



# **DATA COMMUNICATIONS MANAGEMENT CORP.**

## **INVESTOR PRESENTATION**

**DCM – TSX | DCMDF – OTCQX**

April 2025

# 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+.

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 SEDAR+.



# ABOUT DCM



# ABOUT US.

**CANADA'S LEADING TECH-  
ENABLED PROVIDER OF PRINT  
AND DIGITAL SOLUTIONS**  
THAT HELP SIMPLIFY COMPLEX  
MARKETING COMMUNICATIONS  
AND OPERATIONS WORKFLOW.

## **HEAD OFFICE:**

Brampton, Ontario

## **FOUNDED:**

1959

## **MARKET CAPITALIZATION:**

~\$102.3MM (basic)

~\$118.2MM (f.d.)

## **PRESIDENT & CEO:**

Richard Kellam

## **LISTING:**

DCM - TSX since 2004

DCMDF – OTCQX since 2021



# DCM AT A GLANCE.

**+400**

Enterprise  
clients

**1400**

Employees

**SCALE**

**20**

Facilities across  
Canada, U.S.

2024 Revenue  
**\$480.0M**  
(+7.2% vs. 2023)

- Long-term client contracts
- High retention rate

**GROWTH**

**PROFITABILITY**

2024 Adj. EBITDA  
**\$63.9M**  
(+19.7% vs. 2022)



# WHAT WE DO.

**WE PROVIDE TECH-ENABLED PRINT AND  
MARKETING WORKFLOW SOLUTIONS.**



