



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.

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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)

GROWTH

- Long-term client contracts
- High retention rate

PROFITABILITY

2024 Adj. EBITDA

\$63.9M

(+19.7% vs. 2022)

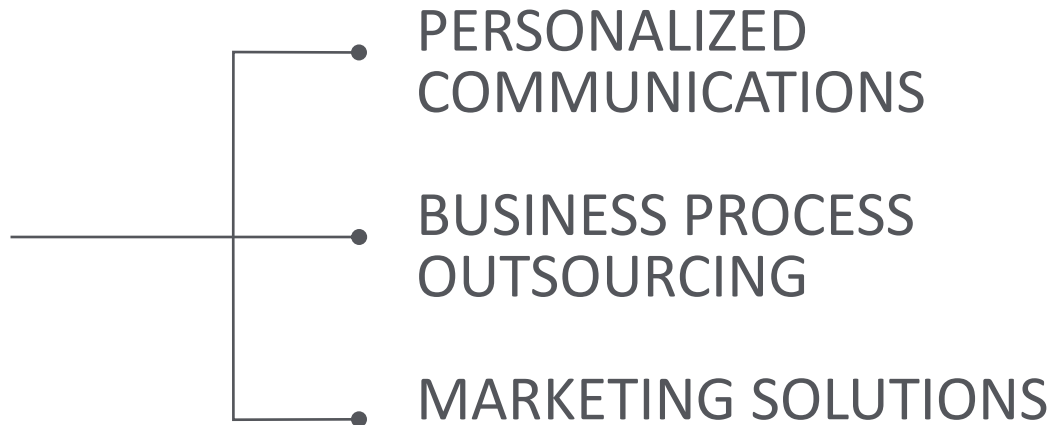


WHAT WE DO.

WE PROVIDE TECH-ENABLED PRINT AND MARKETING WORKFLOW SOLUTIONS.



