Donnelley Financial Inc. (DFIN)

Long Recommendation

April, 2022

Current Stock Price:	**$ 43.51**
Target Price	$ 71.80
Downside Price	$ 47.66
Margin of Saftey	25%
($ in millions)	
Price (4/18/22)	$ 43.51
Shares out (mm)	29.103
Market Cap	1,266
Plus Debt	169.2
Minus Cash	34.2
Firm Value	1,401
EV/EBITDA (LTM)	6.2x
Dividend Yield	0%
Float	94%
Beta vs. S&P	1.17
52wk. High	$ 50.38
52 wk. low	$ 24.60
Avg. 30 Daily Vol. (Shares)	241,334
Short Shares (% outstanding)	3.3%
Debt/Capital	34%
Net Debt/EBITDA (pf)	0.6x
EBIT/Interest Expense	18.7x
5 year ROE	30.2%
WAAC	7.3%

Rationale	**Upside %**	**Downside %**	**MoS**
10x 2026 EV/EBITDA	64%	-1%	25%
No multiple expansion, 6.6x 2026 EV/EBITDA			

					Estimates			
($ in millions)	**2019A**	**2020A**	**2021A**	**2022A**	**2023E**	**2024E**	**2025**	**2026**
Software	189	200	270	280	320	384	439	491
Tech-Enabled	365	409	520	381	300	267	259	270
Print & Distribution	321	285	204	173	89	74	72	57
Revenue	**875**	**895**	**993**	**833**	**709**	**725**	**770**	**818**
Sales Growth	*-5%*	*2%*	*11%*	*-16%*	*-15%*	*2%*	*6%*	*6%*
COGS	542	496	413	370	331	323	327	336
COGS Margin	*62%*	*55%*	*42%*	*44%*	*47%*	*45%*	*42%*	*41%*
SG&A	206	265	308	264	213	218	231	246
EBITDA	**127**	**134**	**273**	**199**	**166**	**185**	**212**	**237**
EBITDA Margin	*14%*	*15%*	*27%*	*24%*	*23%*	*25%*	*28%*	*29%*
EV/EBITDA	6.1x	3.5x	4.4x	6.2x	7.0x	7.5x	8.5x	9.7x
Net Income	**29**	**-40**	**127**	**87**	**46**	**75**	**102**	**128**
EPS	$ 0.84	$ (1.17)	$ 3.78	$ 2.81	$ 1.53	$ 2.51	$ 3.42	$ 4.29
FCF per Share	$ 1.59	$ 4.55	$ 5.11	$ 4.65	$ 3.11	$ 4.05	$ 4.97	$ 5.82
FCF Yield	*-10%*	*13%*	*-2%*	*-2%*	*6%*	*7%*	*7%*	*6%*
ROIC	11%	19%	36%	24%	15%	19%	21%	21%
ROTC	8%	-6%	45%	30%	17%	20%	21%	21%
					Consensus			
				Revenue	804	816	877	894
				EBITDA	193.9	202.2	242	246
				EPS	$ 2.82	$ 3.12	$ 3.94	$ 4.06

BRIEF HISTORY

Donnelley Financial Solutions, Inc. (DFIN) is the leading provider of software and regulatory assistance for companies and money managers filing with the U.S. Securities and Exchange Commission (SEC). DFIN's solutions help clients with creating, formatting, filing, and distributing SEC compliance documents.

After 33 years as the financial division of RR Donnelley & Sons, DFIN IPO'ed late 2016 as part of a three-way spin-off from its printing and publishing parent.[1,2] DFIN was always destined to be the crown jewel as the asset-light, high-margin, tech-enabled arm.[3] DFIN's phenomenal CEO Daniel Leib outlined the business' evolution to a new, digital strategy with a clear 3-year plan. In 2018, DFIN sold its legacy print segment and announced its digital go-to-market brand: DFINSolutions.com, highlighting the increasingly digital nature of DFIN's risk and compliance solutions and marking the Company's entre into the fintech market as a SaaS company. Despite its transformation, DFIN still trades at a sharp (50%+) discount to SaS peers even with their leading share, higher margins, and superior pricing power.[4]

