

DATA Communications Management Corp.

Reports Q3 2025 Financial Results

THIRD QUARTER 2025 SUMMARY

- Revenues were \$105.4 million in the second quarter vs. \$108.7 million in Q3 2024
- Adjusted EBITDA¹ represented 11.7% of revenue vs. 11.6% in Q3 2024
- Adjusted EBITDA was \$12.3 million vs. \$12.6 million in Q3 2024
- SG&A expenses decreased to \$18.2 million vs. \$21.3 million in the prior year quarter
- Launch of AI-powered contentcloud.ai DAM platform advances DCM digital strategy
- Company repurchased 264,900 common shares during the third quarter
- Company declares quarterly dividend of \$0.025 per common share

Brampton, Ontario--(Newsfile Corp. - November 11, 2025) - DATA Communications Management Corp. (TSX: DCM) (OTCQX: DCMD) ("DCM" or the "Company"), a leading Canadian provider of print and digital solutions that help simplify complex marketing communications and workflow, today reported third quarter 2025 financial results.

MANAGEMENT COMMENTARY

"While challenging market conditions and revenue headwinds persisted in the third quarter, we continue to deliver solid operating results and generate strong free cash flow enabling us to reduce debt and return capital shareholders," said Richard Kellam, President & CEO of DCM. "Revenues in the quarter were down 3.1% year over year, reflecting a trend we have seen throughout the year of clients delaying or scaling back projects in response to uncertainty about demand in their end markets as well as concerns about the impact of tariffs and ongoing labour disruptions at Canada Post.

"We are addressing these challenges by maintaining our intense focus on new business development, diversifying our supply chain, and investing in digital innovation. In addition, we are taking a disciplined approach to managing overhead costs in the current environment, as reflected in this quarter's reduction in SG&A expenses. We are well positioned financially to navigate current challenges in our markets and to realize the benefit of these efforts as market conditions improve. At the same time, we have the flexibility to pursue strategic M&A opportunities to support our goal of delivering long-term value for both our clients and shareholders." added Kellam.

DCM continues to be guided by four strategic priorities for 2025:

- Drive profitable organic growth
- Deliver a return on our new capital investments focused on enhancing our efficiency
- Continue to drive gross margin improvement through top line revenue growth and operating efficiencies
- Demonstrate agility and adaptability to effectively navigate an uncertain environment.

OTHER BUSINESS HIGHLIGHTS

Dividend Declaration

On November 11, 2025, DCM's board of directors declared a third quarterly dividend of \$0.025 per common share, payable on December 31, 2025, to shareholders of record at the close of business on December 17, 2025. This dividend is designated as an "eligible" dividend for the purpose of the Income Tax Act (Canada) and any similar provincial legislation.

New Sustainability Milestone Achieved

On October 14, 2025, DCM announced that it achieved a new milestone in its sustainability efforts with the planting of three million trees in certified reforestation projects through an innovative partnership with PrintReleaf. Through the program, DCM is able to offset 100% of the paper consumed in serving the printing needs of its clients.

Launch of contentcloud.ai

On October 9, 2025, DCM announced the launch of contentcloud.ai, the Company's enhanced Digital Asset Management ("DAM") platform powered by artificial intelligence ("AI"). contentcloud.ai builds on DCM's first-generation DAM platform, ASMBL, launched in 2024 with AI designed as part of its core experience to enable users to easily organize, find, and share content to work smarter, faster, and more efficiently.

Q3 2025 EARNINGS CALL DETAILS

The Company will host a conference call and webcast on Wednesday, November 12, 2025 at 9:00 a.m. EST

Mr. Kellam and James Lorimer, CFO, will present the third quarter 2025 results followed by a live Q&A.

Register for the webcast prior to the start of the event: [Microsoft Virtual Events Powered by Teams](#)

All attendees must register for the webinar prior to the call. Please complete the phone field in the form at the above link (prior to the start of the event) if you wish to dial in.

The Company's full results will be posted on its Investor Relations page and on SEDAR+. A video message from Mr. Kellam will also be posted on the Company's website.

Footnotes:

¹ Adjusted EBITDA, Adjusted EBITDA as a percentage of revenues, Adjusted net income (loss), Adjusted net income (loss) as percentage of revenues, Net Debt to Adjusted EBITDA and Free cash flow are non-IFRS Accounting Standards measures. For a description of the composition of these and other non-IFRS Accounting Standards measures used in this press release, and a reconciliation to their most comparable IFRS Accounting Standards measure, where applicable, see the information under the heading "Non-IFRS Accounting Standards Measures", the information set forth on Table 2 and Table 3 herein, and our most recent Management Discussion & Analysis filed on SEDAR+.