**DCMFLEX**<sup>TM/MC</sup>

PERSONALIZED  
COMMUNICATIONS

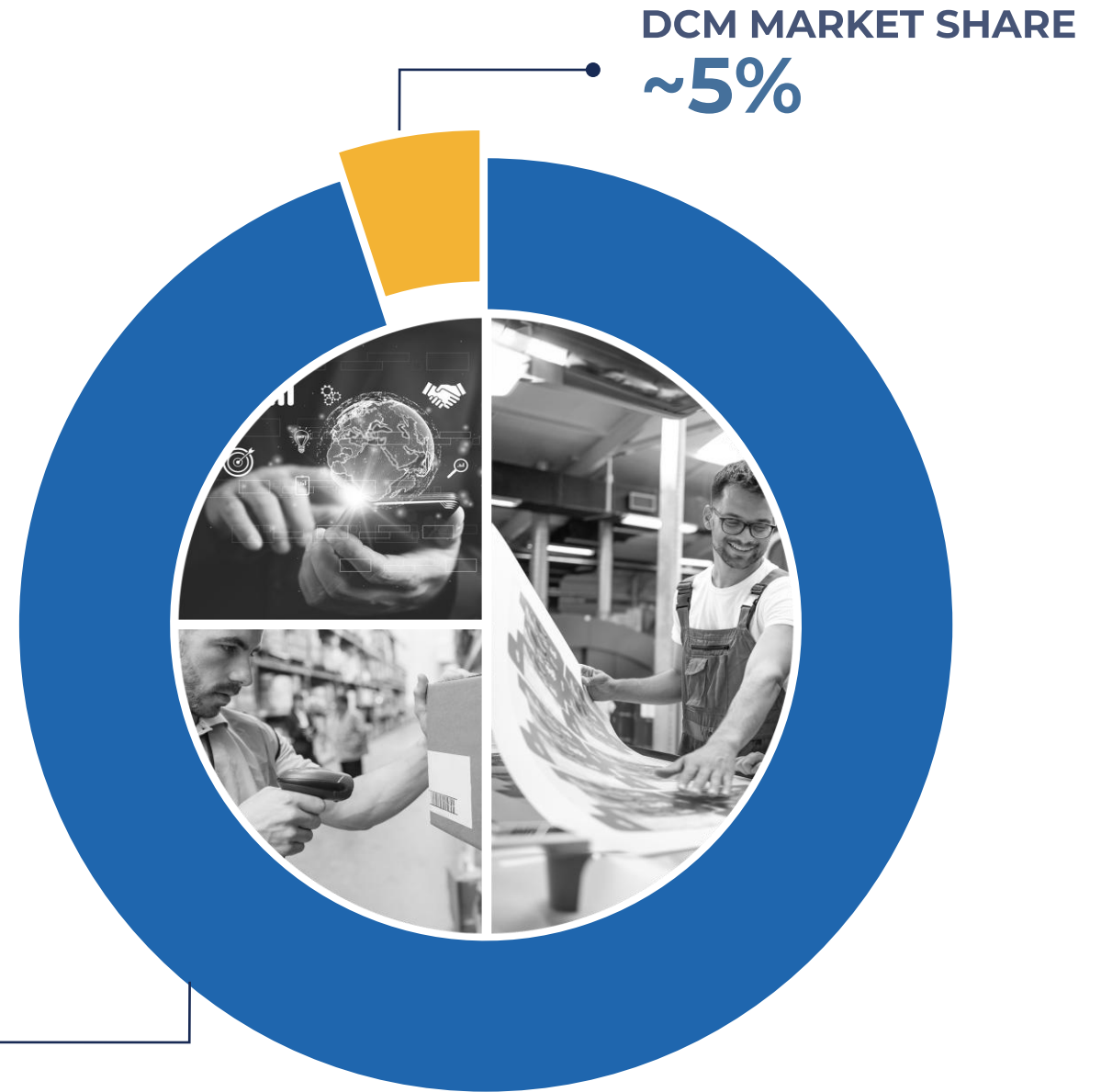
BUSINESS PROCESS  
OUTSOURCING

MARKETING SOLUTIONS



# A LARGE, FRAGMENTED CANADIAN COMMERCIAL PRINT MARKET.

TOTAL ADDRESSABLE MARKET =  
**>\$10B**





# 400 ENTERPRISE CLIENTS.

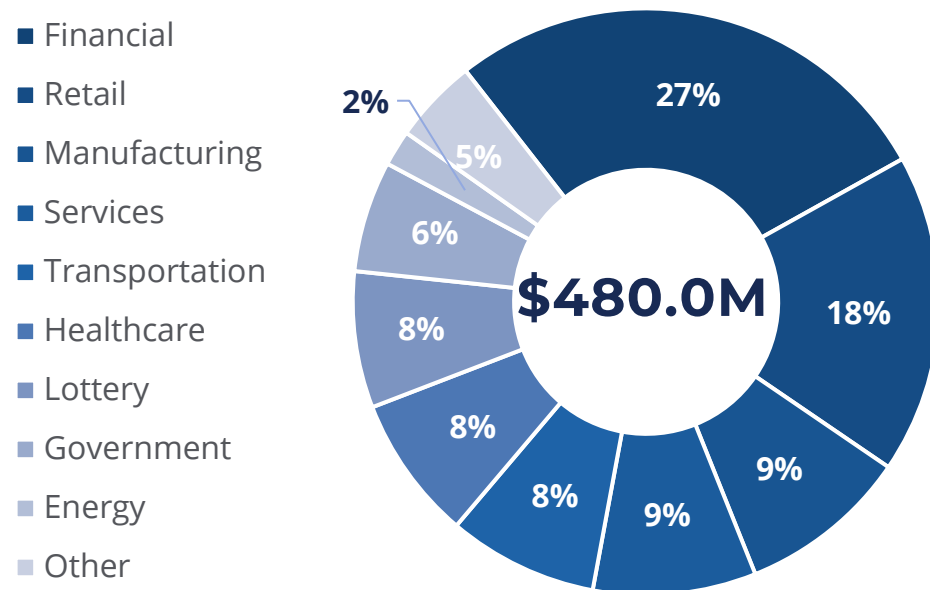
Handling massive **complexity**  
Serving **diverse** industry verticals  
High **retention** rate (>95%)



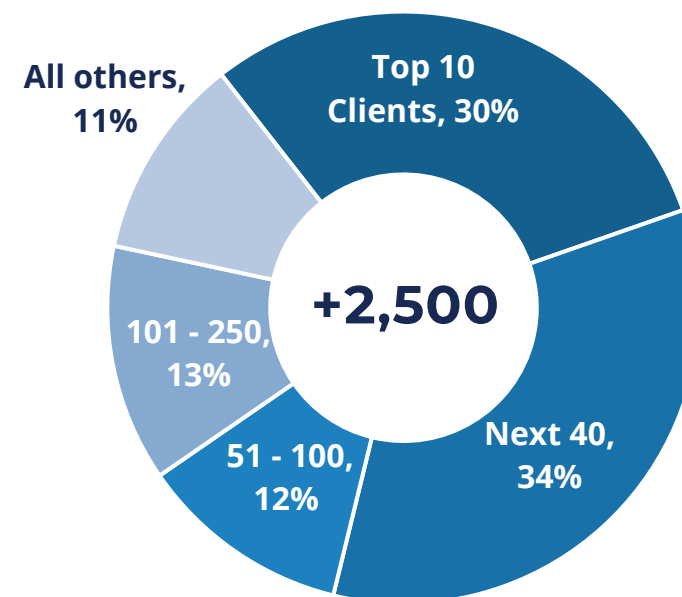


# DIVERSE, BLUE-CHIP CLIENTS.

Revenues by End Market  
2024



Revenues by Client  
2024



**Diversified across a broad variety of vertical markets; strong enterprise client base; largest client <5% of revenues; Top 250 clients = 89% of total revenues**



# RETURNING CAPITAL **TO SHARE- HOLDERS.**



**Special dividend**  
**\$0.20 cash**  
PER SHARE<sup>1</sup>

**Quarterly dividend**  
**\$0.025 cash**  
PER SHARE<sup>2</sup>

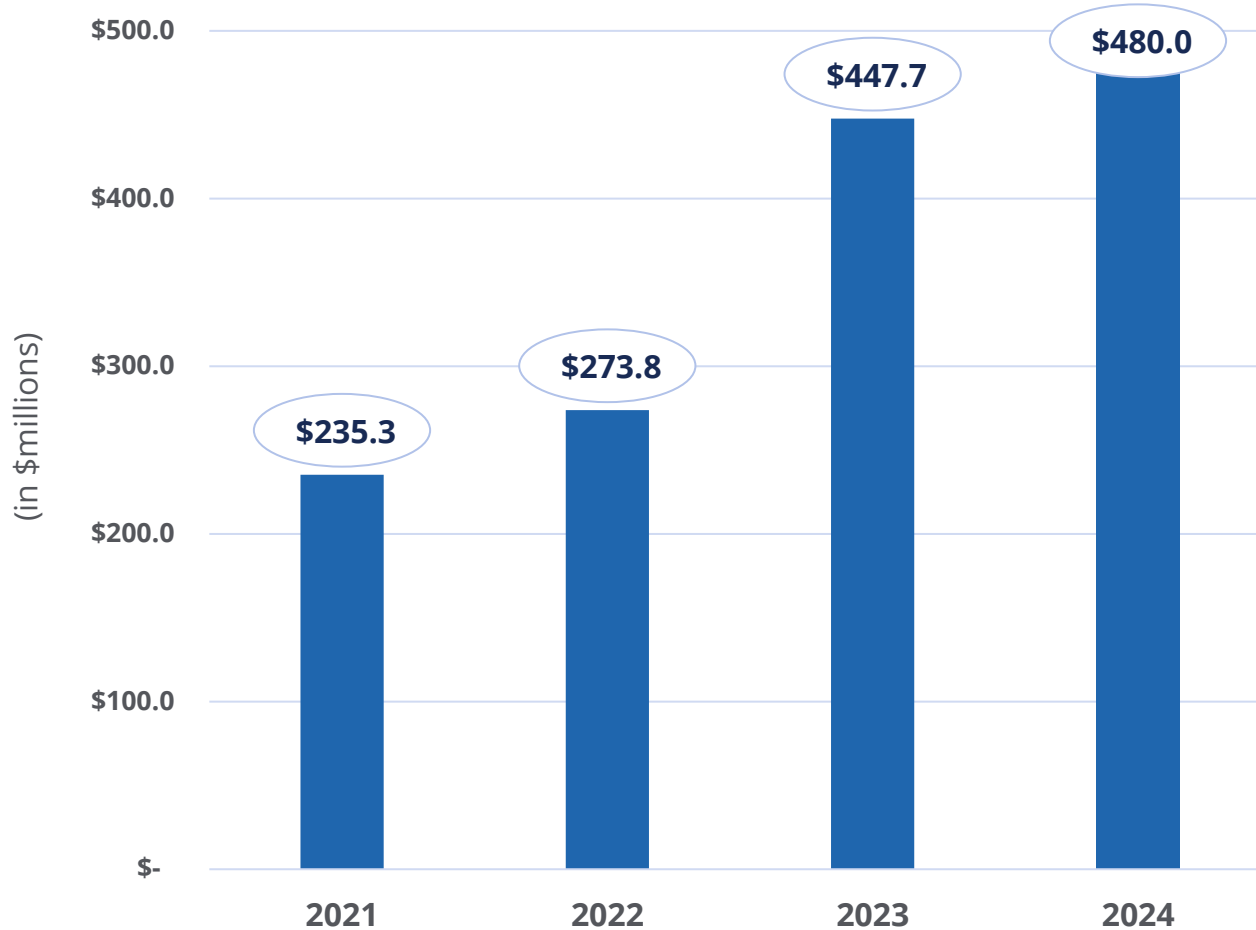
**Dividend yield**  
**4.5%<sup>3</sup>**