As described in Exhibits A & B, DFIN is exceptionally well-managed and has proven its ability to meet recurring 3-year targets while maintaining strong capital allocation. Today, DFIN has 3 reporting segments: the (now outsourced) legacy Print & Distribution business, Tech-Enabled Services, and Software solutions. With limited coverage, DFIN is misunderstood by the market and its shares were unfairly punished in the second half of FY22. Despite a 30% Y/Y increase in Software revenue, total revenue declined due to a global decrease in the volume of transaction documents filed with the SEC (Tech-Enabled) and new SEC regulations allowing for digital distribution (Print).[5] A short-sighted view of these two variables sent the stock down over 20% after Q3 and Q4 earnings. I believe the durability and upside to DFIN's earnings power and its ability to compound higher returns are underappreciated by the market.

---

[1] Other two companies were LSC Communications (mostly publishing) and R.R. Donnelly (multichannel business communications and business process outsourcing provider), see *Appendix A, Spin Off.*

[2] This was part of a larger industry trend at the time, driven by shareholder activism. Spin-offs were underway at Xerox and already occurred at HP.

[3] October 2016 Analysis: Why RR Donnelley Just Split Up Into Three Separate Companies.

[4] See *Exhibit D* for peer comparisons.

[5] PitchBook Q4 2022 Global M&A Report.

INVESTMENT SUMMARY

I recommend a long position in DFIN. I estimate the business to be worth $71.80 per share, implying a 64% upside and a 25% margin of safety from the current intrinsic value price of $32.82.

Investment Thesis - M&A transaction ebbs will continue to impact near-term earnings, but the market underappreciates DFIN's accelerated transformation towards a more favorable sales mix. Permanent cost structure reductions and growth in the Software segment will offset the decremental margin impact of lower capital market transaction revenue to weather the near-term storm, and DFIN's superior product value will drive the growth needed to achieve its 2026 strategic goals. Price realization will be catalyzed by SEC regulation changes starting in 2024.

KEY INVESTMENT FACTORS

1) **Q3 and Q4 misses fueled overblown fears of transaction and paper-based revenue decline.**
   While there are cyclical components to DFIN's capital market (Venue) revenue, the Company will sustain market capture because of 1) Venue's superior value as evidenced by 2) DFIN's ability to outperform M&A decline.

2) **DFIN meets its 2026 KPIs to become a fundamentally more profitable business.**
   I believe DFIN is positioned to meet its 2026 revenue mix KPI (and corresponding margin expansion) because of 1) its proven ability to meet long-term goals made possible by 2) exceptional executive compensation incentive alignment.

3) **SEC reporting regulations serve to bolster DFIN's organic growth and catalyze price realization in 2024 and beyond.**
   The SEC's recent rulings favor electronic reporting, causing a near-term decline in DFIN's paper segment, but ultimately provide a secular tailwind for DFIN's transformation into a SaaS company by 2026.

STRATEGIC ANALYSIS

FIRM OVERVIEW

DFIN is the #1 SEC filing agent for corporations and fund companies, submitting over 200k+ SEC filings annually. DFIN files for 60% of the S&P 500, 80% of the top 50 global funds, and 65% of large[6] M&A transactions.[7] DFIN's clients utilize its suite of solutions for recurring compliance needs and for ad hoc capital markets transactional activities such as IPOs, debt issuances, and M&A. DFIN has two operating segments: Capital Markets and Investment Markets, each of which are divided into Software and Compliance & Communications Management (C&CM).

