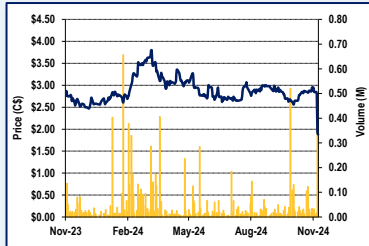


# DATA Communications Management Corp.

TSX: DCM | OTC: DCMDF



Rating: Buy  
Target Price: \$6.55



REVISIONS	Rev.	Prior
Rating	Buy	Buy
Target Price (C\$)	\$6.55	\$6.55
Revenue 2024E (M)	\$484.7	\$520.3
EBITDA 2024E (M)	\$46.3	\$53.7
EPS 2024E (M)	\$0.08	\$0.19

#### MARKET DATA

Date:	Nov 16, 2024
Current Price (C\$):	\$1.80
Target Price (C\$):	\$6.55
52-Week Range:	\$1.79 / \$3.85
Shares O/S (M):	55.3
Mkt Cap (C\$M):	\$99.6
EV (C\$M):	\$339.8
Avg. Weekly Vol. (M):	0.06

Website: [www.datacm.com](http://www.datacm.com)

#### FINANCIALS

(\$M)	2022A	2023A	2024E
Revenue	\$273.8	\$447.7	\$484.7
EBITDA	\$32.0	\$39.9	\$46.3
Adj. EBITDA	\$40.7	\$73.5	\$58.3
EPS	\$0.30	-\$0.31	\$0.08
Cash	\$4.2	\$17.7	\$8.4
Current Assets	\$82.1	\$181.1	\$141.6
Total Assets	\$149.5	\$418.8	\$381.9
Debt	\$27.0	\$101.8	\$79.2
Lease Liabilities	\$39.8	\$155.3	\$155.9
Total Liabilities	\$126.6	\$390.0	\$340.7
Fiscal Year End:	31-Dec		

Sources: Company Reports; S&P Capital IQ  
All figures in CAD unless otherwise stated.

## Strategic Integration Drives Long-Term Growth at DCM Amid Short-Term Revenue Challenges in Q3

**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, content management, digital asset management (DAM), labels & asset tracking, location-specific marketing, social media analytics, and multimedia campaign management.

#### QUARTERLY HIGHLIGHTS:

- **Revenue Performance:** Revenue was \$108.7 million in Q3/2024, down 11.4%, and lower than our estimate of \$128.9 million. Revenue fell due to reduced enterprise client spending and strategic exits from low-margin accounts. However, YTD Revenue increased 14.5%, driven by the **MCC** acquisition.
- **Gross Profit and Margin:** Gross Profit for Q3/2024 was \$28.0 million, down 7.7% Y/Y. Gross Margin improved to 25.8%, supported by **MCC** integration synergies, pricing strategy improvements, and a focus on higher-margin business opportunities, offset by some legacy **MCC** margin challenges.
- **SG&A Expenses:** SG&A expenses were \$22.4 million in Q3/2024, down 10.5% Y/Y, reflecting restructuring efforts and ongoing cost control measures.
- **EBITDA Growth:** Adjusted EBITDA for Q3/2024 rose 6.6% to \$12.6 million, with a margin of 11.6%. YTD Adjusted EBITDA increased 25.4%, reflecting **MCC** acquisition benefits and cost reduction initiatives, as the Company continues to target Adjusted EBITDA margins above 14%.
- **Strategic Initiatives:** DCM continues to diversify revenue streams with tech-enabled solutions, launching the ASMBL platform in Q3/2024 and recently acquiring **Zavy Limited**. Plant consolidations and investments in new equipment are expected to enhance production efficiency and reduce costs.
- **Cash and Debt Management:** Cash stood at \$8.9 million as of September 30, 2024, while net debt decreased significantly to \$77.2 million since the **MCC** acquisition. Debt reduction remains a priority, with plans to allocate future free cash flow to further deleveraging, acquisitions, or dividends.

#### FINANCIAL ANALYSIS & VALUATION:

- We estimate an equal-weighted price target of \$6.57 based on a DCF valuation (\$9.81/share), a Revenue Multiple valuation (\$5.20/share), and an EBITDA Multiple valuation (\$4.70/share).
- We are maintaining our Buy rating and our one-year price target of \$6.55.

## QUARTERLY UPDATE

- YTD revenue increased 14.5%, though Q3/2024 revenue declined 11.4% year-over-year.
- Gross Profit for Q3/2024 was \$28.0M, down 7.7% from Q3/2023, while Gross Margin improved to 25.8% from 24.7%.
- SG&A expenses in Q3/2024 were \$22.4M, down 10.5% year-over-year, reflecting restructuring savings.
- Q3/2024 Adjusted EBITDA grew 6.6% year-over-year to \$12.6M (11.6% of Revenue).
- As of September 30, 2024, **DCM** had \$8.9M in cash and reduced net debt to \$77.2M, a 46.9% decrease since the MCC acquisition.

## 1.0 Q3/2024 FINANCIAL RESULTS

On November 12, 2024, **DCM** reported Q3/2024 results; see Figure 1 for a summary of the key results and Appendix A for additional details.

**DCM** reported a 14.5% year-to-date revenue increase, primarily driven by the acquisition of **Moore Canada Corporation (MCC)**, which closed in April 2023, and its expanded product and service offerings.

Revenue in Q3/2024 fell short of guidance and our estimate, and was attributed to a decrease in spending by enterprise clients. Despite this shortfall, the Company is optimistic about revenue recovery in future quarters from the expected rebounds in client spending as well as strategic growth initiatives. It also remains focused on cost reduction and efficiency improvements.

### Revenue:

- Revenue was \$108.7 million in Q3/2024, down 11.4% from \$122.7 million in Q3/2023, and lower than our estimate of \$128.9 million.
- **DCM** reported that the revenue decline was primarily due to reduced spending by some large enterprise clients, which the Company anticipates recovering in future quarters, as well as its strategic decision to exit certain lower-margin accounts, and temporary impacts from plant consolidations and system migrations.
- To incorporate this change into our model, we lowered our 2024 Revenue to \$484.7 million from \$520.3 million.
- The **MCC** acquisition has driven growth in higher-margin subscription services and fee revenues, while also enabling **DCM** to refine pricing strategies and target more profitable business.
- On a Trailing 12 Month (TTM) basis, Revenue per Associate (RPA) was \$303,800 in Q3/2024, up 0.5% from \$302,400 in 2023 and up 3.7% 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.
- On a year-to-date (YTD) basis, due to the **MCC** acquisition, Revenue was up 14.5% through the first nine months of 2024 when compared to the same period in 2023. **DCM** reported that this year it added \$5.1 million in new sales from 46 new clients and over \$27.8 million in “expansion” revenue from existing clients that should be recognized over the next year.
- Initiatives such as the launch of **ASMBL** in Q3/2024 and the acquisition of **Zavy Limited** (see Figure 3 and **eResearch’s** Update Report from November 9 on the **Zavy** acquisition) are part of efforts to enhance its portfolio of tech-enabled solutions and diversify its revenue streams. **ASMBL** is an AI-driven Digital Asset Management (DAM) platform designed to help customers seamlessly organize, store, manage, retrieve, and distribute digital assets. **Zavy**, a SaaS marketing technology company, allows businesses to optimize social media performance and effectiveness.
- Product Sales remained the dominant revenue segment at almost 87% of total revenue (see Figure 4). Tech-Enabled Subscription Services revenue remained at 3.5% of revenue but declined almost 15% year-over-year.