1. Payable on March 25, 2025, to shareholders of record on March 12, 2025
2. Payable on April 4, 2025, to shareholders of record on March 21, 2025
3. Implied dividend yield calculated as at March 10, 2025

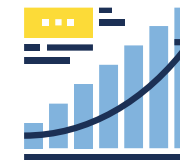


# FISCAL 2024 FINANCIAL RESULTS

# 2024 REVENUES.



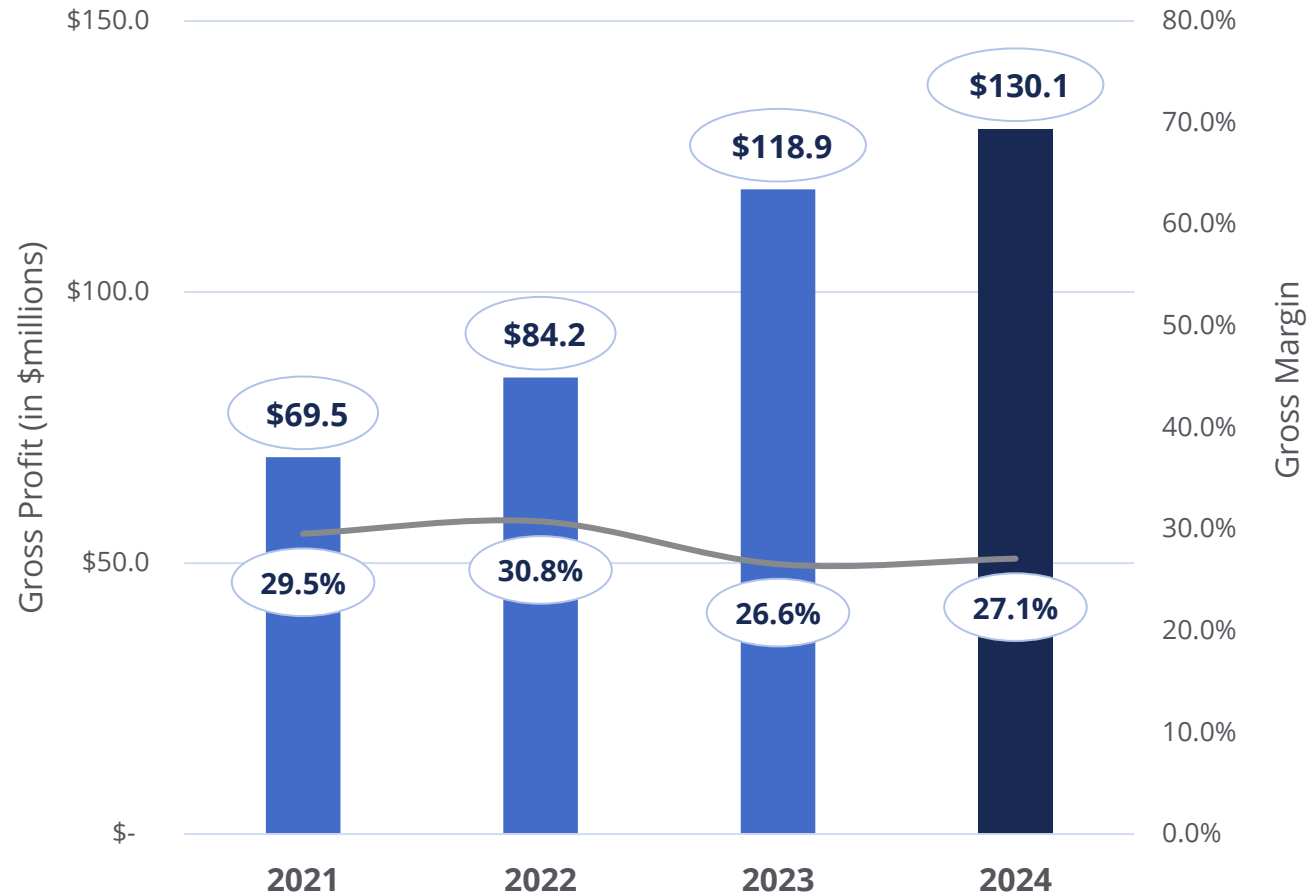
**2024 Revenues**  
**+\$32.3M and**  
**+7.2% vs. 2023**



**3-YR CAGR**  
**26.8%**



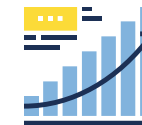
# 2024 GROSS PROFIT.



