

REVISIONS	Rev.	Prior
Rating	Buy	Buy
Target Price (C\$)	\$6.90	\$4.50
Revenue 2023E (M)	\$457.5	\$283.5
Adj. EBITDA 2023E (M)	\$37.7	\$39.1
EPS 2023 (M)	\$0.05	\$0.36

MARKET DATA

Date:	Jun 14, 2023
Current Price (C\$):	\$2.91
Target Price (C\$):	\$6.90
52-Week Range:	\$1.01 / \$3.81
Shares O/S (M):	54.4
Mkt Cap (C\$M):	\$158.4
EV (C\$M):	\$217.0
Avg. Weekly Vol. (M):	0.20

Website: www.datacm.com

FINANCIALS

(\$M)	2021A	2022A	2023E
Revenue	\$235.3	\$273.8	\$457.5
EBITDA	\$20.8	\$32.0	\$28.9
Adj. EBITDA	\$33.3	\$40.7	\$37.7
EPS	\$0.03	\$0.30	\$0.05
Cash	\$0.9	\$4.2	\$0.5
Current Assets	\$68.0	\$82.1	\$140.5
Total Assets	\$140.1	\$149.5	\$315.2
Debt	\$36.3	\$27.0	\$114.1
Lease Liabilities	\$39.1	\$39.8	\$33.2
Total Liabilities	\$132.0	\$126.6	\$262.2
Fiscal Year End:	31-Dec		

Source: Company Reports, S&P Capital IQ, eResearch Corp.

Chris Thompson, CFA, MBA, P.Eng.
Director of Equity Research

DATA Communications Management Corp.

(TSX: DCM | OTC: DCMDF)

DCM and MCC Merger Closes and Leaps Forward with \$26.1M Financing & \$23.1M Facility Sale

COMPANY DESCRIPTION:

DATA Communications Management Corp. ("DCM" or "the Company") is a Canadian-based provider of marketing and business communication solutions to companies in North America. Its technology-enabled content and workflow management capabilities solve the complex branding, communications, logistics, and regulatory requirements of leading enterprises so its customers can accomplish more in less time. Its services include printing, data & content management, labels & asset tracking, location-specific marketing, and multimedia campaign management.

COMPANY UPDATE:

- **DCM** reported five recent events that were positive for the Company's valuation, according to our model.
1. On March 21, **DCM** reported final full-year financial results for 2022 with Q4/2022 Revenue and Gross Margins that exceeded our estimates.
 2. On April 25, **DCM** announced the completion of its acquisition of **Moore Canada Corporation (MCC)**. We believe this transaction enhances **DCM's** capabilities and growth potential. **MCC** has a highly complementary operating model and is expected to add new products, services, and technology capabilities.
 3. On May 10, **DCM** reported first quarter 2023 financial results with Q1/2023 Revenue that exceeded our estimate by \$3.4 million.
 4. On May 25, **DCM** announced the closing of a \$26.1 million Equity Raise to help fund the merger and improve the Liquidity and Leverage ratios.
 5. On June 8, **DCM** announced that it completed the sale and leaseback of its warehouse facility in Oshawa for \$23.1 million. It was an important step to pay down a portion of the loan obtained as part of the **MCC** acquisition.

FINANCIAL ANALYSIS & VALUATION:

- We updated our model with the Company's recent financials and adjusted our model to incorporate the merger with **MCC**.
- We estimate an equal-weighted price target of \$6.90 based on a DCF valuation (\$10.16/share), a Revenue Multiple valuation (\$6.24/share), and an EBITDA Multiple valuation (\$4.40/share).
- **We are maintaining a Buy rating and increasing the one-year price target to \$6.90 from \$4.50.**

All figures in CAD unless otherwise stated.

eResearch Corporation

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Company Update

Since our last update on March 10, 2023, **DCM** reported five recent events that were positive for the Company's valuation, according to our model:

1. Released Fiscal 2022 and Fourth Quarter 2022 financial results;
2. Released First Quarter 2023 financial results;
3. Completed the Acquisition of **Moore Canada Corporation (MCC)**, the Canadian Operations of **R.R. Donnelley & Sons (RRD Canada)**;
4. Closed a \$26.1 million Private Placement offering;
5. Completed the sale and leaseback of its Oshawa, Ontario, warehouse facility for net proceeds of \$23.1 million.



1. Full-Year 2022 Financial Results (Positive Event)

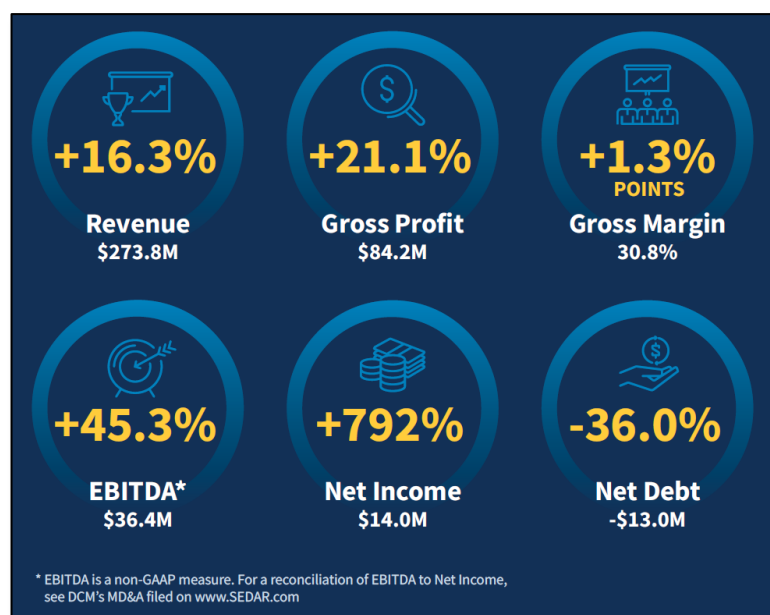
Revenue and Gross Margins in Q4/2022 exceed our estimates and continue to show the positive impact of the Company's five-year strategic plan.

On March 21, 2023, **DCM** reported its full-year financial results for 2022 (see [Figure 1](#)).

- **Revenue:**
 - Revenue was \$73.0 million in Q4/2022, up 20.0% from \$60.9 million in Q4/2021, and higher than our estimate of \$64.5 million.
 - In 2022, Revenue was \$273.8 million, up 16.3% from \$235.3 million in 2021, and higher than our estimate of \$265.3 million.
 - Revenue growth came from existing customers as well as 35 new enterprise clients.
 - There was improved productivity with revenue per associate reaching \$300,000, an increase of 18% compared to 2021.
- **Gross Profit & Gross Margin:**
 - The Company reported Gross Profit of \$23.6 million in Q4/2022, up 33.0% from \$17.7 million in the same quarter last year. In Q4/2022, Gross Margin was 32.2%, up 3.1% from 29.1% in Q4/2021, and higher than our estimate of 31.4%.
 - In 2022, Gross Profit was \$84.2 million, up 21.1% from \$69.5 million in 2021. Overall Gross Margin in 2022 was 30.8%, up 1.2% from 29.5% in 2021.
- **Selling, General & Administrative (SG&A) Expenses:**
 - **DCM's** SG&A expenses were \$14.9 million in Q4/2022, down 3.7% from \$15.4 million in Q4/2021, reflecting the reduced headcount from the downsizing in 2021, but relatively flat from the previous quarter.
 - In Q4/2022, SG&A expenses represented 20.3% of Total Revenue, down 5.0% from 25.3% in the same quarter last year.
 - In 2022, SG&A was \$57.2 million, up 2.1% from \$56.0 million in 2021, primarily due to increased Selling and Commission Expenses as sales increased.
- **Net Income and EPS:**
 - The Company reported Net Income of \$3.7 million in Q4/2022, up from a loss of \$1.9 million in Q4/2021.