	Capital Markets		Investment Companies	
	Software	**C&CM**	**Software**	**C&CM**
Revenue Type(s)	Software Solutions	Tech-enabled Services Print & Distribution	Software Solutions	Tech-enabled Services Print & Distribution
Key Offerings	Venue ActiveDisclosure eBrevia	SEC Transactional Filings SEC Compliance Filings Proxy Solutions	ArcReporting ArcPro ArcDigital ArcRegulatory	SEC Compliance Filings Shareholder Communications Proxy Solutions
FY 2022 Net Sales	$180M	$410M	$99M	$144M
2017-2022 Net Sales CAGR	+11%	-2%	+15%	-15%
FY 2022 EBITDA Margin	21%	34%	34%	29%

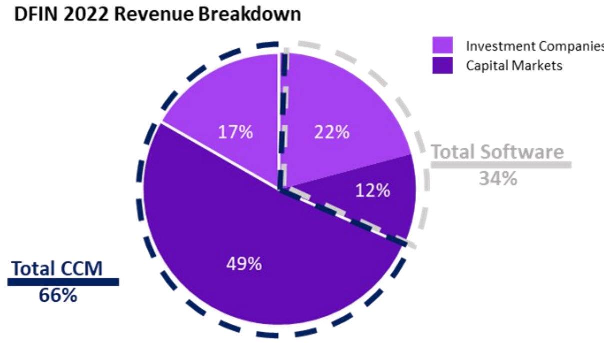
Capital Markets - DFIN's Capital Markets business provides software and services to corporate and financial services clients to create and manage SEC filings and facilitate M&A transactions.

- **Software Solutions:** ActiveDisclosure is a SaaS-based product utilized by corporate clients to manage their own SEC filings using purpose-built financial reporting software. Venue data room is a secure storage platform for

[6] Defined as non-SPAC IPO filing over $100m as well as M&A filings over $2B.
[7] 70% of Fortune 1000 and 100% of top 10.

collaboration largely utilized in capital market transactions by investment banks, law firms and deal teams.

- **Compliance & Communications Management:** DFIN assists corporate clients in compiling, formatting, filing, and distributing documents related to ongoing regulatory requirements (10-Ks, 10-Qs, 8-Ks and Proxies). The Company also provides these services to private and public companies undergoing IPOs, secondaries, debt issuances, and M&A transactions. Print products are provided on an as-hoc basis.



Investment Companies - DFIN's Investment Companies business provides software and services to investment management businesses, including mutual funds, hedge and alternative investment funds, insurance companies and overseas investment structures for collective investments. DFIN also provides products to third-party service providers and custodians who support investment managers, and sells products and services to broker and advisor networks.

- **Software Solutions:** ArcSuite offers a complete end-to-end suite of global software solutions to manage front, middle and back-office functions via integrated workflow tools that simplify the creation, management and distribution of their financial regulatory compliance. ArcSuite consists of four industry leading products.
- **Compliance & Communications Management:** DFIN assists mutual funds, hedge and alternative investment funds, and insurance companies in creating, formatting, and filing SEC required registration forms and subsequent ongoing disclosures. The Company also assists with the creation and physical/digital distribution of marketing documents, and provides print products to these clients on an as-needed basis.

HIGH-LEVEL COMPETITIVE ADVANTAGES

DFIN's earnings power value (EPV) is significantly greater than its asset value ($3.26B vs. $789.7M), implying a strong competitive advantage. DFIN primarily benefits from a comparative, position-based advantage, stemming from its first-mover advantage in capturing clients; however, their economies of scale and brand has given rise to a differential, product-based advantage with a sizable moat.

Comprehensive Product Suite for Entire Client Lifecycle: DFIN dominates the transaction market as the leading provider of M&A, IPO, and other capital market transactions. This gives DFIN visibility into new companies (public, private, and mergers) and a first-mover-advantage in cross-selling other DFIN products at a reasonable price (given their unique insight into the target company's financial health). No other competitor offers services on both sides of the capital structure, giving DFIN a distinct cross-selling advantage.

Pricing Power: DFIN's offerings have historically been priced lower than peers. As DFIN grows out their software offering, and continues to capture market share, they can (and plan to) raise prices, while still offering a 5-10% discount to peers.[8]

Economies of Scale: As the largest player in a high-fixed cost business (~42% of costs are fixed)[9], DFIN has significant economies of scale resulting in a ~30% incremental EBIT margins and a larger base of predictable, recurring revenue.

