



# Presentation to: **Planet MicroCap Showcase 2022**

**DATA Communications Management Corp.**

**DCM-TSX  
DCMDF-OTCQX**

May 4, 2022

*All numbers reported in Canadian Dollars*



# Forward-looking Statements Information Disclosure

## Forward-looking Statements

Certain statements in this presentation constitute “forward-looking” statements that involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, objectives or achievements of DCM or industry results, to be materially different from any future results, performance, objectives or achievements expressed or implied by such forward-looking statements. When used in this presentation, words such as “may”, “would”, “could”, “will”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “plan”, and other similar expressions are intended to identify forward-looking statements. These statements reflect DCM’s current views regarding future events and operating performance, are based on information currently available to DCM, and speak only as of the date of this presentation.

These forward-looking statements involve a number of risks, uncertainties and assumptions and should not be read as guarantees that future performance or results will be achieved. Many factors could cause the actual results, performance, objectives or achievements of DCM to be materially different from any future results, performance, objectives or achievements that may be expressed or implied by such forward-looking statements. See “Liquidity and capital resources” and “Risks and Uncertainties” in DCM’s management’s discussion and analysis and other publicly available disclosure documents, as filed by DCM on SEDAR ([www.sedar.com](http://www.sedar.com)).

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described in this presentation as intended, planned, anticipated, believed, estimated or expected. Unless required by applicable securities law, DCM does not intend and does not assume any obligation to update these forward-looking statements.

## Non-IFRS Measures

This presentation includes certain non-IFRS measures as supplementary information. In addition to net income (loss), DCM uses non-IFRS measures including Adjusted net income (loss), Adjusted net income (loss) per share, EBITDA and Adjusted EBITDA (collectively, “Non-IFRS Measures”) to provide investors with supplemental measures of DCM’s operating performance and to highlight trends in its business that may not otherwise be apparent when relying solely on IFRS financial measures. DCM also believes that securities analysts, investors, rating agencies and other interested parties frequently use similar Non-IFRS Measures in the evaluation of issuers. DCM’s management also uses Non-IFRS Measures in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess its ability to meet future debt service, capital expenditure and working capital requirements. These Non-IFRS Measures are not recognized by IFRS and do not have any standardized meanings prescribed by IFRS. Therefore, DCM’s Non-IFRS Measures are unlikely to be comparable to similar measures presented by other issuers.

Investors are cautioned that Non-IFRS Measures should not be construed as alternatives to net income (loss) determined in accordance with IFRS as an indicator of DCM’s performance. For a reconciliation of DCM’s Non-IFRS Measures to net income (loss), see DCM’s most recent Management’s Discussion & Analysis filed on [www.sedar.com](http://www.sedar.com).

# What I Want to Accomplish Today

- 1. Who is DCM and What Do We Do**
- 2. Our “Better and Bigger” Journey**
- 3. Why Invest in DCM**

# Who is DCM and What Do We Do

# Strategic Direction

From print first to digital first

Complex conventional  
print solutions



Tech-enabled  
marketing workflow



Marketing  
solutions

Business  
process  
outsourcing

Print on  
demand

Digital asset management  
enterprise cloud service



**Complex  
Conventional  
Print Solutions**



**+\$9 Billion  
Market  
2-3% CAGR**

## **Representative Products / Solutions**

- Highly complex print workflow
- High SKU low volume specialty
- Enterprise commercial print

## **Key Drivers to Growth**

- Canadian market leader
- Move from Performance Culture to Growth Culture
- Strong free cash flow

## Tech-enabled Marketing Workflow

# DCMFLEX<sup>TM/MD</sup>

Marketing  
solutions

Business  
process  
outsourcing

Print on  
demand

## Representative Products / Solutions

- Marketing workflow solutions
- Personalized communications
- BPO logistics

## Key Drivers to Growth

- Migrating conventional print clients to tech-enabled
- Automating & streamlining workflows
- Higher value-added offering driving higher margins