- Basic and Diluted EPS in the quarter was \$0.08 compared to a Basic and Diluted loss per share of \$0.04 in the same quarter last year.
- For 2022, Net Income was \$14.0 million, up 792.4% from \$1.6 million in 2021.
- In 2022, Basic EPS and Diluted EPS were \$0.32 and \$0.30, respectively, up from \$0.04 and \$0.03, respectively, in 2021.
- **EBITDA:**
 - In Q4/2022, **DCM** reported Adjusted EBITDA of \$11.3 million, an increase of 56.0% from \$7.3 million in the same quarter last year.
 - In the quarter, the Company's Adjusted EBITDA Margin was 15.5%, up 3.6% from 11.9% in Q4/2021.
 - EBITDA calculated by eResearch was \$9.8 million in Q4/2022, up 81.8% from \$5.4 million in Q4/2021, and higher than our estimate of \$5.4 million. **eResearch's** EBITDA calculation does not include Lease Expenses or one-time charges.
 - In 2022, **DCM's** calculated Adjusted EBITDA was \$38.3 million, up 14.9% from \$33.3 million in 2021. In 2022, EBITDA was adjusted higher by \$1.9 million due to acquisition costs related to the **MCC** acquisition. In 2021, EBITDA was adjusted by \$8.2 million related to Restructuring Expenses and Other Income.
- **Cash and Total Debt:**
 - As of December 31, 2022, **DCM** had \$4.2 million in cash but continues to maintain a low cash balance to reduce the borrowing charges under its Bank Credit Facility.
 - At the end of Q4/2022, the Company's Total Debt stood at \$27.0 million, down 25.5% from \$36.3 million in Q4/2021.
- **Restructuring Charges:**
 - There were no restructuring charges in 2022 but there was \$1.9 million in acquisition costs related to the **MCC** acquisition.

Figure 1: DCM Full-Year 2022 Results and Compared to 2021



Source: Company Presentation

2. Q1/2023 Financial Results (Positive Event)

Revenue in Q1/2023 exceed our estimate but Margins were slightly lower and there were M&A costs that negatively impacted Net Income.

On May 10, 2023, **DCM** reported first quarter 2023 financial results (see [Figure 2](#)):

- **Revenue:**
 - In Q1/2023, Revenue was \$76.1 million, up 9.8% from \$69.3 million in Q1/2022, and higher than our estimate of \$72.7 million. Sales growth was driven by revenue expansion from existing clients and new business wins. It is the sixth consecutive quarter of year-over-year growth (see [Figure 3](#)).
- **Gross Profit & Gross Margin:**
 - Gross Profit was \$23.6 million in Q1/2023, up 16.3% from \$20.3 million in Q1/2022.
 - In the quarter, Gross Margin was 31.1%, up 1.7% from 29.3% in the same quarter last year and lower than our estimate of 32.0%.
- **SG&A Expenses:**
 - SG&A expenses were \$18.8 million in the quarter, up 37.5% from \$13.6 million in Q1/2022 and up from \$14.9 million in the previous quarter.
 - SG&A expenses represented 24.7% of Total Revenue in Q1/2023, up 5.0% from 19.7% in the same quarter last year.
 - There was a \$4.5 million non-cash, mark-to-market expense related to long-term incentive compensation accruals that negatively impacted SG&A in the quarter due to the increase in **DCM's** share price.
 - There was also an increase of \$0.6 million year-over-year, due to higher sales commissions proportionate with the increase in revenues as well as raises in salaries due to inflation.
- **Net Income and EPS:**
 - **DCM** reported a loss of \$2.4 million in Q1/2023, down from a profit of \$3.7 million in Q1/2022.
 - In the quarter, Basic EPS and Diluted EPS were the same, a loss of \$0.06, versus a gain of \$0.08 in Q1/2022.

Figure 2: DCM's Q1/2023 Results Compared to eResearch Estimates

(C\$) ('000)	Q122A	2022A	Q123A	Q123E	Diff.	Q223E	Q323E	Q423E	2023E
Total Revenue	\$69,257	\$273,804	\$76,077	\$72,720	+4.6%	\$113,175	\$129,069	\$139,197	\$457,518
Gross Margin	29.3%	30.8%	31.1%	32.0%	-0.9%	27.0%	27.0%	27.0%	27.7%
Total Operating Expenses	\$13,644	\$57,150	\$18,754	\$16,719	+12.2%	\$25,603	\$27,126	\$31,415	\$102,897
Operating Income	\$6,680	\$27,074	\$4,881	\$6,552	-25.5%	\$4,955	\$7,723	\$6,169	\$23,727
EBITDA**	\$7,924	\$31,973	\$12,238	\$7,599	+61.0%	\$8,168	\$11,034	\$9,591	\$28,914
Adj. EBITDA*	\$9,448	\$38,254	\$7,748	\$10,385	-25.4%	\$10,924	\$13,639	\$12,052	\$44,363
Diluted EPS	\$0.08	\$0.30	(\$0.06)	\$0.10	-157.0%	\$0.03	\$0.04	\$0.02	\$0.05
Cash	\$985	\$4,208	\$2,994	\$2,084		\$17,329	\$3,858	\$490	\$490
Debt	\$33,511	\$27,047	\$22,292	\$25,583		\$128,515	\$121,757	\$114,137	\$114,137

* DCM's Adj. EBITDA includes Lease Expenses and one-time charges.
** eResearch's Valuation calculation uses EBITDA that does not include Lease Expenses or one-time charges.

Source: Company Presentation

- **EBITDA:**

- In Q1/2023, the Company reported Adjusted EBITDA of \$7.7 million, a decrease of 18.0% from \$9.4 million in Q1/2022.
- The Company's Adjusted EBITDA Margin was 10.2% in the quarter, down 3.5% from 13.6% in Q1/2022.
- EBITDA calculated by **eResearch** was \$12.2 million in Q1/2023, up 54.4% from \$7.9 million in Q1/2022, and higher than our estimate of \$7.6 million. As previously mentioned, **eResearch's** EBITDA calculation does not include Lease Expenses or one-time charges.

