



Acquisition of RRD Canada

DATA Communications Management Corp.

DCM-TSX | DCMDF-OTCQX

Investor Presentation

February 23, 2023



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).

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.

Objectives Today:

1. DCM Full Year 2022 Preliminary Results
2. Acquisition of RRD Canada
 - i. Transaction Highlights
 - ii. RRD Canada at a Glance
 - iii. Benefits of the Transaction
 - iv. Better Together

1. DCM Full Year 2022 Preliminary Results

The background is a dynamic, abstract composition of blue and white light streaks. These streaks radiate from the center and curve towards the edges, creating a sense of motion and depth. A prominent, bright white streak is visible in the upper right quadrant. A semi-transparent horizontal band is centered across the image, serving as a backdrop for the text.

Momentum

DCM Full Year 2022 Preliminary Results¹

Momentum Builds Momentum

Revenue

\$270M

to

\$274M

+15% to
+16.5%
vs. 2021

Gross Profit as %
of Revenue

30.5%

to

31%

Gross Profit \$
+20% to
+21%
vs. 2021

SG&A Expenses
as % of Revenue

21%

to

21.5%

-2.8% to
-3.3% pts
vs. 2021

1. See forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, unanticipated changes in DCM's expected financial results for 2022 based on the completion of all quarter-end and year-end close and audit processes currently underway by DCM in connection with the independent audit of DCM's financial statements for fiscal 2022.

DCM Full Year 2022 Preliminary Results¹

Momentum Builds Momentum

EBITDA²

\$35.5M

to

\$36.5M

**+41% to
+45%
vs. 2021**

**Total Debt
(net of cash on hand)**

**~35%
lower
vs. 2021**

**Restructuring
Expenses**

\$0

vs.

**\$9.7M
in 2021**

1. **See forward-looking statements.** Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, unanticipated changes in DCM's expected financial results for 2022 based on the completion of all quarter-end and year-end close and audit processes currently underway by DCM in connection with the independent audit of DCM's financial statements for fiscal 2022.

2. **EBITDA is a non-IFRS measure. See Non-IFRS Measures.**

Building both a Better and a Bigger Business

2. Acquisition of RRD Canada

Transaction Highlights

Key Metrics

- DATA Communications Management Corp. (“DCM”) has entered into a definitive share purchase agreement to acquire the Canadian operations (“RRD Canada”) of R.R. Donnelley & Sons Company (“RRD”)
 - C\$123M total purchase price (subject to working capital and other customary post-closing adjustments)
 - RRD Canada has total revenues of ~C\$250M (unaudited) in 2022
-

Closing

- Expected Q2 2023
 - Subject to customary closing conditions and regulatory approvals, including under Canada’s *Competition Act*
-

Financing

- 100% cash consideration, through fully committed facilities from a Canadian Chartered Bank and Fiera Private Debt
- Includes \$30M bridge facility related to three owned properties being acquired
- Expected net leverage at close of ~3.25x, deleveraging to ~2.65x following intended sale/leaseback of owned properties (2022 pro forma estimates)

RRD Canada at a Glance

Provides print and related services to 1,000's of customers across Canada



Deep roots in Canada – Moore Business Forms founded in 1882



Canada-wide presence



Serving key verticals: financial institutions, retail, insurance, transportation, government & other regulated industries



Highly complementary operating model with DCM

Benefits of the Transaction



Combines two companies with complementary operating models, best-in class products, and strong customer relationships



Objective to leverage DCM's digital-first technology capabilities



Creates meaningful benefits for customers



Attractive financial benefits and value creation opportunities

DCM + RRD Canada = Better Together



Better Together – National Reach & Capabilities

DCM

RRD Canada

Business Communications Services

- Mississauga, ON
- Montreal, Que
- First Can Place, Tor., ON
- Brampton, ON (C)
- Calgary, AB (A)

Forms & Labels

- Trenton, ON
- Fergus, ON
- Oshawa, ON
(Logistics/Warehouse)
- Brampton, ON (C)
- Drummondville, Que (B)