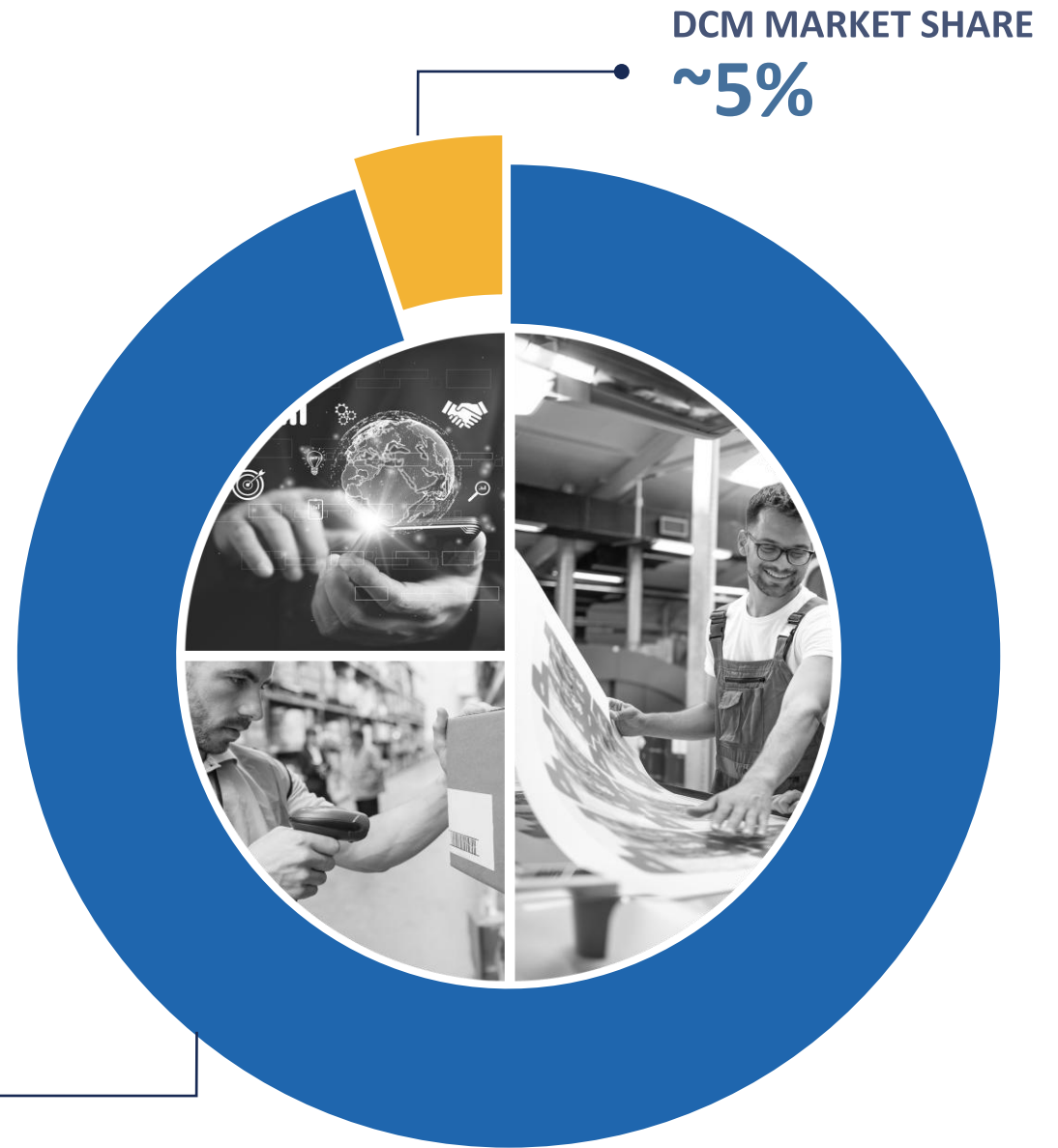
DCMFLEXTM





A LARGE, FRAGMENTED CANADIAN COMMERCIAL PRINT MARKET.

TOTAL ADDRESSABLE MARKET =
>\$10B



400 ENTERPRISE CLIENTS.

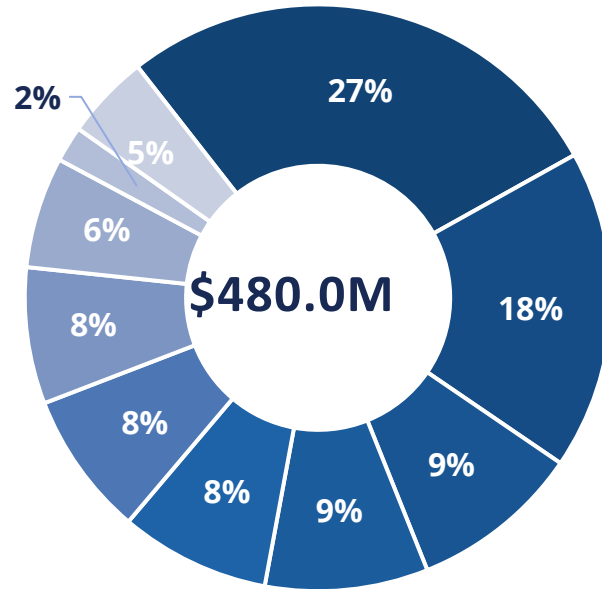
Handling massive **complexity**
Serving **diverse** industry verticals
High **retention** rate (>95%)



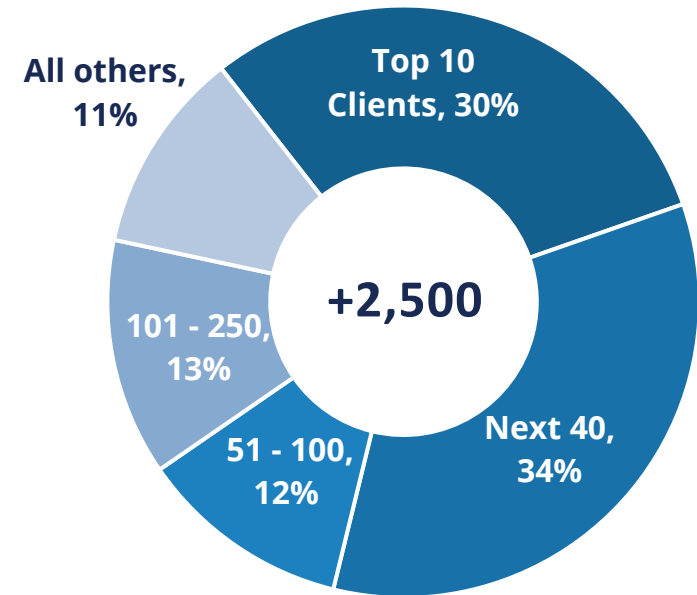
DIVERSE, BLUE-CHIP CLIENTS.

