

REVISIONS	Rev.	Prior
Rating	Buy	Buy
Target Price (C\$)	\$6.55	\$6.75
Revenue 2024E (M)	\$520.3	\$542.3
EBITDA 2024E (M)	\$53.7	\$56.3
EPS 2024E (M)	\$0.19	\$0.13

MARKET DATA

Date:	Aug 8, 2024
Current Price (C\$):	\$2.76
Target Price (C\$):	\$6.55
52-Week Range:	\$2.42 / \$3.85
Shares O/S (M):	55.3
Mkt Cap (C\$M):	\$152.7
EV (C\$M):	\$385.4
Avg. Weekly Vol. (M):	0.42

Website: www.datacm.com

FINANCIALS

(\$M)	2022A	2023A	2024E
Revenue	\$273.8	\$447.7	\$520.3
EBITDA	\$32.0	\$39.9	\$53.7
Adj. EBITDA	\$40.7	\$73.5	\$68.2
EPS	\$0.30	-\$0.31	\$0.19
Cash	\$4.2	\$17.7	\$18.4
Current Assets	\$82.1	\$181.1	\$163.5
Total Assets	\$149.5	\$418.8	\$391.4
Debt	\$27.0	\$101.8	\$76.0
Lease Liabilities	\$39.8	\$155.3	\$155.9
Total Liabilities	\$126.6	\$390.0	\$343.8
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)

DCM Navigates Integration Challenges with Strategic Focus on H2/2024 Revenue Growth and Margin Improvements

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 revenue of \$125.8 million in Q2/2024, up 5.7% from \$118.9 million in Q2/2023, but below our estimate of \$136.5 million.
- Revenue fell short of expectations due to deferred spending by several key clients in the retail and financial sectors, as well as strategic decisions to exit lower-margin business lines. These deferred projects are expected to contribute to revenue in the third and fourth quarters. In response, we adjusted our 2024 revenue estimate to \$520.3 million from \$542.3 million to reflect the timing shift in client spending.
- For the first half year, **DCM** reported adding \$4.2 million in new sales from 30 new clients and \$19.2 million in "expansion" revenue from existing clients, which are anticipated to be recognized over the next 12 months. The Company continues to target an overall annual organic revenue growth rate of over 5%, with a focus on expanding its technology-enabled solutions.

FINANCIAL ANALYSIS & VALUATION:

- We updated our model with **DCM's** recent financials, shifted the model ahead one quarter, and reduced the revenue in 2024 to reflect the lower first-half revenue.
- We estimate an equal-weighted price target of \$6.53 based on a DCF valuation (\$9.40/share), a Revenue Multiple valuation (\$5.70/share), and an EBITDA Multiple valuation (\$4.50/share).
- **We are maintaining our Buy rating but lowering our one-year price target to \$6.55 from \$6.75.**

All figures in CAD unless otherwise stated.

eResearch Corporation

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Quarterly Update

Q2/2024 Financial Results

On August 7, 2024, **DCM** reported Q2/2024 results; see [Figure 1](#) for a summary of the key results.



Year-over-year improvements in Revenue and Gross Profit and increases in Cost of Sales and SG&A expenses were attributable to the **Moore Canada Corporation (MCC)** acquisition that closed in April 2023.

- **Revenue:**

- Revenue was \$125.8 million in Q2/2024, up 5.7% from \$119.0 million in Q2/2023, but lower than our estimate of \$136.5 million. Second-quarter Revenue was also slightly lower than Revenue in the first quarter, which reached \$129.3 million. The Revenue growth was partially offset by reduced spending from certain clients in the retail, financial, lottery, and manufacturing verticals. The decrease in spending was attributed to project deferrals and paused marketing budgets.
- To incorporate this change into our model, we lowered our 2024 revenue to \$520.3 million from \$542.3 million, which negatively impacted our target price.
- On a Trailing 12 Month (TTM) basis, Revenue per Associate (RPA) was \$303,500 in Q2/2024, up 0.4% from \$302,400 in 2023 but up 3.6% from April 24, 2023, the date of the **MCC** acquisition (see [Figure 2](#)). **DCM** is focused on RPA as a measure of productivity, which the Company expects to grow over the next 12 months.
- **DCM** experienced increases in product sales revenue within its services, healthcare, and government vertical markets. The Company leveraged its expanded suite of products and services, leading with tech-enabled solutions, to increase wallet share with existing clients. In the first half of 2024, **DCM** reported that it added \$4.2 million in new sales from 30 new clients and over \$19.2 million in “expansion” revenue from existing clients that should be recognized over the next year. **DCM** is still targeting an overall annual organic revenue growth rate of more than 5%, including growing its marketing technology solutions by more than 60%.

Figure 1: Q1/2024 Results Compared to eResearch Estimates

(C\$) ('000)	2022A	Q123A	Q223A	2023A	Q124A	Q224A	Q224E	Diff.	Q324E	Q424E	2024E
Total Revenue	\$273,804	\$76,077	\$118,963	\$447,725	\$129,254	\$125,751	\$136,500	-7.9%	\$128,857	\$136,462	\$520,324
Total Cost of Sales	\$189,580	\$52,442	\$86,926	\$328,952	\$91,943	\$91,417	\$101,693	-10.1%	\$95,999	\$100,300	\$379,658
Gross Profit	\$84,224	\$23,635	\$32,037	\$118,773	\$37,311	\$34,334	\$34,808	-1.4%	\$32,859	\$36,162	\$140,666
Gross Margin	30.8%	31.1%	26.9%	26.5%	28.9%	27.3%	25.5%	+1.8%	25.5%	26.5%	27.0%
Total Operating Expenses	\$57,150	\$18,754	\$25,733	\$113,148	\$28,596	\$24,965	\$26,358	-5.3%	\$25,243	\$25,041	\$103,845
Operating Income	\$27,074	\$4,881	\$6,304	\$5,625	\$8,715	\$9,369	\$8,449	+10.9%	\$7,615	\$11,122	\$36,821
EBITDA*	\$31,973	\$11,149	\$10,573	\$39,876	\$13,898	\$11,898	\$13,297	-10.5%	\$12,141	\$15,734	\$53,671
Adj. EBITDA**	\$39,462	\$12,766	\$13,823	\$53,390	\$18,665	\$16,888	\$17,505	-3.5%	\$16,561	\$20,200	\$72,314
Diluted EPS	\$0.30	(\$0.06)	(\$0.06)	(\$0.31)	\$0.02	\$0.07	\$0.02	\$0.05	\$0.02	\$0.07	\$0.19
Cash	\$4,208	\$2,994	\$20,973	\$17,652	\$19,842	\$12,929	\$26,471		\$16,935	\$18,359	\$18,359
Debt	\$27,047	\$22,292	\$112,697	\$101,815	\$96,697	\$86,990	\$90,988		\$81,510	\$76,048	\$76,048

* eResearch's EBITDA calculation.