Customer Support: Unlike competitors, DFIN offers 24-hour, U.S.-based customer service. DFIN's rapid, reliable customer service is invaluable to IB and Private Equity (PE) clients on the transactional side (i.e. its 3am and something in the model needs urgent attention) and equally valuable on the compliance side as well, where regulation timelines are federally mandated and often pushed to the last minute.[10]

[8] See VAR section for more details on future pricing.
[9] Includes machinery, hardware depreciation/lease payments, data center expenses, capitalized development expenses, maintenance, long-term software licenses, and salaried personnel.
[10] See VAR section for additional details and customer testimonials.

Culture: Unlike Worktiva—where former employees cite little to no mobility—DFIN attracts and retains talent through performance-based incentives and is consistently ranked as a top 100 company to work for across the globe.[11]

INDUSTRY OVERVIEW & DFIN POSITIONING

Market Dominant SEC Filer: DFIN is the number one SEC filer in the U.S. With origins as a paper-based SEC filer, DFIN benefits from not only its brand-name, but also its decade-long relationships with the legal, regulator, and compliance communities. Value-Added Research (VAR) indicated that, despite the movement to online filing, the regulatory reporting process is still very much relationship-driven, giving DFIN a leg-up on emerging SaaS competitors.[12]

Leading Value in Software: On the software side, DFIN's products are interchangeable or better than its market-dominating peers, but DFIN is priced lower and has superior customer service, both on the transactional and compliance side of the business. Key customers include Goldman Sachs, KKR, BoA, Home Depot, Ebay, & Mastercard.[13]

Highly Fragmented Competition: DFIN is the only service provider that spans the entire capital structure; therefore, each segment has unique competition.[14]

Transactional - DFIN's data room software, Venue, competes primarily with Datasite and Intralinks. All three products are comparable in terms of functionality, but DFIN is the cheapest.[15] While Datasite and Intralinks split market share historically, DFIN has gained share since launching Venue in 2019 (est. ~10-15% of share) given its competitive 1) pricing and 2) superior customer service. DFIN captures Venue customers at a significantly lower price than peers and retains them through unparalleled 24/hour U.S.-based customer support. DFIN has been especially successful in capturing the PE market where budgets are tighter and 3am rapid customer service is invaluable on urgent deal timelines. Former Investment Banking (IB) VP at JP Morgan encapsulates the customer sentiment towards DFIN: *"…We switched to Donnelley originally as a cost thing…but we feel like we were getting more value. As soon we call them, Donnelly gets on immediately and fixes it. It feels like they drop everything. Their support is way, way better."*[16]

Compliance - In the compliance arena, DFIN's Active Disclosure and ArcSuite compete primarily with Worktiva, Broadridge, and in-house compliance teams.

ArcSuite competes with Broadridge, but high organic growth has placed the emphasis on capturing net new clients and legacy print clients vs. taking Broadridge's share.[17] As SEC regulations grow increasingly complex and funds decide to look for outsourced solutions, ArcSuite offers the best value on the market.

DFIN's other transactional software, Active Disclosure (AD), competes with Worktiva. The only discernable difference between the products is that DFIN's offering is Microsoft Office based vs. Worktiva uses Google Drive to create and manage SEC reports. AD penetration has been challenging given the end user niche (compliance professionals and controllers) are used to Worktiva, many have "Worktiva Certifications" on their LinkedIn page. DFIN has been successful in capturing AD market share given 1) strong sales team and 2) unique cross-selling opportunities. VAR indicated that AD conversion is driven primarily by "liking the sales rep" followed by a realization of cost savings and superior customer service. Unlike Worktiva—where former employees cite little to no mobility—DFIN attracts and retains strong sales reps through performance-based incentives and a entrepreneurial culture. Moreover, the AD team collaborates with the Venue team to get a first-mover-advantage, as described from a former DFIN sales President, *"If a Venue client is working on an IPO for a private company that looks healthy, the person covering the*