Revenues by End Market
2024

- Financial
- Retail
- Manufacturing
- Services
- Transportation
- Healthcare
- Lottery
- Government
- Energy
- Other



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 SHARE¹

Quarterly dividend
\$0.025 cash
PER SHARE²

Dividend yield
4.5%³

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

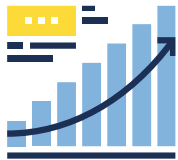


FISCAL 2024 FINANCIAL RESULTS

2024 REVENUES.



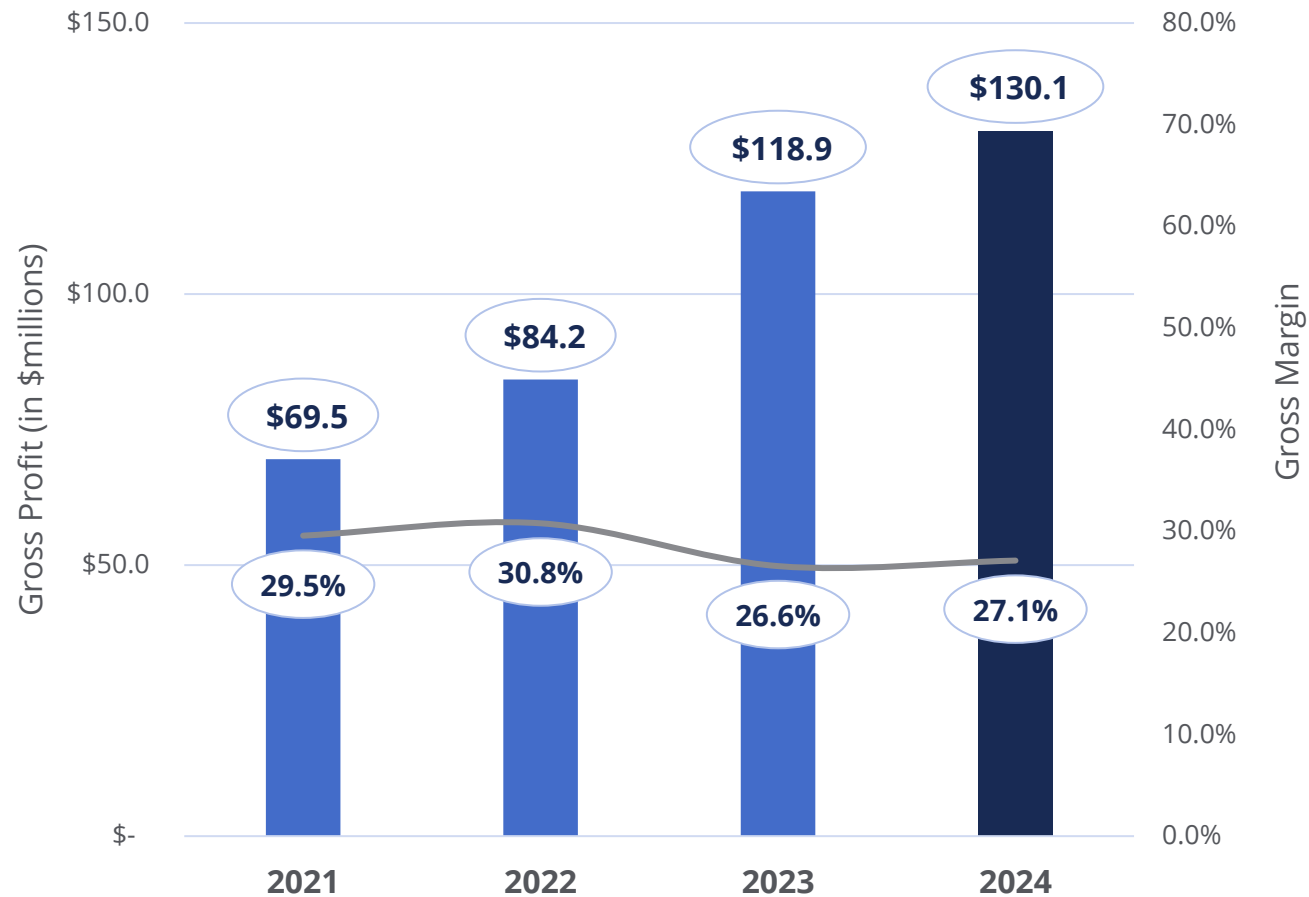
2024 Revenues
+\$32.3M and
+7.2% vs. 2023



3-YR CAGR
26.8%



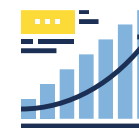
2024 GROSS PROFIT.



