



REVISIONS	Rev.	Prior
Rating	Buy	Buy
Target Price (C\$)	\$6.90	\$6.90
Revenue 2023E (M)	\$448.8	\$448.8
EBITDA 2023E (M)	\$38.1	\$38.1
EPS 2023 (M)	-\$0.10	-\$0.10

MARKET DATA

Date:	Feb 29, 2024
Current Price (C\$):	\$3.49
Target Price (C\$):	\$6.90
52-Week Range:	\$1.75 / \$3.81
Shares O/S (M):	55.0
Mkt Cap (C\$M):	\$192.0
EV (C\$M):	\$436.5
Avg. Weekly Vol. (M):	0.46

Website: www.datacm.com

FINANCIALS

(\$M)	2022A	2023E	2024E
Revenue	\$273.8	\$448.8	\$551.0
EBITDA	\$32.0	\$38.1	\$60.7
Adj. EBITDA	\$40.7	\$63.3	\$89.0
EPS	\$0.30	-\$0.10	\$0.26
Cash	\$4.2	\$20.9	\$24.9
Current Assets	\$82.1	\$176.7	\$176.7
Total Assets	\$149.5	\$413.7	\$391.7
Debt	\$27.0	\$103.6	\$79.4
Lease Liabilities	\$39.8	\$148.7	\$143.5
Total Liabilities	\$126.6	\$367.9	\$328.3
Fiscal Year End:	31-Dec		

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

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

DATA Communications Management Corp.

(TSX: DCM | OTC: DCMDF)

MediaValet Acquisition Multiple Bodes Well for DCM's Valuation as its Pays Down Debt and Focuses on Tech Strategy

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 & Industry Updates:

- **STG Partners'** acquisition of **MediaValet Inc.** for \$79 million, valued the company at 5.0x Revenue, indicating a positive outlook for the valuation of other Canadian SaaS and DAM companies. **DCM**, with a current trading multiple of 1.0x EV/Revenue, could benefit as it advances its Print-to-Digital strategy and increases SaaS revenue. **DCM** continues its guidance of 5% organic revenue growth and growing its marketing technology solutions at more than 60% in 2024.
- **DCM** completed the sale and leaseback of its Trenton, Ontario facility for \$9.0 million. The recent series of sale and leaseback transactions have collectively raised \$37.8 million in net proceeds and paid down acquisition-related financing following the acquisition of **Moore Canada Corporation (MCC)** in April 2023.
- **DCM** secured a 5th place ranking in the 2024 OTCQX Best 50, reflecting its significant growth, following the acquisition of **MCC**. This recognition highlights **DCM's** performance, enhanced market liquidity, and commitment to high financial and governance standards, positioning the company for sustained growth and long-term value creation.

Financial Analysis & Valuation:

- At this time, we did not update our model. We are awaiting 2023 financials that are expected near the end of March 2024.
- We estimate an equal-weighted price target of \$6.90 based on a DCF valuation (\$9.31/share), a Revenue Multiple valuation (\$6.17/share), and an EBITDA Multiple valuation (\$5.10/share).
- **We are maintaining a Buy rating and a one-year price target of \$6.90.**

All figures in CAD unless otherwise stated.

eResearch Corporation

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Company & Industry Update

MediaValet Acquired by STG Partners

- On January 24, 2024, **MediaValet Inc.**, a provider of Digital Asset Management (DAM) solutions, announced its acquisition by an affiliate of **STG Partners**, a private equity firm with a focus on technology investments.
- **STG** agreed to purchase **MediaValet's** shares at \$1.71 each, valuing the company at \$79 million, a 30% premium over its closing share price on January 23, 2024. This transaction, expected to close in the first quarter of 2024, values **MediaValet** at a 5.0x multiple of its last twelve months' revenue, indicating a positive outlook for the valuation of other Canadian SaaS and DAM companies trading below this multiple.
- The all-cash deal underscores the importance of DAM in the modern content-centric business landscape and the attractiveness of Software-as-a-Service (SaaS) models, known for their recurring revenue streams and revenue predictability.
- The acquisition is part of a broader trend of private equity investments in Canadian tech firms, highlighted by several significant transactions in 2023, including **Caisse de Dépôt's** purchase of **H2O Innovation** (\$460.9 million), **Crosspoint Capital Partners'** acquisition of **Absolute Software** (\$867.6 million), **Impactreneur Capital's** acquisition of **BBTV Holdings** (\$28.5 million) and **Sumeru Equity Partners'** acquisition of **Q4** (\$225.4 million).
- **MediaValet's** acquisition is seen as a strategic move by **STG** to bolster product development and market presence in the DAM sector. **MediaValet** offers enterprise-grade DAM solutions on Microsoft Azure, serving over 500 customers worldwide across various industries. The company's platform supports a wide range of digital media and integrates with leading tools like Adobe Creative Cloud and Microsoft Office 365.
- This acquisition not only highlights the growing demand for efficient and scalable DAM solutions amidst digital transformation challenges but also reflects the broader trend of strategic investments fostering innovation and growth in the technology sector.
- The deal is expected to have positive implications for the Canadian SaaS and DAM market, potentially leading to upward valuation adjustments for similar companies.
- **DCM**, with a current trading multiple of 1.0x EV/Revenue, may see valuation benefits as it advances its Print-to-Digital strategy and increases SaaS revenue. The Company had reiterated its commitment to an overall annual organic revenue growth rate of more than 5%, including a revenue growth rate in its marketing technology solutions of more than 60% in 2024.