**Figure 1: Q3/2024 Results Compared to eResearch Estimates**

(C\$) ('000)	2022A	Q323A	2023A	Q124A	Q224A	Q324A	Q324E	Diff.	Q424E	2024E
Total Revenue	\$273,804	\$122,721	\$447,725	\$129,254	\$125,751	\$108,726	\$128,857	-15.6%	\$121,000	\$484,731
Total Cost of Sales	\$189,580	\$92,380	\$328,952	\$91,943	\$91,417	\$80,717	\$95,999	-15.9%	\$88,935	\$353,012
Total Gross Profit	\$84,224	\$30,341	\$118,773	\$37,311	\$34,334	\$28,009	\$32,859	-14.8%	\$32,065	\$131,719
Gross Margin	30.8%	24.7%	26.5%	28.9%	27.3%	25.8%	25.5%	+0.3%	26.5%	27.2%
Total Operating Expenses	\$57,150	\$32,791	\$113,148	\$28,596	\$24,965	\$23,698	\$25,243	-6.1%	\$23,898	\$101,157
Operating Income	\$27,074	(\$2,450)	\$5,625	\$8,715	\$9,369	\$4,311	\$7,615	-43.4%	\$8,168	\$30,563
EBITDA*	\$31,973	\$7,928	\$39,876	\$13,898	\$11,898	\$8,111	\$12,141	-33.2%	\$12,368	\$46,275
Adj. EBITDA**	\$39,462	\$11,790	\$53,390	\$18,665	\$16,888	\$12,567	\$16,561	-24.1%	\$0	\$0
Diluted EPS	\$0.30	(\$0.08)	(\$0.31)	\$0.02	\$0.07	(\$0.05)	\$0.02	(\$0.07)	\$0.03	\$0.08
Cash	\$4,208	\$22,310	\$17,652	\$19,842	\$12,929	\$8,878	\$16,935		\$8,435	\$8,435
Debt	\$27,047	\$115,945	\$101,815	\$96,697	\$86,990	\$84,912	\$81,510		\$79,223	\$79,223

\* eResearch's EBITDA calculation.  
\*\* DCM's Adj. EBITDA calculation

Sources: Company Financials, eResearch Corp.

### Gross Profit & Gross Margin:

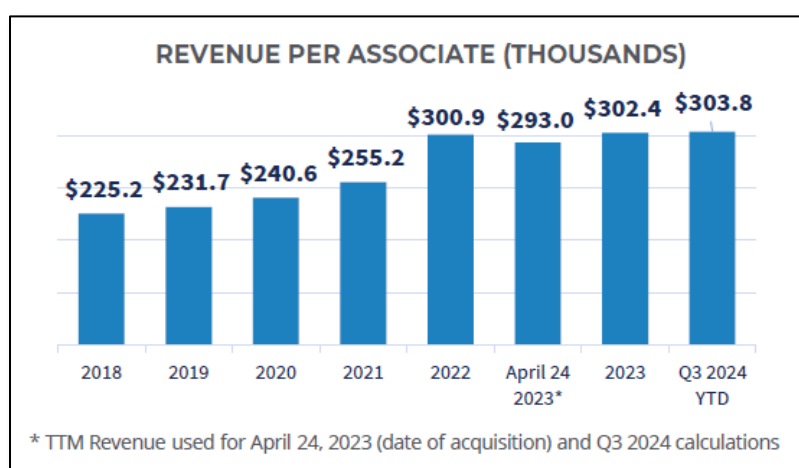
- The Company reported Gross Profit of \$28.0 million in Q3/2024, down 7.7% from \$30.3 million in the same quarter last year. For the first nine months of 2024, Gross Profit increased by 15.7% to \$99.7 million, compared to \$86.2 million in the same period of 2023.
- In Q3/2024, Gross Margin was 25.8%, up 1.1% from 24.7% in Q3/2023, and in-line with our estimate of 25.5%. The Company continues to make progress on returning its Gross Margin above 30%. YTD, gross margin rose to 27.4% compared to 27.1% in 2023.
- Positive impacts on the Gross Margin included integration synergies from the acquisition of **MCC**, which included aligning pricing strategies and focusing on higher-margin business opportunities, and growth in higher margins, technology-enabled subscription services. Margin gains were negatively impacted by lower Gross Margins on some **MCC** legacy business.
- In addition, **DCM** is on track to complete the consolidation of its plant network, reducing the number of production facilities from 14 to 10 by the end of this month.
- The Company is also in the process of commissioning new state-of-the-art capital equipment, expected to enhance production capabilities and drive additional operating efficiencies. The new equipment contributed to higher capital expenditures this quarter, but spending is expected to normalize next quarter.

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

- DCM's** SG&A expenses were \$22.4 million in Q3/2024, down 10.5% from \$25.1 million in Q3/2023, and down from \$23.9 million in the previous quarter.
- In Q3/2024, SG&A expenses represented 20.6% of Revenue, similar to the same quarter last year at 20.4%. Despite lower overall SG&A, the percentage of revenue increased slightly due to reduced revenue in the quarter.

- For the nine months ended September 30, 2024, SG&A expenses increased to \$71.7 million (19.7% of revenue) from \$61.9 million (19.5% of revenue) in the same period of 2023. The rise was attributed to MCC's addition to SG&A and increased spending on technology development, including investments in the ASMBL platform.
- The Company's post-acquisition integration and restructuring initiatives continue to drive improvements in SG&A expenses and gross profit margin. Investments in technology-enabled applications reflect a strategic focus on expanding high-margin, tech-driven services.
- **DCM** reported that it has now accounted for the majority of its envisaged restructuring expenses. In our model, we have estimated only \$0.5 million of acquisition and integration costs in Q4/2024.

**Figure 2: Improving Revenue per Associate**



Source: Company Presentation (November 2024)

#### **EBITDA and Adjusted EBITDA:**

- In Q3/2024, **DCM's** EBITDA was \$9.2 million (8.5% of revenue), up from \$3.8 million (3.1% of revenue) in Q3/2023. EBITDA calculated by **eResearch** was \$8.1 million in Q3/2024, up 2.3% from \$7.9 million in Q3/2023, but lower than our estimate of \$12.1 million.
- YTD 2024, its EBITDA was \$40.3 million (11.1% of revenue), a significant increase from \$10.4 million (3.3% of revenue) in the same period in 2023.
- In Q3/2024, **DCM** reported Adjusted EBITDA of \$12.6 million, an increase of 6.6% from \$11.8 million in the same quarter last year. In the quarter, the Company's Adjusted EBITDA Margin was 11.6%, up 2.0% from 9.6% in Q3/2023.
- YTD 2024, Adjusted EBITDA was \$48.1 million (13.2% of revenue), up 25.4% from \$38.4 million (12.1% of revenue) in the same period in 2023.
- The positive impact of the **MCC** acquisition and ongoing efforts to improve margins and reduce expenses continue to fuel EBITDA and Adjusted EBITDA growth. The Company continues on its goal of getting Adjusted EBITDA Margin above 14%.