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



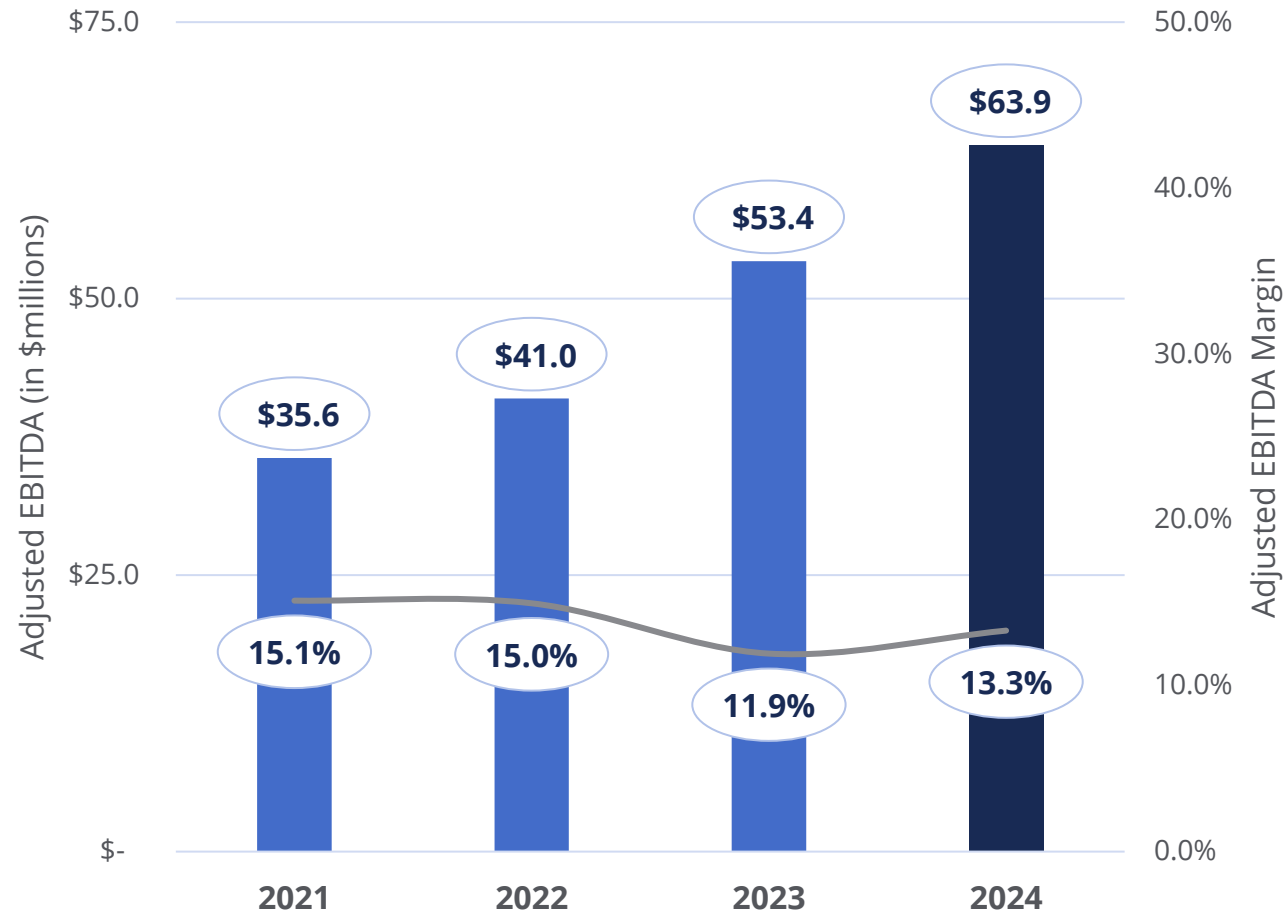
2024 Gross Margin
+50BPS
vs. 2023



3-YR CAGR
23.2%

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

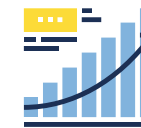
2024 ADJUSTED EBITDA.