[11] DFIN Workplace Awards, https://www.dfinsolutions.com/about/careers.
[12] See VAR section for additional information on the operating environment.
[13] See *Exhibit F* for full list of customers. DFIN's only known supplier need is paper products, which is outsourced.
[14] DFIN's ArcSuite competes with Confluence, Workiva, ToppanMerrill, Appatura, Kneip, Kurtosys and FilePoint, while the Venue business competes with SS&C Technologies, Intralinks and Merrill's DatasiteOne and eBrevia competes with Seal Software, Kira, Luminance and RAVN. DFIN's ActiveDisclosure business competes with Workiva, Certent, and Toppan Merrill's Bridge.
[15] See VAR section for additional information on pricing.
[16] See VAR section for more information on former investment bankers who have used Venue in addition to a competitor.
[17] Per conversation with President of ArcSuite sales, see VAR section for more details.

transaction will discount the software to preserve the transaction pricing, so we would discount the AD and print services to get the new company as a client from the get-go [IPO]."[18]

VALUATION

HIGH-LEVEL ASSUMPTIONS

For detailed assumptions, see Exhibit C. In short, I used a sum of the parts framework to value DFIN at the product-level. As I will discuss in the supporting demonstration, my valuation assumes that DFIN meets its 2026 revenue-mix KPI. Total sales growth will be largely flat. I assume margins fall in-line with management guidance for 2023, but recover to drive EBITDA margins to 30% by 2026.[19]

SUMMARY OF LONG-TERM FINANCIAL PROJECTIONS

	Historical 2016-2022	Long-Term 2022-2026	Justification
Total Sales Growth	(2.7%) CAGR	Flat to Low-single-digit	• Sales mix continues to evolve • Software growth more than offsets decline in transactional and print & distribution sales, driving consolidated sales growth
Total Software Solutions Sales Growth	12.7% CAGR	Mid-teens	• Software revenue nearing $500 million by 2026, representing 55-60% of total 2026 revenue • Growth driven by increased adoption, pricing opportunities, new products, and expansion into new markets and use cases for recurring compliance software • Modest Venue growth (1% in 2022 and up to 10% by 2026)
Compliance Software Sales Growth	16.4% CAGR	High-teens	• High-teens growth across all Compliance Software products (ActiveDisclosure and ArcSuite)
EBITDA Margin	20.0%	Expanding to 30%	• Mix shift, growing software offerings, and productivity driving margin expansion • EBITDA margins expand over time as software solutions become a greater proportion of total revenue • EBITDA margin approaching 30% by 2026
Capital Spending as a % of Revenue	4%	5% - 6%	• Increase vs. historical % of revenue driven, in part, by exiting of print-related revenue • As a percentage of Software Solutions revenue (predominant area of Capex investment), Capex decreasing vs. historical spending
Free Cash Flow/EBITDA Conversion %	~45%	~50%	• Expect to convert EBITDA to FCF at a ~50% rate on a cumulative basis from 2022 to 2026 • Expect to generate more than $400 million in free cash from 2022 to 2026

Growth Assumptions

- **Software segment grows at 15% CAGR:** Within the Software segment, I assume that the transactional software (Venue) will have the lowest CAGR (7%) as M&A activity remains low, while the recurring revenue products will drive segment growth (Active Disclosure at 17% and eBrava at 20%), resulting in a 15% CAGR (vs. 35% FY21 growth rate). As will be discussed, segment growth will be driven by both secular and strategic tailwinds.
- **Other segments experience negative growth**: Given that Tech-Enabled and Print & Distribution segment revenues are 78% and 61% Transactional respectively, I forecast negative growth in these segments (-8% Tech-Enabled CAGR and-24% Print & Distribution CAGR).
- **Resulting profitability growth:** Growth exclusively in the high-margin, recurring Software segment results in a 10% CAGR in net income, despite flat revenue growth as the Software segment grows to 60% of total 2026 revenues.

Use of Capital Assumptions

- **Capital Expenditures:** Expect cumulative capital spending of 5% - 6% of sales from 2022 to 2026 (mgmt. guidance).
- **Share Repurchases:** Expect DFIN to exercise $150 million share repurchase authorization in place expiring December 31, 2023.
- **Continue to Manage Leverage & Liquidity:** Expect net cash position by 2024.
- **No M&A:** Continue to maintain historical disciplined approach to M&A and do not make any new acquisitions.