# Proprietary Platform, Deeply Embedded in Clients' Workflows














































# Deeply Entrenched Client Relationships

**2,500+**  
DCM Clients

**93%**  
of revenue from 250  
enterprise customers

**97%**  
Enterprise client  
retention rate

**+70%**  
of revenue from  
long-term agreements

Financial	Retail	Healthcare	Consumer health	Energy	NFP	Specialty
     	    	      	    	    	     	      

DCM serves over 70 of the 100 largest corporations in Canada and 3 of the top 5 government agencies

**Digital Asset  
Management (DAM)  
Enterprise Cloud Service**



**+\$5.2 Billion  
Market  
+20% CAGR**

## **Representative Products/Solutions**

- Digital asset management
- Cloud-based marketing technology solutions
- Professional services & implementation fees

## **Key Drivers to Growth**

- ARR / Subscription model
- +40 years of practical experience
- +\$10M pipeline of SAAS/tech services across +50 clients

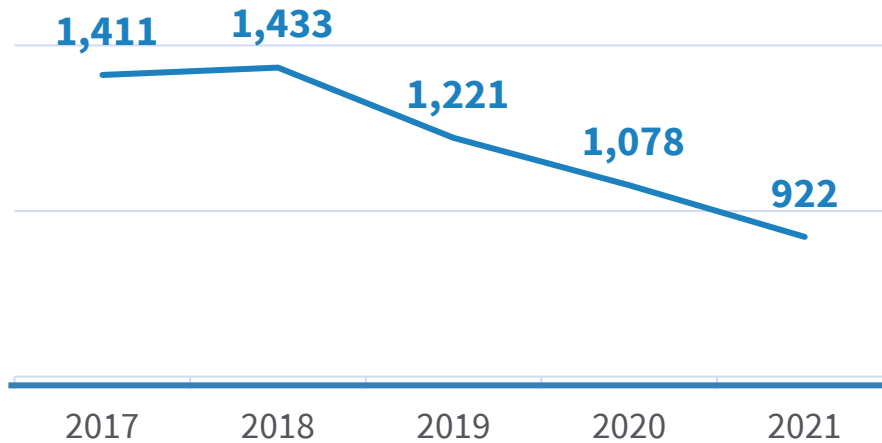
# Better and Bigger Business

# Better Business

## 1. Headcount Reduction and Productivity Improvements

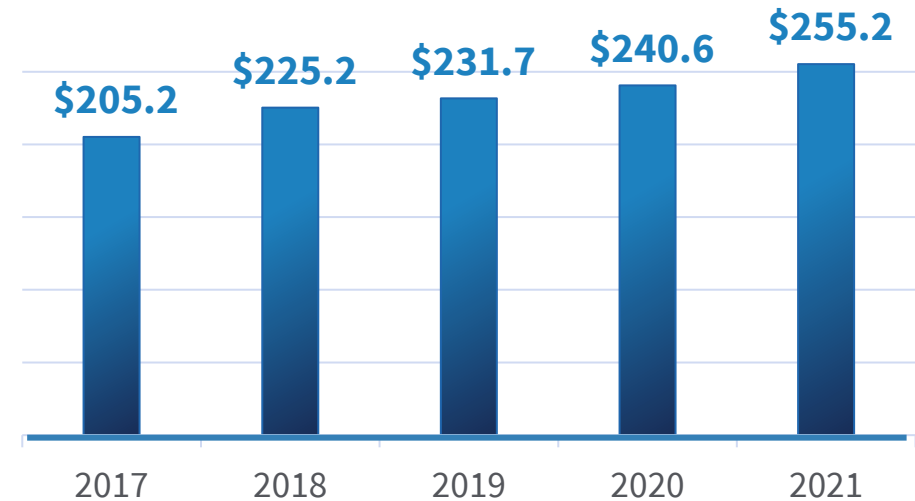
# 1. Headcount Reduction & Productivity Improvements

Headcount at End of Period



**-14.5% vs. prior year**  
**-34.7% vs. 2017**

Revenue per Employee\* (thousands)



**+6.1% vs. prior year**  
**+24.4% vs. 2017**

\* Revenue per Employee is a non-GAAP measure. Calculated as to: Revenue for the fiscal year, divided by total associated headcount at the end of such fiscal year.