DCM Completes the Strategic Sale & Leaseback of its Trenton Facility

- On January 17, 2024, **DCM** completed the sale and leaseback of its Trenton, Ontario facility. The transaction returned gross proceeds of \$9.0 million, with net proceeds of approximately \$8.5 million after accounting for closing commissions, rent deposits, and other related expenses.
- These funds have been efficiently directed towards reducing the Company's obligations under its revolving line of credit with a Canadian chartered bank.
- This recent transaction is part of a broader strategy following **DCM's** acquisition of **MCC** in April 2023. It signifies the completion of sale and leaseback agreements for all three properties acquired as part of the **MCC** acquisition.

- The three transactions have collectively raised \$39.8 million in gross proceeds, translating to about \$37.8 million in net proceeds. **DCM** has allocated these funds to pay down the financing associated with the acquisition, thereby enhancing its financial flexibility and strengthening its balance sheet.
- This transaction follows the announcement in December 2023 of the sale and leaseback of its Fergus, Ontario facility that resulted in net proceeds of \$6.5 million, which, supplemented by working capital, was used to pay down \$6.9 million of the remaining balance on the Company's \$30 million term loan. This loan was initially obtained for the acquisition of **MCC** in April 2023 and had been partially reduced by proceeds from a previous sale and leaseback of the Oshawa warehouse.
- This series of transactions underscores **DCM's** commitment to optimizing its asset portfolio and focus on debt reduction as a key strategic priority, positioning the Company for sustained growth and success in the competitive North American market.

DCM Secures Top 5 Spot in 2024 OTCQX Best 50 for Outstanding Market Performance

- **DCM** was given a fifth-place ranking in the [2024 OTCQX Best 50](#). This list recognizes the top-performing companies on the OTCQX Best Market for the year 2023.
- **DCM's** achievement reflects the Company's significant progress and success over the past year, notably the strategic acquisition of **MCC**. This move expanded **DCM's** scale and capabilities and also positioned the Company for sustained long-term growth and value creation. The acquisition drew considerable attention from capital markets, enhancing the liquidity in **DCM's** shares and underscoring the Company's strong performance and potential.
- The OTCQX Best 50 is an annual ranking that highlights the top 50 U.S. and international companies traded on the OTCQX market, based on a combination of one-year total return and average daily dollar volume growth.
- The inclusion of **DCM** in this list underscores the Company's outstanding performance in 2023 and its commitment to high financial standards, corporate governance best practices, and compliance with securities laws, which are essential criteria for qualification on the OTCQX market.

Valuation

DCM Comps

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 1.0x (2023E Revenue);
- EV/EBITDA of 6.5x (2023E EBITDA).

(2) DAM:

- EV/Revenue of 3.5x (2023E Revenue);
- EV/EBITDA of 20.9x (2023E EBITDA).

(3) Tech-Enabled Marketing Workflow:

- EV/Revenue of 2.9x (2023E Revenue);
- EV/EBITDA of 15.4x (2023E EBITDA).

DCM Valuation

Currently, **DCM** is trading at 1.0x our 2023 revenue estimate of \$448.8 million and 11.5x our 2023 EBITDA estimate of \$38.1 million. These multiples are at the low end of the revenue and EBITDA multiples compared to the various industry multiples and highlight the potential for **DCM's** share price appreciation. As **DCM** shifts to more Tech-Enabled solutions, we expect its valuation multiples to increase.

Figure 1: Valuation Multiples Comparing our Model to DCM and the Sector Averages (2023E)

	Model	DCM (Market)	Conventional Print Solutions	DAM	Tech-Enabled Marketing Workflow
Revenue	1.0x	1.0x	1.0x	3.5x	2.9x
EBITDA	8.0x	11.5x	6.5x	20.9x	15.4x

Source: See Appendix B; eResearch Corp.

For 2023 through 2028, we have maintained our organic revenue growth rate of 5%, in line with the Company's target of 5% but recognize the higher revenue growth in 2023 and 2024 due to the acquisition of **MCC**.

We have maintained our estimate of improving gross margins and EBITDA through facility consolidation and the migration to higher-margin digital services, hitting 26% in 2024 and growing to 29% by 2028.