TABLE 1 The following table sets out selected historical consolidated financial information for the periods noted.

For the periods ended September 30, 2025 and 2024 <i>(in thousands of Canadian dollars, except share and per share amounts, unaudited)</i>	July 1 to Sept. 30, 2025	July 1 to Sept. 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Revenues	\$ 105,371	\$ 108,726	\$ 342,840	\$ 363,731
Gross profit	24,631	28,009	91,399	99,654
Gross profit, as a percentage of revenues	23.4 %	25.8 %	26.7 %	27.4 %
Selling, general and administrative expenses	18,219	21,313	61,549	67,921
<i>As a percentage of revenues</i>	17.3 %	19.6 %	18.0 %	18.7 %
Research & development expenses	1,105	1,117	3,441	3,755
<i>As a percentage of revenues</i>	1.0 %	1.0 %	1.0 %	1.0 %
Adjusted EBITDA	12,301	12,567	47,457	48,120
<i>As a percentage of revenues</i>	11.7 %	11.6 %	13.8 %	13.2 %
Net income for the period	1,058	(2,668)	9,886	2,871
Adjusted net income	111	(165)	9,205	8,755
<i>As a percentage of revenues</i>	0.1 %	(0.2) %	2.7 %	2.4 %
Basic earnings per share	\$ 0.02	\$ (0.05)	\$ 0.18	\$ 0.05

Diluted earnings per share	\$	0.02	\$	(0.05)	\$	0.17	\$	0.05
Adjusted net income per share, basic	\$	-	\$	-	\$	0.17	\$	0.16
Adjusted net income per share, diluted	\$	-	\$	-	\$	0.16	\$	0.15
Weighted average number of common shares outstanding, basic		55,221,802		55,308,952		55,282,446		55,192,969
Weighted average number of common shares outstanding, diluted		56,810,306		55,308,952		57,080,008		57,784,458

TABLE 2 The following table provides reconciliations of net income to EBITDA and of net income to Adjusted EBITDA for the periods noted.

EBITDA and Adjusted EBITDA reconciliation

For the periods ended September 30, 2025 and 2024		July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
<i>(in thousands of Canadian dollars, unaudited)</i>					
Net income for the period	\$	1,058	\$ (2,668)	\$ 9,886	\$ 2,871
Interest expense, net		5,031	5,273	15,299	16,192
Debt modification gain		-	-	(867)	-
Amortization of transaction costs		111	140	382	420
Current income tax expense		1,191	647	4,707	2,005
Deferred income tax recovery		(818)	(1,158)	(2,088)	(1,374)
Depreciation of property, plant, and equipment		1,665	1,832	5,179	5,138
Amortization of intangible assets		328	482	1,037	1,516
Depreciation of right-of-use-assets		5,001	4,674	14,832	13,488
EBITDA	\$	13,567	\$ 9,222	\$ 48,367	\$ 40,256
Acquisition and integration costs		-	2,077	-	2,603
Restructuring expenses		255	1,160	313	3,346
Net fair value losses on financial liabilities at fair value through profit or loss		(1,521)	108	(1,223)	1,915
Adjusted EBITDA	\$	12,301	\$ 12,567	\$ 47,457	\$ 48,120

TABLE 3 The following table provides reconciliations of net income (loss) to Adjusted net income and a presentation of Adjusted net income per share for the periods noted.

Adjusted net income reconciliation

For the periods ended September 30, 2025 and 2024		July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
<i>(in thousands of Canadian dollars, except share and per share amounts, unaudited)</i>					
Net income for the period	\$	1,058	\$ (2,668)	\$ 9,886	\$ 2,871
Restructuring expenses		255	1,160	313	3,346
Acquisition and integration costs		-	2,077	-	2,603
Net fair value losses (gains) on financial liabilities at fair value through profit or loss		(1,521)	108	(1,223)	1,915
Tax effect of the above adjustments		319	(842)	229	(1,980)
Adjusted net income	\$	111	\$ (165)	\$ 9,205	\$ 8,755

About DATA Communications Management Corp.

DCM is a leading Canadian tech-enabled provider of print and digital solutions that help simplify complex marketing communications and operations workflow. DCM serves over 2,500 clients including 70 of the 100 largest Canadian corporations and leading government agencies. Our core strength lies in delivering individualized services to our clients that simplify their communications, including customized printing, highly personalized marketing communications, campaign management, digital signage, and digital asset management. From omnichannel marketing campaigns to large-scale print and digital workflows, our goal is to make complex tasks surprisingly simple, allowing our clients to focus on what they do best.

Additional information relating to DATA Communications Management Corp. is available on

www.datacm.com, and in the disclosure documents filed by DATA Communications Management Corp. on SEDAR+ at www.sedarplus.ca.