- **DCM** reported a YTD Free Cash Flow of \$6.5 million, down from \$11.0 million in the same period of 2023. This decline was primarily due to increased capital expenditures and higher lease principal payments associated with plant consolidation initiatives and new equipment acquisitions aimed at enhancing production capabilities.
- On the Analysts' call, **DCM** mentioned that capital expenditures are projected to decrease in Q4/2024 and 2025. We estimate that the Company could generate \$61.4 million of EBITDA in 2025, which could be allocated towards debt reduction, dividend distribution, or acquisition opportunities.

**Figure 3: Zavy Acquisition**



Source: Company Presentation (November 2024)

#### **Net Income and EPS:**

- The Company reported a Net Loss of \$2.7 million in Q3/2024, an improvement from a Net Loss of \$4.2 million in Q3/2023. The reduced loss reflects progress in cost-saving initiatives, such as plant consolidations and restructuring efforts.
- YTD 2024, net income is \$2.9 million, an improvement from the \$9.5 million loss in the same period of 2023, primarily due to operational efficiencies and revenue growth driven by the MCC acquisition.
- Basic and Diluted EPS in the quarter was a loss of \$0.05 compared to a loss of \$0.08 (both Basic and Diluted EPS), in the same quarter last year. On a YTD basis, EPS turned positive at \$0.05, compared to a loss of \$0.19 in the same period of 2023.

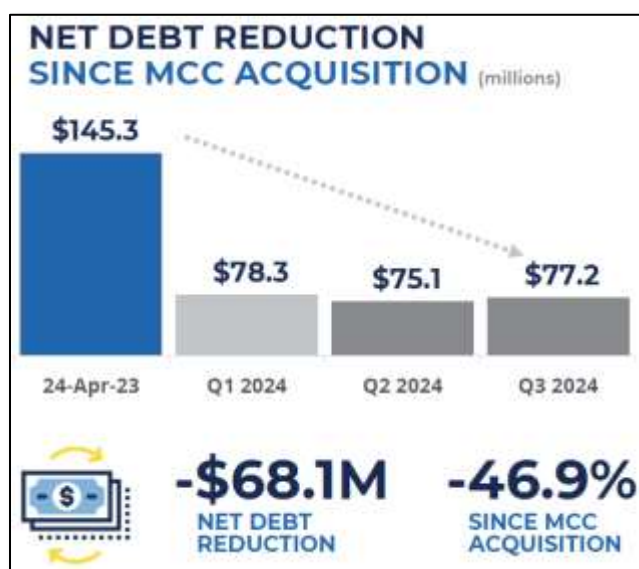
**Figure 4: Revenue by Segment**

('000)	Sep 30/23 Q3/23A	Dec 31/23 Q4/23A	2023A		Mar 31/24 Q1/24A		Jun 30/24 Q2/24A		Jun 30/24 Q2/24A	
<b>Revenue Streams</b>										
Product Sales	\$107,976	\$113,471	\$396,316	88.5%	\$113,115	87.5%	\$109,522	87.1%	\$94,417	86.8%
Technology-enabled Hardware Solutions	\$2,319	\$899	\$8,516	1.9%	\$1,646	1.3%	\$2,536	2.0%	\$1,811	1.7%
Warehousing Services	\$3,752	\$3,875	\$12,173	2.7%	\$2,631	2.0%	\$4,400	3.5%	\$4,524	4.2%
Freight Services	\$3,617	\$4,180	\$13,247	3.0%	\$3,626	2.8%	\$3,924	3.1%	\$3,366	3.1%
Marketing and Other Services	\$523	\$903	\$2,752	0.6%	\$556	0.4%	\$945	0.8%	\$751	0.7%
Tech-enabled Subscription Services & Fees	\$4,534	\$6,636	\$14,721	3.3%	\$7,680	5.9%	\$4,424	3.5%	\$3,857	3.5%
<b>Total</b>	<b>\$122,721</b>	<b>\$129,964</b>	<b>\$447,725</b>		<b>\$129,254</b>		<b>\$125,751</b>		<b>\$108,726</b>	

Sources: Company Financials, eResearch Corp.

#### Cash and Total Debt:

- As of September 30, 2024, **DCM** had \$8.9 million in cash but continues to maintain a low cash balance to reduce the borrowing charges under its Bank Credit Facility. The Company has a strong focus on debt reduction as a key priority and targets Net Debt of less than 1.0x Adjusted EBITDA (net of lease payments).
- At the end of the quarter, the Company's Total Debt stood at \$84.9 million, down 2.4% from \$87.0 million in Q2/2024.
- Net Debt, excluding Lease Liabilities, ended the quarter at \$76.0 million, slightly higher than in the previous quarter at \$74.1 million but lower than the first quarter at \$76.9 million.
- As of September 30, 2024, **DCM's** Net Debt (by its calculation) was \$77.2 million, down by \$68.1 million or 46.9% 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 (November 2024)

## VALUATION

- **DCM** is currently trading at 0.7x our 2024 revenue estimate of \$484.7M and 7.3x our 2024 EBITDA estimate of \$46.3M.
- We are maintaining a Buy rating and the one-year price target of \$6.55.

## 2.0 VALUATION

### 2.1 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 (2024E Revenue);
  - EV/EBITDA of 6.7x (2024E EBITDA).
- (2) DAM:
  - EV/Revenue of 3.5x (2024E Revenue);
  - EV/EBITDA of 17.5x (2024E EBITDA).
- (3) Tech-Enabled Marketing Workflow:
  - EV/Revenue of 3.0x (2024E Revenue);
  - EV/EBITDA of 14.8x (2024E EBITDA).

### 2.1 DCM Valuation

**DCM** is currently trading at 0.7x our 2024 revenue estimate of \$484.7 million and 7.3x our 2024 EBITDA estimate of \$46.3 million (see Figure 6).

With the recent decline in **DCM's** stock price, its 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.

Due to the Company's revenue shortfall in Q3/2024, we lowered our 2024 revenue estimate to \$484.7 million from \$520.3 million. We have maintained our estimate of improving gross margins and EBITDA through facility consolidation and the migration to higher-margin digital services at 27.5% in 2025 growing to 29% by 2028. Figure 7 highlights the revenue growth and gross margin assumptions we use in our model to reach our estimates.

### Target Price Calculation

- **Method 1: Discounted Cash Flow** (see Figure 9): 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 \$9.81.
- **Method 2: Revenue Multiple** (see Figure 8): 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 \$5.20.
- **Method 3: EBITDA Multiple** (see Figure 8): 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 \$4.70.

**The equal-weighted price per share is \$6.57 and our one-year price target is \$6.55.**

**Figure 6: 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	0.7x	1.0x	3.5x	3.0x
EBITDA	8.0x	7.3x	6.7x	17.5x	14.8x

Sources: See Appendix B, eResearch Corp.