# Better Business

1. Headcount Reduction and Productivity Improvements
- 2. Factory Consolidation & Operational Efficiencies**

# 2. Factory Consolidation and Operational Efficiencies

**Brampton consolidation**

**+\$1.8M**

Overhead savings

**Calgary consolidation**

**+\$0.75M**

Overhead savings

**Digital inkjet capabilities**

**+\$1M**

OPEX savings

# Better Business

1. Headcount Reduction and Productivity Improvements
2. Factory Consolidation & Operational Efficiencies
- 3. Office Consolidation & Overhead Reductions**



# 3. Office Consolidation and Overhead Reductions

**Hybrid  
work model**

**+\$0.8M**

Overhead savings

**Leadership  
optimization**

**+\$3.9M**

Overhead savings

**Other headcount  
savings**

**+\$6.7M**

Overhead savings

# Summary of Savings Initiatives

Significant long-term benefits from 2021 operational initiatives

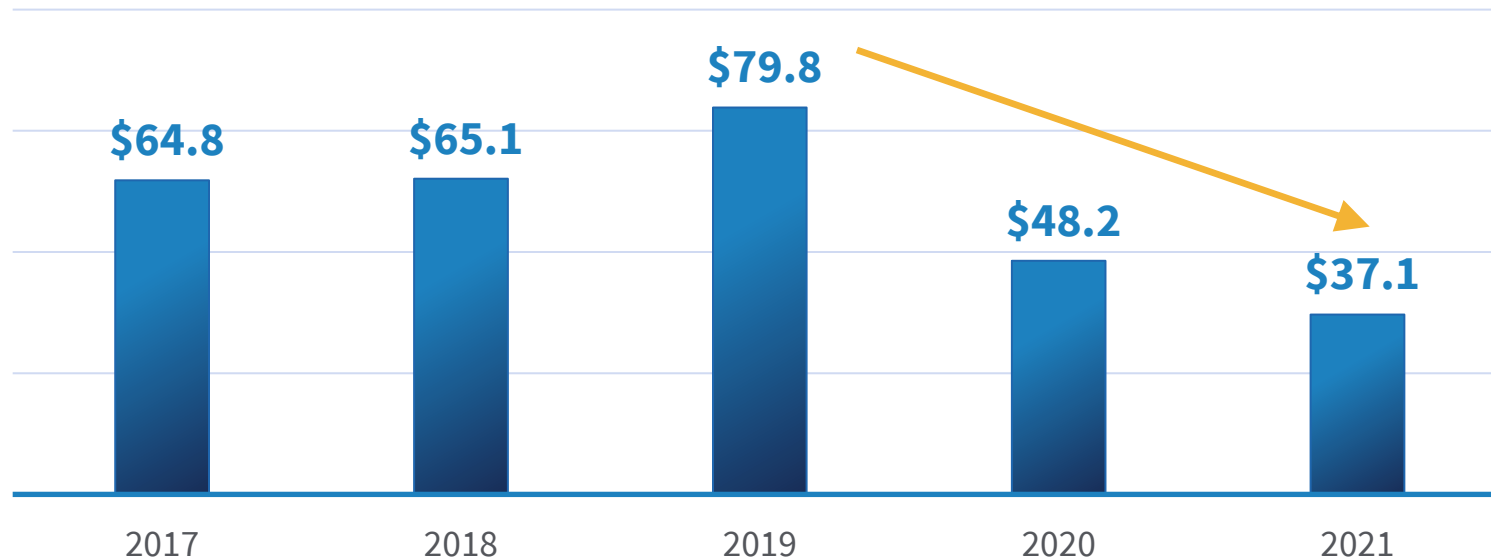
**~\$14M of  
Annualized  
Savings**

# Better Business

1. Headcount Reduction and Productivity Improvements
2. Factory Consolidation & Operational Efficiencies
3. Office Consolidation & Overhead Reductions
- 4. Debt Reduction & Refinancing**