[18] See VAR section for information from former and current DFIN sales employees.
[19] See *Appendix I, Additional Assumption Detail.*

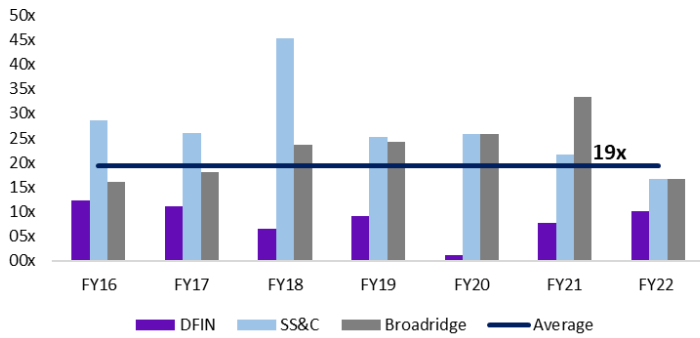
- **No Dividend:** Dividend remains last priority for use of cash, assume not paid during time period (although I think it is not unlikely that they start paying a dividend in the next few years).

VALUATION OVERVIEW

Currently priced at 6.1x LTM EV/EBITDA, the market view of DFIN fails to recognize its significant, growing, and valuable software assets. As DFIN executes its 2026 strategic goals and benefits from secular tailwinds (SEC regulations), I believe DFIN will trade closer to SaaS peers at 9-10x 2026 EV/EBITDA, resulting in $71.80 price target, which provides a 65% upside and 25% margin of safety.

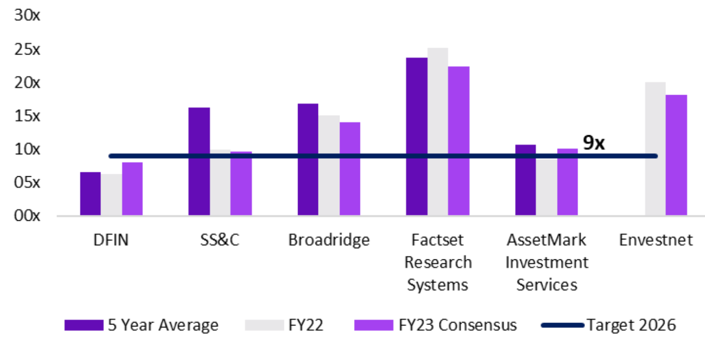
DFIN & Peers EV/EBITDA Multiples

DFIN trading down vs. peers despite 2019 transformation



DFIN & Peers EV/EBITDA Multiples

9x multiple still below most peer estimates



Asset Value and Earning Power Value (EPV)

My calculations suggest that DFIN has an asset value of $789.7M and a EPV of $3.26B vs. the current EV of $1.36B. Detailed assumptions are in Exhibit C, though it is worth noting that a significant portion of DFIN's EPV is derived from marketing, which would be difficult for a new player to replicate and manage at the scale and depth of DFIN. The delta between the EPV and asset value is indicative of DFIN's competitive advantages described above. With a 30% average 2-year ROIC and a 10% WAAC, continued reinvestment in growth will create additional EVP upside.

EPV Overview ($millions)	2022	Adjusted
Revenue	833	833
COGS	370	370
Operating Expenses	58	58
Operating Income	406	406
Operating Margin %	*49%*	*49%*
Over (under) depreciation charges		2.9
Expenses related to growth:		
Marketing		13
Product		2
Lease		-
Workforce		2
Adjusted Operating Profit	**406**	**426**
Taxes (26.4%)	107	112
Sustainable NOPAT	**299**	**313**
WAAC (%)	10%	10%
EPV Operating Business	2,986	3,133
Non-Operational Cash	34	34
Debt	169	169
EVP Equity	**3,121**	**3,268**

See Exhibit C for detailed Assumptions

RISKS

PRE-MORTEM

M&A activity stagnates through 2026 and draws on Software revenue: A significant and prolonged downturn in financial markets would likely reduce the volume of transactional revenue (from IPOs, M&A). My model already assumes an overall negative growth rate in Capital Markets revenue through 2026 lower than the street and DFIN's estimates. Conesus estimates a 6% organic M&A Software growth rate, and even if M&A Software grew at 2%, DFIN would still meet 2026 FCF goals by over 60%, giving DFIN ample room to meet FY26 revenue goals.