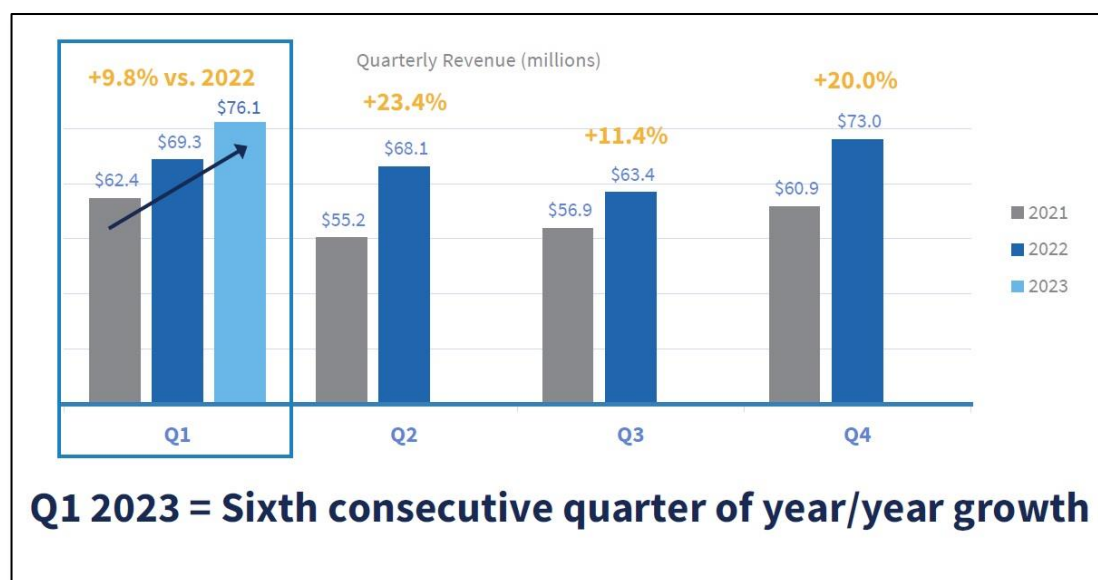
- **Cash and Total Debt:**

- As of March 31, 2023, the Company had \$3.0 million in cash but continues to maintain a low cash balance to reduce the borrowing charges under its Bank Credit Facility.
- At the end of the quarter, the Company's Total Debt stood at \$22.3 million, down 17.6% from \$27.0 million at the end of 2022.

- **Acquisition and Integration Costs:**

- There was \$6.1 million in costs associated with the acquisition of **MCC**.

Figure 3: DCM's Revenue Momentum Continued in Q1/2023



Source: Company Presentation

3. DCM Closes MCC Acquisition: Positive Event

We believe this transaction enhances DCM's capabilities and growth potential. MCC has a highly complementary operating model and is expected to add new products, services, and technology capabilities.

- On April 25, 2023, **DCM** announced the completion of its acquisition of **Moore Canada Corporation (MCC)**, for a cash purchase price of \$130.8 million, subject to customary post-closing adjustments. **MCC** is now a wholly-owned subsidiary of **DCM**.
- The acquisition is considered an important milestone for **DCM**, providing an opportunity to build a better and much bigger business with a larger presence in the Canadian market (see [Figure 4](#)), estimated to generate combined pro forma revenues of over \$520 million in 2022.
- DCM** plans to accelerate its growth by capitalizing on an expanded range of products and services, better execution capabilities, and improved time-to-market for new offerings.
- DCM's** strategic financial objectives for the next five years include:
 - Organic revenue growth of more than 5% annually;
 - Achieving Adjusted EBITDA as a percentage of revenues of more than 14%;
 - Reducing total net debt as a multiple of Adjusted EBITDA to less than 1.0x;
 - Realizing total annualized post-merger synergies in the range of \$25 million to \$30 million over the next 18 to 24 months.
- MCC's** President, Rael Fisher, will assume the role of Chief Integration Officer to oversee the post-merger integration of the two businesses.
- The transaction was funded through:
 - An amended revolving credit facility, which now provides for up to \$90 million of revolving credit capacity from a Canadian chartered bank;
 - A \$30 million floating rate bridge facility from the bank;
 - A new \$50 million fixed-rate credit facility from Fiera Private Debt.
- As part of the acquisition, **DCM** acquired three sites owned by **MCC** at an implied value of approximately \$30 million. A sale and lease-back arrangement has already been completed for the warehouse facility located in Oshawa, Ontario (see [Section #5](#)), for net proceeds of \$23.1 million.

Figure 4: DCM and MCC – National Reach & Capabilities



Source: Company Presentation

Deal Synergies:

- **Financial Benefits:**
 - **DCM** believes that the merger presents an appealing financial prospect for the combined company, as it could help accelerate sales growth, lower some organizational costs, and enhance operational efficiency, which could lead to an improved overall financial performance.
- **Customer Benefits:**
 - **DCM** anticipates that the merger will bring significant advantages to customers, including the accelerated implementation of **DCM’s** strategy of expanding its services and solutions to its entire customer base.
 - Additionally, **DCM** will utilize the combined capabilities of the two companies to expedite the development of new products and foster innovation.
 - **DCM** also believes it will be able to maintain “superior customer support”.
- **Operating Model Synergies:**
 - **DCM** and **MCC** have overlapping facilities that could benefit from consolidation (see [Figure 4](#)).
 - The two companies have complementary operating models, an enhanced product portfolio, and will benefit from economies of scale with more than \$520 million in annual sales (see [Figure 5](#)).
 - The combined companies will also have an expanded customer base across a broad range of industries, which could lead to stronger customer relationships.
 - The consolidated firm is poised to offer enhanced value and innovation to its customers, while **DCM** anticipates that this deal will establish a long-term, sustainable enterprise that caters to Canadian and U.S. customers.

Figure 5: DCM and MCC – Pro Forma



Source: Company Presentation

- **Leverages DCM's Digital-first Strategy:**
 - In addition to the extensive experience of both firms in traditional print solutions, **DCM** believes that the merged company will have a strong advantage in fulfilling the growing demands of customers for complex marketing and communication services by utilizing **DCM's** technology-driven workflow and digital asset management (DAM) offerings.
- **Overall Benefits:**
 - **MCC** adds more than 250 Enterprise clients to **DCM's** existing 280 Enterprise clients to create an Enterprise customer pool of over 400 clients, net of overlap, which will be ripe for cross-selling opportunities.
 - The new clients add scale to **DCM's** solution portfolio:
 - DCMFlex: Workflow management and order fulfillment;
 - ASMBL: Digital asset management (DAM) platform;
 - MKTGFL0: Marketing campaign omnichannel workflow;
 - PRSNL: Personalized video;
 - OptiChanl: Campaign collateral allocation and distribution.
 - **MCC** brings an experienced team that complements **DCM's** team and the combined organization would benefit from the rationalization of the workforce across the combined 21 locations.
 - We believe the deal will be accretive to **DCM's** financial profile as it accelerates **the Company's** revenue and EBITDA growth and diversifies its revenue base.

Impacts on eResearch's Model:

- We adjusted our model to reflect the **MCC** acquisition and added \$250 million in revenue, pro-rated to start in May 2023 so it will impact the model starting in Q2/2023.
- We reduced Gross Margins to 28% from 32% in 2023, 29% from 33% in 2024, 30% from 34% in 2025, 31% from 35% in 2026, and 32% from 35% in 2027, and set Gross Margins to 33% in 2028.
- **DCM** estimates expected synergies in the range of \$25 million to \$30 million annualized over the next 18 to 24 months.
- We assumed the merged companies could reduce operating costs by \$2 million in Q3/2023, \$5 million in Q4/2023, \$12 million in 2024, and \$24 million annually from 2025-2028.
- We are also including \$2 million per quarter of restructuring costs, starting in Q2/2023 until Q1/2024.
- We assume debt will increase by \$107.7 million – \$130.8 million minus \$23.1 million from the sale of the Oshawa warehouse (see [Section #5](#)) – and will be comprised of (1) \$51.6 million from its revolving credit facility; (2) \$6.1 million from the floating bridge; and (3) \$50 million from a fixed credit facility from Fiera.
- Cash will be improved from the net proceeds of the equity financing which we estimate at \$24.8 million (see [Section #4](#)).