# 4. Debt Reduction

Total Debt Outstanding (millions)

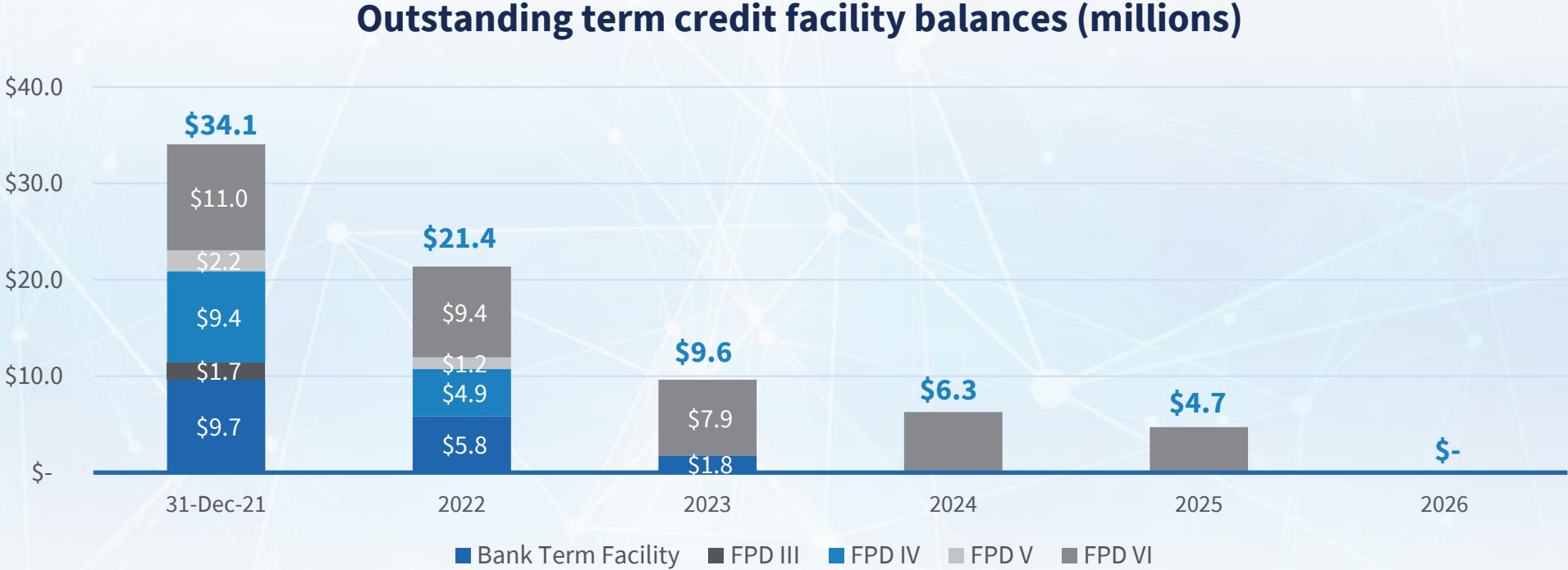


**-23.0% vs. 2020**

**-53.5% vs. 2019**

Lowest debt since before our IPO in 2004

# 4. Current Term Debt Maturity Profile



**Excludes revolving term facility balance, used for working capital needs**

# Better Business

1. Headcount Reduction and Productivity Improvements
2. Factory Consolidation & Operational Efficiencies
3. Office Consolidation & Overhead Reductions
4. Debt Reduction & Refinancing
- 5. ESG & Other Initiatives**

# 5. ESG and Other Initiatives



printreleaf™

## Partnership Statistics



**17,232,433**

LB OF PAPER



**207,334**

STANDARD TREES REFORESTED

DCM customers have collectively offset 17.2M lbs of paper consumption by reforesting 207K trees since DCM / PrintReleaf partnership in October 2021.

