

# DCM – ON TRACK & **MOVING FORWARD**



June 2019



**THE BRAND**  
**BEHIND YOUR BRAND**

# FORWARD-LOOKING STATEMENTS & NON-IFRS MEASURES



## 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 of future performance or results, and will not necessarily be accurate indications of whether or not such 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. The principal factors, assumptions and risks that DCM made or took into account in the preparation of these forward-looking statements include: the limited growth in the traditional printing industry and the potential for further declines in sales of DCM’s printed business documents relative to historical sales levels for those products; the risk that changes in the mix of products and services sold by DCM will adversely affect DCM’s financial results; the risk that DCM may not be successful in reducing the size of its legacy print business, realizing the benefits expected from restructuring and business reorganization initiatives, reducing costs, reducing and repaying its long-term debt, and growing its digital and marketing communications businesses; the risk that DCM may not be successful in managing its organic growth; DCM’s ability to invest in, develop and successfully market new digital and other products and services; competition from competitors supplying similar products and services, some of whom have greater economic resources than DCM and are well-established suppliers; DCM’s ability to grow its sales or even maintain historical levels of its sales of printed business documents; the impact of economic conditions on DCM’s business; risks associated with acquisitions and/or investments in joint ventures by DCM; the failure to realize the expected benefits from acquisitions and risks associated with the integration of acquired businesses; increases in the costs of paper and other raw materials used by DCM; DCM’s ability to maintain relationships with its customers; future legislative and regulatory developments involving the wellness, medical and adult-use marijuana markets in Canada and internationally generally; and risks relating to DCM’s ability to access sufficient capital on favourable terms to fund its business plans from internal and external sources. Additional factors are discussed elsewhere in this presentation and under the headings “Risk Factors” and “Risks and Uncertainties” in DCM’s 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. Except as otherwise noted, when used in this presentation, EBITDA means earnings before interest and finance costs, taxes, depreciation and amortization and Adjusted net income (loss) means net income (loss) adjusted for the impact of certain non-cash items and certain items of note on an after-tax basis. Adjusted EBITDA means EBITDA adjusted for restructuring expenses, one-time business reorganization costs, goodwill impairment charges, and acquisition costs. Adjusted net income (loss) means net income (loss) adjusted for restructuring expenses, one-time business reorganization costs, goodwill impairment charges, gain on redemption of convertible debentures, gain on cancellation of convertible debentures, acquisition costs and the tax effects of those items. Adjusted net income (loss) per share (basic and diluted) is calculated by dividing Adjusted net income (loss) for the period by the weighted average number of common shares (basic and diluted) outstanding during the period. 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 to provide investors with supplemental measures of DCM’s operating performance and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures. DCM also believes that securities analysts, investors, ratings agencies and other interested parties frequently use 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. Adjusted net income (loss), Adjusted net income (loss) per share, EBITDA and Adjusted EBITDA are not earnings measures recognized by IFRS and do not have any standardized meanings prescribed by IFRS. Therefore, Adjusted net income (loss), Adjusted net income (loss) per share, EBITDA and Adjusted EBITDA are unlikely to be comparable to similar measures presented by other issuers.

Investors are cautioned that Adjusted net income (loss), Adjusted net income (loss) per share, EBITDA and Adjusted EBITDA 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 net income (loss) to EBITDA and a reconciliation of net income (loss) to Adjusted EBITDA, and a reconciliation of net income (loss) to Adjusted net income (loss) and a presentation of Adjusted net income (loss) per share, see DCM’s publicly available disclosure documents.