** DCM's Adj. EBITDA calculation

Source: Company Financials, eResearch Corp.

- On July 29, 2024, **DCM** announced the launch of its Digital Asset Management (DAM) product, called ASMBL (see [Figure 3](#)). ASMBL is a fully Artificial Intelligence (AI)-enabled DAM platform, designed to help organizations manage digital assets more efficiently and effectively. **DCM** believes that ASMBL can secure a slice of the global DAM market, estimated at US\$5.3 billion and expected to grow 14% yearly over the next five years. According to the Company, ASMBL offers several advanced features, benefits, and capabilities, including:
 - AI-Enhanced Features, incorporating Smart Keywords, Smart Search, and Smart Summaries & Transcriptions;
 - Enterprise Scalability, using scalable cloud storage;
 - User-Friendly Design, for easy onboarding and quick access to digital assets;
 - Integration with various tools such as Adobe Creative Cloud, Microsoft 365, and Google Workspace;
 - Version Control; and,
 - Advanced Security Features, including SOC2 compliance, single sign-on, access controls, permission management, and cloud storage and backup on **Microsoft's** Azure platform.
- With ASMBL, **DCM** plans to target its 400 enterprise clients as well as Small-to-Medium-Sized Businesses (SMBs) in the United States through its marketing automation product. The Company believes its product's differentiation lies in its AI capabilities, developed over the past year, with access to advanced AI technologies, which enable efficient and fast asset discovery and sharing.
- Product Sales remained the dominant revenue segment at over 87% of total revenue (see [Figure 4](#)). Technology Services revenue grew over 111% year-over-year, primarily due to the **MCC** acquisition, but it only represented 3.5% of total revenue. Tech-enabled Hardware was up 32% year-over-year after a 51% decline year-over-year in the first quarter and can be attributed to the timing of hardware sales which vary quarter-by-quarter.

Figure 2: Improving Revenue per Associate



Source: Company Presentation (August 2024)

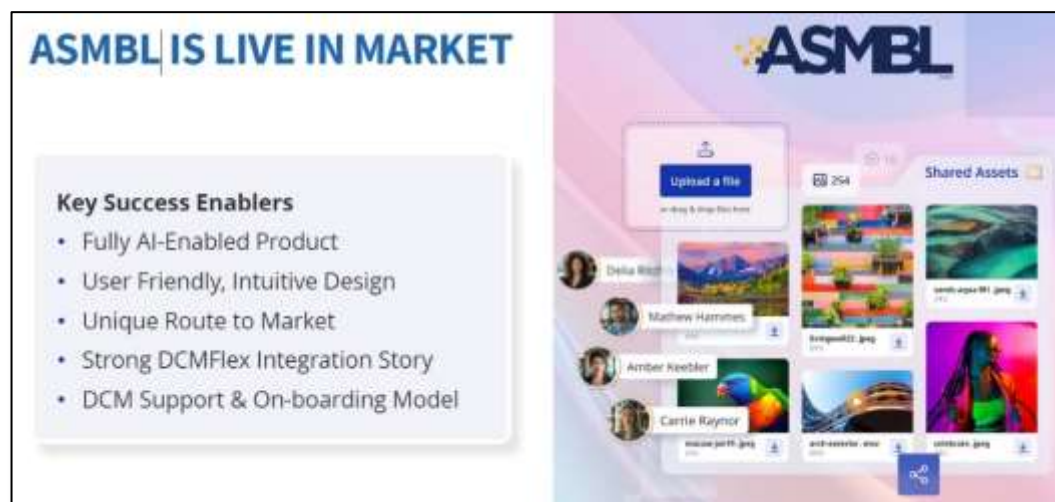
- **Gross Profit & Gross Margin:**

- The Company reported Gross Profit of \$34.3 million in Q2/2024, up 7.2% from \$32.0 million in the same quarter last year.
- In Q2/2024, Gross Margin was 27.3%, up 0.4% from 26.9% in Q2/2023 and higher than our estimate of 25.5%.
- The increase in Gross Profit and Gross Margin was due to synergies realized from the integration of **MCC**, better pricing strategies, and a focus on more profitable business opportunities. However, these improvements were partially offset by higher raw material costs and lower margins from **MCC**'s operations. **DCM** continues to show post-merger improvements in Gross Margin to reach its goal of returning Gross Margin above 30%.

- **Selling, General, and Administrative (SG&A) Expenses:**

- **DCM**'s SG&A expenses were \$23.9 million in Q2/2024, up 3.7% from \$23.0 million in Q2/2023, but down from \$25.4 million in the previous quarter.
- In Q2/2024, SG&A expenses represented 19.0% of Total Revenue, down 0.4% from 19.3% in the same quarter last year. The relative decrease in SG&A as a percentage of revenue was due to synergies from the integration and lower staffing levels due to restructuring initiatives.
- **DCM** recorded \$0.2 million in one-time, non-recurring acquisition and integration costs in the second quarter, down from \$3.8 million in Q2/2023. The Company also recorded \$1.1 million in restructuring expenses during the quarter, which are related to the ongoing consolidation and restructuring of its operations post-acquisition. This amount is lower compared to the \$2.7 million in restructuring expenses reported in Q2/2023. **DCM** anticipates lower acquisition and integration costs for the rest of 2024, as it reported that the Company has now accounted for the majority of its envisaged restructuring expenses. In our model, we have estimated another \$3.6 million of acquisition and integration costs for the remainder of 2024.

Figure 3: Launch of ASMBL, an AI-enabled Digital Asset Management (DAM) Platform



Source: Company Presentation (August 2024)

- **EBITDA:**

- In Q2/2024, **DCM** reported Adjusted EBITDA of \$16.9 million, an increase of 22.2% from \$13.8 million in the same quarter last year. The EBITDA growth reflects the positive impact of the **MCC** acquisition and ongoing efforts to improve margins and reduce expenses.
- In the quarter, the Company's Adjusted EBITDA Margin was 13.4%, up 1.8% from 11.6% in Q2/2023. As part of its five-year strategic plan, **DCM** will continue with its planned objective to keep its Adjusted EBITDA Margin above 14%.
- EBITDA calculated by **eResearch** was \$11.9 million in Q2/2024, up 12.5% from \$10.6 million in Q2/2023, but lower than our estimate of \$13.3 million.
- Free Cash Flow (FCF) in the quarter was \$7.8 million and included \$4.3 million (net) spent on capital expenditures. FCF was negatively impacted by **DCM's** plans to upgrade its facilities and buy new equipment as part of the plant consolidations scheduled for this year, which should help the Company improve its gross margins.
- We estimate that the Company could generate \$53.7 million of EBITDA in 2024, which could be allocated towards debt reduction, dividend distribution, or exploring further acquisition opportunities. On the Analysts' call, **DCM** mentioned that capital expenditures are projected to decrease in the second half of 2024 and 2025, potentially releasing additional cash for various purposes, including the possibility of a share buyback or dividends in the future.