We estimate the Company could generate \$60.7 million of EBITDA in 2024, which could be allocated towards debt reduction, dividend distribution, or exploring further acquisition opportunities.

[Figure 2](#) highlights the revenue growth and gross margin assumptions we use in our model to reach our estimates.

Figure 2: Model Assumptions and Company Guidance

METRIC	RATE			DCM Guidance
	2023E	2024E	2025E-2028E	
Revenue Growth	64%	21%	5%	+5% Organic
Gross Margins	27%	26%	26%-29%	+30%
Adj. EBITDA Margins	14%	16%	15%	+14%

Source: Company Presentation (2023); eResearch Corp.

Target Price Calculation

Method 1: Discounted Cash Flow (see [Figure 4](#)): Using a Weighted Average Cost of Capital (WACC) of 14% and a Terminal Multiple of 8.0x EBITDA in 2028, the one-year target share price estimate is \$9.31.

Method 2: Revenue Multiple (see [Figure 3](#)): Using a revenue multiple of 1.0x and a one-year forward Revenue estimate of \$544.4 million, the one-year target share price estimate is \$6.17.

Method 3: EBITDA Multiple (see [Figure 3](#)): Using an EBITDA multiple of 8.0x and a one-year forward EBITDA estimate of \$59.7 million, the one-year target share price estimate is \$5.10.

The equal-weighted price per share is \$6.86 and we are maintaining the one-year price target at \$6.90.

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

Figure 3: Target Price (1 Year) Calculation

						SHARES	TARGET
Method 1: DCF (5-year)	WACC:14%	Terminal Multiple: 8x EBITDA	See DCF calculation.			59.0M	\$9.31
			ENT. VALUE	Net Debt Q4/2024	MARKET CAP	SHARES	TARGET
Method 2: Revenue Multiple	1.0x	1 Year Fwd Revenue (Est.): \$544.4M	\$544.4M	\$188.3M	\$356.1M	57.7M	\$6.17
Method 3: EBITDA Multiple	8.0x	1-Year Fwd EBITDA (Est.): \$59.7M	\$477.6M	\$188.3M	\$289.3M	57.7M	\$5.10
Equal-Weighted Target Price (1 year)							\$6.86

Source: eResearch Corp.

Figure 4: DCF Analysis

DATA Communications Management Corp. FYE (December 31)							
DCF Analysis (C\$)	2022A	2023E	2024E	2025E	2026E	2027E	2028E
Revenue (\$)	273.8	448.8	551.0	578.5	607.4	637.8	669.7
Revenue Growth	16.3%	63.9%	22.8%	5.0%	5.0%	5.0%	5.0%
EBITDA (\$)	32.0	38.1	60.7	62.3	68.0	74.8	82.8
EBITDA Growth	53.5%	19.1%	59.5%	2.6%	9.2%	10.0%	10.6%
EBITDA Margin	11.7%	8.5%	11.0%	10.8%	11.2%	11.7%	12.4%
Depreciation and Amortization	11.2	22.7	39.8	28.3	30.2	25.3	21.1
EBIT (\$)	20.8	15.4	20.9	34.0	37.8	49.6	61.6
NOPAT	38.6	26.8	57.8	60.2	71.3	83.3	96.4
Plus Amortization (\$)	11.2	22.7	39.8	28.3	30.2	25.3	21.1
Less Capital Expenditures (\$)	(1.5)	(9.7)	(17.8)	(5.8)	(4.8)	(4.0)	(3.3)
Net Working Capital Changes	(11.8)	14.7	0.4	(2.1)	(2.1)	(2.1)	(2.2)
EPS (Continuing)	0.30	(0.10)	0.26	0.52	0.65	0.78	0.92
Unlevered Free Cash Flow (\$)	36.4	54.4	80.2	80.6	94.6	102.5	112.1
PV of Unlevered FCFs (\$)	40.7	53.5	69.1	60.9	62.7	59.6	57.2

Valuation Assumptions:			
Discount Rate	14.0%		
Terminal Multiple	8.0x		
Valuation Analysis:			
	Current	1-Yr Target	2-Yr Target
Total PV of FCFs (\$M)	363.0	352.9	312.5
Terminal Value (\$M)	662.2	662.2	662.2
PV of Terminal Value (\$M)	337.8	385.2	439.1
Net (debt) cash position	(246.2)	(188.3)	(135.3)
Total Value (\$M)	454.7	549.8	616.4
DCF Value/Share (C\$)	C\$7.70	C\$9.31	C\$10.44
DCF Value/Share (US\$)	US\$5.57	US\$6.73	US\$7.55
FD Shares O/S (M)*	59.0	59.0	59.0

*Using the Treasury Method

Source: Company Reports; eResearch Corp.