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



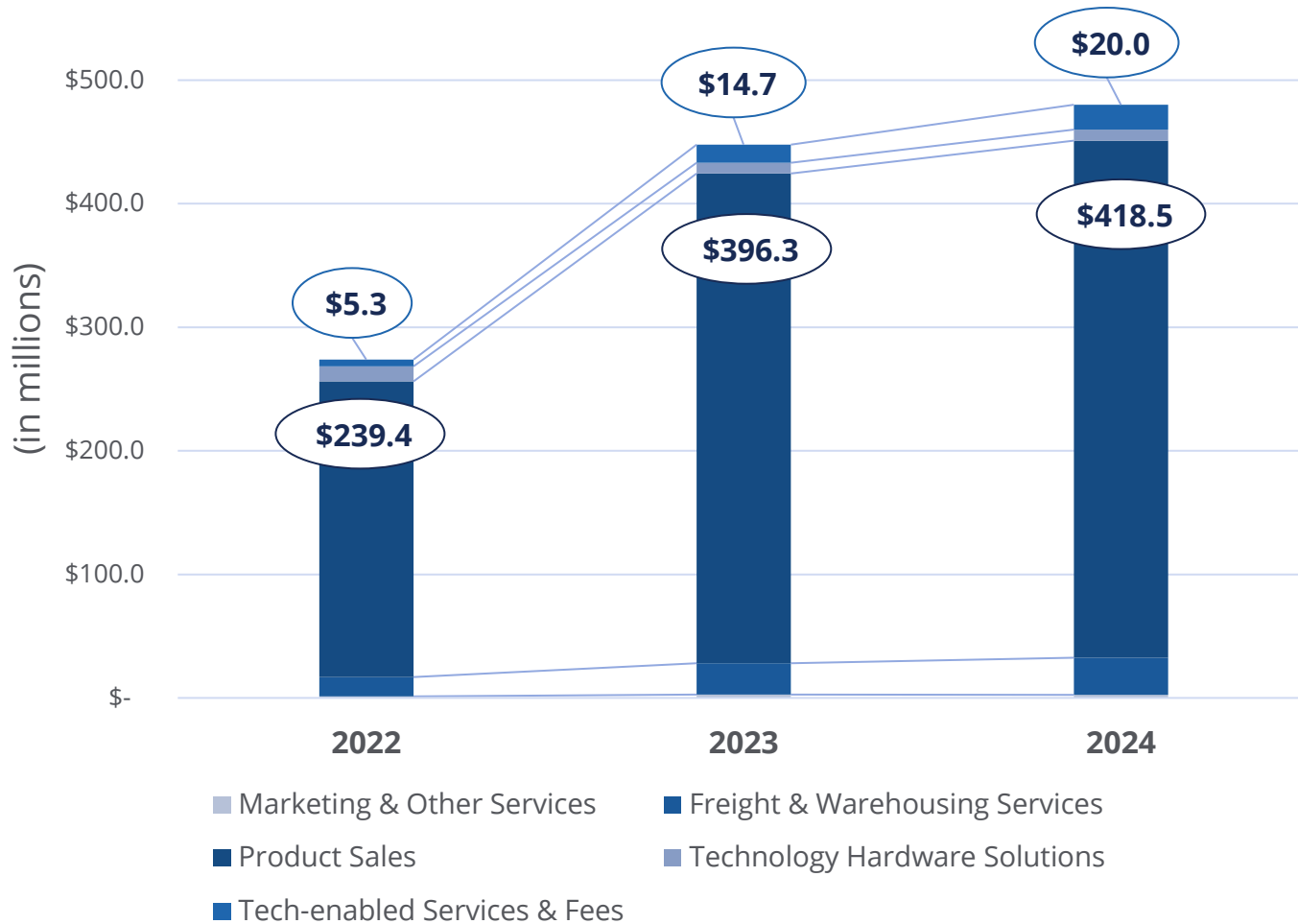
**Adjusted EBITDA Margin
+140BPS
vs. 2023**