**2024 Gross Profit**  
**+\$11.2M and +9.4%**  
**vs. 2023**



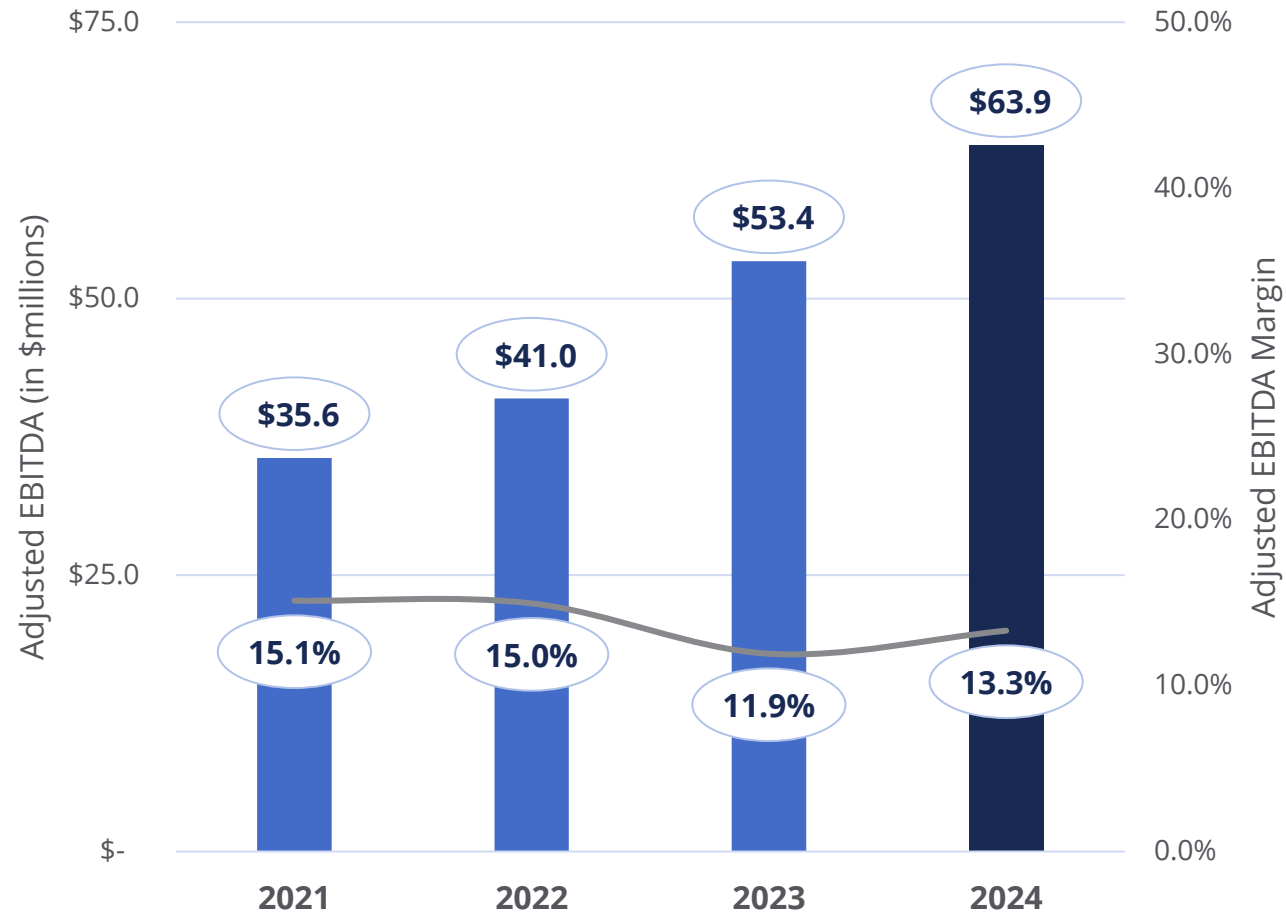
**2024 Gross Margin**  
**+50BPS**  
**vs. 2023**



**3-YR CAGR**  
**23.2%**

**Gross profit margin trending back towards pre-acquisition levels of +30%**

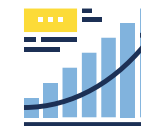
# 2024 ADJUSTED EBITDA.