Figure 5: Sensitivity Chart – Discount Rate and Terminal EV/EBITDA Multiple

	Discount Rate	Terminal EV/EBITDA Multiplier						
		5.00	6.00	7.00	8.00	9.00	10.00	11.00
	10.0%	7.98	8.92	9.87	10.81	11.76	12.71	13.65
	12.0%	7.40	8.28	9.15	10.03	10.91	11.79	12.66
	14.0%	6.87	7.68	8.50	9.31	10.13	10.94	11.76
	16.0%	6.37	7.13	7.89	8.65	9.41	10.17	10.93
	18.0%	5.92	6.63	7.34	8.04	8.75	9.46	10.17
	20.0%	5.50	6.16	6.82	7.48	8.14	8.80	9.46

Source: Company Reports; eResearch Corp.

Figure 6: Shares Outstanding for Fully Diluted Share Count and Valuation

Shares, Options, and Warrants ('000)	
Shares Outstanding: Basic - End of the Current Quarter (Sep 30/23)	55,023
Options Outstanding: 4.8 million at an average exercise price of \$1.31	4,779
Warrants Outstanding: 0.3 million at an average exercise price of \$3.16	261
Fully Diluted Share Count	60,063

Shares Outstanding - Valuation using Multiples ('000)	
Shares Outstanding: Basic - End of the Previous Quarter (Jun 30/23)	55,023
Shares Issued in the Quarter	-
Shares Outstanding: Basic - End of the Current Quarter (Sep 30/23)	55,023
Shares Issued after the Quarter End	-
Updated Share Count for Next Quarter	55,023
- In the Money Options: Stock Price above Strike Price*	2,673
- In the Money Warrants: Stock Price above Strike Price*	-
Updated Shares Outstanding, Fully Diluted: After the Quarter End (Multiples)	57,696

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

Shares Outstanding - DCF Valuation ('000)	
Shares Outstanding: Basic - End of the Current Quarter (Sep 30/23)	55,023
Shares Issued after the Quarter End	-
Updated Share Count for Next Quarter	55,023
- In the Money Options: Target Price above Strike Price*	3,869
- In the Money Warrants: Target Price above Strike Price*	141
Updated Shares Outstanding, Fully Diluted: After the Quarter End (DCF)	59,033

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

Source: Company Reports; eResearch Corp.

Appendix A: Financial Statements

Figure 7: Income Statement

DCM	2022A	Q123A	Q223A	Q323A	Q423E	2023E	2024E	2025E
Income Statement - FYE (December 31); CAD ('000)								
Total Revenue	273,804	76,077	118,963	122,721	131,000	448,761	550,951	578,498
Total Cost of Sales	189,580	52,442	86,926	92,380	96,940	328,688	407,491	428,089
Gross Profit	84,224	23,635	32,037	30,341	34,060	120,073	143,460	150,410
Sales & Marketing	29,137	8,562	9,850	10,010	10,087	38,509	40,694	42,809
General and Administrative	26,477	10,107	12,970	14,800	14,410	52,287	56,638	59,585
Other operating costs	1,208	-	-	717	-	717	-	-
Restructuring Charges	-	-	2,729	7,009	-	9,738	-	-
Stock Based Compensation	328	85	184	255	655	1,179	2,755	2,892
Total Operating Expenses	57,150	18,754	25,733	32,791	25,152	102,430	100,087	105,287
Operating Income	27,074	4,881	6,304	(2,450)	8,908	17,643	43,373	45,123
Other Income (Expenses):								
Interest on Loan Payable	(2,742)	(543)	(2,480)	(2,550)	(2,319)	(7,892)	(7,474)	(5,460)
Acquisition and Integration Costs	(1,870)	(6,118)	(3,837)	(244)	(2,000)	(12,199)	(16,000)	-
Other	(2,567)	(612)	(3,469)	(2,663)	-	(6,744)	-	-
Total Other Income	(7,179)	(7,273)	(9,786)	(5,457)	(4,319)	(26,835)	(23,474)	(5,460)
EBT	19,895	(2,392)	(3,482)	(7,907)	4,589	(9,192)	19,899	39,662
Income Taxes	(5,929)	(39)	603	3,722	(1,147)	3,139	(4,975)	(9,916)
Net Income (Loss)	13,966	(2,431)	(2,879)	(4,185)	3,442	(6,053)	14,924	29,747
EPS								
Basic EPS	0.32	(0.06)	(0.06)	(0.08)	0.06	(0.11)	0.27	0.54
Diluted EPS	0.30	(0.06)	(0.06)	(0.08)	0.06	(0.10)	0.26	0.52
Basic EPS- ex-non-recurring items		0.13	0.08					
Shares Outstanding								
Shares Outstanding, Basic (Weighted)	44,063	44,063	49,055	55,023	55,023	55,023	55,023	55,023
Shares Outstanding, Diluted (Weighted)	46,572	44,063	46,148	55,023	57,696	57,696	57,696	57,696
Shares Outstanding, Basic (End of Quarter)	44,063	44,063	55,023	55,023	-	-	-	-

Source: Company Reports; eResearch Corp.