Commercial & Digital Print

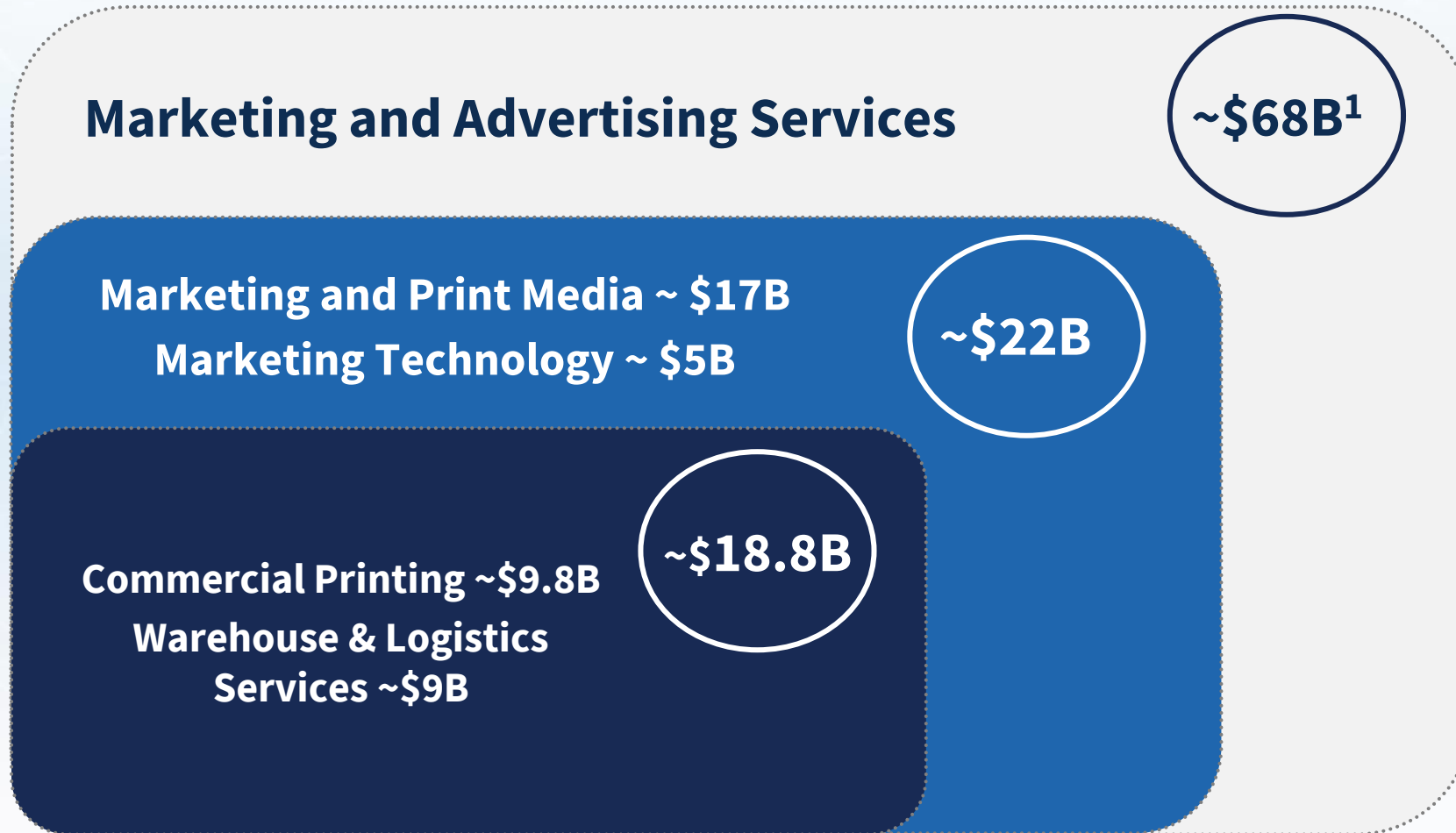
- Toronto, ON
- Edmonton, AB
- Burnaby, BC
- Thistle Toronto, ON
- Brampton, ON (C)
- Calgary, AB (A)
- Banff, AB
- Niles, Ill. (D)

Large Format

- Annan & Bird, Miss., ON
- Burlington, ON
- Calgary, AB (A)



Canadian Marketing & Advertising Services Market is Large and Highly Fragmented



**Significant
Opportunity
for
Future
Growth**

1. Canadian market size estimates in \$C billions. Estimates per IBIS World, Magna, BCG.

DCM: Proven Track Record

Revenue & Client Focus

- Revenue growth of ~15% in 2022; strong business momentum
- Relentless focus on providing enhanced value to clients

Operational Focus

- DCM has grown gross margin from low 20%'s in 2015 to +30% in 2022
- Results reflect priority of driving operational efficiency

Deep Leadership Bench

- Extensive experience in print, marketing & communications, digital
- Successful in multiple M&A transactions – large and small

Focus on Debt Reduction

- Reduced debt by ~65% from 2019 to 2022
- Remain committed to targeting <1.0x debt / EBITDA

Acquisition Integration Expertise

- 5 deals successfully integrated into DCM over last 10 years
- Partnering with BCG provides DCM with world-class merger integration expertise



Building a Better and a Bigger
Business Together

Thank you

Contact Information

For more information, please visit www.datacm.com or reach out to:

Investor, media and corporate development inquiries

Richard Kellam

President & CEO
rkellam@datacm.com
+1 (416) 451-1117

James Lorimer

Chief Financial Officer
jlorimer@datacm.com
+1 (905) 494-4101

DCM – TSX | DCMDF - OTCQX