**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

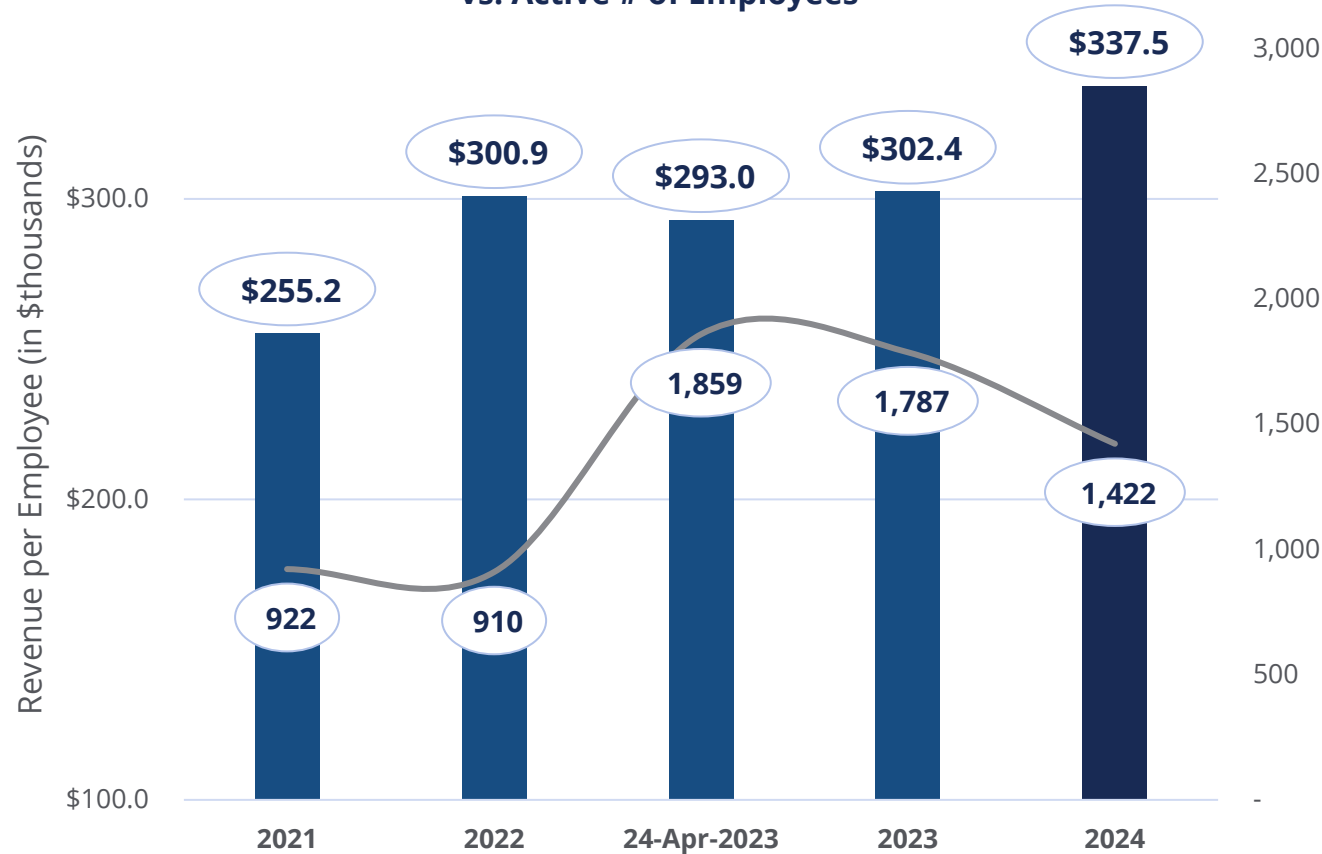
Product Sales

\$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.

Revenue per Employee¹
vs. Active # of Employees



Revenue per employee grew to \$337.5k

+11.6% vs. 2023

+15.2% vs. MCC acquisition

Operational & organizational efficiencies

1,422 associates at 2024, down from peak of 1,859

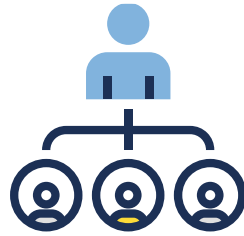
-437 vs. MCC acquisition

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.