- **Net Income and EPS:**

- The Company reported Net Income of \$4.1 million in Q2/2024 compared to a Net Loss of \$2.9 million in Q2/2023.
- Accounting for acquisition and integration costs, restructuring expenses, and net fair value losses on financial liabilities, Adjusted Net Income in Q2/2024 was \$4.0 million compared to \$3.8 million in Q2/2023.
- Basic and Diluted EPS in the quarter were \$0.07 compared to a loss per share of \$0.06 (Basic and Diluted) in the same quarter last year.

Figure 4: Revenue by Segment

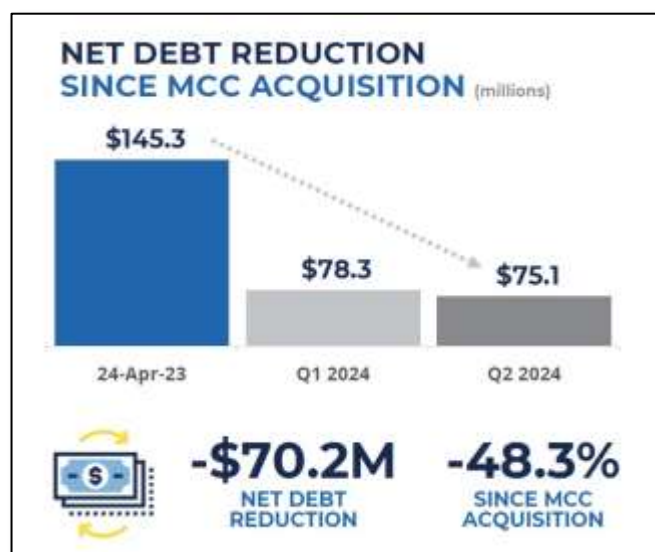
('000)	Mar 31/23 Q1/23A	Jun 30/23 Q2/23A	Sep 30/23 Q3/23A	Dec 31/23 Q4/23A	2023A		Mar 31/24 Q1/24A	Jun 30/24 Q2/24A		
Revenue Streams										
Product Sales	\$66,712	\$108,157	\$107,976	\$113,471	\$396,316	88.5%	\$113,115	87.5%	\$109,522	87.1%
Technology-enabled Hardware Solutions	\$3,381	\$1,917	\$2,319	\$899	\$8,516	1.9%	\$1,646	1.3%	\$2,536	2.0%
Warehousing Services	\$2,001	\$2,545	\$3,752	\$3,875	\$12,173	2.7%	\$2,631	2.0%	\$4,400	3.5%
Freight Services	\$2,012	\$3,438	\$3,617	\$4,180	\$13,247	3.0%	\$3,626	2.8%	\$3,924	3.1%
Marketing and Other Services	\$515	\$811	\$523	\$903	\$2,752	0.6%	\$556	0.4%	\$945	0.8%
Tech-enabled Subscription Services & Fees	\$1,456	\$2,095	\$4,534	\$6,636	\$14,721	3.3%	\$7,680	5.9%	\$4,424	3.5%
Total	\$76,077	\$118,963	\$122,721	\$129,964	\$447,725		\$129,254		\$125,751	

Source: Company Financials, eResearch Corp.

- **Cash and Total Debt:**

- As of June 30, 2024, **DCM** had \$12.9 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 \$87.0 million, down 10.0% from \$96.7 million in Q1/2024.
- Net Debt, excluding Lease Liabilities, ended the quarter at \$74.1 million.
- The Company's focus remains on debt reduction as a key strategic priority and targets Net Debt of less than 1.0x Adjusted EBITDA (net of lease payments).
- As of June 30, 2024, **DCM's** Net Debt (by its calculation) was \$75.1 million, down 48.3% from \$145.3 million in April 2023, since the **MCC** acquisition (see [Figure 5](#)).

Figure 5: Net Debt Reduction Since MCC Acquisition



Source: Company Presentation (August 2024)

Merger and Operations Update

DCM has made significant progress in realizing post-merger synergies following its acquisition of **MCC**. The Company is now on track to achieve annualized cost reductions in the range of \$30 to \$35 million by the end of 2024, up from the previously projected \$20 to \$24 million. These savings are being driven by ongoing consolidation and integration efforts across **DCM's** expanded operations.

As of June 2024, **DCM** completed the consolidation of its Thistle and Bond facilities in Toronto, thus enhancing operational efficiencies. The closure and consolidation of the Fergus and Trenton, Ontario, manufacturing facilities are also well underway, with production being relocated to Drummondville, Quebec, and Brampton, Ontario. The Trenton facility's closure is on schedule, following the sale and leaseback transaction concluded in January 2024, which generated net proceeds of \$8.7 million. These funds were used to reduce **DCM's** outstanding credit facilities.

The Company remains focused on completing the remaining plant consolidations by the end of 2024, positioning **DCM** to fully realize the projected synergies and continue its strategic transformation.

Strategic Update for 2024

We believe that **DCM** could achieve positive revenue growth and margin improvement through its strategic priorities in 2024 (see [Figure 6](#)).

1. **Finalize MCC Integration:** **DCM** is advancing its integration efforts by completing plant consolidations and fully integrating legacy **MCC** systems. This is expected to streamline operations and realize annualized synergies of \$30 to \$35 million by the end of 2024.
2. **Gross Profit Margin Enhancement:** The Company is focused on improving gross profit margins by optimizing its product mix, enhancing pricing strategies, and driving operational efficiencies, particularly within the legacy **MCC** business.
3. **Profitable Business Growth:** Leveraging its expanded scale and broad suite of tech-enabled solutions, **DCM** aims to increase its market share in key industry verticals. The Company's strategic revenue management initiatives are designed to drive higher-margin opportunities and sustain organic revenue growth with a targeted CAGR of over 5%.
4. **Free Cash Flow and Debt Reduction:** By boosting free cash flow through operational improvements and margin expansion, **DCM** is positioned to further reduce its net debt. This financial flexibility will enable the Company to pursue additional strategic investments and optimize capital allocation.