**Figure 7: Model Assumptions and Company Guidance**

Metric	Rate					DCM Guidance (5-Year Plan)
	2024E	2025E	2026E	2027E	2028E	
Revenue Growth	8%	4%	5%	5%	5%	+5% Organic
Gross Margins	27%	27.5%	28%	28.5%	29%	+30%
Adj. EBITDA Margins	12%	14%	14%	15%	15%	+14%

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

**Figure 8: Target Price (1 Year) Calculation**

						SHARES	TARGET	
<b>Method 1:</b> DCF (5-year)	WACC:14%	Terminal Multiple: 8x EBITDA	See DCF calculation.			58.6M	\$9.81	
				ENT. VALUE	Net Debt Q3/2025	MARKET CAP	SHARES	TARGET
<b>Method 2:</b> Revenue Multiple	1.0x	1 Year Fwd Revenue (Est.): \$499.3M	\$499.3M	\$203.4M	\$295.9M	56.9M	\$5.20	
<b>Method 3:</b> EBITDA Multiple	8.0x	1-Year Fwd EBITDA (Est.): \$58.6M	\$468.8M	\$203.4M	\$265.4M	56.9M	\$4.70	
<b>Equal-Weighted Target Price (1 year)</b>							<b>\$6.57</b>	

Source: eResearch Corp.



**Figure 9: DCF Analysis**

DATA Communications Management Corp. FYE (December 31)							
DCF Analysis (C\$)	2022A	2023A	2024E	2025E	2026E	2027E	2028E
Revenue (\$)	273.8	447.7	484.7	504.1	529.3	555.8	583.6
Revenue Growth	16.3%	63.5%	8.3%	4.0%	5.0%	5.0%	5.0%
EBITDA (\$)	32.0	39.9	46.3	61.4	66.5	73.5	81.6
EBITDA Growth	53.5%	24.7%	16.0%	32.7%	8.3%	10.5%	11.0%
EBITDA Margin	11.7%	8.9%	9.5%	12.2%	12.6%	13.2%	14.0%
Depreciation and Amortization	11.2	21.7	29.4	22.0	31.8	26.7	22.4
EBIT (\$)	20.8	18.2	16.8	39.4	34.7	46.8	59.2
NOPAT	38.6	8.0	38.6	55.0	66.3	77.8	90.3
Plus Amortization (\$)	11.2	21.7	29.4	22.0	31.8	26.7	22.4
Less Capital Expenditures (\$)	(1.5)	(3.1)	(11.5)	(7.2)	(3.9)	(3.3)	(2.7)
Net Working Capital Changes	(11.8)	0.9	(6.2)	(5.4)	(1.3)	(3.2)	(3.4)
EPS (Continuing)	0.30	(0.31)	0.08	0.29	0.45	0.58	0.71
<b>Unlevered Free Cash Flow (\$)</b>	<b>36.4</b>	<b>27.5</b>	<b>50.3</b>	<b>64.5</b>	<b>92.9</b>	<b>98.0</b>	<b>106.5</b>
PV of Unlevered FCFs (\$)	46.5	30.9	49.5	55.7	70.3	65.1	62.1

**Valuation Assumptions:**

Discount Rate	14.0%
Terminal Multiple	8.0x

Valuation Analysis:	Current	1-Yr Target	2-Yr Target
Total PV of FCFs (\$M)	333.5	345.0	329.0
Terminal Value (\$M)	652.9	652.9	652.9
PV of Terminal Value (\$M)	380.2	433.6	494.3
Net (debt) cash position	(239.7)	(203.4)	(145.1)
<b>Total Value (\$M)</b>	<b>474.0</b>	<b>575.2</b>	<b>678.3</b>
DCF Value/Share (C\$)	<b>C\$8.09</b>	<b>C\$9.81</b>	<b>C\$11.57</b>
DCF Value/Share (US\$)	<b>US\$5.79</b>	<b>US\$7.02</b>	<b>US\$8.28</b>
FD Shares O/S (M)*	58.6	58.6	58.6

\*Using the Treasury Method

Source: eResearch Corp.

**Figure 10: 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%	7.86	8.89	9.92	10.96	11.99	13.03	14.06
	12.0%	7.43	8.41	9.39	10.36	11.34	12.32	13.30
	14.0%	7.04	7.96	8.89	<b>9.81</b>	10.74	11.66	12.59
	16.0%	6.67	7.55	8.42	9.30	10.17	11.05	11.92
	18.0%	6.33	7.16	7.99	8.82	9.65	10.48	11.31
	20.0%	6.01	6.79	7.58	8.37	9.16	9.94	10.73

Source: eResearch Corp.

**Figure 11: Shares Outstanding for Fully Diluted Share Count and Valuation**

<b>Shares, Options, and Warrants ('000)</b>	
Shares Outstanding: Basic - End of the Current Quarter (Sep 30/24)	55,023
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
<b>Fully Diluted Share Count</b>	<b>59,508</b>
<b>Shares Outstanding - Valuation using Multiples ('000)</b>	
Shares Outstanding: Basic - End of the Previous Quarter (Jun 30/24)	55,309
Shares Issued in the Quarter	-286
Shares Outstanding: Basic - End of the Current Quarter (Sep 30/24)	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*	1,915
- In the Money Warrants: Stock Price above Strike Price*	-
<b>Updated Shares Outstanding, Fully Diluted: After the Quarter End (Multiples)</b>	<b>56,938</b>
<i>* Number of shares has been adjusted by the Treasury Stock Method</i>	
<b>Shares Outstanding - DCF Valuation ('000)</b>	
Shares Outstanding: Basic - End of the Current Quarter (Sep 30/24)	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*	3,466
- In the Money Warrants: Target Price above Strike Price*	135
<b>Updated Shares Outstanding, Fully Diluted: After the Quarter End (DCF)</b>	<b>58,624</b>
<i>* Number of shares has been adjusted by the Treasury Stock Method</i>	