Figure 8: Balance Sheet

DCM	2022A	2023E	2024E	2025E
Balance Sheet - FYE (December 31); CAD ('000)				
Current Assets				
Cash	4,208	20,887	24,884	37,148
Account Receivables	54,630	100,424	102,433	105,973
Prepaid Expenses & Other Assets	2,984	4,671	5,946	6,127
Inventory	20,220	38,219	40,672	42,136
Income taxes receivable	15	2,788	2,788	2,788
Held for Sale	0	9,726	0	0
Total Current Assets	82,057	176,715	176,723	194,171
Non-Current Assets				
Deferred Income Tax Assets	4,830	7,599	7,599	7,599
Property and Equipment	6,779	40,555	45,086	37,327
Pension Assets	2,830	1,791	1,791	1,791
Intangible Assets	2,507	12,604	10,266	8,362
Goodwill	16,973	16,996	16,996	16,996
Right-of Use and Other	33,505	157,399	133,241	112,767
Total Assets	149,481	413,659	391,702	379,012
Current Liabilities				
Accounts Payables/Accrued Liabilities	44,133	73,252	79,084	81,931
Lease Liability	6,791	17,030	17,882	18,776
Current Portion of Debt/Promissory Notes	11,667	19,885	50,061	32,845
Provisions	1,316	7,712	7,712	7,712
Deferred Revenue - Current	3,942	5,240	5,502	5,777
Taxes Payable	1,630	0	0	0
Total Current Liabilities	69,479	123,119	160,241	147,041
Non-Current Liabilities				
Term Loan/Promissory Notes	0	83,763	29,330	19,243
Credit Facilities	15,380	0	0	0
Lease Liability	33,011	131,684	111,080	90,758
Provision/Loan Payable/Benefits Payable	8,764	21,465	19,745	18,025
Other	0	7,916	7,916	7,916
Total Liabilities	126,634	367,947	328,311	282,983
Shareholders Equity				
Capital Stock	256,478	283,738	283,738	283,738
Warrants & Options	869	219	219	219
Accumulated OCI	207	204	204	204
Contributed Surplus	3,131	3,639	6,394	9,286
Deficit	(237,838)	(242,088)	(227,164)	(197,417)
Total Shareholders Equity	22,847	45,712	63,391	96,030
Total Liabilities & Shareholders Equity	149,481	413,659	391,702	379,012

Source: Company Reports; eResearch Corp.

Figure 9: Cash Flow Statement

DCM	2022A	2023E	2024E	2025E
Cash Flow Statement - FYE (December 31); CAD ('000)				
Cash Provided By Operating Activities				
Net Income (Loss)	13,966	(6,054)	14,924	29,747
Amortization of Intangibles	1,606	2,981	3,273	2,666
Depreciation of Property & Equipment	2,965	6,566	12,377	12,812
Depreciation of Right-of-Use Assets	6,609	13,115	24,158	20,474
Interest Expense on Lease Liabilities	2,223	6,369	8,465	7,286
Stock Based Compensation Expense	328	1,179	2,755	2,892
Pension Expense	351	(430)	(1,720)	(1,720)
Loss on Disposal of Intangible Assets	98	-	-	-
Provisions	-	9,738	-	-
Income Tax Expense	5,929	(8,140)	-	-
Finance Cost	120	-	-	-
Other	328	517	-	-
Changes in Non-Cash Working Capital				
Account & Other Receivables	(3,063)	13,946	(2,008)	(3,540)
Inventory	(8,087)	4,982	(2,453)	(1,464)
Prepaid Expenses & Other Current Assets	(43)	(1,031)	(1,275)	(180)
Accounts Payable & Other Payables	6,888	(255)	5,832	2,847
Other	(5,056)	-	-	-
Provisions	(3,160)	(2,580)	-	-
Deferred (Unbilled) Revenue	673	(390)	262	275
Total Cash Provided By Operating Activities	22,675	40,513	64,589	72,095
Investing Activities				
Purchase of Property & Equipment	(1,475)	(9,346)	(16,908)	(5,053)
Purchase of Intangibles	(71)	(377)	(935)	(762)
Business (Acquisition) Sale	70	(106,862)	-	-
Total Cash From Investing Activities	(1,476)	(116,585)	(17,843)	(5,815)
Financing Activities				
Proceeds from Loan/Promissory Notes	-	155,640	-	-
Repayment of Loan/Promissory Notes	-	(71,057)	(14,531)	(27,302)
Operating Line/Credit Facility (Repayment)	(9,716)	-	-	-
Repayment of Other Liabilities	515	-	-	-
Transaction Costs	-	(1,802)	-	-
Lease Payments	(8,730)	(15,481)	(28,217)	(26,714)
Proceeds from exercise of Stock Options and Warrants	-	1,240	-	-
Issue/Repurchase of Equity	-	24,221	-	-
Total Cash From Financing Activities	(17,931)	92,761	(42,749)	(54,017)
Effect of Exchange Rates on Cash	39	(9)	-	-
Net Increase in Cash	3,307	16,679	3,997	12,264
Beginning Cash	901	4,208	20,887	24,884
Ending Cash	4,208	20,887	24,884	37,148

Source: Company Reports; eResearch Corp.