Figure 6: 2024 Strategic Priorities



Source: Company Presentation (August 2024)

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 0.9x (2024E Revenue);
- EV/EBITDA of 6.3x (2024E EBITDA).

(2) DAM:

- EV/Revenue of 3.3x (2024E Revenue);
- EV/EBITDA of 12.7x (2024E EBITDA).

(3) Tech-Enabled Marketing Workflow:

- EV/Revenue of 2.4x (2024E Revenue);
- EV/EBITDA of 12.7x (2024E EBITDA).

DCM Valuation

Currently, **DCM** is trading at 0.8x our 2024 revenue estimate of \$520.3 million and 7.3x our 2024 EBITDA estimate of \$53.7 million (see [Figure 7](#)).

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 7: Valuation Multiples Comparing our Model to DCM and the Sector Averages (2024E)

	Model	DCM (Market)	Conventional Print Solutions	DAM	Tech-Enabled Marketing Workflow
Revenue	1.0x	0.8x	0.9x	3.3x	2.4x
EBITDA	8.0x	7.3x	6.3x	12.7x	12.7x

Source: See Appendix B, eResearch Corp.

Due to the Company's revenue shortfall in Q2/2024, we lowered 2024 revenue to \$520.3 million from \$542.3 million, which negatively impacted our target price. We have maintained our estimate of improving gross margins and EBITDA through facility consolidation and the migration to higher-margin digital services at 26% in 2024 growing to 29% by 2028. [Figure 8](#) highlights the revenue growth and gross margin assumptions we use in our model to reach our estimates.

Figure 8: Model Assumptions and Company Guidance

METRIC	RATE					DCM Guidance (5-Year Plan)
	2024E	2025E	2026E	2027E	2028E	
Revenue Growth	16%	4%	4%	5%	5%	+5% Organic
Gross Margins	27%	27.5%	28%	28.5%	29%	+30%
Adj. EBITDA Margins	13%	14%	15%	16%	16%	+14%

Source: MD&A (Q2/2024), eResearch Corp.

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 8.0x EBITDA in 2028, the one-year target share price estimate is \$9.40.

Method 2: Revenue Multiple (see [Figure 9](#)): Using a revenue multiple of 1.0x and a one-year forward Revenue estimate of \$530.5 million, the one-year target share price estimate is \$5.70.

Method 3: EBITDA Multiple (see [Figure 9](#)): Using an EBITDA multiple of 8.0x and a one-year forward EBITDA estimate of \$57.5 million, the one-year target share price estimate is \$4.50.

The equal-weighted price per share is \$6.53 and we are reducing the one-year price target to \$6.55 from \$6.75.

We are maintaining a Buy rating and reducing the one-year price target to \$6.55 from \$6.75.

Figure 9: Target Price (1 Year) Calculation

						SHARES	TARGET
Method 1: DCF (5-year)	WACC:14%	Terminal Multiple: 8x EBITDA	See DCF calculation.			58.9M	\$9.40
			ENT. VALUE	Net Debt Q2/2025	MARKET CAP	SHARES	TARGET
Method 2: Revenue Multiple	1.0x	1 Year Fwd Revenue (Est.): \$530.5M	\$530.5M	\$201.0M	\$329.5M	57.9M	\$5.70
Method 3: EBITDA Multiple	8.0x	1-Year Fwd EBITDA (Est.): \$57.5M	\$460.0M	\$201.0M	\$259.0M	57.9M	\$4.50
Equal-Weighted Target Price (1 year)							\$6.53

Source: eResearch Corp.

Figure 10: DCF Analysis

DATA Communications Management Corp. FYE (December 31)							
DCF Analysis (C\$)	2022A	2023A	2024E	2025E	2026E	2027E	2028E
Revenue (\$)	273.8	447.7	520.3	541.1	568.2	596.6	626.4
Revenue Growth	16.3%	63.5%	16.2%	4.0%	5.0%	5.0%	5.0%
EBITDA (\$)	32.0	39.9	53.7	59.7	66.0	73.7	80.5
EBITDA Growth	53.5%	24.7%	34.6%	11.3%	10.6%	11.6%	9.3%
EBITDA Margin	11.7%	8.9%	10.3%	11.0%	11.6%	12.3%	12.9%
Depreciation and Amortization	11.2	21.7	34.3	19.6	29.3	24.6	20.6
EBIT (\$)	20.8	18.2	19.4	40.1	36.8	49.1	59.9
NOPAT	38.6	8.0	46.7	61.3	72.0	83.9	94.4
Plus Amortization (\$)	11.2	21.7	34.3	19.6	29.3	24.6	20.6
Less Capital Expenditures (\$)	(1.5)	(3.1)	(10.3)	(4.0)	(3.3)	(2.7)	(2.3)
Net Working Capital Changes	(11.8)	0.9	(14.0)	(19.5)	(2.0)	(1.4)	(3.3)
EPS (Continuing)	0.30	(0.31)	0.19	0.35	0.49	0.63	0.76
Unlevered Free Cash Flow (\$)	36.4	27.5	56.6	57.5	95.9	104.3	109.5
PV of Unlevered FCFs (\$)	44.9	29.8	53.7	47.9	70.1	66.8	61.5

Valuation Assumptions:			
Discount Rate	14.0%		
Terminal Multiple	8.0x		
Valuation Analysis:			
	Current	1-Yr Target	2-Yr Target
Total PV of FCFs (\$M)	329.8	342.0	320.0
Terminal Value (\$M)	644.1	644.1	644.1
PV of Terminal Value (\$M)	361.9	412.7	470.5
Net (debt) cash position	(234.8)	(201.0)	(145.8)
Total Value (\$M)	456.9	553.7	644.7
DCF Value/Share (C\$)	C\$7.76	C\$9.40	C\$10.94
DCF Value/Share (US\$)	US\$5.65	US\$6.85	US\$7.97
FD Shares O/S (M)*	58.9	58.9	58.9

*Using the Treasury Method

Source: Company Reports, eResearch Corp.

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

		Terminal EV/EBITDA Multiplier						
		5.00	6.00	7.00	8.00	9.00	10.00	11.00
Discount Rate	10.0%	7.67	8.66	9.64	10.63	11.62	12.61	13.60
	12.0%	7.20	8.13	9.06	9.99	10.92	11.85	12.78
	14.0%	6.77	7.65	8.52	9.40	10.27	11.15	12.03
	16.0%	6.37	7.20	8.02	8.85	9.67	10.50	11.32
	18.0%	6.00	6.78	7.56	8.34	9.11	9.89	10.67
	20.0%	5.65	6.39	7.12	7.86	8.59	9.33	10.07

Source: Company Reports, eResearch Corp.