Sources: Company Reports, eResearch Corp

## APPENDIX A: FINANCIAL STATEMENTS

Figure 12: Income Statement

DCM	2022A	2023A	Q124A	Q224A	Q324A	Q424E	2024E	2025E	2026E
<b>Income Statement - FYE (December 31); CAD ('000)</b>									
<b>Total Revenue</b>	<b>273,804</b>	<b>447,725</b>	<b>129,254</b>	<b>125,751</b>	<b>108,726</b>	<b>121,000</b>	<b>484,731</b>	<b>504,120</b>	<b>529,326</b>
<i>Revenue Growth</i>	16.3%	63.5%	69.9%	5.7%	-11.4%	-6.9%	8.3%	4.0%	5.0%
<b>Total Cost of Sales</b>	189,580	328,952	91,943	91,417	80,717	88,935	353,012	365,487	381,115
<b>Total Gross Profit</b>	<b>84,224</b>	<b>118,773</b>	<b>37,311</b>	<b>34,334</b>	<b>28,009</b>	<b>32,065</b>	<b>131,719</b>	<b>138,633</b>	<b>148,211</b>
<i>Gross Margin</i>	30.8%	26.5%	28.9%	27.3%	25.8%	26.5%	27.2%	27.5%	28.0%
Sales & Marketing	29,137	39,196	10,864	10,178	9,930	9,922	40,894	40,031	41,287
General and Administrative	26,477	47,234	14,307	13,576	12,431	12,403	52,717	49,755	50,286
Other operating costs	1,208	5,735	3,214	1,101	1,268	1,452	7,035	7,058	5,293
Restructuring Charges	-	20,308	-	-	-	-	-	-	-
Stock Based Compensation	328	675	211	110	69	121	511	504	1,588
<b>Total Operating Expenses</b>	<b>57,150</b>	<b>113,148</b>	<b>28,596</b>	<b>24,965</b>	<b>23,698</b>	<b>23,898</b>	<b>101,157</b>	<b>97,347</b>	<b>98,455</b>
<b>Operating Income</b>	<b>27,074</b>	<b>5,625</b>	<b>8,715</b>	<b>9,369</b>	<b>4,311</b>	<b>8,168</b>	<b>30,563</b>	<b>41,286</b>	<b>49,757</b>
<b>Other Income (Expenses):</b>									
Interest on Loan Payable	(2,742)	(8,315)	(2,498)	(2,307)	(2,108)	(2,123)	(9,036)	(6,311)	(2,827)
Interest Expense on Lease Liabilities	-	(7,006)	(3,055)	(3,059)	(3,165)	(3,274)	(12,553)	(13,003)	(13,126)
Acquisition and Integration Costs	(1,870)	(10,903)	(1,368)	(243)	(2,077)	(500)	(4,188)	-	-
Other	(2,567)	(1,845)	(140)	1,267	(140)	-	987	-	-
<b>Total Other Income</b>	<b>(7,179)</b>	<b>(28,069)</b>	<b>(7,061)</b>	<b>(4,342)</b>	<b>(7,490)</b>	<b>(5,897)</b>	<b>(24,790)</b>	<b>(19,314)</b>	<b>(15,953)</b>
<b>EBT</b>	<b>19,895</b>	<b>(22,444)</b>	<b>1,654</b>	<b>5,027</b>	<b>(3,179)</b>	<b>2,271</b>	<b>5,773</b>	<b>21,971</b>	<b>33,804</b>
<b>Income Taxes</b>	(5,929)	6,590	(179)	(963)	511	(568)	(1,199)	(5,493)	(8,451)
<b>Net Income (Loss)</b>	<b>13,966</b>	<b>(15,854)</b>	<b>1,475</b>	<b>4,064</b>	<b>(2,668)</b>	<b>1,703</b>	<b>4,574</b>	<b>16,478</b>	<b>25,353</b>
<b>EPS</b>									
Basic EPS	0.32	(0.31)	0.03	0.07	(0.05)	0.03	0.08	0.30	0.46
Diluted EPS	0.30	(0.31)	0.02	0.07	(0.05)	0.03	0.08	0.29	0.45
Basic EPS- ex-non-recurring items									
<b>Shares Outstanding</b>									
Shares Outstanding, Basic (Weighted)	44,063	50,833	55,023	55,246	55,309	55,023	55,023	55,023	55,023
Shares Outstanding, Diluted (Weighted)	46,572	50,833	59,052	57,835	55,309	56,938	56,938	56,938	56,938
Shares Outstanding, Basic (End of Quarter)	44,063	55,023	55,023	55,309	55,023	-	-	-	-

Source: S&amp;P Capital IQ; eResearch Corp.

**Figure 13: Balance Sheet**

DCM Balance Sheet - FYE (December 31); CAD ('000)	2022A	2023A	Q124A	Q224A	Q324A	Q424E	2024E	2025E	2026E
<b>Current Assets</b>									
Cash	4,208	17,652	19,842	12,929	8,878	8,435	8,435	2,833	18,255
Account Receivables	54,630	117,956	107,154	97,731	95,933	96,734	96,734	97,847	98,398
Prepaid Expenses & Other Assets	2,984	5,313	5,827	5,567	6,383	6,372	6,372	5,588	5,927
Inventory	20,220	28,840	32,286	25,771	25,715	25,713	25,713	26,377	27,505
Income taxes receivable	15	2,640	1,248	2,881	3,533	3,533	3,533	3,533	3,533
Held for Sale	0	8,650	0	0	0	0	0	0	0
Other	0	0	0	0	0	800	800	800	800
<b>Total Current Assets</b>	<b>82,057</b>	<b>181,051</b>	<b>166,357</b>	<b>144,879</b>	<b>140,442</b>	<b>141,586</b>	<b>141,586</b>	<b>136,978</b>	<b>154,419</b>
<b>Non-Current Assets</b>									
Deferred Income Tax Assets	4,830	9,801	9,122	7,769	8,767	8,767	8,767	8,767	8,767
Property and Equipment	6,779	30,358	31,088	33,461	33,995	33,670	33,670	30,323	25,051
Pension Assets	2,830	1,962	2,724	3,117	3,421	3,421	3,421	3,421	3,421
Intangible Assets	2,507	10,616	9,888	9,582	9,651	9,168	9,168	7,468	6,083
Goodwill	16,973	22,265	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	169,808	163,031	163,031	137,982	116,779
<b>Total Assets</b>	<b>149,481</b>	<b>418,754</b>	<b>406,096</b>	<b>390,099</b>	<b>388,349</b>	<b>381,908</b>	<b>381,908</b>	<b>347,204</b>	<b>336,785</b>
<b>Current Liabilities</b>									
Accounts Payables/Accrued Liabilities	44,133	75,766	69,963	57,576	59,216	59,412	59,412	59,948	60,428
Lease Liability	6,791	10,322	11,820	12,765	10,974	9,680	9,680	10,067	9,249
Bank Overdraft/Line of Credit	0	1,564	199	0	0	0	0	0	0
Current Portion of Debt/Promissory Notes	11,667	6,333	8,119	10,899	13,359	11,248	11,248	5,871	1,858
Provisions	1,316	16,325	13,395	12,237	9,007	9,007	9,007	3,007	3,007
Deferred Revenue - Current	3,942	6,221	6,032	3,795	3,927	3,993	3,993	5,034	5,285
Taxes Payable	1,630	0	0	0	0	0	0	0	0
<b>Total Current Liabilities</b>	<b>69,479</b>	<b>116,531</b>	<b>109,528</b>	<b>97,272</b>	<b>96,483</b>	<b>93,339</b>	<b>93,339</b>	<b>83,928</b>	<b>79,827</b>
<b>Non-Current Liabilities</b>									
Term Loan/Promissory Notes	0	93,918	88,379	76,091	71,553	67,975	67,975	35,484	11,227
Credit Facilities	15,380	0	0	0	0	0	0	0	0
Lease Liability	33,011	144,993	144,049	147,941	152,727	151,402	151,402	142,491	134,359
Provision/Loan Payable/Benefits Payable	8,764	27,390	23,992	23,653	24,690	24,472	24,472	23,600	22,728
Other	0	7,158	4,497	3,617	3,524	3,524	3,524	3,524	3,524
<b>Total Liabilities</b>	<b>126,634</b>	<b>389,990</b>	<b>370,445</b>	<b>348,574</b>	<b>348,977</b>	<b>340,712</b>	<b>340,712</b>	<b>289,026</b>	<b>251,666</b>
<b>Shareholders Equity</b>									
Capital Stock	256,478	283,738	283,738	284,592	284,592	284,592	284,592	284,592	284,592
Warrants & Options	869	219	219	219	219	219	219	219	219
Accumulated OCI	207	177	207	221	3,008	3,008	3,008	3,008	3,008
Contributed Surplus	3,131	3,135	3,346	2,939	202	323	323	827	2,415
Deficit	(237,838)	(258,505)	(251,859)	(246,446)	(248,649)	(246,946)	(246,946)	(230,468)	(205,115)
<b>Total Shareholders Equity</b>	<b>22,847</b>	<b>28,764</b>	<b>35,651</b>	<b>41,525</b>	<b>39,372</b>	<b>41,196</b>	<b>41,196</b>	<b>58,179</b>	<b>85,119</b>
<b>Total Liabilities &amp; Shareholders Equity</b>	<b>149,481</b>	<b>418,754</b>	<b>406,096</b>	<b>390,099</b>	<b>388,349</b>	<b>381,908</b>	<b>381,908</b>	<b>347,204</b>	<b>336,785</b>