# DCM CANADA'S LEADING MARKETING SOLUTIONS PROVIDER



# EXPERIENCED & PROVEN LEADERSHIP TEAM



## GREG COCHRANE – CEO

- +35 years in communication & marketing services; investor in growth companies
- VRG Capital Corp.; formerly Mariposa/Mosaic Group, Pareto, Wheels Group
- Joined DCM Board June 2016; appointed President November 2016 and CEO June 2018

## JAMES LORIMER – CHIEF FINANCIAL OFFICER

- +20 years in capital markets and private equity
- Formerly investment banker: Midland Walwyn/Merrill Lynch; co-founder of Clarus Securities
- Joined DCM May 2015

## CHRIS LUND – CEO, PERENNIAL GROUP OF COMPANIES

- +25 years building Perennial Group as the largest retail design firm in Canada and one of North America's preeminent providers of retail solutions
- Formed Perennial Investment Group to drive new product/business ventures
- Joined DCM May 2018 with acquisition of Perennial

## MIKE COTÉ – PRESIDENT

- +20 years of progressive management experience; +10 at SVP/VP level
- Formerly SVP, Chief Commercial Officer at Purolator; practiced law at Goodmans
- Joined DCM September 2017; appointed President April 2019 after serving as SVP, Chief Commercial Officer

## RALPH MISALE – SENIOR VICE PRESIDENT, OPERATIONS

- +25 years digital print & communications
- Formerly COO & Principal, Eclipse Colour & Imaging, a leading provider of large format print & point-of purchase display packaging
- DCM acquired Eclipse in February 2017

## KEVIN LUND – CHIEF BRAND OFFICER

- +20 years marketing communications, creative strategy execution and conveying thoughtful stories
- Formerly Managing Director, Global Retail Programs at Perennial, with responsibility for thought leadership, client management and developing consumer-centric experiences for leading retail brands
- Joined DCM May 2018 with acquisition of Perennial