Figure 12: Shares Outstanding for Fully Diluted Share Count and Valuation

Shares, Options, and Warrants ('000)	
Shares Outstanding: Basic - End of the Current Quarter (Jun 30/24)	55,309
Options Outstanding: 4.2 million at an average exercise price of \$1.18	4,224
Warrants Outstanding: 0.3 million at an average exercise price of \$3.16	261
Fully Diluted Share Count	59,794

Shares Outstanding - Valuation using Multiples ('000)	
Shares Outstanding: Basic - End of the Previous Quarter (Mar 31/24)	55,023
Shares Issued in the Quarter	286
Shares Outstanding: Basic - End of the Current Quarter (Jun 30/24)	55,309
Shares Issued after the Quarter End	
Updated Share Count for Next Quarter	55,309
- In the Money Options: Stock Price above Strike Price*	2,544
- In the Money Warrants: Stock Price above Strike Price*	-
Updated Shares Outstanding, Fully Diluted: After the Quarter End (Multiples)	57,853

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

Shares Outstanding - DCF Valuation ('000)	
Shares Outstanding: Basic - End of the Current Quarter (Jun 30/24)	55,309
Shares Issued after the Quarter End	-
Updated Share Count for Next Quarter	55,309
- In the Money Options: Target Price above Strike Price*	3,466
- In the Money Warrants: Target Price above Strike Price*	135
Updated Shares Outstanding, Fully Diluted: After the Quarter End (DCF)	58,910

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

Source: Company Reports, eResearch Corp.

Appendix A: Financial Statements

Figure 13: Income Statement

DCM	2022A	2023A	Q124A	Q224A	Q324E	Q424E	2024E	2025E
Income Statement - FYE (December 31); CAD ('000)								
Total Revenue	273,804	447,725	129,254	125,751	128,857	136,462	520,324	541,137
Total Cost of Sales	189,580	328,952	91,943	91,417	95,999	100,300	379,658	392,324
Gross Profit	84,224	118,773	37,311	34,334	32,859	36,162	140,666	148,813
Sales & Marketing	29,137	39,196	10,864	10,178	10,167	10,166	41,375	41,668
General and Administrative	26,477	47,234	14,307	13,576	13,401	13,100	54,385	54,114
Other operating costs	1,208	5,735	3,214	1,101	1,289	1,365	6,968	5,411
Restructuring Charges	-	20,308	-	-	-	-	-	-
Stock Based Compensation	328	675	211	110	387	409	1,117	1,623
Total Operating Expenses	57,150	113,148	28,596	24,965	25,243	25,041	103,845	102,816
Operating Income	27,074	5,625	8,715	9,369	7,615	11,122	36,821	45,997
Other Income (Expenses):								
Interest on Loan Payable	(2,742)	(8,315)	(2,498)	(2,307)	(2,175)	(2,038)	(9,017)	(6,538)
Interest Expense on Lease Liabilities	-	(7,006)	(3,055)	(3,059)	(3,214)	(3,190)	(12,518)	(12,469)
Acquisition and Integration Costs	(1,870)	(10,903)	(1,368)	(243)	(500)	(500)	(2,611)	-
Other	(2,567)	(1,845)	(140)	1,267	-	-	1,127	-
Total Other Income	(7,179)	(28,069)	(7,061)	(4,342)	(5,889)	(5,728)	(23,020)	(19,008)
EBT	19,895	(22,444)	1,654	5,027	1,727	5,394	13,801	26,989
Income Taxes	(5,929)	6,590	(179)	(963)	(432)	(1,348)	(2,922)	(6,747)
Net Income (Loss)	13,966	(15,854)	1,475	4,064	1,295	4,045	10,879	20,242
EPS								
Basic EPS	0.32	(0.31)	0.03	0.07	0.02	0.07	0.20	0.37
Diluted EPS	0.30	(0.31)	0.02	0.07	0.02	0.07	0.19	0.35
Basic EPS- ex-non-recurring items								
Shares Outstanding								
Shares Outstanding, Basic (Weighted)	44,063	50,833	55,023	55,246	55,309	55,309	55,309	55,309
Shares Outstanding, Diluted (Weighted)	46,572	50,833	59,052	57,835	57,853	57,853	57,853	57,853
Shares Outstanding, Basic (End of Quarter)	44,063	55,023	55,023	55,309	-	-	-	-

Source: Company Reports, eResearch Corp.

Figure 14: Balance Sheet

DCM	2022A	2023A	Q124A	Q224A	Q324E	Q424E	2024E	2025E
Balance Sheet - FYE (December 31); CAD ('000)								
Current Assets								
Cash	4,208	17,652	19,842	12,929	16,935	18,359	18,359	21,865
Account Receivables	54,630	117,956	107,154	97,731	100,193	106,106	106,106	113,459
Prepaid Expenses & Other Assets	2,984	5,313	5,827	5,567	5,906	5,872	5,872	5,986
Inventory	20,220	28,840	32,286	25,771	30,278	30,316	30,316	40,565
Income taxes receivable	15	2,640	1,248	2,881	2,881	2,881	2,881	2,881
Held for Sale	0	8,650	0	0	0	0	0	0
Total Current Assets	82,057	181,051	166,357	144,879	156,192	163,535	163,535	184,756
Non-Current Assets								
Deferred Income Tax Assets	4,830	9,801	9,122	7,769	7,769	7,769	7,769	7,769
Property and Equipment	6,779	30,358	31,088	33,461	31,974	30,364	30,364	25,058
Pension Assets	2,830	1,962	2,724	3,117	3,117	3,117	3,117	3,117
Intangible Assets	2,507	10,616	9,888	9,582	9,103	8,648	8,648	7,044
Goodwill	16,973	22,265	22,265	22,265	22,265	22,265	22,265	22,265
Right-of Use and Other	33,505	162,701	164,652	169,026	162,352	155,725	155,725	131,796
Total Assets	149,481	418,754	406,096	390,099	392,772	391,423	391,423	381,805
Current Liabilities								
Accounts Payables/Accrued Liabilities	44,133	75,766	69,963	57,576	66,233	69,201	69,201	73,243
Lease Liability	6,791	10,322	11,820	12,765	10,309	10,917	10,917	11,354
Current Portion of Debt/Promissory Notes	11,667	6,333	8,119	10,899	9,223	7,376	7,376	4,840
Provisions	1,316	16,325	13,395	12,237	9,237	6,237	6,237	237
Deferred Revenue - Current	3,942	6,221	6,032	3,795	5,154	5,458	5,458	5,677
Taxes Payable	1,630	0	0	0	0	0	0	0
Total Current Liabilities	69,479	116,531	109,528	97,272	100,156	99,189	99,189	95,350
Non-Current Liabilities								
Term Loan/Promissory Notes	0	93,918	88,379	76,091	72,286	68,672	68,672	45,056
Credit Facilities	15,380	0	0	0	0	0	0	0
Lease Liability	33,011	144,993	144,049	147,941	149,192	147,308	147,308	140,636
Provision/Loan Payable/Benefits Payable	8,764	27,390	23,992	23,653	24,314	24,975	24,975	27,619
Other	0	7,158	4,497	3,617	3,617	3,617	3,617	3,617
Total Liabilities	126,634	389,990	370,445	348,574	349,566	343,761	343,761	312,278
Shareholders Equity								
Capital Stock	256,478	283,738	283,738	284,592	284,592	284,592	284,592	284,592
Warrants & Options	869	219	219	219	219	219	219	219
Accumulated OCI	207	177	207	221	221	221	221	221
Contributed Surplus	3,131	3,135	3,346	2,939	3,326	3,735	3,735	5,358
Deficit	(237,838)	(258,505)	(251,859)	(246,446)	(245,151)	(241,106)	(241,106)	(220,864)
Total Shareholders Equity	22,847	28,764	35,651	41,525	43,207	47,661	47,661	69,527
Total Liabilities & Shareholders Equity	149,481	418,754	406,096	390,099	392,772	391,423	391,423	381,805