Source: S&amp;P Capital IQ; eResearch Corp.

**Figure 14: Cash Flow Statement**

DCM	2022A	2023A	Q124A	Q224A	Q324A	Q424E	2024E	2025E	2026E
<b>Cash Flow Statement - FYE (December 31); CAD ('000)</b>									
<b>Cash Provided By Operating Activities</b>									
Net Income (Loss)	13,966	(15,854)	1,475	4,064	(2,668)	1,703	4,574	16,478	25,353
Amortization of Intangibles	1,606	2,881	728	306	482	676	2,192	2,381	1,939
Depreciation of Property & Equipment	2,965	6,165	1,523	1,783	1,832	1,855	6,993	9,826	8,665
Depreciation of Right-of-Use Assets	6,609	12,677	4,485	4,329	4,674	6,777	20,265	25,049	21,203
Interest Expense on Lease Liabilities	2,223	7,006	3,055	(3,055)	-	-	-	-	-
Stock Based Compensation Expense	328	675	211	110	69	121	511	504	1,588
Pension and other Benefit Expenses	351	121	282	661	(218)	(218)	507	(872)	(872)
Loss on Disposal of Intangible Assets	98	-	-	-	-	-	-	-	-
Provisions	-	20,308	1,085	1,101	1,160	-	3,346	-	-
Income Tax Expense	5,929	(10,662)	229	913	(3,409)	-	(2,267)	-	-
Finance Cost	120	-	-	280	(280)	-	-	-	-
Other	328	8,598	3,321	(916)	(65)	-	2,340	-	-
<b>Changes in Non-Cash Working Capital</b>									
Account & Other Receivables	(3,063)	(3,586)	10,802	9,423	1,798	(801)	21,222	(1,113)	(551)
Inventory	(8,087)	14,361	(3,446)	6,515	56	2	3,127	(665)	(1,128)
Investment/Income Tax Credits	-	-	-	(1,599)	1,599	-	-	-	-
Prepaid Expenses & Other Current Assets	(43)	(2,051)	(4,710)	4,603	(1,175)	11	(1,271)	784	(339)
Accounts Payable & Other Payables	6,888	(3,452)	(9,017)	(10,980)	1,532	196	(18,269)	537	480
Other	(5,056)	-	-	(719)	719	-	-	-	-
Provisions	(3,160)	(4,975)	(4,105)	(2,421)	(2,278)	-	(8,804)	(6,000)	-
Deferred (Unbilled) Revenue	673	591	(189)	(2,237)	132	66	(2,228)	1,041	252
<b>Total Cash Provided By Operating Activities</b>	<b>22,675</b>	<b>32,803</b>	<b>5,729</b>	<b>12,161</b>	<b>3,960</b>	<b>10,388</b>	<b>32,238</b>	<b>47,950</b>	<b>56,589</b>
<b>Investing Activities</b>									
Purchase of Property & Equipment	(1,475)	(2,940)	(2,231)	(4,327)	(2,711)	(1,530)	(10,799)	(6,479)	(3,393)
Purchase of Intangibles	(71)	(127)	-	-	(551)	(193)	(744)	(680)	(554)
Business (Acquisition) Sale	70	(130,953)	-	(6,499)	(1,514)	(800)	(8,813)	-	-
<b>Total Cash From Investing Activities</b>	<b>(1,476)</b>	<b>(104,487)</b>	<b>6,430</b>	<b>(10,826)</b>	<b>(3,219)</b>	<b>(2,523)</b>	<b>(10,138)</b>	<b>(7,159)</b>	<b>(3,947)</b>
<b>Financing Activities</b>									
Proceeds from Loan/Promissory Notes	-	162,140	(1,365)	31,550	27,960	-	58,145	-	-
Repayment of Loan/Promissory Notes	-	(87,592)	-	(43,726)	(30,179)	(5,689)	(79,594)	(37,868)	(28,270)
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	(2,555)	(2,619)	(8,674)	(8,524)	(8,950)
Proceeds from exercise of Stock Options and Warrants	-	1,240	-	337	-	-	337	-	-
Issue/Repurchase of Equity	-	24,221	-	-	-	-	-	-	-
<b>Total Cash From Financing Activities</b>	<b>(17,931)</b>	<b>85,169</b>	<b>(9,988)</b>	<b>(8,280)</b>	<b>(4,774)</b>	<b>(8,308)</b>	<b>(31,350)</b>	<b>(46,392)</b>	<b>(37,219)</b>
<b>Effect of Exchange Rates on Cash</b>	<b>39</b>	<b>(41)</b>	<b>19</b>	<b>32</b>	<b>(18)</b>	<b>-</b>	<b>33</b>	<b>-</b>	<b>-</b>
<b>Net Increase in Cash</b>	<b>3,307</b>	<b>13,444</b>	<b>2,190</b>	<b>(6,913)</b>	<b>(4,051)</b>	<b>(443)</b>	<b>(9,217)</b>	<b>(5,602)</b>	<b>15,422</b>
<b>Beginning Cash</b>	<b>901</b>	<b>4,208</b>	<b>17,652</b>	<b>19,842</b>	<b>12,929</b>	<b>8,878</b>	<b>17,652</b>	<b>8,435</b>	<b>2,833</b>
<b>Ending Cash</b>	<b>4,208</b>	<b>17,652</b>	<b>19,842</b>	<b>12,929</b>	<b>8,878</b>	<b>8,435</b>	<b>8,435</b>	<b>2,833</b>	<b>18,255</b>