# DCM CREDENTIALS



**+\$322MM**  
revenue

**UP 11.5%**  
**YEAR/YEAR**

**LARGEST**  
graphics  
communications  
business  
in Canada

**NATIONAL**  
**SCOPE & SCALE**

**70 of**  
**CANADA'S**  
**LARGEST**  
**100**  
corporations

**FOCUS:**  
**EXPANDING**  
**WALLET SHARE**

**3 of the 5**  
**LARGEST**  
Federal  
government  
agencies

**MULTI-YEAR**  
**ENGAGEMENTS**

**20%**  
of Canadian  
healthcare  
providers

**LEADER IN**  
**ON-DEMAND**  
**SERVICES**

**#1**  
**PROVIDER**  
to Canadian  
banks

**MANAGING**  
**ON- AND OFFLINE**  
**COMMUNICATIONS**  
**NEEDS**

**2ND**  
**LARGEST**  
label provider

**CATEGORY GROWTH**  
**5% ANNUALLY**

**4**  
acquisitions in  
**2 YEARS**

**VALUE-ADDED**  
**SERVICES**

**9 of 10**  
Leading cannabis  
providers

**EMERGING GROWTH**  
**SECTOR**

# DCM MARKETING & COMMUNICATIONS

## CLIENT LIST



FINANCIAL	RETAIL	HEALTHCARE	CANNABIS	CONSUMER HEALTH	ENERGY	SPECIALTY





# OUR **PRIORITIES**

**FOCUS ON OUR CORE CUSTOMERS**

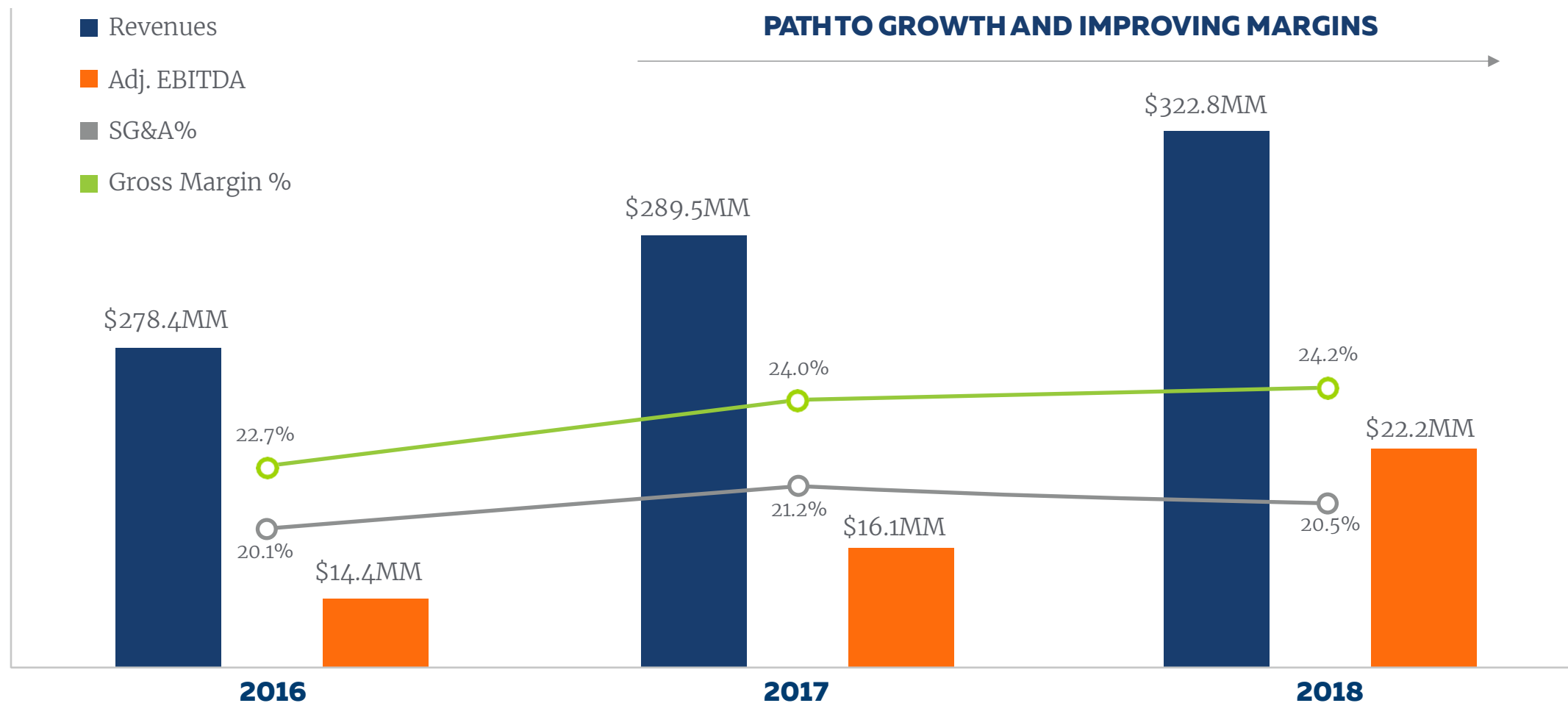
**GROW GROSS MARGIN**

**REDUCE SG&A**

**PAY DOWN DEBT**

**INVESTMENT IN THE FUTURE**

# REVERSING LONG-TERM TREND





# SUMMARY OPERATING RESULTS

## IMPROVING YEAR-OVER-YEAR FINANCIAL RESULTS



SELECTED FINANCIAL INFORMATION (IN \$000s)	FISCAL YEAR ENDED DECEMBER 31		
	2016	2017	2018
<b>Revenues</b>	\$278,363	\$289,529	\$322,769
Gross Profit	\$63,068	\$69,391	\$78,198
Gross Margin %	22.7%	24.0%	24.2%
Selling, General and Administrative Expenses	\$55,934	\$61,371	\$66,216
SG&A % of revenues	20.1%	21.2%	20.5%
<b>Adjusted EBITDA</b>	\$14,381	\$16,104	\$22,218
EBITDA Margin %	5.2%	5.6%	6.9%
<b>Cash Provided by Operating Activities</b>	\$10,146	\$3,907	\$17,263
Less: Purchases of Property, Plant & Equipment	\$2,653	\$2,398	\$2,694
<b>Free Cash Flow<sup>1</sup></b>	\$7,493	\$1,509	\$14,569