4. DCM Closes a \$26.1 Million Equity Raise: Positive Event

The Equity Raise helps the Company fund the merger to accelerate growth and improves the Liquidity and Leverage ratios.

- On May 25, 2023, **DCM** announced the closing of a \$26.1 million private placement of common shares and issued 8.7 million shares at \$3.00 per share, resulting in gross proceeds of over \$26.1 million, with the net proceeds being utilized for general corporate and working capital purposes.
- The offering saw participation from DCM insiders, including senior members of the Company's leadership team, who collectively subscribed for \$0.4 million.

This financing is important to DCM because it will help the Company strengthen its balance sheet, reduce its debt, help with merger costs, and invest in its growth strategy.

- Primarily, it will help DCM reduce its Net Debt and improve its Liquidity and Leverage ratios. At the end of Q1/2023 (March 31), **DCM** had total debt of \$22.3 million (excluding Lease liabilities) and a Net Debt to Adjusted EBITDA ratio of 2.5x. However, the Company added additional debt with the **MCC** acquisition. By repaying some of its debt with the proceeds from the offering, **DCM** will lower its interest expenses and leverage ratio, which will enhance its financial flexibility and credit profile.
- Secondly, the financing will enable **DCM** to invest in its growth initiatives. By having sufficient capital to fund the expenses of the merger and any capital expenditures, **DCM** will be able to upgrade its equipment, technology, and facilities to improve the overall operational efficiency of the new combined organization.

5. Completed the Sale and Leaseback of a Warehouse Facility for \$23.1 million: Positive Event

The Sale and Leaseback of the warehouse was an important step to pay down the term loan that was obtained as part of the MCC acquisition.

- On June 8, 2023, **DCM** announced that it completed the sale and leaseback of its warehouse facility in Oshawa, Ontario. The facility was acquired as part of DCM's acquisition of **MCC**.
- The sale generated gross proceeds of \$24.1 million and net proceeds of \$23.1 million that were then used to pay down part of a \$30 million term loan with a Canadian chartered bank.
- **DCM** plans to utilize the Oshawa facility as a primary warehousing site to serve clients in eastern Canada. As part of the sale, **DCM** entered into a ten-year lease agreement with options to extend the lease for up to ten additional years. The lease terms also include a \$1.5 million capital improvement allowance for building maintenance and repairs.

This transaction is important to **DCM** because it continues to help the Company strengthen its balance sheet and reduce its term loan as it combines operations, assets, and resources with **MCC**. In addition, it enables **DCM** to optimize its operational footprint and leverage its existing network of facilities across Canada.

After the acquisition, the Company's Net Debt to Adjusted EBITDA was approximately 3.25x, which is expected to drop to 2.65x once the sale and leaseback of three of **MCC's** sites were completed. Currently, only the sale of the Oshawa, Ontario facility is completed. **DCM's long-term goal over the next five years is to pay down debt to achieve a Net Debt to Adjusted EBITDA ratio of 1.0x.**

Valuation

Comparing **DCM** to other public companies is complicated given that it has many lines of business but is somewhat simplified as the Company only focuses on three core markets: (1) Conventional Print Solutions, (2) Digital Asset Management (DAM), and (3) Tech-Enabled Marketing Workflow.

Average valuation multiples in the various sectors are as follows (see [Appendix B](#)).

- (1) **Conventional Print Solutions:** EV/Revenue of 1.2x (2023E revenue) and EV/EBITDA of 6.4x (2023E EBITDA).
- (2) **DAM:** EV/Revenue of 2.4x (2023E revenue) and EV/EBITDA of 13.8x (2023E EBITDA).
- (3) **Tech-Enabled Marketing Workflow:** EV/Revenue of 2.4x (2023E revenue) and EV/EBITDA of 14.0x (2023E EBITDA).

DCM Valuation

Currently, **DCM** is trading at 0.5x our 2023 revenue estimate of \$457.5 million and 7.2x our 2023 EBITDA estimate of \$28.9 million. These multiples are below the low end of the revenue and EBITDA multiples compared to the various industry multiples above and highlight the potential for **DCM's** share price appreciation.

Note: In our EBITDA calculation, we do not include Lease Expenses. In our calculation of Adjusted EBITDA, we include Lease Expenses and one-time charges. **DCM** includes Lease Expenses in its calculation of EBITDA.

Figure 6: Valuation Multiples Comparing our Model to DCM and the Sector Averages (2022E)

	Model	DCM (Market)	Conventional Print Solutions	DAM	Tech-Enabled Marketing Workflow
Revenue	0.8x	0.5x	1.2x	2.4x	2.4x
EBITDA	7.0x	7.2x	6.4x	13.8x	14.0x

Source: See [Appendix A](#); eResearch Corp.

For 2023 through 2026, we have maintained our revenue growth rate of 5%, in-line with the Company's target of 5%. We have maintained our estimate of improving gross margins and EBITDA through facility consolidation and the migration to higher-margin digital services. [Figure 7](#) highlights the revenue growth and gross margin assumptions we use in our model to reach our estimates.

Figure 7: Model Assumptions and Company Guidance

METRIC	RATE		
	2023E	2024E	2025E-2028E
Revenue Growth	67%	19%	5%
Gross Margins	27%	29%	30-33%
Adj. EBITDA Margins	11%	11%	14-16%

Source: Company Presentation (2022); eResearch Corp.

Note: **DCM's** guidance for EBITDA Margins uses **DCM's** "reported" EBITDA and includes Lease Expenses so will be higher than our EBITDA Margins as our EBITDA does not include Lease Expenses.

Target Price Calculation

Method 1: Discounted Cash Flow (see [Figure 10](#))

Using a Weighted Average Cost of Capital (WACC) of 14% and a Terminal Multiple of 7.0x EBITDA in 2028, the one-year target share price estimate is \$10.16.

Method 2: Revenue Multiple (see [Figure 8](#))

Using a revenue multiple of 0.8x and a one-year forward Revenue estimate of \$523.8 million, the one-year target share price estimate is \$6.24.

Method 3: EBITDA Multiple (see [Figure 8](#))

Using an EBITDA multiple of 7.0x and a one-year forward EBITDA estimate of \$44.3 million, the one-year target share price estimate is \$4.40.

The equal-weighted price per share is \$6.93 and we are increasing the one-year price target to \$6.90 from \$4.50.

We are maintaining a Buy rating and increasing the one-year price target to \$6.90.