Appendix B: Company Comparables by Industry

Figure 10: U.S. and Canadian Comparables – Conventional Print Solution Providers and DAM Solution Providers

Name	Ticker	Feb 29 Close (\$)	Mkt Cap (\$M)	EV (\$M)	REVENUE (\$M)			EBITDA (\$M)			EV/Revenue			EV/EBITDA		
					2022A	2023E	2024E	2022A	2023E	2024E	2022A	2023E	2024E	2022A	2023E	2024E
DATA Communications Management Corp.	TSX:DCM	\$3.49	\$192	\$438	\$270.0	\$448.8	\$551.0	\$32.0	\$38.1	\$60.7	1.6x	1.0x	0.8x	13.7x	11.5x	7.2x
US Comps - Conventional Print Solution Providers																
ARC Document Solutions, Inc.	NYSE:ARC	US\$2.71	US\$116	US\$157	US\$286	US\$281	US\$284	US\$40	US\$39	US\$38	0.5x	0.6x	0.6x	3.9x	4.0x	4.1x
Canon Inc.	TSE:7751	US\$29.24	US\$28,881	US\$32,569	US\$30,570	US\$29,876	US\$28,642	US\$4,598	US\$4,410	US\$4,301	1.1x	1.1x	1.1x	7.1x	7.4x	7.6x
Cimpress plc	NASDAQ:CMPR	US\$93.81	US\$2,499	US\$3,955	US\$2,888	US\$3,180	US\$3,395	US\$238	US\$399	US\$478	1.4x	1.2x	1.2x	16.6x	9.9x	8.3x
Ennis, Inc.	NYSE:EBF	US\$20.32	US\$526	US\$434	US\$400	US\$431	US\$423	US\$77	US\$80	US\$76	1.1x	1.0x	1.0x	5.7x	5.4x	5.7x
Quad/Graphics, Inc.	NYSE:QUAD	US\$5.99	US\$313	US\$885	US\$3,217	US\$2,928	US\$2,738	US\$0	US\$227	US\$225	0.3x	0.3x	0.3x	3.9x	3.9x	
Xerox Holdings Corporation	NASDAQ:XXR	US\$18.65	US\$2,316	US\$5,490	US\$6,900	US\$6,940	US\$6,588	US\$474	US\$600	US\$609	0.8x	0.8x	0.8x	11.6x	9.2x	9.0x
Mean (EV/Rev <20; EV/EBITDA <100)											0.9x	0.8x	0.8x	9.0x	6.6x	6.4x
Median											0.9x	0.9x	0.9x	7.1x	6.4x	6.6x
Cdn Comps - Conventional Print Solution Providers																
CCL Industries Inc.	TSX:CCL.B	\$69.18	\$12,300	\$13,808	\$6,382	\$6,641	\$7,033	\$1,246	\$1,315	\$1,423	2.2x	2.1x	2.0x	11.1x	10.5x	9.7x
Supremex Inc.	TSX:SXP	\$3.81	\$98	\$186	\$272	\$304	\$284	\$57	\$52	\$41	0.7x	0.6x	0.7x	3.2x	3.6x	4.5x
Transcontinental Inc.	TSX:TCL.A	\$14.34	\$1,242	\$2,222	\$2,973	\$2,925	\$2,920	\$456	\$456	\$447	0.7x	0.8x	0.8x	4.9x	4.9x	5.0x
Mean (EV/Rev <20; EV/EBITDA <100)											1.2x	1.2x	1.1x	6.4x	6.3x	6.4x
Median											0.7x	0.8x	0.8x	7.1x	6.4x	6.4x