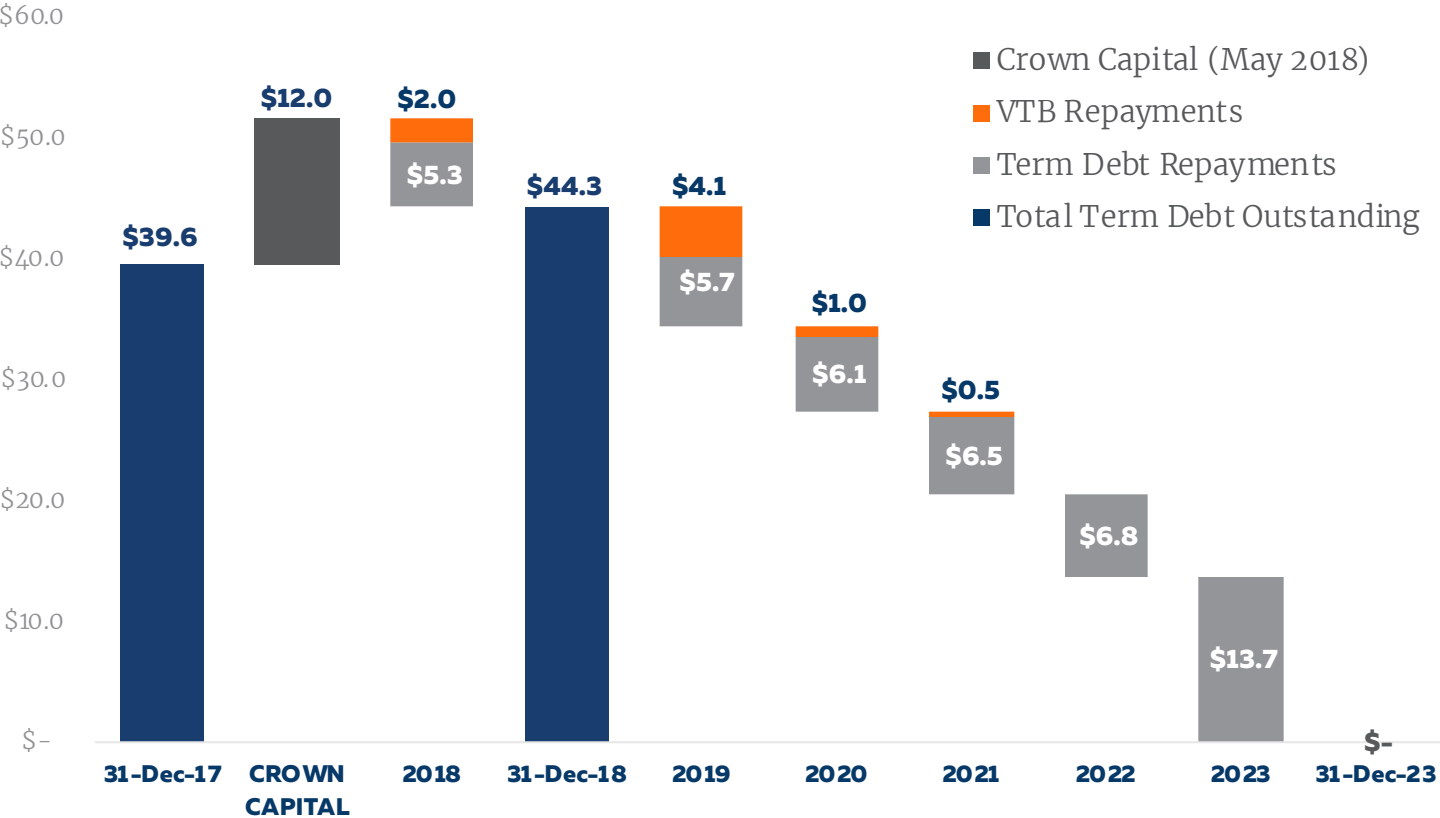
1. Free Cash Flow is a Non-IFRS financial measure; calculated as cash provided by operating activities less purchases of property, plant and equipment.