**2024 Adjusted EBITDA**  
**+\$10.5M and +19.7%**  
**vs. 2023**



**Adjusted EBITDA Margin**  
**+140BPS**  
**vs. 2023**

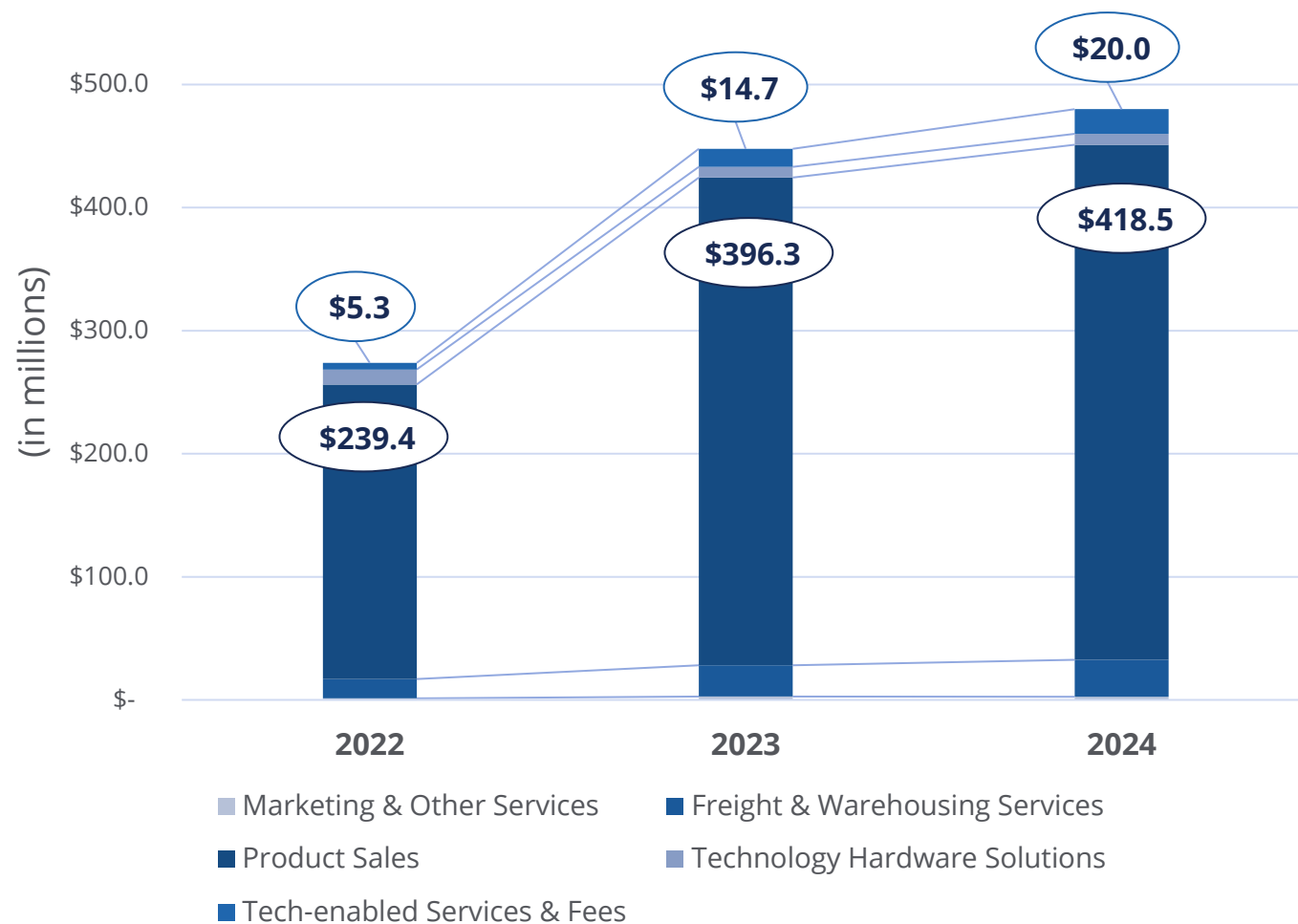


**3-YR CAGR**  
**21.5%**

**Adjusted EBITDA margin trending back towards pre-acquisition levels of 14% to 15%**



# REVENUE BY REPORTING SEGMENT.



## Tech-enabled Services & Fees

**Higher margin tech-services revenue of \$20M, +\$14.7M or 277% vs. 2022 (pre-MCC)**

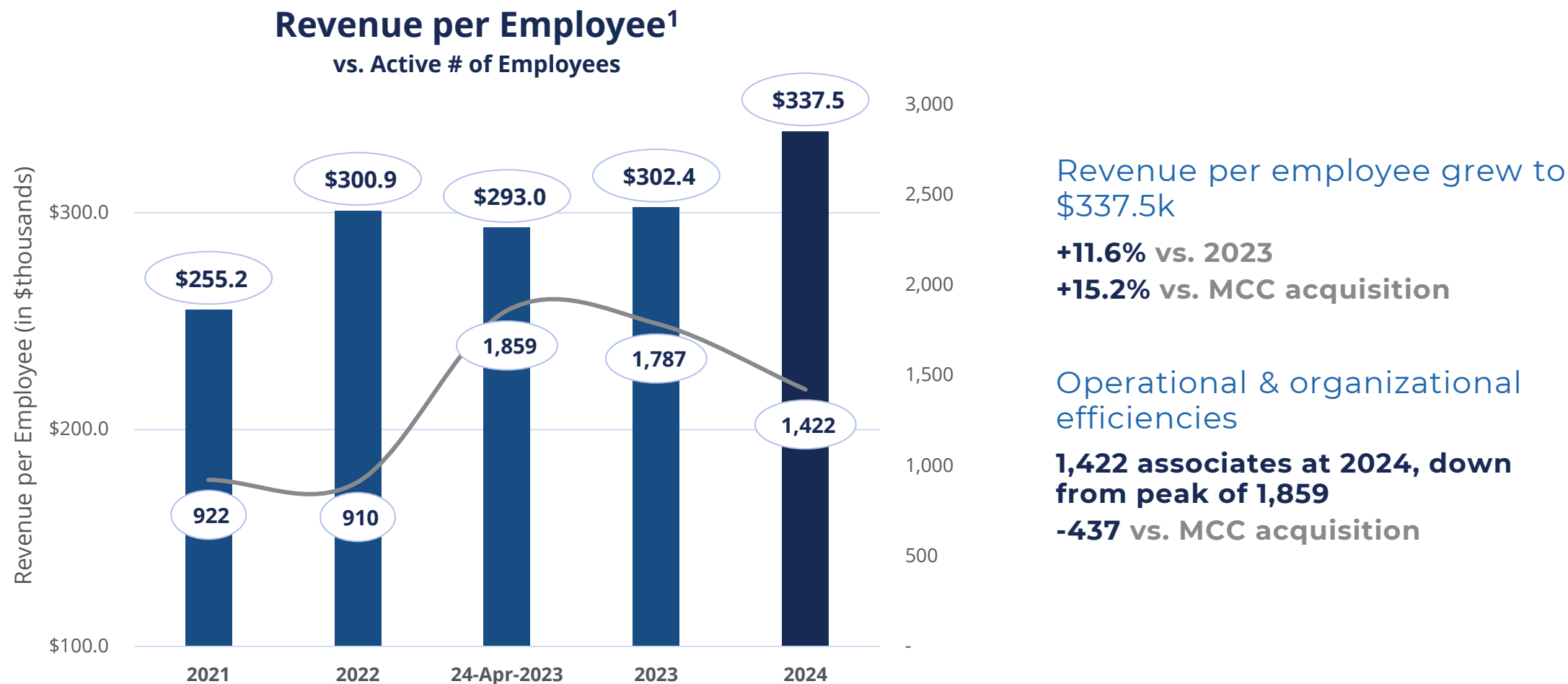
**4.2% of total revenue vs. 1.9% in 2022**