Figure 8: Target Price (1 Year) Calculation

				SHARES	TARGET		
Method 1: DCF (5-year)	WACC:14%	Terminal Multiple: 7x EBITDA	See DCF calculation.	58.8M	\$10.17		
			ENT. VALUE	NET DEBT Q1/2023	MARKET CAP	SHARES	TARGET
Method 2: Revenue Multiple	0.8x	1 Year Fwd Revenue (Est.): \$523.8M	\$419.0M	\$58.7M	\$360.4M	57.8M	\$6.24
Method 3: EBITDA Multiple	7.0x	1-Year Fwd EBITDA (Est.): \$44.3M	\$310.1M	\$58.7M	\$251.4M	57.8M	\$4.40
Equal-Weighted Target Price (1 year)						\$6.93	

Source: eResearch Corp.

Figure 9: Shares Outstanding for Fully Diluted Share Count and Valuation

Shares Outstanding - Valuation using Multiples ('000)	
Shares Outstanding: Basic - End of the Previous Quarter (Dec 31/22)	44,063
Shares Issued in the Quarter	-
Shares Outstanding: Basic - End of the Current Quarter (Mar 31/23)	44,063
Shares Issued after the Quarter End	10,581
Updated Share Count for Next Quarter	54,644
- In the Money Options: Stock Price above Strike Price*	3,128
- In the Money Warrants: Stock Price above Strike Price*	-
Updated Shares Outstanding, Fully Diluted: After the Quarter End (Multiples)	57,772

* Number of shares has been adjusted by the Treasury Stock Method

Shares Outstanding - DCF Valuation ('000)	
Shares Outstanding: Basic - End of the Current Quarter (Mar 31/23)	44,063
Shares Issued after the Quarter End	10,581
Updated Share Count for Next Quarter	54,644
- In the Money Options: Target Price above Strike Price*	4,038
- In the Money Warrants: Target Price above Strike Price*	141
Updated Shares Outstanding, Fully Diluted: After the Quarter End (DCF)	58,823

* Number of shares has been adjusted by the Treasury Stock Method

Source: Company Reports; eResearch Corp.

Figure 10: DCF Analysis

DATA Communications Management Corp. FYE (December 31)							
DCF Analysis (C\$)	2022A	2023E	2024E	2025E	2026E	2027E	2028E
Revenue (\$)	273.8	457.5	542.9	570.0	598.5	628.5	659.9
Revenue Growth	16.3%	67.1%	18.7%	5.0%	5.0%	5.0%	5.0%
EBITDA (\$)	32.0	28.9	51.6	71.3	80.8	89.9	99.6
EBITDA Growth	53.5%	-9.6%	78.4%	38.2%	13.4%	11.2%	10.9%
EBITDA Margin	11.7%	6.3%	9.5%	12.5%	13.5%	14.3%	15.1%
Depreciation and Amortization	11.2	8.8	7.9	6.4	6.1	5.1	4.3
EBIT (\$)	20.8	20.1	43.6	64.9	74.7	84.8	95.4
NOPAT	38.6	38.1	60.7	86.7	100.0	112.5	125.9
Plus Amortization (\$)	11.2	8.8	7.9	6.4	6.1	5.1	4.3
Less Capital Expenditures (\$)	(1.5)	(5.2)	(4.1)	(1.3)	(1.1)	(0.9)	(0.7)
Net Working Capital Changes	(11.8)	(5.6)	(3.3)	(5.8)	0.5	(3.3)	(3.5)
EPS (Continuing)	0.30	0.05	0.45	0.76	0.92	1.06	1.20
Unlevered Free Cash Flow (\$)	36.4	36.2	61.2	86.0	105.5	113.5	125.9
PV of Unlevered FCFs (\$)	38.6	33.7	49.9	61.6	66.3	62.5	60.8

Valuation Assumptions:			
Discount Rate	14.0%		
Terminal Multiple	7.0x		
Valuation Analysis:			
	Current	1-Yr Target	2-Yr Target
Total PV of FCFs (\$M)	334.8	343.3	326.5
Terminal Value (\$M)	697.5	697.5	697.5
PV of Terminal Value (\$M)	336.9	384.2	438.0
Net (debt) cash position	(148.4)	(129.6)	(87.8)
Total Value (\$M)	523.3	598.0	676.6
DCF Value/Share (C\$)	C\$8.90	C\$10.17	C\$11.50
DCF Value/Share (US\$)	US\$6.70	US\$7.65	US\$8.66
FD Shares O/S (M)*	58.8	58.8	58.8
*Using the Treasury Method			

Source: Company Reports; eResearch Corp.

Figure 11: Sensitivity Chart – Discount Rate and Terminal EV/EBITDA Multiple

		Terminal EV/EBITDA Multiplier						
		4.00	5.00	6.00	7.00	8.00	9.00	10.00
Discount Rate	10.0%	8.61	9.70	10.80	11.90	13.00	14.10	15.19
	12.0%	7.96	8.97	9.98	10.99	12.00	13.02	14.03
	14.0%	7.37	8.30	9.23	10.17	11.10	12.03	12.97
	16.0%	6.82	7.69	8.55	9.41	10.27	11.13	12.00
	18.0%	6.32	7.12	7.92	8.72	9.52	10.31	11.11
	20.0%	5.87	6.61	7.34	8.08	8.82	9.56	10.30

Source: Company Reports; eResearch Corp.

Appendix A: Financial Statements

Figure 12: Income Statement

DCM Income Statement - FYE (December 31); CAD ('000)	2022A	Q123A	Q223E	Q323E	Q423E	2023E	2024E
Total Revenue	273,804	76,077	113,175	129,069	139,197	457,518	542,894
Total Cost of Sales	189,580	52,442	82,618	94,220	101,614	330,894	385,455
Gross Profit	84,224	23,635	30,557	34,849	37,583	126,624	157,439
Sales & Marketing	29,198	8,562	12,902	13,714	15,866	51,044	54,289
General and Administrative	27,624	10,107	11,487	12,100	14,126	47,821	51,575
Stock Based Compensation	328	85	566	645	696	1,992	2,714
Depreciation of Property & Equipment	-	-	503	529	597	1,629	2,908
Amortization	-	-	144	137	130	411	458
Total Operating Expenses	57,150	18,754	25,603	27,126	31,415	102,897	111,945
Operating Income	27,074	4,881	4,955	7,723	6,169	23,727	45,494
Other Income (Expenses):							
Interest on Loan Payable	(2,742)	(543)	(446)	(2,570)	(2,435)	(5,994)	(8,806)
Acquisition and Integration Costs	(1,870)	(6,118)	(2,000)	(2,000)	(2,000)	(12,118)	(2,000)
Other	(2,567)	(612)	-	-	-	(612)	-
Total Other Income	(7,179)	(7,273)	(2,446)	(4,570)	(4,435)	(18,724)	(10,806)
EBT	19,895	(2,392)	2,509	3,152	1,734	5,003	34,688
Income Taxes	(5,929)	(39)	(627)	(788)	(433)	(1,888)	(8,672)
Net Income (Loss)	13,966	(2,431)	1,882	2,364	1,300	3,115	26,016
EPS							
Basic EPS	0.32	(0.06)	0.03	0.04	0.02	0.06	0.48
Diluted EPS	0.30	(0.06)	0.03	0.04	0.02	0.05	0.45
Shares Outstanding							
Shares Outstanding, Basic (Weighted)	44,063	44,063	54,644	54,644	54,644	54,644	54,644
Shares Outstanding, Diluted (Weighted)	46,572	44,063	57,772	57,772	57,772	57,772	57,772
Shares Outstanding, Basic (End of Quarter)	44,063	44,063	-	-	-	-	-

Source: Company Reports; eResearch Corp.