# Better and **Bigger** Business

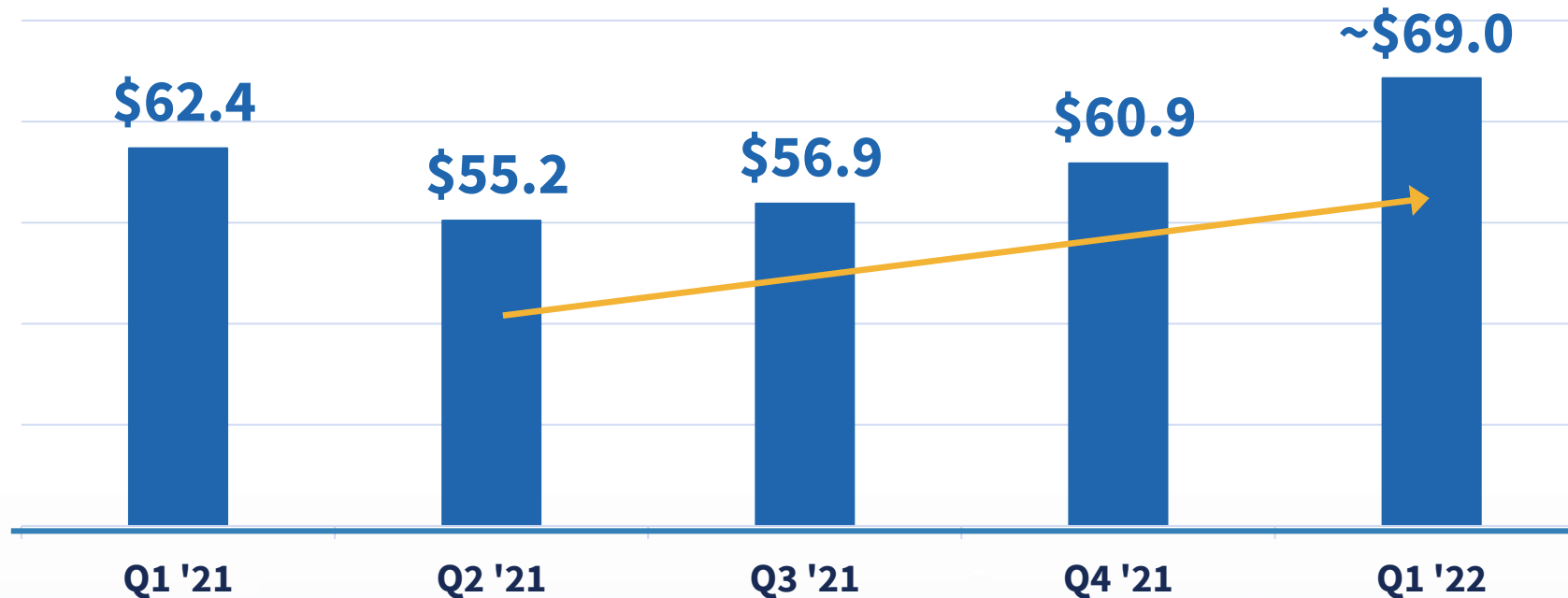


# Bigger Business

## 1. Continued Revenue Momentum in First Quarter of 2022

# 1. Continued Revenue Momentum in Q1 2022

Quarterly Revenue (millions)