Source: S&P Capital IQ; 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	Nov 15, 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
<b>DATA Communications Management Corp.</b>	<b>TSX:DCM</b>	<b>\$1.80</b>	<b>\$100</b>	<b>\$339</b>	<b>\$273.8</b>	<b>\$447.7</b>	<b>\$484.7</b>	<b>\$32.0</b>	<b>\$40.6</b>	<b>\$46.3</b>	<b>1.2x</b>	<b>0.8x</b>	<b>0.7x</b>	<b>10.6x</b>	<b>8.4x</b>	<b>7.3x</b>
<b>US Comps - Conventional Print Solution Providers</b>																
ARC Document Solutions, Inc.	NYSE:ARC	US\$3.39	US\$147	US\$194	US\$286	US\$281	US\$293	US\$38	US\$31	US\$32	0.7x	0.7x	0.7x	5.1x	6.3x	6.1x
Canon Inc.	TSE:7751	US\$32.54	US\$30,719	US\$33,329	US\$30,570	US\$29,660	US\$29,104	US\$4,594	US\$4,435	US\$4,385	1.1x	1.1x	1.1x	7.3x	7.5x	7.6x
Cimpres plc	NASDAQ:CMPR	US\$77.40	US\$1,947	US\$3,546	US\$2,888	US\$3,210	US\$3,387	US\$101	US\$323	US\$427	1.2x	1.1x	1.0x	35.2x	11.0x	8.3x
Ennis, Inc.	NYSE:EBF	US\$21.22	US\$552	US\$437	US\$400	US\$432	US\$423	US\$78	US\$77	US\$76	1.1x	1.0x	1.0x	5.6x	5.7x	5.7x
Quad/Graphics, Inc.	NYSE:QUAD	US\$7.09	US\$370	US\$951	US\$3,217	US\$2,958	US\$2,690	US\$252	US\$234	US\$226	0.3x	0.3x	0.4x	3.8x	4.1x	4.2x
Xerox Holdings Corporation	NASDAQ:XRX	US\$8.43	US\$1,048	US\$4,203	US\$6,900	US\$6,695	US\$6,187	US\$449	US\$541	US\$539	0.6x	0.6x	0.7x	9.4x	7.8x	7.8x
<b>Mean (EV/Rev &lt;20; EV/EBITDA &lt;100)</b>											<b>0.8x</b>	<b>0.8x</b>	<b>0.8x</b>	<b>11.1x</b>	<b>7.1x</b>	<b>6.6x</b>
<b>Median</b>											<b>0.9x</b>	<b>0.9x</b>	<b>0.9x</b>	<b>6.4x</b>	<b>6.9x</b>	<b>6.8x</b>
<b>Cdn Comps - Conventional Print Solution Providers</b>																
CCL Industries Inc.	TSX:CCL.B	\$77.12	\$13,695	\$15,371	\$6,382	\$6,650	\$7,202	\$1,179	\$1,270	\$1,496	2.4x	2.3x	2.1x	13.0x	12.1x	10.3x
Supremex Inc.	TSX:SXP	\$4.01	\$98	\$190	\$272	\$302	\$284	\$51	\$43	\$37	0.7x	0.6x	0.7x	3.7x	4.4x	5.1x
Transcontinental Inc.	TSX:TCL.A	\$17.00	\$1,437	\$2,390	\$2,973	\$2,914	\$2,813	\$395	\$407	\$464	0.8x	0.8x	0.8x	6.1x	5.9x	5.2x
<b>Mean (EV/Rev &lt;20; EV/EBITDA &lt;100)</b>											<b>1.3x</b>	<b>1.3x</b>	<b>1.2x</b>	<b>7.6x</b>	<b>7.5x</b>	<b>6.9x</b>
<b>Median</b>											<b>0.8x</b>	<b>0.8x</b>	<b>0.8x</b>	<b>6.4x</b>	<b>6.9x</b>	<b>6.6x</b>
<b>US Comps - Digital Asset Management (DAM) Solution Providers (PaaS/SaaS)</b>																
Adobe Inc.	NASDAQ:ADBE	US\$503.37	US\$221,583	US\$220,146	US\$17,606	US\$19,409	US\$21,450	US\$6,716	US\$7,268	US\$10,766	12.5x	11.3x	10.3x	32.8x	30.3x	20.4x
Box, Inc.	NYSE:BOX	US\$33.53	US\$4,802	US\$5,293	US\$874	US\$1,038	US\$1,088	US\$85	US\$85	US\$325	6.1x	5.1x	4.9x	62.2x	62.0x	16.3x
Fluent, Inc.	NASDAQ:FLNT	US\$2.82	US\$48	US\$81	US\$361	US\$298	US\$267	US\$19	US\$3	US\$0	0.2x	0.3x	0.3x	4.4x	31.2x	
LiveRamp Holdings, Inc.	NYSE:RAMP	US\$27.89	US\$1,820	US\$1,511	US\$529	US\$636	US\$724	-US\$58	US\$17	US\$125	2.9x	2.4x	2.1x		88.0x	12.1x
Open Text Corporation	NASDAQ:OTEX	US\$28.83	US\$7,553	US\$13,235	US\$3,494	US\$5,696	US\$5,398	US\$969	US\$1,435	US\$1,805	3.8x	2.3x	2.5x	13.7x	9.2x	7.3x
QuinStreet, Inc.	NASDAQ:QNST	US\$20.31	US\$1,143	US\$1,128	US\$582	US\$550	US\$886	-US\$4	-US\$12	US\$57	1.9x	2.1x	1.3x			19.7x
Smartsheet Inc.	NYSE:SMAR	US\$55.85	US\$7,771	US\$7,108	US\$551	US\$958	US\$1,120	-US\$203	-US\$106	US\$217	12.9x	7.4x	6.3x			32.8x
TechTarget, Inc.	NASDAQ:TTGT	US\$29.01	US\$848	US\$922	US\$297	US\$230	US\$229	US\$77	US\$16	US\$66	3.1x	4.0x	4.0x	12.0x	57.2x	14.0x
<b>Mean (EV/Rev &lt;20; EV/EBITDA &lt;100)</b>											<b>5.4x</b>	<b>4.4x</b>	<b>4.0x</b>	<b>25.0x</b>	<b>46.3x</b>	<b>17.5x</b>
<b>Median</b>											<b>3.4x</b>	<b>3.2x</b>	<b>3.2x</b>	<b>13.7x</b>	<b>44.2x</b>	<b>16.3x</b>
<b>CDN Comps - Digital Asset Management (DAM) Solution Providers (PaaS/SaaS)</b>																
illumin Holdings Inc.	TSX:ILLM	\$1.75	\$88.7	\$43.8	\$121.0	\$126.3	\$132.5	-\$4.5	-\$9.9	\$5.5	0.4x	0.3x	0.3x			8.0x
Fobi AI Inc.	TSX:FOBI	\$0.04	\$9.0	\$7.9	\$1.6	\$2.5		-\$12.7	-\$8.6	\$0.0	5.0x	3.1x				
<b>Mean (EV/Rev &lt;20; EV/EBITDA &lt;100)</b>											<b>2.7x</b>	<b>1.7x</b>	<b>0.3x</b>			
<b>Median</b>											<b>2.7x</b>	<b>1.7x</b>	<b>0.3x</b>			

Source: S&amp;P Capital IQ; eResearch Corp.