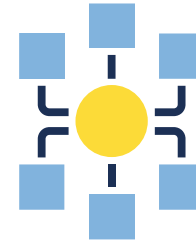
SYNERGIES*



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

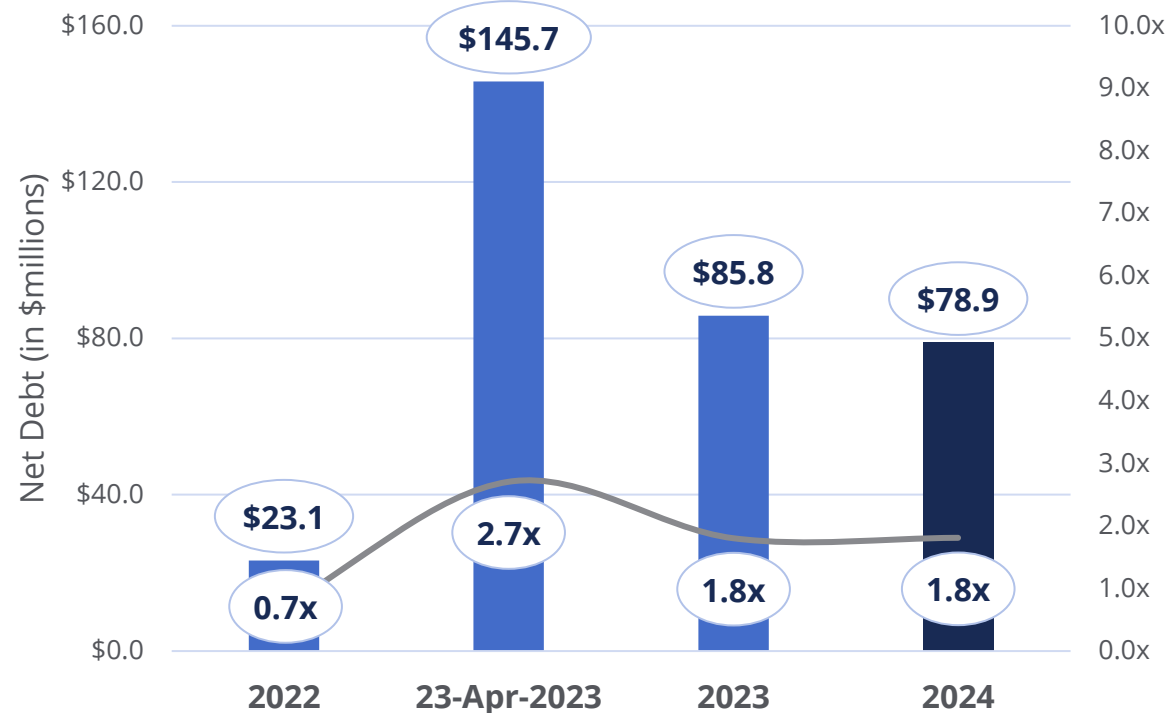
SOLID BASE FOR PROFITABLE GROWTH.

- ✓ 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.

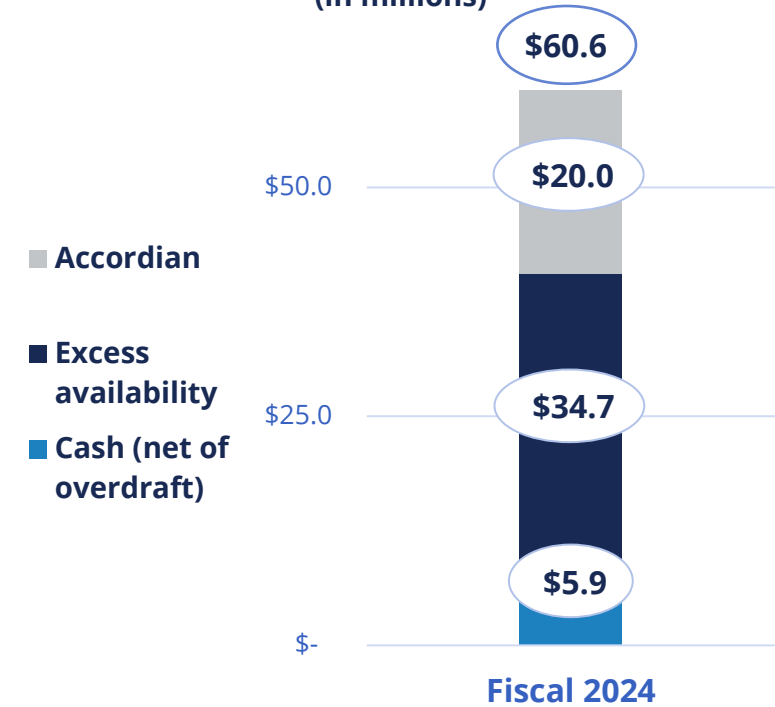
Net Debt and Net Debt to pro forma Adjusted EBITDA¹



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

Total Credit Availability

(in millions)

