



For Immediate Release

DATA Communications Management Corp. Provides Growth Outlook for Fiscal 2018

Brampton, Ontario – February 13, 2018 – DATA Communications Management Corp. (TSX: DCM) (“DCM” or the “Company”) provides fiscal 2018 outlook.

For the fiscal year ending December 31, 2018, DCM anticipates total revenues of between \$295 million and \$310 million, representing growth of approximately 2% to 7% compared to revenues of approximately \$289.9 million in fiscal 2017.

DCM is also announcing adjusted EBITDA guidance for fiscal 2018 of between \$22 million and \$25 million, compared to expected adjusted EBITDA in fiscal 2017 of approximately \$16 million.

For fiscal 2018, DCM expects to spend approximately \$2.5 million on capital expenditures, in line with approximately \$2.3 million recorded in fiscal 2017. In addition to capital expenditures, DCM incurred approximately \$3.4 million in intangible asset purchases in 2017, substantially all of which related to the Company’s ERP project investment. The Company expects to incur approximately \$1.5 million in intangible asset purchases in 2018 and most of those capitalizable costs relating to the project will be incurred through the first half of 2018. DCM expects to realize significant efficiencies relating to this initiative commencing towards the end of fiscal 2018.

As part of establishing the above guidance, the Company made the following assumptions:

- New customer wins and sales initiatives focused on capturing greater wallet share from the Company’s existing customer base, including increasingly capitalizing on its technology-enabled value-added services provided to customers, will offset continued expected declines in DCM’s core business communications market;
- The Company will benefit from the full-year results of the acquisitions of Eclipse Colour & Imaging, Thistle Printing and BOLDER Graphics and continue to experience growth rates in each of those businesses consistent with the past year;
- The three acquisitions DCM completed in 2017 will continue to generate incremental cross-selling opportunities and cost synergies across the entire business of the Company;
- DCM will be able to translate its sales pipeline into new customer acquisitions;
- Improved year over year margins will be achieved through the strategic initiatives implemented in the fourth quarter of fiscal 2017, including from the consolidation of facilities, headcount reductions and continuing efforts by management to drive improved profitability and also from the relocation of BOLDER into DCM’s Calgary facility to be completed in February 2018;
- The Company continues to explore additional strategic acquisition opportunities, and, while there can be no certainty that any such opportunities will be completed, such acquisitions could impact the outlook provided;
- Economic conditions in North America will not deteriorate; and
- The above guidance is based on the accounting policies applied in the condensed interim consolidated financial statements of DCM for 2017 and IFRS in effect for the year ending December 31, 2017.

DCM cautions that the assumptions used to prepare the guidance provided above, although currently reasonable, may prove to be incorrect or inaccurate. Accordingly, actual results may differ materially from expectations as set forth above. The guidance provided above should be read in conjunction with, and is qualified by, the information set out under “Forward-looking Statements” and “Non-IFRS Measures” contained in this press release.

“We are entering 2018 with positive momentum, and, for the first time in many years, we expect DCM to experience revenue growth over the prior year,” said Michael G. Sifton, CEO of DCM. “This positive sales momentum coupled with our focus on optimizing the business for improved profitability bodes well for improved performance in 2018,” he added.

About DATA Communications Management Corp.

DCM is a leading provider of business communication solutions, bringing value and collaboration to marketing and operation teams across North America. We help marketers and agencies unify and execute communications campaigns across multiple channels, and we help operations teams streamline and automate document and communications management processes. Our core capabilities include direct marketing, print services, labels and asset tracking, event tickets and gift cards, logistics and fulfilment, content and workflow management, data management and analytics, and regulatory communications. We serve clients in key vertical markets such as financial services, retail, healthcare, lottery and gaming, not-for-profit, and energy. We are strategically located across Canada to support clients on a national basis, and serve the U.S. market through our facilities in Chicago, Illinois.

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 the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

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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 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 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 marketing communications businesses 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 businesses; risks associated with acquisitions 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; and DCM's ability to maintain relationships with its customers. Additional factors are discussed elsewhere in this press release and under the headings "Risk Factors" and "Risks and Uncertainties" in DCM's management's discussion and analysis and in DCM's 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 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 MEASURES

This press release includes certain non-IFRS measures as supplementary information. Except as otherwise noted, when used in this press release, EBITDA means earnings before interest and finance costs, taxes, depreciation and amortization and Adjusted EBITDA means EBITDA adjusted for restructuring expenses, one-time business reorganization costs, and acquisition costs.

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, rating agencies and other interested parties frequently use non-IFRS measures in the evaluation of issuers. DCM's management also uses non-IFRS measures 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. 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 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, refer to DCM's other publicly available disclosure documents, as filed by DCM on SEDAR (www.sedar.com).