Source: Company Reports, eResearch Corp.

Figure 15: Cash Flow Statement

DCM	2022A	2023A	Q124A	Q224A	Q324E	Q424E	2024E	2025E
Cash Flow Statement - FYE (December 31); CAD ('000)								
Cash Provided By Operating Activities								
Net Income (Loss)	13,966	(15,854)	1,475	4,064	1,295	4,045	10,879	20,242
Amortization of Intangibles	1,606	2,881	728	306	671	637	2,342	2,246
Depreciation of Property & Equipment	2,965	6,165	1,523	1,783	3,227	3,272	9,805	8,701
Depreciation of Right-of-Use Assets	6,609	12,677	4,485	4,329	6,674	6,628	22,115	23,929
Interest Expense on Lease Liabilities	2,223	7,006	3,055	(3,055)	3,214	3,190	6,404	12,469
Stock Based Compensation Expense	328	675	211	110	387	409	1,117	1,623
Pension and other Benefit Expenses	351	121	282	661	661	661	2,265	2,644
Loss on Disposal of Intangible Assets	98	-	-	-	-	-	-	-
Provisions	-	20,308	1,085	1,101	-	-	2,186	-
Income Tax Expense	5,929	(10,662)	229	913	-	-	1,142	-
Finance Cost	120	-	-	280	-	-	280	-
Other	328	8,598	3,321	(916)	-	-	2,405	-
Changes in Non-Cash Working Capital								
Account & Other Receivables	(3,063)	(3,586)	10,802	9,423	(2,462)	(5,913)	11,850	(7,353)
Inventory	(8,087)	14,361	(3,446)	6,515	(4,507)	(38)	(1,476)	(10,249)
Prepaid Expenses & Other Current Assets	(43)	(2,051)	(4,710)	4,603	(339)	34	(412)	(114)
Accounts Payable & Other Payables	6,888	(3,452)	(9,017)	(10,980)	8,657	2,968	(8,372)	4,042
Other	(5,056)	-	-	(719)	-	-	(719)	-
Provisions	(3,160)	(4,975)	(4,105)	(2,421)	(3,000)	(3,000)	(12,526)	(6,000)
Deferred (Unbilled) Revenue	673	591	(189)	(2,237)	1,359	304	(763)	218
Total Cash Provided By Operating Activities	22,675	32,803	5,729	12,161	15,837	13,196	46,923	52,400
Investing Activities								
Purchase of Property & Equipment	(1,475)	(2,940)	(2,231)	(4,327)	(1,740)	(1,663)	(9,961)	(3,395)
Purchase of Intangibles	(71)	(127)	-	-	(192)	(182)	(374)	(642)
Business (Acquisition) Sale	70	(130,953)	-	(6,499)	-	-	(6,499)	-
Total Cash From Investing Activities	(1,476)	(104,487)	6,430	(10,826)	(1,932)	(1,845)	(8,172)	(4,037)
Financing Activities								
Proceeds from Loan/Promissory Notes	-	162,140	(1,365)	31,550	-	-	30,185	-
Repayment of Loan/Promissory Notes	-	(87,592)	-	(43,726)	(5,480)	(5,461)	(54,668)	(26,153)
Operating Line/Credit Facility (Repayment)	(9,716)	282	(3,893)	2,329	-	-	(1,564)	-
Repayment of Other Liabilities	515	-	-	-	-	-	-	-
Transaction Costs	-	(1,801)	-	-	-	-	-	-
Lease Payments	(8,730)	(13,321)	(4,730)	1,230	(4,419)	(4,466)	(12,385)	(18,704)
Proceeds from exercise of Stock Options and Warrants	-	1,240	-	337	-	-	337	-
Issue/Repurchase of Equity	-	24,221	-	-	-	-	-	-
Total Cash From Financing Activities	(17,931)	85,169	(9,988)	(8,280)	(9,900)	(9,927)	(38,095)	(44,857)
Effect of Exchange Rates on Cash	39	(41)	19	32	-	-	51	-
Net Increase in Cash	3,307	13,444	2,190	(6,913)	4,006	1,424	707	3,506
Beginning Cash	901	4,208	17,652	19,842	12,929	16,935	17,652	18,359
Ending Cash	4,208	17,652	19,842	12,929	16,935	18,359	18,359	21,865

Source: Company Reports, eResearch Corp.