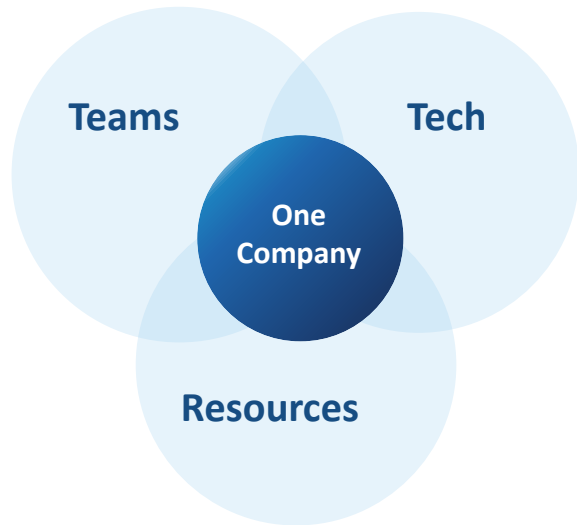


DCM has significant excess credit availability to fund growth initiatives and return of capital

1. Pro forma Adjusted EBITDA for 23-Apr-2023 and 2023 assumes pro forma contribution from MCC for the trailing twelve and four months, respectively.

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



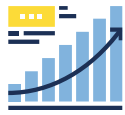
Not For Profit
Case Study



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.



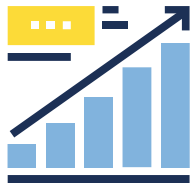
Continue to drive gross margin improvement through top line revenue growth, operating efficiencies, and strategic revenue management initiatives.



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 EBITDA¹
% OF REVENUES

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

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



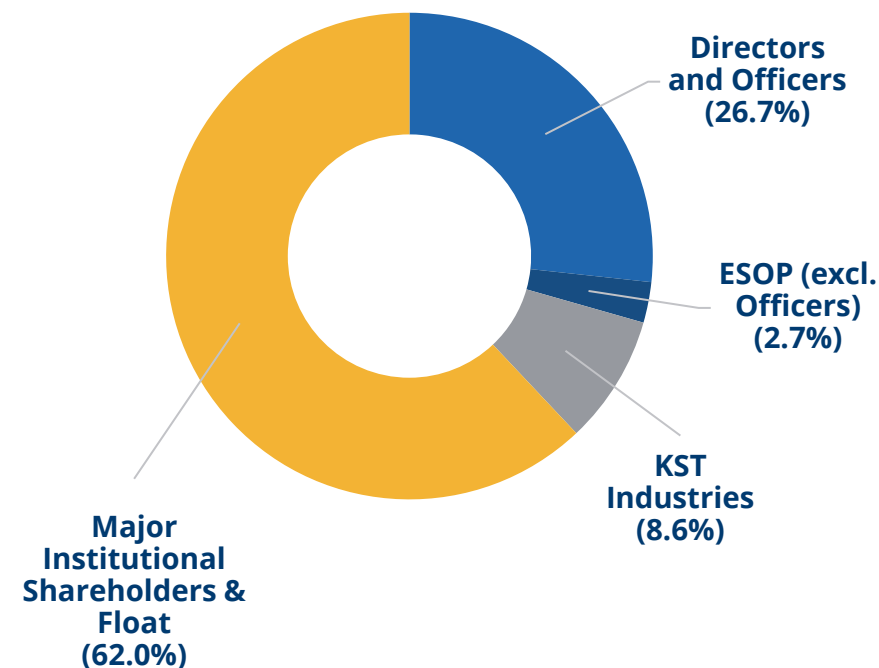
INVESTMENT HIGHLIGHTS

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
Fully Diluted Shares Outstanding	63.9M
Market Capitalization (F.D.)	\$118.2M
Total Enterprise Value*	\$195.4M
TEV Including Lease Liabilities	\$359.1M

Ownership summary
(Fully diluted)



* Total Enterprise Value (TEV) = Market Capitalization (F.D.) plus Net Debt.

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
EBITDA	\$ 53,536	\$ 15,057	\$ 36,384
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)	—	—
Adjusted EBITDA	\$ 63,908	\$ 53,390	\$ 40,965



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
Net income (loss) for the year	\$ 3,570	\$ (15,854)	\$ 13,966
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)
Adjusted net income for the year	\$ 11,325	\$ 12,827	\$ 17,388
Adjusted net income per share, basic	\$ 0.21	\$ 0.25	\$ 0.39
Adjusted net income per share, diluted	\$ 0.20	\$ 0.25	\$ 0.37
Weighted average number of common shares outstanding, basic	55,222,123	50,832,543	44,062,831
Weighted average number of common shares outstanding, diluted	57,731,675	50,832,543	46,572,066
Number of common shares outstanding, basic	55,308,952	55,022,883	44,062,831
Number of common shares outstanding, diluted	57,818,504	50,832,542	46,572,066





THANK YOU