For further information, contact

Mr. Richard Kellam
President and Chief Executive Officer

Mr. James E. Lorimer
Chief Financial Officer

DATA Communications Management Corp.
Tel: (905) 791-3151

DATA Communications Management Corp.
Tel: (905) 791-3151
ir@datacm.com

FORWARD-LOOKING STATEMENTS

Certain statements in this press release 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 press release, 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 press release.

These forward-looking statements involve a number of risks, uncertainties, and assumptions. They 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. We caution readers of this press release not to place undue reliance on our forward-looking statements since a number of factors could cause actual future results, conditions, actions, or events to differ materially from the targets, expectations, estimates or intentions expressed in these forward-looking statements.

The principal factors, assumptions and risks that DCM made or took into account in the preparation of these forward-looking statements and which could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements are described in further detail in our most recent annual and interim Management Discussion and Analysis filed on SEDAR+, and include but are not limited to the following: industry conditions are influenced by numerous factors over which the Company has no control, including: declines in print consumption; labour disruptions at suppliers and customers, including Canada Post; the impact of tariffs and responses thereto (including by governments, trade partners and customers), which may include, without limitation, retaliatory tariffs, export taxes, restrictions on exports to the U.S. or other measures, increases in our input costs, and the effect of governmental regulations and policies in general; our ability to achieve and meet our revenue, profitability, free cash flow and debt reduction targets for 2025 and in the future; while we have received consents from our lenders for the declaration and payment of the special dividend and regular recurring dividend, including the exclusion of the special dividend from our fixed charge coverage ratios, our financial leverage may increase, and there is no guarantee that we will pay such dividends in the future; and, our ability to comply with our financial and other covenants under our credit facilities, which may preclude us from paying future dividends if our outlook and future financial liquidity changes.

Additional factors are discussed elsewhere in this press release and under the headings "Liquidity and capital resources" and "Risks and Uncertainties" in DCM's Management Discussion and Analysis and in DCM's 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 press release 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 ACCOUNTING STANDARDS MEASURES

NON-IFRS ACCOUNTING STANDARDS AND OTHER FINANCIAL MEASURES

This press release includes certain non-IFRS Accounting Standards measures, ratios and other financial measures as supplementary information. This supplementary information does not represent earnings measures recognized by IFRS Accounting Standards and does not have any standardized meanings prescribed by IFRS Accounting Standards. Therefore, these non-IFRS Accounting Standards measures, ratios and other financial measures are unlikely to be comparable to similar measures presented by other issuers. Investors are cautioned that this supplementary information should not be construed as alternatives to net income (loss) determined in accordance with IFRS Accounting Standards as an indicator of DCM's performance. Definitions of such supplementary information, together with a reconciliation of net income (loss) to such supplementary financial measures, can be found in our most recent annual and interim Management Discussion and Analysis and filed on SEDAR+ at www.sedarplus.ca.

Condensed interim consolidated statements of financial position

<i>(in thousands of Canadian dollars, unaudited)</i>	September 30, 2025 \$	December 31, 2024 \$
Assets		
Current assets		
Cash and cash equivalents	3,667	6,773
Trade receivables	97,574	103,445
Inventories	21,525	23,843
Prepaid expenses and other current assets	4,573	5,989
Income taxes receivable	624	3,432
	\$ 127,963	\$ 143,482
Non-current assets		
Other non-current assets	2,210	9,104
Deferred income tax assets	8,420	8,224
Property, plant, and equipment	32,987	34,812
Right-of-use assets	163,499	162,510
Pension assets	4,517	3,142
Intangible assets	7,366	8,282
Goodwill	22,747	22,747
	\$ 369,709	\$ 392,303
Liabilities		
Current liabilities		
Bank overdraft	-	880
Trade payables and accrued liabilities	45,291	59,890
Current portion of credit facilities	8,714	15,175
Current portion of lease liabilities	11,943	10,525
Provisions	2,741	8,016
Deferred revenue	3,820	6,199
	\$ 72,509	\$ 100,685
Non-current liabilities		
Provisions	271	1,279
Credit facilities	73,575	68,515
Lease liabilities	166,491	158,603
Deferred income tax liabilities	-	60
Pension obligations	12,676	18,354
Other post-employment benefit plans	1,257	1,409
Asset retirement obligation	3,522	3,438
	\$ 330,301	\$ 352,343
Equity		
Shareholders' equity		
Shares	284,119	284,592
Warrants	-	219

Contributed surplus		3,219		3,078	
Translation Reserve		247		307	
Deficit		(248,177)		(248,236)	
		\$	39,408	\$	39,960
		\$	369,709	\$	392,303