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

Name	Ticker	Nov 15 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
<b>DATA Communications Management Corp.</b>	<b>TSX:DCM</b>	<b>\$1.80</b>	<b>\$100</b>	<b>\$339</b>	<b>\$273.8</b>	<b>\$447.7</b>	<b>\$484.7</b>	<b>\$32.0</b>	<b>\$40.6</b>	<b>\$46.3</b>	<b>1.2x</b>	<b>0.8x</b>	<b>0.7x</b>	<b>10.6x</b>	<b>8.4x</b>	<b>7.3x</b>
<b>Tech-Enabled Marketing Workflow Providers</b>																
Cimpress plc	NASDAQ:CMPR	US\$77.40	US\$1,946.9	US\$3,545.7	US\$2,887.6	US\$3,209.7	US\$3,387.1	US\$100.6	US\$322.5	US\$426.6	1.2x	1.1x	1.0x	35.2x	11.0x	8.3x
Deluxe Corporation	NYSE:DLX	US\$23.21	US\$1,027.6	US\$2,586.5	US\$2,238.0	US\$2,238.0	US\$2,213.4	US\$386.5	US\$390.2	US\$411.2	1.2x	1.2x	1.2x	6.7x	6.6x	6.3x
dotdigital Group Plc	AIM:DOTD	£0.95	£291.5	£252.4	£62.8	£74.2	£82.6	£13.0	£15.7	£25.2	4.0x	3.4x	3.1x	19.4x	16.0x	10.0x
Galaxy Digital Holdings Ltd.	TSX:GLXY	\$25.32	\$3,185	\$3,183		\$567	\$909						5.6x			
Harte Hanks, Inc.	NASDAQ:HHS	US\$6.40	US\$46.6	US\$65.9	US\$206.3	US\$191.5	US\$0.0	US\$15.8	US\$9.9	US\$0.0	0.3x	0.3x		4.2x	6.7x	
HubSpot, Inc.	NYSE:HUBS	US\$677.07	US\$34,952.8	US\$33,772.8	US\$1,731.0	US\$2,170.2	US\$2,598.2	-US\$83.0	-US\$80.9	US\$542.9	19.5x	15.6x	13.0x			62.2x
Publicis Groupe S.A.	ENXTPA:PUB	€ 97.98	€ 24,592.14	€ 27,009.21	€ 14,196.00	€ 14,802.00	€ 13,879.26	€ 2,557.00	€ 2,504.00	€ 3,031.30	1.9x	1.8x	1.9x	10.6x	10.8x	8.9x
Quadient S.A.	ENXTPA:QDT	€ 16.04	€ 547.73	€ 1,284.86	€ 1,024.30	€ 1,074.38	€ 1,096.74	€ 231.90	€ 204.40	€ 249.28	1.3x	1.2x	1.2x	5.5x	6.3x	5.2x
Teleperformance SE	ENXTPA:TEP	€ 90.92	€ 5,442.09	€ 9,906.09	€ 8,154.00	€ 8,345.00	€ 10,243.73	€ 1,372.00	€ 1,406.00	€ 2,133.78	1.2x	1.2x	1.0x	7.2x	7.0x	4.6x
TTEC Holdings, Inc.	NASDAQ:TTEC	US\$4.74	US\$226.2	US\$1,287.3	US\$2,443.7	US\$2,462.8	US\$2,215.9	US\$301.2	US\$240.7	US\$203.4	0.5x	0.5x	0.6x	4.3x	5.3x	6.3x
Zeta Global Holdings Corp.	NYSE:ZETA	US\$17.58	US\$4,174.3	US\$3,961.8	US\$591.0	US\$728.7	US\$986.0	-US\$231.5	-US\$137.7	US\$188.5	6.7x	5.4x	4.0x			21.0x
<b>Mean (EV/Rev &lt;20; EV/EBITDA &lt;100)</b>											<b>3.8x</b>	<b>3.4x</b>	<b>3.0x</b>	<b>11.6x</b>	<b>8.7x</b>	<b>14.8x</b>
<b>Median</b>											<b>1.2x</b>	<b>1.2x</b>	<b>1.6x</b>	<b>7.0x</b>	<b>6.9x</b>	<b>8.3x</b>

Name	Ticker	Nov 15 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
<b>Canadian Advertising, Marketing &amp; Technology Comps</b>																
illumin Holdings Inc.	TSX:ILLM	\$1.75	\$88.7	\$43.8	\$121.0	\$126.3	\$132.5	-\$4.5	-\$9.9	\$5.5	0.4x	0.3x	0.3x			8.0x
Adcore Inc.	TSX:ADCO	\$0.17	\$10.3	\$5.9	\$19.7	\$23.1		-\$0.4	-\$0.4		0.3x	0.3x				
ARHT Media Inc.	TSXV:ART.H	\$0.02	\$0.0	\$2.9	\$7.5	\$6.6		-\$7.0	-\$7.9		0.4x	0.4x				
Datable Technology Corporation	TSXV:DAC	\$0.04	\$0.8	\$4.2	\$3.9			-\$3.8			1.1x					
DeepMarkit Corp.	TSXV:MKT	\$0.05	\$0.6	\$0.5				-\$6.3	-\$3.0							
EQ Inc.	TSXV:EQ	\$1.10	\$76.6	\$77.6	\$11.0	\$10.0		-\$6.1	-\$2.3		7.1x	7.8x				
Fobi AI Inc.	TSXV:FOBI	\$0.04	\$9.0	\$7.9	\$1.6	\$2.5		-\$12.7	-\$8.6		5.0x	3.1x				
Gatekeeper Systems Inc.	TSXV:GSI	\$0.63	\$0.1	-\$8.1	\$22.2	\$32.8		\$0.8	\$5.7							
Reklam Ltd.	TSXV:MYID	\$0.08	\$9.4	\$10.0	\$2.4	\$4.1		-\$4.5	\$0.5		4.2x	2.4x		20.6x		
Snipp Interactive Inc.	TSXV:SPN	\$0.07	\$20.0	\$13.8	\$24.7	\$30.5	\$24.0	-\$1.6	-\$3.3		0.6x	0.5x	0.6x			
YANGAROO Inc.	TSXV:YOO	\$0.02	\$1.2	\$4.4	\$7.7	\$7.9		-\$0.5	\$0.6		0.6x	0.6x		7.0x		
Yellow Pages Limited	TSX:Y	\$10.77	\$148.1	\$148.8	\$268.3	\$239.4	\$214.2	\$85.8	\$69.5	\$54.4	0.6x	0.6x	0.7x	1.7x	2.1x	2.7x
Zoomd Technologies Ltd.	TSXV:ZOMD	\$0.50	\$49.3	\$48.6	\$53.0	\$32.1		-\$1.9	-\$1.2		0.9x	1.5x				
<b>Mean (EV/Rev &lt;20; EV/EBITDA &lt;100)</b>											<b>1.9x</b>	<b>1.8x</b>	<b>0.5x</b>	<b>1.7x</b>	<b>9.9x</b>	<b>5.4x</b>
<b>Median</b>											<b>0.6x</b>	<b>0.6x</b>	<b>0.6x</b>	<b>1.7x</b>	<b>7.0x</b>	<b>5.4x</b>

Source: S&P Capital IQ; eResearch Corp.

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