## Product Sales

**\$418.5M, up from \$239.4M in 2022 +\$179.1M or +74.8% vs. 2022**

**Strong tech-enabled services growth driven by professional services fees**

# DRIVING RECORD PRODUCTIVITY.

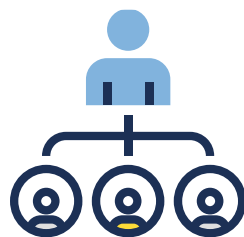


1. Revenue per employee is a supplementary, non-IFRS measure. For a definition of revenue per employee, see "Supplementary Financial Measures" in our annual and most recent interim MD&A filed on SEDAR+. Pro forma revenue as of 24-Apr-2023 and 2023.

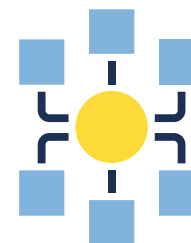
# SYNERGIES\*



OPERATIONAL



ORGANIZATIONAL



PROCUREMENT



REVENUE

**Achieved target of \$30M-\$35M in annualized synergies exiting 2024**

\* "Annualized synergies" have not been prepared in accordance with IFRS Accounting Standards, nor has a reconciliation to IFRS Accounting Standards been provided. For a description of how we evaluate synergies, why we see these as a useful metrics for investors, and related risks, see "Forward-looking statements" and "Supplementary Financial Measures" in our most recent annual and interim MD&A filed on SEDAR+.



# PLATFORM FOR PROFITABLE GROWTH

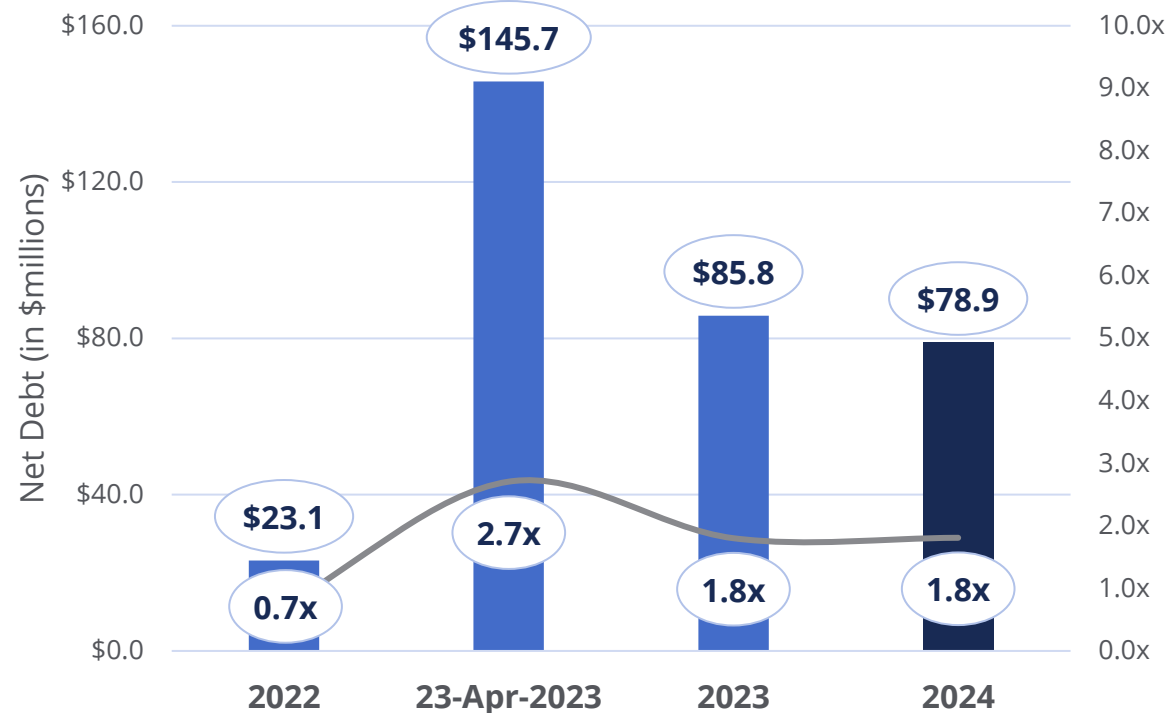
# SOLID BASE **FOR PROFITABLE GROWTH.**



- ✓ Integration initiatives fully completed
- ✓ Large market opportunity within existing product portfolio
- ✓ Unique platform of martech / AI-enabled digital capabilities
- ✓ Target new markets provide upsized growth opportunities
- ✓ Well-capitalized, positioned to deliver shareholder returns & execute M&A
- ✓ Track record of execution
- ✓ Growth obsessed senior leadership team