Appendix B: Company Comparables by Industry

Figure 16: U.S. and Canadian Comparables – Conventional Print Solution Providers and DAM Solution Providers

Name	Ticker	Aug 8, 2024 Close (\$)	Mkt Cap (\$M)	EV (\$M)	REVENUE (\$M)			EBITDA (\$M)			EV/Revenue			EV/EBITDA		
					2022A	2023A	2024E	2022A	2023A	2024E	2022A	2023A	2024E	2022A	2023A	2024E
DATA Communications Management Corp.	TSX:DCM	\$2.83	\$157	\$391	\$273.8	\$447.7	\$520.3	\$32.0	\$40.6	\$53.7	1.4x	0.9x	0.8x	12.2x	9.6x	7.3x
US Comps - Conventional Print Solution Providers																
ARC Document Solutions, Inc.	NYSE:ARC	US\$2.95	US\$127	US\$179	US\$286	US\$281	US\$289	US\$38	US\$31	US\$0	0.6x	0.6x	0.6x	4.7x	5.8x	
Canon Inc.	TSE:7751	US\$30.23	US\$29,179	US\$31,848	US\$30,570	US\$29,660	US\$30,156	US\$4,594	US\$4,435	US\$4,640	1.0x	1.1x	1.1x	6.9x	7.2x	6.9x
Cimpress plc	NASDAQ:CMPR	US\$84.00	US\$2,107	US\$3,681	US\$2,888	US\$3,210	US\$3,381	US\$101	US\$323	US\$472	1.3x	1.1x	1.1x	36.6x	11.4x	7.8x
Ennis, Inc.	NYSE:EBF	US\$22.59	US\$587	US\$472	US\$400	US\$432	US\$423	US\$78	US\$77	US\$76	1.2x	1.1x	1.1x	6.1x	6.1x	6.2x
Quad/Graphics, Inc.	NYSE:QUAD	US\$4.62	US\$241	US\$869	US\$3,217	US\$2,958	US\$2,699	US\$252	US\$234	US\$229	0.3x	0.3x	0.3x	3.4x	3.7x	3.8x
Xerox Holdings Corporation	NASDAQ:XRX	US\$10.01	US\$1,245	US\$4,470	US\$6,900	US\$6,695	US\$6,428	US\$449	US\$541	US\$660	0.6x	0.7x	0.7x	10.0x	8.3x	6.8x
Mean (EV/Rev <20; EV/EBITDA <100)											0.8x	0.8x	0.8x	11.3x	7.1x	6.3x
Median											0.8x	0.9x	0.9x	6.5x	6.7x	6.8x
Cdn Comps - Conventional Print Solution Providers																
CCL Industries Inc.	TSX:CCL.B	\$71.02	\$12,699	\$14,308	\$6,382	\$6,650	\$7,042	\$1,179	\$1,270	\$1,463	2.2x	2.2x	2.0x	12.1x	11.3x	9.8x
Supremex Inc.	TSX:SXP	\$3.74	\$92	\$190	\$272	\$302	\$283	\$51	\$43	\$44	0.7x	0.6x	0.7x	3.7x	4.4x	4.3x
Transcontinental Inc.	TSX:TCL.A	\$15.56	\$1,328	\$2,291	\$2,973	\$2,914	\$2,839	\$395	\$407	\$467	0.8x	0.8x	0.8x	5.8x	5.6x	4.9x
Mean (EV/Rev <20; EV/EBITDA <100)											1.2x	1.2x	1.2x	7.2x	7.1x	6.3x
Median											0.8x	0.8x	0.8x	6.5x	6.7x	6.3x
US Comps - Digital Asset Management (DAM) Solution Providers (PaaS/SaaS)																
Adobe Inc.	NASDAQ:ADBE	US\$530.24	US\$235,108	US\$233,133	US\$17,606	US\$19,409	US\$21,468	US\$6,716	US\$7,268	US\$10,760	13.2x	12.0x	10.9x	34.7x	32.1x	21.7x
Box, Inc.	NYSE:BOX	US\$27.24	US\$3,949	US\$4,361	US\$874	US\$1,038	US\$1,079	US\$85	US\$85	US\$323	5.0x	4.2x	4.0x	51.3x	51.1x	13.5x
Fluent, Inc.	NASDAQ:FLNT	US\$3.01	US\$49	US\$72	US\$361	US\$298	US\$279	US\$19	US\$3	US\$10	0.2x	0.2x	0.3x	3.9x	27.5x	6.9x
LiveRamp Holdings, Inc.	NYSE:RAMP	US\$21.83	US\$1,464	US\$1,121	US\$529	US\$636	US\$713	-US\$58	US\$17	US\$115	2.1x	1.8x	1.6x		65.9x	9.7x
Open Text Corporation	NASDAQ:OTEX	US\$30.02	US\$7,957	US\$13,361	US\$3,494	US\$5,696	US\$5,466	US\$969	US\$1,435	US\$1,798	3.8x	2.3x	2.4x	13.8x	9.3x	7.4x
QuinStreet, Inc.	NASDAQ:QNST	US\$18.57	US\$1,026	US\$998	US\$582	US\$550	US\$701	-US\$4	-US\$12	US\$37	1.7x	1.8x	1.4x			27.3x
Smartsheet Inc.	NYSE:SMAR	US\$45.49	US\$6,293	US\$5,670	US\$551	US\$958	US\$1,120	-US\$203	-US\$106	US\$201	10.3x	5.9x	5.1x			28.2x
TechTarget, Inc.	NASDAQ:TTGT	US\$29.02	US\$828	US\$928	US\$297	US\$230	US\$233	US\$77	US\$16	US\$73	3.1x	4.0x	4.0x	12.1x	57.6x	12.8x
Mean (EV/Rev <20; EV/EBITDA <100)											4.9x	4.0x	3.7x	23.1x	40.6x	15.9x
Median											3.5x	3.2x	3.2x	13.8x	41.6x	13.1x
CDN Comps - Digital Asset Management (DAM) Solution Providers (PaaS/SaaS)																
illumin Holdings Inc.	TSX:ILLM	\$1.39	\$71.5	\$26.8	\$121.0	\$126.3	\$129.3	-\$4.5	-\$9.9	\$5.4	0.2x	0.2x	0.2x			5.0x
Fobi AI Inc.	TSXV:FOBI	\$0.06	\$12.4	\$11.2	\$1.6	\$2.5	\$0.0	-\$12.7	-\$8.6	\$0.0	7.2x	4.5x				
Mean (EV/Rev <20; EV/EBITDA <100)											3.7x	2.3x	0.2x			5.0x
Median											3.7x	2.3x	0.2x			5.0x

Source: S&P Capital IQ, eResearch Corp.