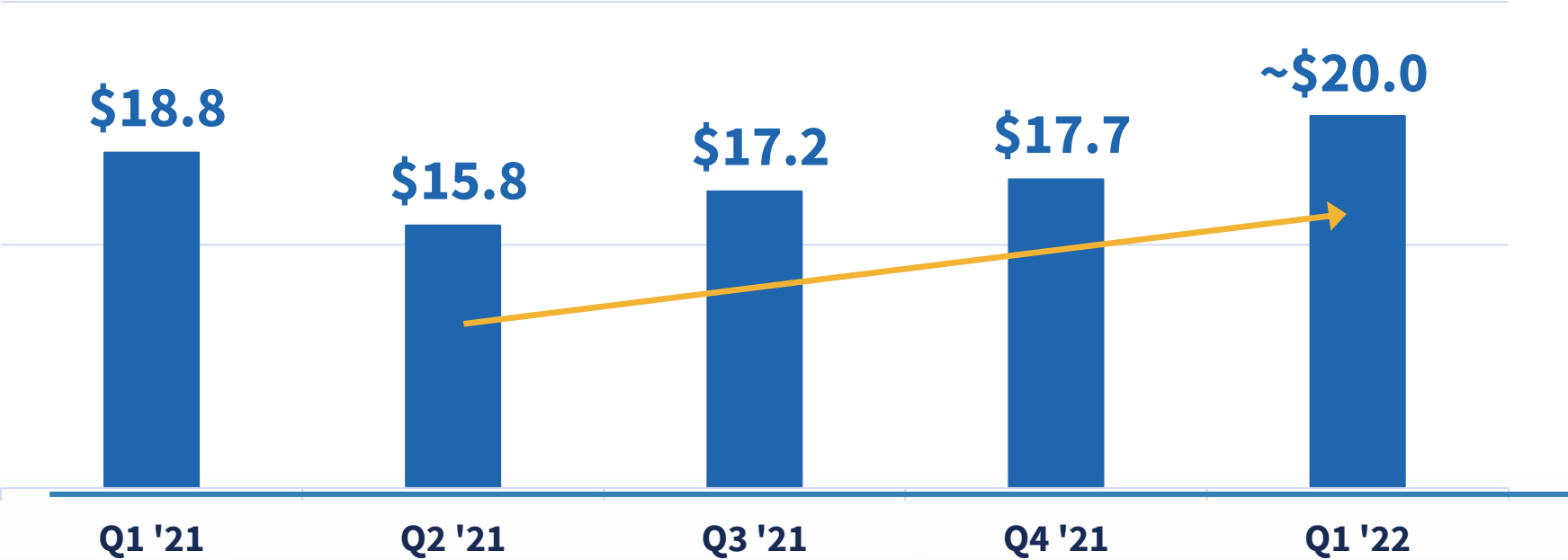
Q1 2022 +11% y/y represents best comparative quarter since 2018

# Bigger Business

1. Continued Revenue Momentum in First Quarter 2022
2. **Continued Gross Profit Momentum in First Quarter 2022**

# 2. Continued Gross Profit Momentum in Q1 2022

Quarterly Gross Profit (millions)



Q1 2022 Gross Profit +8% vs. Q1 2021

# Bigger Business

1. Continued Revenue Momentum in First Quarter 2022
2. Continued Gross Profit Momentum in First Quarter 2022
- 3. New Business Wins**