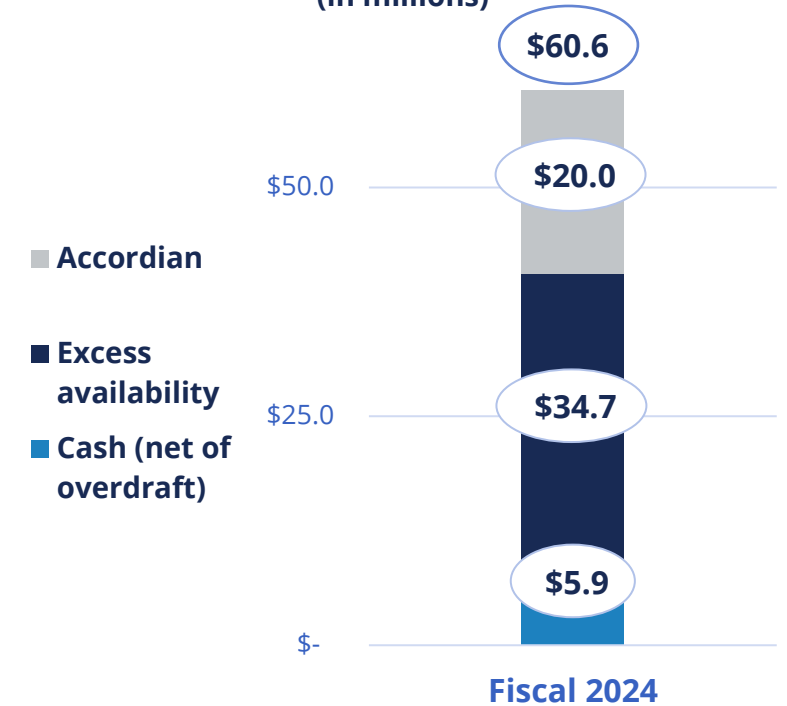
# STRONG BALANCE SHEET TO PURSUE GROWTH OBJECTIVES.

Net Debt and Net Debt to pro forma Adjusted EBITDA<sup>1</sup>



Net Debt ~45% lower and Net Debt to pro forma Adjusted EBITDA ~0.9x lower since MCC acquisition

Total Credit Availability  
(in millions)

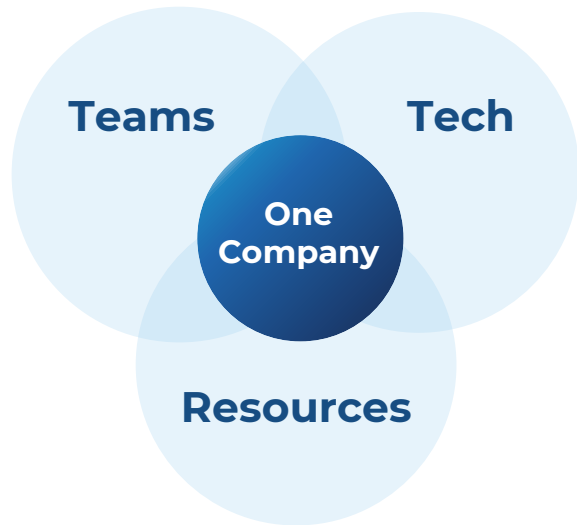


DCM has significant excess credit availability to fund growth initiatives and return of capital



# SYNERGY IN ACTION

Leveraging Combined Capabilities for **GROWTH**



DCM Digital-first  
model

+

Expanded/refined  
production  
capabilities

+

Innovation

## CCM 360



Large Asset Manager  
Case Study

## SALES ENABLEMENT



Multinational Distributor  
Case Study

# UNLOCKING **NEW MARKET POTENTIAL**

## **ENHANCED PRODUCT** CATEGORIES IN GROWTH MARKETS



### **PRIME LABELS**

- Cosmetics
- Beverage
- Healthcare
- Household
- Industrial
- Retail
- Wine & spirits



### **PAPERBOARD PACKAGING**

- Beverage
- Nutraceuticals
- Grocery In-store
- Meal delivery
- Wine & spirits
- Quick serve restaurants



### **CARD ENCODING/AFFIXING**

- Loyalty programs
- Healthcare
- Health & Beauty
- Hospitality
- Libraries
- Not for profit
- Pharmacy
- Retail



# GROWTH BEYOND BOUNDARIES

Expanding into **new** vertical markets



**GROCERY**



**AUTOMOTIVE**



**QSR**



**FUEL/C-STORE**



**TELCO**



**RETAIL**



**AGENCY**



**CPG**

# AI-ENABLED MARKETING PLATFORM



Large FI  
Case Study



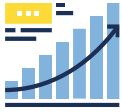
Not For Profit  
Case Study



Global CPG  
Case Study



# 2025 PRIORITIES



Drive profitable organic growth by leveraging our expanded suite of tech-enabled offerings, strengthening our presence in key industry verticals and securing new business wins.



Deliver a return on new capital investments focused on enhancing our production capabilities and positioning us to drive operating efficiencies.



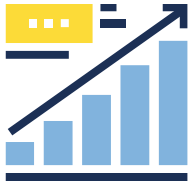
Continue to drive gross margin improvement through top line revenue growth, operating efficiencies, and strategic revenue management initiatives.



Demonstrate agility and adaptability to effectively navigate an uncertain economic and geopolitical environment.

**In 2025, we plan on leveraging our larger scale, incremental capacity, expanded product mix and the skills and capabilities of our team to drive profitable growth.**