Condensed interim consolidated statements of operations

<i>(in thousands of Canadian dollars, except per share amounts, unaudited)</i>	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Revenues	\$ 105,371	\$ 108,726	\$ 342,840	\$ 363,731
Cost of revenues	80,740	80,717	251,441	264,077
Gross profit	24,631	28,009	91,399	99,654
Expenses				
Selling, commissions and expenses	9,346	9,930	29,955	30,972
General and administration expenses	8,873	11,383	31,594	36,949
Research & development expenses	1,105	1,117	3,441	3,755
Restructuring expenses	255	1,160	313	3,346
Acquisition and integration costs	-	2,077	-	2,603
Net fair value losses on financial liabilities at fair value through profit or loss	(1,521)	108	(1,223)	1,915
	18,058	25,775	64,080	79,540
Income before finance costs and income taxes	6,573	2,234	27,319	20,114
Finance costs				
Interest expense on long term debt and pensions, net	1,743	2,108	5,451	6,913
Interest expense on lease liabilities	3,288	3,165	9,848	9,279
Amortization of transaction costs	111	140	382	420
Debt modification gain	-	-	(867)	-
	5,142	5,413	14,814	16,612
Income before income taxes	1,431	(3,179)	12,505	3,502
Income tax expense				
Current	1,191	647	4,707	2,005
Deferred	(818)	(1,158)	(2,088)	(1,374)
	373	(511)	2,619	631
Net income for the period	\$ 1,058	\$ (2,668)	\$ 9,886	\$ 2,871
Other comprehensive income:				
Foreign currency translation	55	(19)	(60)	25
	55	(19)	(60)	25
Items that will not be reclassified to net income				
Re-measurements of pension and other post-employment benefit obligations	5,780	625	7,211	9,393
Taxes related to pension and other post-employment benefit adjustment above	(1,469)	(160)	(1,832)	(2,408)
	4,311	465	5,379	6,985
Other comprehensive income for the period, net of tax	\$ 4,366	\$ 446	\$ 5,319	\$ 7,010
Comprehensive income for the period	\$ 5,424	\$ (2,222)	\$ 15,205	\$ 9,881
Basic earnings per share	0.02	-0.05	0.18	0.05
Diluted earnings per share	0.02	-0.05	0.17	0.05

Condensed interim consolidated statements of cash flows

<i>(in thousands of Canadian dollars, unaudited)</i>	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
	\$	\$
Cash provided by		
Operating activities		
Net income for the period	\$ 9,886	\$ 2,871
Items not affecting cash		
Depreciation of property, plant, and equipment	5,179	5,138
Amortization of intangible assets	1,037	1,516

Depreciation of right-of-use-assets	14,832	13,488
Share-based compensation expense	89	390
Net fair value losses on financial liabilities at fair value through profit or loss	(1,223)	1,915
Pension expense	1,113	1,415
Gain on disposal of sale and leaseback	-	(11)
Loss on disposal of property, plant and equipment	-	(54)
Provisions	313	3,346
Debt modification gain	(867)	-
Amortization of transaction costs	382	421
Accretion of asset retirement obligations	84	(28)
Other post-employment benefit plan expense	130	447
Right-of-use assets impairment	-	97
Income tax expense	2,619	631
Changes in non cash working capital	(7,082)	3,107
Contributions made to pension plans	(955)	(960)
Contributions made to other post-employment benefit plans	(282)	(177)
Provisions paid	(6,596)	(8,804)
Income taxes paid	(1,899)	(2,898)
Total cash generated from operating activities	16,760	21,850
Investing activities		
Proceeds on sale and leaseback transaction	6,694	10,218
Purchase of property, plant, and equipment	(3,343)	(9,709)
Purchase of intangible assets	(121)	(551)
Purchase of non-current assets	(143)	(8,013)
Proceeds on disposal of property, plant, and equipment	-	440
Total cash provided by (used in) investing activities	3,087	(7,615)
Financing activities		
Exercise of options	-	337
Proceeds from credit facilities	60,733	58,145
Repayment of credit facilities	(61,232)	(73,905)
Decrease in bank overdrafts	(880)	(1,564)
Transaction costs	(417)	-
Dividends paid	(15,206)	-
Principal portion of lease payments	(5,246)	(6,055)
Repurchases of shares	(640)	-
Total cash (used in) financing activities	(22,888)	(23,042)
Change in cash and cash equivalents during the period	(3,041)	(8,807)
Cash and cash equivalents - beginning of period	6,773	17,652
Effects of foreign exchange on cash balances	(65)	33
Cash and cash equivalents - end of period	\$ 3,667	\$ 8,878



To view the source version of this press release, please visit
<https://www.newsfilecorp.com/release/274011>