense in globally space.

While we have headwinds in certain parts of our business, you can't look at \$1 billion in signings to date, the \$1.5 billion in backlog, the growth we're seeing now on organic growth across the majority of our business, and a committed team to resolve some of the headwinds that we're facing.

So I'm very optimistic about our future.

Looking forward to providing an update in Q4, hopefully, with a bit more specifics around the Canadian government's plans and also an update just on strategy.

So thanks for your time today, the questions, your support, and looking forward to talking to you after our Q4 results are out.

So with that [Olivia], we can end the call.

Operator^ For today's conference call thank you for your participation. And you may now disconnect.