# LONG TERM **FINANCIAL OBJECTIVES.**



REVENUES

**+5% CAGR**



GROSS PROFIT  
% OF REVENUES

**Return to +30%**



ADJUSTED EBITDA<sup>1</sup>  
% OF REVENUES

**In excess of +14%  
on annual basis**

**We are reiterating our long-term objectives for growth and profitability**





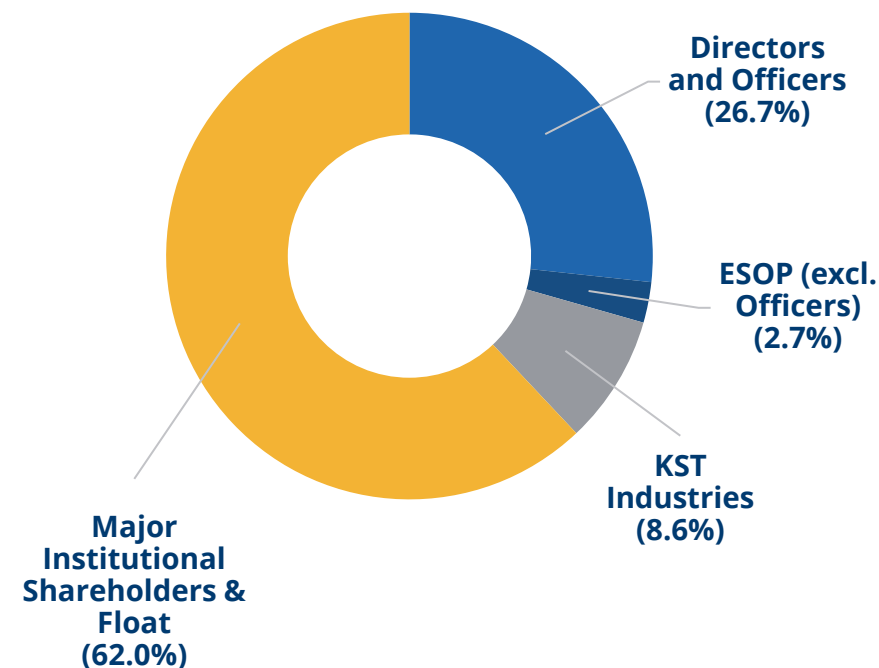
# INVESTMENT HIGHLIGHTS

# CAPITALIZATION AND OWNERSHIP



Capitalization	"DCM" on TSX
Recent Share Price (Mar. 31, 2025)	\$1.85
52 week high/low	\$3.45/\$1.71
Common Shares Outstanding	55.3M
Options (\$1.18 average ex. price)	4.2M
Warrants (\$3.16 average ex. price)	0.3M
RSUs and DSUs	2.1M
<b>Fully Diluted Shares Outstanding</b>	<b>63.9M</b>
Market Capitalization (F.D.)	\$118.2M
Total Enterprise Value*	\$196.2M
TEV Including Lease Liabilities	\$383.6M

**Ownership summary**  
(Fully diluted)



# HIGHLIGHTS

**Leading position in the Canadian market**

**Focused on profitable growth**

**Track record of debt reduction and cash flow generation**

**MCC integration and synergy realization completed**

**Future growth enhanced by technology innovation and M&A**

**Experienced leadership team that delivers results**





# CONTACT INFORMATION

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# NON-IFRS ACCOUNTING STANDARDS MEASURES

# EBITDA AND ADJUSTED EBITDA RECONCILIATION

The following table provides reconciliations of net (loss) income to EBITDA and of net (loss) income to Adjusted EBITDA for the periods noted, following adoption of “net fair value (gains) losses on financial liabilities at fair value through profit or loss”.

## EBITDA and Adjusted EBITDA reconciliation

For the years ended December 31, 2024, 2023 and 2022 <i>(in thousands of Canadian dollars, unaudited)</i>		January 1 to December 31, 2024	January 1 to December 31, 2023	January 1 to December 31, 2022
Net income (loss) for the year	\$	3,570	\$ (15,854)	\$ 13,966
Interest expense, net		21,483	15,321	4,965
Amortization of transaction costs		560	457	344
Current income tax expense		2,338	1,209	5,456
Deferred income tax (recovery) expense		(664)	(7,799)	473
Depreciation of property, plant and equipment		6,200	6,165	2,965
Amortization of intangible assets		2,011	2,881	1,606
Depreciation of the ROU Asset		18,038	12,677	6,609
<b>EBITDA</b>	<b>\$</b>	<b>53,536</b>	<b>\$ 15,057</b>	<b>\$ 36,384</b>
Acquisition and integration costs		8,773	10,903	1,870
Restructuring expenses		4,378	20,308	—
Net fair value (gains) losses on financial liabilities at fair value through profit or loss		(279)	7,122	2,711
Other gains		(2,500)	—	—
<b>Adjusted EBITDA</b>	<b>\$</b>	<b>63,908</b>	<b>\$ 53,390</b>	<b>\$ 40,965</b>





# Adjusted Net Income RECONCILIATION

The following table provides reconciliations of net income to Adjusted net income and a presentation of Adjusted net income per share for the periods noted. .  
See “Non-IFRS Accounting Standards measures” section in our most recent interim and annual filings on SEDAR+ for more information.

## Adjusted net income reconciliation

**For the years ended December 31, 2024,  
2023 and 2022**

*(in thousands of Canadian dollars, except  
share and per share amounts, unaudited)*

		January 1 to December 31, 2024	January 1 to December 31, 2023	January 1 to December 31, 2022
<b>Net income (loss) for the year</b>	<b>\$</b>	<b>3,570</b>	<b>\$ (15,854)</b>	<b>\$ 13,966</b>
Acquisition and integration costs		8,773	10,903	1,870
Restructuring expenses		4,378	20,308	—
Net fair value (gains) losses on financial liabilities at fair value through profit or loss		(279)	7,122	2,711
Other gains		(2,500)	—	—
Tax effect of the above adjustments		(2,617)	(9,652)	(1,159)
<b>Adjusted net income for the year</b>	<b>\$</b>	<b>11,325</b>	<b>\$ 12,827</b>	<b>\$ 17,388</b>
<b>Adjusted net income per share, basic</b>	<b>\$</b>	<b>0.21</b>	<b>\$ 0.25</b>	<b>\$ 0.39</b>
<b>Adjusted net income per share, diluted</b>	<b>\$</b>	<b>0.20</b>	<b>\$ 0.25</b>	<b>\$ 0.37</b>
<b>Weighted average number of common shares outstanding, basic</b>		<b>55,222,123</b>	<b>50,832,543</b>	<b>44,062,831</b>
<b>Weighted average number of common shares outstanding, diluted</b>		<b>57,731,675</b>	<b>50,832,543</b>	<b>46,572,066</b>
<b>Number of common shares outstanding, basic</b>		<b>55,308,952</b>	<b>55,022,883</b>	<b>44,062,831</b>
<b>Number of common shares outstanding, diluted</b>		<b>57,818,504</b>	<b>50,832,542</b>	<b>46,572,066</b>





THANK YOU