Figure 13: Balance Sheet

DCM	2022A	2023E	2024E
Balance Sheet - FYE (December 31); CAD ('000)			
Current Assets			
Cash	4,208	490	1,775
Account Receivables	54,630	99,086	104,041
Prepaid Expenses & Other Assets	2,984	5,254	6,341
Inventory	20,220	35,610	36,366
Income taxes receivable	15	15	15
Total Current Assets	82,057	140,455	148,538
Non-Current Assets			
Deferred Income Tax Assets	4,830	6,362	6,362
Property and Equipment	6,779	9,527	10,591
Pension Assets	2,830	2,793	2,793
Intangible Assets	2,507	1,764	1,437
Goodwill	16,973	124,673	124,673
Right-of Use and Other	33,505	29,668	25,109
Total Assets	149,481	315,243	319,503
Current Liabilities			
Accounts Payables/Accrued Liabilities	44,133	99,041	102,280
Lease Liability	6,791	18,096	19,000
Current Portion of Debt/Promissory Notes	11,667	18,731	54,031
Provisions	1,316	0	0
Deferred Revenue - Current	3,942	5,568	5,846
Taxes Payable	1,630	1,665	1,665
Total Current Liabilities	69,479	143,101	182,822
Non-Current Liabilities			
Term Loan/Promissory Notes	0	87,237	35,732
Credit Facilities	15,380	8,169	3,499
Lease Liability	33,011	15,129	7,496
Provision/Loan Payable/Benefits Payable	8,764	8,533	8,149
Total Liabilities	126,634	262,168	237,698
Shareholders Equity			
Capital Stock	256,478	281,278	281,278
Warrants & Options	869	1,130	1,130
Accumulated OCI	207	208	208
Contributed Surplus	3,131	4,958	7,673
Deficit	(237,838)	(234,500)	(208,484)
Total Shareholders Equity	22,847	53,074	81,805
Total Liabilities & Shareholders Equity	149,481	315,243	319,503

Source: Company Reports; eResearch Corp.

Figure 14: Cash Flow Statement

DCM	2022A	2023E	2024E
Cash Flow Statement - FYE (December 31); CAD ('000)			
Cash Provided By Operating Activities			
Net Income (Loss)	13,966	3,115	26,016
Amortization of Intangibles	1,606	874	458
Depreciation of Property & Equipment	2,965	2,320	2,908
Depreciation of Right-of-Use Assets	6,609	5,635	4,559
Interest Expense on Lease Liabilities	2,223	2,216	1,835
Stock Based Compensation Expense	328	1,992	2,714
Pension Expense	351	(384)	(384)
Loss on Disposal of Intangible Assets	98	-	-
Provisions	-	(1,316)	-
Income Tax Expense	5,929	(1,573)	-
Finance Cost	120	-	-
Other	328	19	-
Changes in Non-Cash Working Capital			
Account & Other Receivables	(3,063)	(44,456)	(4,954)
Inventory	(8,087)	(15,390)	(756)
Prepaid Expenses & Other Current Assets	(43)	(2,253)	(1,087)
Accounts Payable & Other Payables	6,888	54,908	3,239
Other	(5,056)	-	-
Provisions	(3,160)	-	-
Deferred (Unbilled) Revenue	673	1,626	278
Total Cash Provided By Operating Activities	22,675	7,333	34,828
Investing Activities			
Purchase of Property & Equipment	(1,475)	(5,069)	(3,972)
Purchase of Intangibles	(71)	(131)	(131)
Business (Acquisition) Sale	70	(107,700)	-
Total Cash From Investing Activities	(1,476)	(112,900)	(4,103)
Financing Activities			
Proceeds from Loan/Promissory Notes	-	107,700	-
Repayment of Loan/Promissory Notes	-	(11,960)	(16,205)
Operating Line/Credit Facility (Repayment)	(9,716)	(8,644)	(4,670)
Repayment of Other Liabilities	515	-	-
Lease Payments	(8,730)	(10,145)	(8,563)
Proceeds from exercise of Stock Options and Warrants	-	96	-
Issue/Repurchase of Equity	-	24,800	-
Total Cash From Financing Activities	(17,931)	101,847	(29,439)
Effect of Exchange Rates on Cash	39	2	-
Net Increase in Cash	3,307	(3,718)	1,286
Beginning Cash	901	4,208	490
Ending Cash	4,208	490	1,775

Source: Company Reports; eResearch Corp.

Appendix B: Company Comparables by Industry

Figure 15: U.S. and Canadian Comparables – Conventional Print Solution Providers and DAM Solution Providers