US Comps - Digital Asset Management (DAM) Solution Providers (PaaS/SaaS)																
Adobe Inc.	NASDAQ:ADBE	US\$560.28	US\$253,247	US\$249,485	US\$17,606	US\$19,383	US\$21,496	US\$8,795	US\$9,740	US\$10,725	14.2x	12.9x	11.6x	28.4x	25.6x	23.3x
Box, Inc.	NYSE:BOX	US\$25.79	US\$3,703	US\$4,272	US\$874	US\$1,038	US\$1,088	US\$295	US\$305	US\$347	4.9x	4.1x	3.9x	14.5x	14.0x	12.3x
Fluent, Inc.	NASDAQ:FLNT	US\$0.55	US\$45	US\$60	US\$361	US\$300	US\$303	US\$25	US\$6	US\$10	0.2x	0.2x	0.2x	2.4x	10.5x	5.8x
LiveRamp Holdings, Inc.	NYSE:RAMP	US\$34.98	US\$2,315	US\$1,828	US\$529	US\$634	US\$694	US\$51	US\$105	US\$119	3.5x	2.9x	2.6x	35.8x	17.5x	15.4x
Open Text Corporation	NASDAQ:OTEX	US\$38.49	US\$10,302	US\$18,140	US\$3,494	US\$5,653	US\$5,828	US\$1,226	US\$1,872	US\$2,168	5.2x	3.2x	3.1x	14.8x	9.7x	8.4x
QuinStreet, Inc.	NASDAQ:QNST	US\$14.63	US\$803	US\$770	US\$582	US\$543	US\$693	US\$17	US\$12	US\$38	1.3x	1.4x	1.1x	45.2x	65.5x	20.4x
Smartsheet Inc.	NYSE:SMAR	US\$42.21	US\$5,751	US\$5,236	US\$551	US\$957	US\$1,142	-US\$21	US\$118	US\$143	9.5x	5.5x	4.6x	44.5x	36.5x	
TechTarget, Inc.	NASDAQ:TTGT	US\$31.71	US\$901	US\$1,006	US\$297	US\$229	US\$232	US\$121	US\$70	US\$73	3.4x	4.4x	4.3x	8.3x	14.4x	13.8x
Mean (EV/Rev <20; EV/EBITDA <100)											5.3x	4.3x	3.9x	21.3x	25.2x	17.0x
Median											4.2x	3.7x	3.5x	14.8x	15.9x	14.6x
CDN Comps - Digital Asset Management (DAM) Solution Providers (PaaS/SaaS)																
illumin Holdings Inc.	TSX:ILLM	\$1.66	\$84.6	\$34.1	\$121.0	\$129.1	\$142.0	\$6.4	\$2.1	\$6.6	0.3x	0.3x	0.2x	5.3x	16.5x	5.2x
Fobi AI Inc.	TSXV:FOBI	\$0.09	\$17.0	\$16.8	\$1.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	10.7x					
MediaValet Inc.	TSX:MVP	\$1.69	\$74.1	\$76.5	\$12.8	\$16.6	\$20.9	-\$9.5	-\$6.6	-\$2.0	6.0x	4.6x	3.7x			
TrueContext Corporation	TSXV:TCXT	\$0.77	\$102.9	\$104.5	\$21.3	\$33.9	\$39.8	-\$4.7	-\$1.1	\$3.1	4.9x	3.1x	2.6x			34.2x
Mean (EV/Rev <20; EV/EBITDA <100)											5.5x	2.7x	2.2x	5.3x	16.5x	19.7x
Median											5.4x	3.1x	2.6x	5.3x	16.5x	19.7x