Human resource constraints challenge technological transformation: It is possible that DFIN faces challenges in hiring the technical talent required to support its transformation. Leadership changes and anecdotal evidence from DFIN insiders suggests that this is a priority for DFIN and that their current talent pool is already more technical than peers.[20]

Regulatory changes are delayed or deprioritized, prolonging DFIN's price realization: DFIN's customers are exposed to changes in SEC compliance and reporting regulations. Historically, increasingly complex and digital regulatory changes have been well-aligned with DFIN's strategy and served to enhance positioning; however, if administration or market changes result in a de-prioritization of SEC regulations, it is possible that impending rules are delayed, and new regulation is halted. In speaking with DFIN leadership and a non-affiliated lawyer specializing in SEC regulation,

[20] See VAR section for more details on HR strategy and execution.

I've gleaned that the increase in SEC regulation is largely bipartisan, driven primarily by secular changes in the investment environment (i.e. crypto, ESG, online trading platforms) and is unlikely to face political pushback.[21]

Customer's cost-sensitivity restrains DFIN's ability to raise prices: DFIN's 2026 strategic goals linchpin on its pricing power relative to the market. In a recessionary environment, it is possible that DFIN's customers will be more price sensitive than anticipated. However, with 65% of recurring revenue from Compliance, it is unlikely that these customers would 1) prefer to or 2) have the capabilities to move reporting in-house. With no cheaper alternative on the market, customers are left with limited optionality in submitting annual federally-mandated SEC documentation.

FX headwinds drag on organic growth: ~15% of DFIN's revenues are non-U.S. My base model assumes no FX impact; however, applying the maximum historical FX impact on revenue growth (-0.5%) has de minimis effects on the model.[22]

DFIN is acquired: The market has speculated that DFIN (or its parts) could be an acquisition target for Broadridge or Worktiva. Given that management's compensation is tied to 2026 targets, I think the likelihood of pre-2026 sale is low.

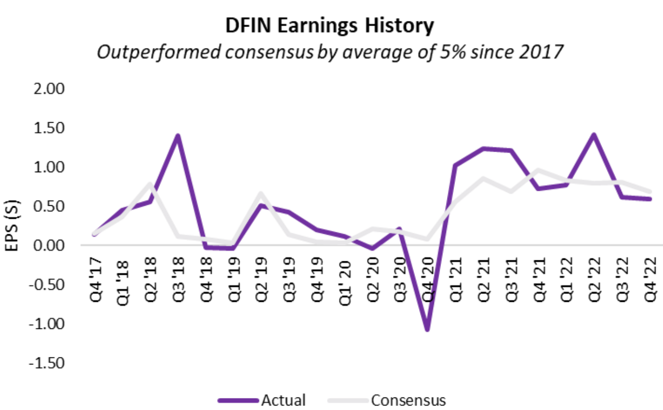
R E V I E W

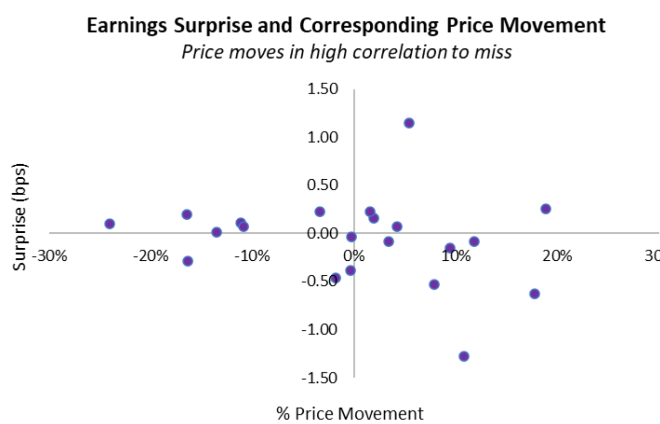
I N V E S T M E N T   T H E S I S - S U P P O R T I N G   D E M O N S T R A T I O N

Investment Thesis

M&A transaction ebbs will continue to impact near-term earnings, but the market underappreciates DFIN's accelerated transformation towards a more favorable sales mix. Permanent cost structure reductions and growth in the Software segment will offset the decremental margin impact of lower capital market transaction revenue to weather the near-term storm, and DFIN's superior product value will drive the growth needed to achieve its 2026 strategic goals. Price realization will be catalyzed by SEC regulation changes starting in 2024.