Name	Ticker	Jun 12 Close (\$)	Mkt Cap (\$M)	Cash (\$M)	Debt (\$M)	EV (\$M)	REVENUE (\$M)			EBITDA (\$M)			EV/Revenue			EV/EBITDA			
							2021A	2022A	2023E	2021A	2022A	2023E	2021A	2022A	2023E	2021A	2022A	2023E	
DATA Communications Management Corp.	TSX:DCM	\$2.76	\$150	\$3	\$62	\$209	\$235.3	\$270.0	\$457.5	\$20.8	\$32.0	\$28.9	0.9x	0.8x	0.5x	10.0x	6.5x	7.2x	
US Comps - Conventional Print Solution Providers																			
ARC Document Solutions, Inc.	NYSE:ARC	US\$3.08	US\$134	US\$50	US\$99	US\$185	US\$272	US\$286	US\$287	US\$39	US\$40	US\$41	0.7x	0.6x	0.6x	4.8x	4.6x	4.6x	
Canon Inc.	TSE:7751	US\$25.79	US\$26,195	US\$3,653	US\$4,186	US\$28,520	US\$30,514	US\$30,570	US\$30,561	US\$4,536	US\$4,646	US\$4,393	0.9x	0.9x	0.9x	6.3x	6.1x	6.5x	
Cimpress plc	NASDAQ:CMPR	US\$54.30	US\$1,429	US\$183	US\$1,808	US\$3,079	US\$2,576	US\$2,888	US\$3,206	US\$246	US\$238	US\$362	1.2x	1.1x	1.0x	12.5x	12.9x	8.5x	
Ennis, Inc.	NYSE:EBF	US\$20.85	US\$539	US\$94	US\$13	US\$458	US\$358	US\$400	US\$431	US\$60	US\$77	US\$80	1.3x	1.1x	1.1x	7.6x	6.0x	5.7x	
Quad/Graphics, Inc.	NYSE:QUAD	US\$3.71	US\$196	US\$12	US\$749	US\$933	US\$2,960	US\$3,217	US\$0	US\$246	US\$0	US\$0	0.3x	0.3x		3.8x			
Xerox Holdings Corporation	NASDAQ:XRX	US\$15.24	US\$2,392	US\$591	US\$3,493	US\$5,526	US\$6,817	US\$6,900	US\$6,983	US\$661	US\$474	US\$619	0.8x	0.8x	0.8x	8.4x	11.7x	8.9x	
Mean (EV/Rev <20; EV/EBITDA <100)												0.9x	0.8x	0.9x	7.2x	8.3x	6.8x		
Median												0.9x	0.9x	0.9x	6.9x	6.1x	6.5x		
Cdn Comps - Conventional Print Solution Providers																			
CCL Industries Inc.	TSX:CCLB	\$62.93	\$11,171	\$787	\$2,372	\$12,756	\$5,733	\$6,382	\$6,710	\$1,128	\$1,246	\$1,337	2.2x	2.0x	1.9x	11.3x	10.2x	9.5x	
Supremex Inc.	TSX:SXP	\$5.83	\$151	\$2	\$117	\$267	\$226	\$272	\$345	\$32	\$57	\$66	1.2x	1.0x	0.8x	8.4x	4.7x	4.0x	
Transcontinental Inc.	TSX:TCLA	\$14.78	\$1,280	\$36	\$1,226	\$2,478	\$2,711	\$2,973	\$3,030	\$403	\$456	\$447	0.9x	0.8x	0.8x	6.1x	5.4x	5.5x	
Mean (EV/Rev <20; EV/EBITDA <100)												1.4x	1.3x	1.2x	8.6x	6.8x	6.4x		
Median												1.2x	1.0x	0.8x	7.2x	6.1x	6.5x		
US Comps - Digital Asset Management (DAM) Solution Providers (PaaS/SaaS)																			
Adobe Inc.	NASDAQ:ADBE	US\$474.63	US\$217,713	US\$5,653	US\$4,126	US\$216,186	US\$15,785	US\$17,606	US\$19,301	US\$6,378	US\$8,795	US\$9,536	13.7x	12.3x	11.2x	33.9x	24.6x	22.7x	
Box, Inc.	NYSE:BOX	US\$29.27	US\$4,240	US\$517	US\$522	US\$4,735	US\$771	US\$874	US\$1,052	US\$61	US\$295	US\$324	6.1x	5.4x	4.5x	77.5x	16.1x	14.6x	
Fluent, Inc.	NASDAQ:FLNT	US\$0.67	US\$54	US\$27	US\$45	US\$72	US\$329	US\$361	US\$355	US\$15	US\$25	US\$17	0.2x	0.2x	0.2x	4.8x	2.9x	4.3x	
LiveRamp Holdings, Inc.	NYSE:RAMP	US\$25.06	US\$1,664	US\$497	US\$47	US\$1,214	US\$443	US\$529	US\$609	-US\$63	US\$51	US\$86	2.7x	2.3x	2.0x	23.8x	14.1x	14.1x	
Open Text Corporation	NASDAQ:OTEX	US\$42.67	US\$11,416	US\$1,400	US\$9,441	US\$19,458	US\$3,386	US\$3,494	US\$5,693	US\$1,010	US\$1,226	US\$1,872	5.7x	5.6x	3.4x	19.3x	15.9x	10.4x	
QuinStreet, Inc.	NASDAQ:QNST	US\$9.03	US\$489	US\$63	US\$5	US\$431	US\$578	US\$582	US\$579	US\$24	US\$17	US\$18	0.7x	0.7x	0.7x	17.8x	25.3x	24.6x	
Smartsheet Inc.	NYSE:SMAR	US\$38.58	US\$5,155	US\$490	US\$63	US\$4,728	US\$386	US\$551	US\$946	-US\$142	-US\$21	US\$76	12.3x	8.6x	5.0x			62.5x	
TechTarget, Inc.	NASDAQ:TTGT	US\$35.36	US\$993	US\$353	US\$480	US\$1,120	US\$263	US\$297	US\$227	US\$55	US\$121	US\$68	4.3x	3.8x	4.9x	20.4x	9.3x	16.5x	
Mean (EV/Rev <20; EV/EBITDA <100)												5.7x	4.9x	4.0x	28.9x	16.8x	21.2x		
Median												5.0x	4.6x	4.0x	19.8x	16.1x	15.6x		
CDN Comps - Digital Asset Management (DAM) Solution Providers (PaaS/SaaS)																			
Absolute Software Corporation	TSX:ABST	\$15.12	\$802.3	\$50.2	\$268.2	\$1,020.2	\$155.2	\$215.3	\$245.3	\$12.3	\$53.6	\$57.8	6.6x	4.7x	4.2x	83.2x	19.0x	17.6x	
AcuityAds Holdings Inc.	TSX:ILLM	\$2.28	\$128.0	\$80.2	\$9.4	\$57.2	\$122.0	\$121.0	\$131.2	\$11.1	\$6.6	\$5.7	0.5x	0.5x	0.4x	5.1x	8.7x	10.0x	
Fobi AI Inc.	TSXV:FOBI	\$0.29	\$47.5	\$0.4	\$0.0	\$47.1	\$1.7	\$1.6	\$0.0	-\$15.0	\$0.0	\$0.0	28.4x	30.1x					
MediaValet Inc.	TSX:MVP	\$1.25	\$54.4	\$2.0	\$0.5	\$52.9	\$9.3	\$12.8	\$16.9	-\$9.4	-\$9.5	-\$6.7	5.7x	4.1x	3.1x				
ProntoForms Corporation	TSXV:PFM	\$0.48	\$63.8	\$7.0	\$6.1	\$62.9	\$19.4	\$21.3	\$32.5	-\$4.0	-\$4.7	-\$1.5	3.3x	2.9x	1.9x				
Mean (EV/Rev <20; EV/EBITDA <100)												4.0x	3.1x	2.4x	44.2x	13.8x	13.8x		
Median												5.7x	4.1x	2.5x	44.2x	13.8x	13.8x		

Source: S&P Capital IQ; eResearch Corp.

Figure 16: U.S. and Canadian Comparables – Tech-Enabled Marketing Workflow Providers and Canadian Tech