# 3. New Business Wins

New logos across a wide variety of vertical markets



Financial services



Healthcare



Regulated industries



Retail



Manufacturing



Hospitality services

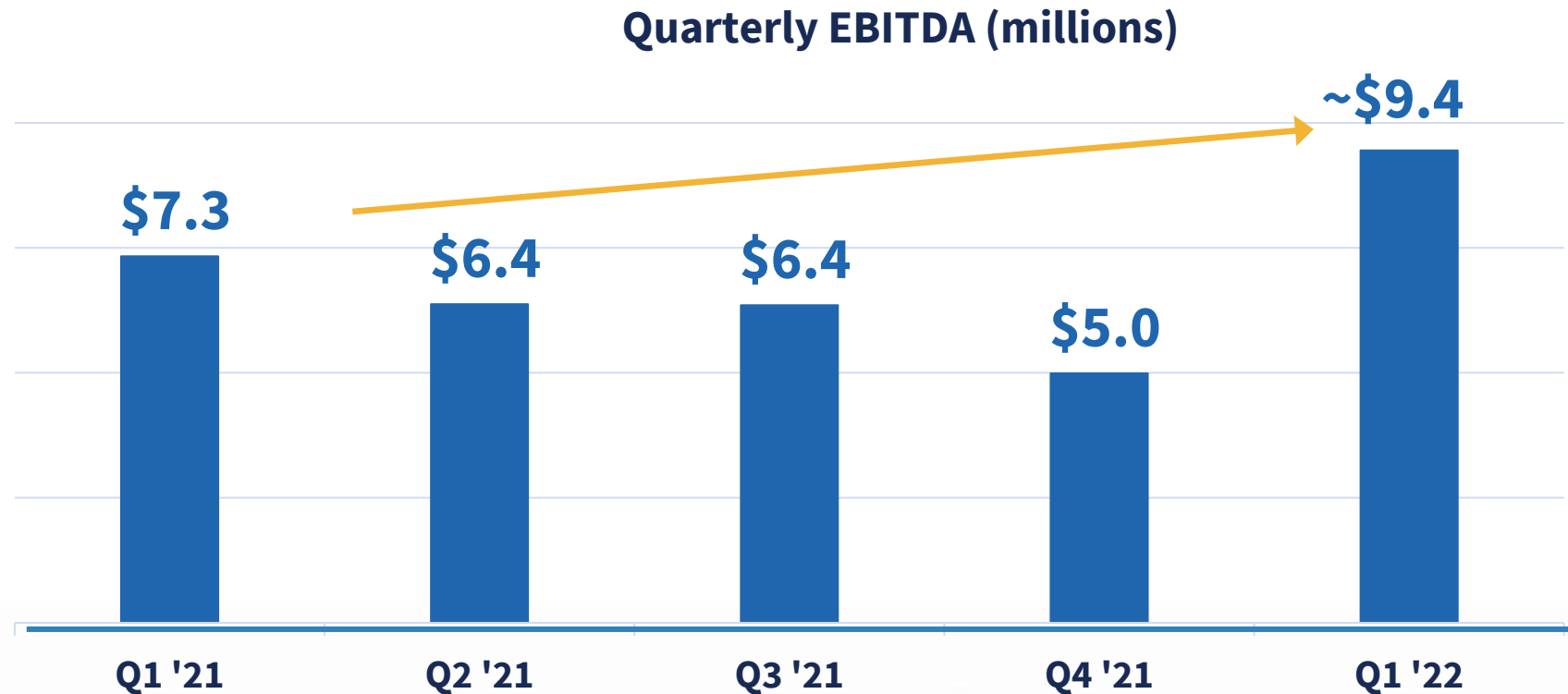


Lottery

# Bigger Business

1. Continued Revenue Momentum in First Quarter 2022
2. Continued Gross Profit Momentum in First Quarter 2022
3. New Business Wins
4. **Committed to “Clean” EBITDA Growth**

## 4. Committed to “Clean” EBITDA Growth



**Q1 2022 EBITDA up ~30% vs. Q1 2021**



## 4. Committed to “Clean” EBITDA Growth

**ZERO**  
**Restructuring**  
**Expenses**

**Q1 2022**

**ZERO**  
**Restructuring**  
**Expenses**

**Fiscal 2022**  
**Outlook**

# Bigger Business

1. Continued Revenue Momentum in First Quarter 2022
2. Continued Gross Profit Momentum in First Quarter 2022
3. New Business Wins
4. Committed to “Clean” EBITDA Growth
- 5. Digital Acceleration**

# 5. Digital Acceleration



- Leveraging +40 years of workflow management and DAM expertise
- Converting conventional print workflows to tech-enabled
- Pipeline of +\$10M of tech-services / SAAS revenue, across +50 clients