Source: S&P Capital IQ; eResearch Corp.

Figure 11: U.S. and Canadian Comparables – Tech-Enabled Marketing Workflow Providers and Canadian Tech

Name	Ticker	Feb 29 Close (\$)	Mkt Cap (\$M)	EV (\$M)	REVENUE (\$M)			EBITDA (\$M)			EV/Revenue			EV/EBITDA		
					2022A	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
DATA Communications Management Corp.	TSX:DCM	\$3.49	\$192	\$438	\$270.0	\$448.8	\$551.0	\$32.0	\$38.1	\$60.7	1.6x	1.0x	0.8x	13.7x	11.5x	7.2x
Tech-Enabled Marketing Workflow Providers																
Cimpress plc	NASDAQ:CMPR	US\$93.81	US\$2,498.8	US\$3,955.3	US\$2,887.6	US\$3,180.5	US\$3,395.4	US\$238.3	US\$399.1	US\$478.2	1.4x	1.2x	1.2x	16.6x	9.9x	8.3x
Deluxe Corporation	NYSE:DLX	US\$19.51	US\$855.5	US\$2,478.8	US\$2,238.0	US\$2,213.4	US\$2,213.4	US\$412.0	US\$411.3	US\$408.2	1.1x	1.1x	1.1x	6.0x	6.0x	6.1x
dotdigital Group Plc	AIM:DOTD	£0.94	£287.8	£237.3	£62.8	£73.9	£82.4	£22.0	£23.0	£25.2	3.8x	3.2x	2.9x	10.8x	10.3x	9.4x
Galaxy Digital Holdings Ltd.	TSX:GLXY	\$15.05	\$1,645	\$1,645	\$0	\$535	\$514	\$0	\$0	\$0				3.1x	3.2x	
Harte Hanks, Inc.	NASDAQ:HHS	US\$7.68	US\$55.4	US\$61.1	US\$206.3	US\$189.0	US\$189.9	US\$20.1	US\$14.6	US\$16.4	0.3x	0.3x	0.3x	3.0x	4.2x	3.7x
HubSpot, Inc.	NYSE:HUBS	US\$610.68	US\$30,945.6	US\$30,345.2	US\$1,731.0	US\$2,147.0	US\$2,561.5	US\$210.5	US\$388.6	US\$493.0	17.5x	14.1x	11.8x	144.2x	78.1x	61.6x
Publicis Groupe S.A.	ENXTPA:PUB	€ 97.94	€ 24,527.75	€ 26,614.71	€ 14,196.00	€ 13,095.79	€ 13,777.18	€ 2,726.34	€ 2,919.16	€ 2,998.34	1.9x	2.0x	1.9x	9.8x	9.1x	8.9x
Quadient S.A.	ENXTPA:QDT	€ 19.36	€ 665.70	€ 1,422.06	€ 1,024.30	€ 1,077.63	€ 1,111.70	€ 249.61	€ 250.03	€ 265.84	1.4x	1.3x	1.3x	5.7x	5.7x	5.3x
Teleperformance SE	ENXTPA:TEP	€ 114.45	€ 6,962.00	€ 9,607.00	€ 8,154.00	€ 8,487.24	€ 10,652.49	€ 1,745.49	€ 1,817.57	€ 2,271.43	1.2x	1.1x	0.9x	5.5x	5.3x	4.2x
TTEC Holdings, Inc.	NASDAQ:TTEC	US\$17.33	US\$821.9	US\$1,790.8	US\$2,443.7	US\$2,440.1	US\$2,452.4	US\$320.6	US\$274.7	US\$279.3	0.7x	0.7x	0.7x	5.6x	6.5x	6.4x
Zeta Global Holdings Corp.	NYSE:ZETA	US\$10.50	US\$2,293.4	US\$2,354.1	US\$591.0	US\$725.9	US\$874.3	US\$89.4	US\$126.6	US\$165.8	4.0x	3.2x	2.7x	26.3x	18.6x	14.2x
Mean (EV/Rev <20; EV/EBITDA <100)											3.3x	2.9x	2.6x	9.9x	15.4x	12.8x
Median											1.4x	1.3x	1.3x	7.9x	7.8x	7.3x

Name	Ticker	Feb 29 Close (C\$)	Mkt Cap (C\$ M)	EV (C\$ M)	REVENUE (C\$ M)			EBITDA (C\$ M)			EV/Revenue			EV/EBITDA		
					2022A	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Canadian Advertising, Marketing & Technology Comps																
illumin Holdings Inc.	TSX:ILLM	\$1.66	\$84.6	\$34.1	\$121.0	\$129.1	\$142.0	\$6.4	\$2.1	\$6.6	0.3x	0.3x	0.2x	5.3x	16.5x	5.2x
Adcore Inc.	TSX:ADCO	\$0.21	\$12.3	\$6.8	\$19.7						0.3x					
ARHT Media Inc.	TSXV:ART	\$0.06	\$0.0	\$1.9	\$7.5	\$6.6	\$9.7	-\$5.0	-\$7.9	-\$5.7	0.2x	0.3x	0.2x			
Datable Technology Corporation	TSXV:DAC	\$0.01	\$1.1	\$4.5	\$3.9	\$5.3			-\$0.8		1.1x	0.8x				
DeepMarkit Corp.	TSXV:MKT	\$0.10	\$0.5	\$0.5												
EQ Inc.	TSXV:EQ	\$1.00	\$69.5	\$70.0	\$11.0			-\$4.9			6.4x					
Fobi AI Inc.	TSXV:FOBI	\$0.09	\$17.0	\$16.8	\$1.6						10.7x					
Gatekeeper Systems Inc.	TSXV:GSI	\$0.62	\$0.1	-\$1.1	\$22.2											
Reklaim Ltd.	TSXV:MYID	\$0.15	\$17.2	\$18.0	\$2.4						7.6x					
Snipp Interactive Inc.	TSXV:SPN	\$0.11	\$31.5	\$25.9	\$24.7						1.1x					
YANGAROO Inc.	TSXV:YOO	\$0.05	\$2.8	\$5.6	\$7.7						0.7x					
Yellow Pages Limited	TSX:Y	\$10.15	\$139.6	\$160.3	\$268.3	\$239.3	\$209.7	\$99.2	\$75.9	\$61.0	0.6x	0.7x	0.8x	1.6x	2.1x	2.6x
Zoomd Technologies Ltd.	TSXV:ZOMD	\$0.08	\$7.9	\$10.4	\$53.0						0.2x					
Mean (EV/Rev <20; EV/EBITDA <100)											2.7x	0.5x	0.4x	3.5x	9.3x	3.9x
Median											0.7x	0.5x	0.2x	3.5x	9.3x	3.9x

Source: S&P Capital IQ; eResearch Corp.

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