Name	Ticker	Jun 12 Close (\$)	Mkt Cap (\$M)	Cash (\$M)	Debt (\$M)	EV (\$M)	REVENUE (\$M)			EBITDA (\$M)			EV/Revenue			EV/EBITDA			
							2021E	2022A	2023E	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E	
DATA Communications Management Corp.	TSX:DCM	\$2.76	\$150	\$3	\$62	\$209	\$235.3	\$270.0	\$457.5	\$20.8	\$32.0	\$28.9	0.9x	0.8x	0.5x	10.0x	6.5x	7.2x	
Tech-Enabled Marketing Workflow Providers																			
Cimpress plc	NASDAQ:CMPR	US\$54.30	US\$1,429.3	US\$183.3	US\$1,807.7	US\$3,079.4	US\$2,576.0	US\$2,887.6	US\$3,206.1	US\$246.4	US\$238.3	US\$362.5	1.2x	1.1x	1.0x	12.5x	12.9x	8.5x	
Deluxe Corporation	NYSE:DLX	US\$17.09	US\$742.7	US\$40.3	US\$1,760.0	US\$2,462.9	US\$2,022.2	US\$2,238.0	US\$2,213.4	US\$322.7	US\$412.0	US\$401.6	1.2x	1.1x	1.1x	7.6x	6.0x	6.1x	
dotdigital Group Plc	AIM:DOTD	£0.98	£292.6	£49.6	£2.3	£245.3	£58.1	£62.8	£70.4	£15.1	£22.1	£23.3	4.2x	3.9x	3.5x	16.2x	11.1x	10.5x	
Galaxy Digital Holdings Ltd.	TSX:GLXY	\$4.57	\$485	\$0	\$0	\$485	\$0	\$0	\$334	\$0	\$0	\$0			1.5x				
Harte Hanks, Inc.	NASDAQ:HHS	US\$6.25	US\$46.8	US\$13.1	US\$22.0	US\$55.7	US\$194.6	US\$206.3	US\$209.4	US\$15.2	US\$20.1	US\$17.2	0.3x	0.3x	0.3x	3.7x	2.8x	3.2x	
HubSpot, Inc.	NYSE:HUBS	US\$521.07	US\$25,865.2	US\$1,484.7	US\$797.3	US\$25,177.8	US\$1,300.7	US\$1,731.0	US\$2,089.1	-US\$32.6	US\$210.5	US\$344.5	19.4x	14.5x	12.1x		119.6x	73.1x	
Publicis Groupe S.A.	ENXTPA:PUB	€ 73.40	€ 18,299.38	€ 4,616.00	€ 6,561.00	€ 20,206.98	€ 11,738.00	€ 14,196.00	€ 12,928.04	€ 2,118.00	€ 2,726.34	€ 2,901.95	1.7x	1.4x	1.6x	9.5x	7.4x	7.0x	
Quadrat S.A.	ENXTPA:QDT	€ 18.16	€ 621.23	€ 172.20	€ 893.80	€ 1,352.39	€ 1,029.40	€ 1,024.30	€ 1,097.00	€ 188.40	€ 249.61	€ 255.75	1.3x	1.3x	1.2x	7.2x	5.4x	5.3x	
Startek, Inc.	NYSE:SRT	US\$2.81	US\$113.3	US\$15.8	US\$174.0	US\$338.5	US\$470.2	US\$385.1	US\$394.3	US\$45.9	US\$55.9	US\$40.4	0.7x	0.9x	0.9x	7.4x	6.1x	8.4x	
Teleperformance SE	ENXTPA:TEP	€ 150.95	€ 8,824.28	€ 817.00	€ 3,443.00	€ 11,450.28	€ 7,115.00	€ 8,154.00	€ 8,582.32	€ 1,164.00	€ 1,745.49	€ 1,892.91	1.6x	1.4x	1.3x	9.8x	6.6x	6.0x	
TTEC Holdings, Inc.	NASDAQ:TTEC	US\$35.62	US\$1,683.2	US\$151.4	US\$1,038.9	US\$2,591.5	US\$2,273.1	US\$2,443.7	US\$2,512.1	US\$330.3	US\$320.6	US\$304.2	1.1x	1.1x	1.0x	7.8x	8.1x	8.5x	
Zeta Global Holdings Corp.	NYSE:ZETA	US\$9.13	US\$1,938.4	US\$107.8	US\$183.8	US\$2,014.5	US\$458.3	US\$591.0	US\$700.8	-US\$199.8	US\$89.4	US\$119.5	4.4x	3.4x	2.9x		22.5x	16.9x	
Mean (EV/Rev <20; EV/EBITDA <100)												3.4x	2.8x	2.4x	9.1x	8.9x	14.0x		
Median												1.3x	1.3x	6.7x	7.8x	7.4x	8.4x		
Name	Ticker	Jun 12 Close (C\$)	Mkt Cap (C\$ M)	Cash (C\$ M)	Debt (C\$ M)	EV (C\$ M)	REVENUE (C\$ M)			EBITDA (C\$ M)			EV/Revenue			EV/EBITDA			
							2021A	2022A	2023E	2021A	2022E	2023E	2021A	2022E	2023E	2021A	2022E	2023E	
Canadian Advertising, Marketing & Technology Comps																			
AcuityAds Holdings Inc.	TSX:ILLM	\$2.28	\$128.0	\$80.2	\$9.4	\$57.2	\$122.0	\$121.0	\$131.2	\$11.1	\$6.6	\$5.7	0.5x	0.5x	0.4x	5.1x	8.7x	10.0x	
Adcore Inc.	TSX:ADCO	\$0.22	\$13.3	\$5.4	\$0.1	\$8.0	\$28.0	\$19.7		\$0.8			0.3x	0.4x		9.5x			
ARHT Media Inc.	TSXV:ART	\$0.14	\$0.0	\$1.8	\$0.1	-\$1.7	\$4.8	\$7.5	\$11.8	-\$4.8	-\$5.0	-\$5.9				0.3x	0.3x	0.3x	
Datable Technology Corporation	TSXV:DAC	\$0.01	\$1.1	\$0.2	\$3.1	\$3.9	\$3.5		\$5.3	-\$4.3		-\$0.8	1.1x		0.7x				
DeepMarkit Corp.	TSXV:MKT	\$0.01	\$0.8	\$0.2	\$0.0	\$0.7	\$0.0			-\$0.3			227.7x						
EQ Inc.	TSXV:EQ	\$1.13	\$78.5	\$0.8	\$0.1	\$77.8	\$12.1	\$11.0	\$17.0	-\$4.4	-\$4.9	-\$0.3	6.4x	7.1x	4.6x				
Fobi AI Inc.	TSXV:FOBI	\$0.29	\$47.5	\$0.4	\$0.0	\$47.1	\$1.7	\$1.6		-\$15.0			28.4x	30.1x					
Gatekeeper Systems Inc.	TSXV:GSI	\$0.47	\$0.1	\$1.2	\$1.4	\$0.2	\$15.0	\$22.2		-\$0.3			0.0x	0.0x					
Reklam Ltd.	TSXV:MYID	\$0.04	\$3.8	\$0.1	\$1.5	\$5.2	\$1.0	\$2.4		-\$6.5			5.2x	2.2x					
Snipp Interactive Inc.	TSXV:SPN	\$0.16	\$45.2	\$6.2	\$0.0	\$38.9	\$15.3			\$0.7			2.5x			59.5x			
YANGAROO Inc.	TSXV:YOO	\$0.05	\$3.1	\$0.2	\$3.3	\$6.3	\$7.7			\$0.0			0.8x	0.8x					
Yellow Pages Limited	TSXV:Y	\$12.07	\$225.2	\$49.7	\$46.4	\$221.9	\$287.6	\$268.3	\$251.8	\$88.5	\$99.2	\$84.7	0.8x	0.8x	0.9x	2.5x	2.2x	2.6x	
Zoomd Technologies Ltd.	TSXV:ZOMD	\$0.08	\$7.8	\$2.7	\$4.7	\$9.9	\$52.6	\$53.0		\$3.2			0.2x	0.2x		3.0x			
Mean (EV/Rev <20; EV/EBITDA <100)												1.8x	1.5x	1.7x	13.3x	3.7x	4.3x		
Median												1.0x	0.8x	0.8x	4.1x	2.2x	2.6x		

Source: S&P Capital IQ; eResearch Corp.

Appendix C: eResearch Disclosure

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ANALYST ACCREDITATION

eResearch Analyst on this Report: Chris Thompson CFA, MBA, P.Eng.

Analyst Affirmation: I, Chris Thompson, hereby state that, at the time of issuance of this research report, I do not own common shares, share options, or share warrants of **DATA Communications Management Corp. (TSX: DCM)**.

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