# Why Invest in DCM

# Clear Five-year Targets

From print first to digital first

**5%+**

Revenue CAGR

**35-40%**

Gross margins

**18-20%**

SG&A

**18-22%**

Adjusted EBITDA

**<1.0x**

Debt / EBITDA

# Attractive Valuation

**DCM  
Today**

**Conventional Print  
Solution Providers**

**Tech-enabled  
Marketing  
Workflow Providers**

**DAM / SaaS  
Enterprise Cloud  
Services**

MULTIPLE OF ENTERPRISE VALUE | REVENUE



0.7X



1.0X



1.5X



6.2X

MULTIPLE OF ENTERPRISE VALUE | EBITDA



4.6X



7.0X



10.3X



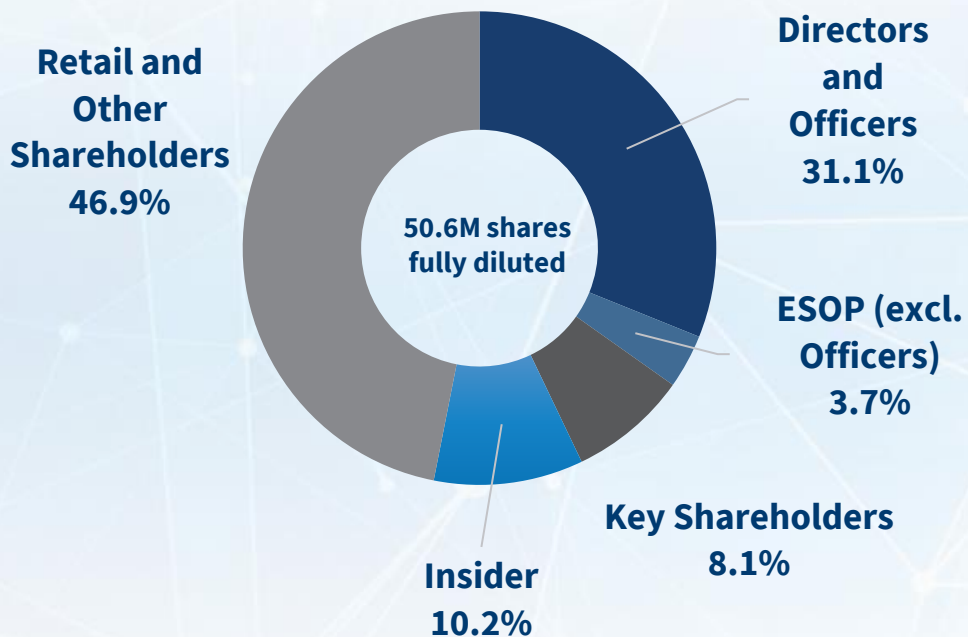
21.3X

# Digital Start-up with:



# Committed Insider Ownership

**Ownership summary**  
(Fully diluted)



Capitalization	“DCM” ON TSX
<b>Recent Share Price (April 22, 2022)</b>	<b>\$1.25</b>
Common Shares Outstanding	44.1M
Options (\$0.97 average ex. price)	4.7M
Warrants (\$0.28 average ex. price)	1.9M
<b>Fully Diluted Shares Outstanding</b>	<b>50.6M</b>
<b>Market Capitalization (F.D.)</b>	<b>\$63.3M</b>
Net Debt (Dec. 31, 2021, incl. ITM option/warrant proceeds)	\$32.7M
Provisions and Pension Obligations	\$14.9M
Lease Liabilities	\$39.1M
<b>Enterprise Value</b>	<b>\$150.6M</b>



# “Momentum Builds Momentum”

**Strong exit  
to 2021**

---

**Fast start  
to 2022**

- Clear strategy: Digital first
- Building a Better and Bigger business
- Core business is strong
- Digital business well positioned for growth

# Thank You

**For more information, please visit [www.datacm.com](http://www.datacm.com) or reach out to:**

**Richard Kellam**

President & CEO

[rkellam@datacm.com](mailto:rkellam@datacm.com)

**+1(416)451-1117**

DCM - TSX

DCMDF - OTCQX