# IMPROVING BALANCE SHEET



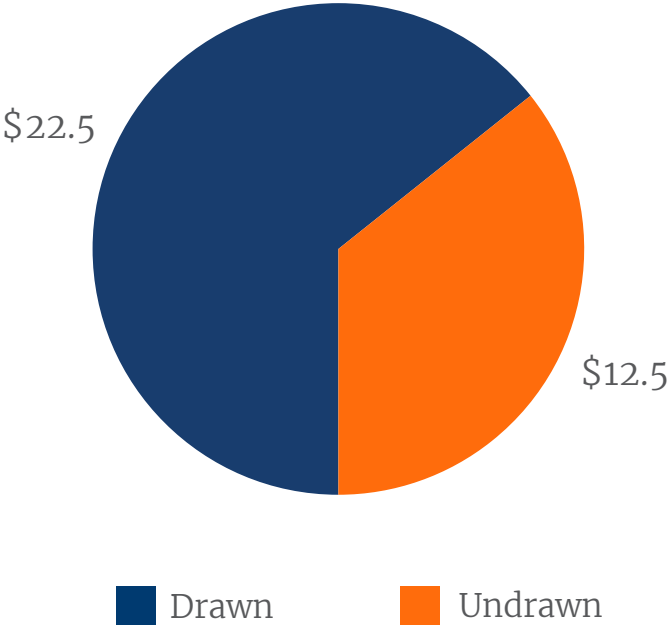
## FIXED-TERM DEBT AMORTIZATION (IN \$MILLIONS)

\$44.3MM of scheduled Principal Repayments through May 2023



## REVOLVER AVAILABILITY

\$35MM of total availability at March 31, 2019

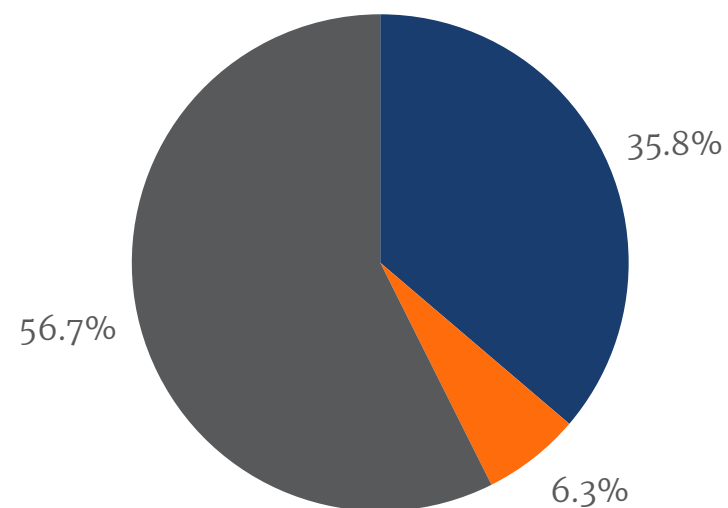


# CAPITALIZATION OVERVIEW



CAPITALIZATION	"DCM" ON TSX
Common Shares Outstanding	21,523,515
Options (@ \$1.41 / \$1.50 exercise price)	2,031,957
Warrants (@ \$1.75 exercise price)	2,251,550
<b>FULLY DILUTED SHARES OUTSTANDING</b>	<b>25,807,022</b>
Recent Share Price (June 14, 2019)	\$1.33
<b>MARKET CAPITALIZATION</b>	<b>\$29.7MM</b>
Net Debt (March 31, 2019)	\$61.3MM
<b>ENTERPRISE VALUE</b>	<b>\$91.0MM</b>

## DCM SHAREHOLDER BASE (BASIC)



- Directors & Officers
- Former Principals of Acquired Companies
- Other Public Shareholders

# FOR INVESTOR RELATIONS INQUIRIES

## PLEASE CONTACT:



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CHIEF FINANCIAL OFFICER

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# THANK YOU