Figure 17: U.S. and Canadian Comparables – Tech-Enabled Marketing Workflow Providers and Canadian Tech

Name	Ticker	Aug 08 Close (\$)	Mkt Cap (\$M)	EV (\$M)	REVENUE (\$M)			EBITDA (\$M)			EV/Revenue			EV/EBITDA		
					2022A	2023A	2024E	2022A	2023A	2024E	2022A	2023A	2024E	2022A	2023A	2024E
DATA Communications Management Corp.	TSX:DCM	\$2.83	\$157	\$391	\$273.8	\$447.7	\$520.3	\$32.0	\$40.6	\$53.7	1.4x	0.9x	0.8x	12.2x	9.6x	7.3x
Tech-Enabled Marketing Workflow Providers																
Cimpress plc	NASDAQ:CMPR	US\$84.00	US\$2,106.7	US\$3,681.0	US\$2,887.6	US\$3,209.7	US\$3,381.5	US\$100.6	US\$322.5	US\$472.0	1.3x	1.1x	1.1x	36.6x	11.4x	7.8x
Deluxe Corporation	NYSE:DLX	US\$19.24	US\$850.6	US\$2,451.5	US\$2,238.0	US\$2,238.0	US\$2,213.4	US\$386.5	US\$390.2	US\$408.7	1.1x	1.1x	1.1x	6.3x	6.3x	6.0x
dotdigital Group Plc	AIM:DOTD	£0.94	£288.4	£253.1	£62.8	£74.2	£82.6	£13.0	£15.7	£25.0	4.0x	3.4x	3.1x	19.4x	16.1x	10.1x
Galaxy Digital Holdings Ltd.	TSX:GLXY	\$13.15	\$1,644	\$1,642		\$567	\$1,001					2.9x	1.6x			
Harte Hanks, Inc.	NASDAQ:HHS	US\$8.21	US\$59.4	US\$75.3	US\$206.3	US\$191.5	US\$194.4	US\$15.8	US\$9.9	US\$19.0	0.4x	0.4x	0.4x	4.8x	7.6x	4.0x
HubSpot, Inc.	NYSE:HUBS	US\$476.35	US\$24,460.0	US\$23,487.5	US\$1,731.0	US\$2,170.2	US\$2,569.6	-US\$83.0	-US\$80.9	US\$519.5	13.6x	10.8x	9.1x			45.2x
Publicis Groupe S.A.	ENXTPA:PUB	€ 90.78	€ 22,785.00	€ 25,356.79	€ 14,196.00	€ 14,802.00	€ 13,907.44	€ 2,557.00	€ 2,504.00	€ 3,035.47	1.8x	1.7x	1.8x	9.9x	10.1x	8.4x
Quadrant S.A.	ENXTPA:QDT	€ 17.16	€ 589.84	€ 1,309.55	€ 1,024.30	€ 1,074.38	€ 1,100.52	€ 231.90	€ 204.40	€ 255.32	1.3x	1.2x	1.2x	5.6x	6.4x	5.1x
Teleperformance SE	ENXTPA:TEP	€ 100.50	€ 6,015.51	€ 10,479.51	€ 8,154.00	€ 8,345.00	€ 10,347.04	€ 1,372.00	€ 1,406.00	€ 2,160.96	1.3x	1.3x	1.0x	7.6x	7.5x	4.8x
TTEC Holdings, Inc.	NASDAQ:TTEC	US\$5.18	US\$246.3	US\$1,251.6	US\$2,443.7	US\$2,462.8	US\$2,306.7	US\$301.2	US\$240.7	US\$228.8	0.5x	0.5x	0.5x	4.2x	5.2x	5.5x
Zeta Global Holdings Corp.	NYSE:ZETA	US\$23.53	US\$5,175.3	US\$5,213.8	US\$591.0	US\$728.7	US\$926.2	-US\$231.5	-US\$137.7	US\$175.5	8.8x	7.2x	5.6x			29.7x
Mean (EV/Rev <20; EV/EBITDA <100)											3.4x	2.9x	2.4x	11.8x	8.8x	12.7x
Median											1.3x	1.3x	1.2x	7.0x	7.5x	6.9x

Name	Ticker	Aug 08 Close (C\$)	Mkt Cap (C\$ M)	EV (C\$ M)	REVENUE (C\$ M)			EBITDA (C\$ M)			EV/Revenue			EV/EBITDA		
					2022A	2023A	2024E	2022A	2023A	2024E	2022A	2023A	2024E	2022A	2023A	2024E
Canadian Advertising, Marketing & Technology Comps																
illumin Holdings Inc.	TSX:ILLM	\$1.39	\$71.5	\$26.8	\$121.0	\$126.3	\$129.3	-\$4.5	-\$9.9	\$5.4	0.2x	0.2x	0.2x			5.0x
Adcore Inc.	TSX:ADCO	\$0.21	\$12.3	\$6.4	\$19.7	\$23.1		-\$0.4	-\$0.4		0.3x	0.3x				
ARHT Media Inc.	TSXV:ART	\$0.05	\$0.0	\$2.3	\$7.5	\$6.6	\$7.2	-\$7.0	-\$7.9	-\$3.7	0.3x	0.4x	0.3x			
Datable Technology Corporation	TSXV:DAC	\$0.04	\$0.8	\$4.2	\$3.9	\$5.3		-\$3.8	-\$0.8		1.1x	0.8x				
DeepMarkit Corp.	TSXV:MKT	\$0.08	\$0.9	\$0.9				-\$6.3	-\$3.0							
EQ Inc.	TSXV:EQ	\$1.14	\$79.2	\$79.6	\$11.0	\$10.0		-\$6.1	-\$2.3		7.3x	8.0x				
Fobi AI Inc.	TSXV:FOBI	\$0.06	\$12.4	\$11.2	\$1.6	\$2.5		-\$12.7	-\$8.6		7.2x	4.5x				
Gatekeeper Systems Inc.	TSXV:GSI	\$0.50	\$0.1	-\$8.1	\$22.2	\$32.8		\$0.8	\$5.7							
Reklam Ltd.	TSXV:MYID	\$0.09	\$9.6	\$10.0	\$2.4	\$4.1		-\$4.5	\$0.5		4.3x	2.4x			20.8x	
Snipp Interactive Inc.	TSXV:SPN	\$0.08	\$22.9	\$17.8	\$24.7	\$30.5	\$24.3	-\$1.6	-\$3.3	-\$0.2	0.7x	0.6x	0.7x			
YANGAROO Inc.	TSXV:YOO	\$0.02	\$1.2	\$4.4	\$7.7	\$7.9		-\$0.5	\$0.6		0.6x	0.6x			7.1x	
Yellow Pages Limited	TSX:Y	\$9.40	\$129.3	\$138.4	\$268.3	\$239.4	\$213.4	\$85.8	\$69.5	\$54.8	0.5x	0.6x	0.6x	1.6x	2.0x	2.5x
Zoomd Technologies Ltd.	TSXV:ZOMD	\$0.17	\$16.7	\$18.6	\$53.0	\$32.1		-\$1.9	-\$1.2		0.4x	0.6x				
Mean (EV/Rev <20; EV/EBITDA <100)											2.1x	1.7x	0.5x	1.6x	10.0x	3.8x
Median											0.6x	0.6x	0.5x	1.6x	7.1x	3.8x

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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