1) **Q3 and Q4 misses fueled overblown fears of transaction and paper-based revenue decline.** DFIN is an under-covered company consistently outperforming consensus estimates. With only 3 analysts covering the stock, marginal earnings misses and misunderstood SEC regulatory changes drive outsized price swings.[23,24]





In FY22, the stock moved over 20% with each earnings announcement. Q2's 78% positive earnings surprise resulted in a 20% positive price appreciation, whereas <10% Q3 and Q4 earnings misses sent the stock down by the same amount or more than the positive earnings surprise (-20% and -30% price depreciation respectively).

Given the lack of coverage, it is hard to speculate on DFIN's market sentiment with confidence, but I think that the street 1) fears that temporary Capital Market revenue declines will negatively impact future earnings and 2) infers a negative impact of the SEC 30e rule on DFIN's print business. Both are misguided. As will be discussed below, DFIN is transforming into SaaS company that will derive recurring subscription revenue (largely market and transactional

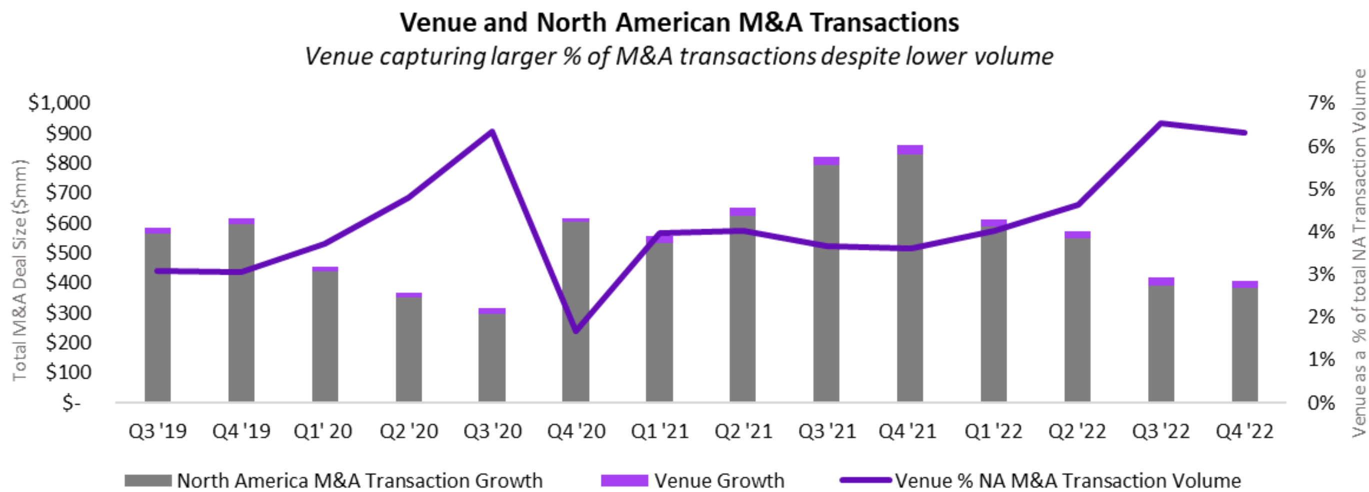
[21] See Var section for more details on the impact of SEC regulations on DFIN business.
[22] See Appendix J, Revenue by Geography.
[23] See Appendix B, *Historical Price Movements & Market Sentiment* for additional information.
[24] Only 3 analysts cover DFIN: Raj Sharma (B Riley Securities), Peter Heckman (DA Davidson), and Charles Strauzer (CSJ Securities).

agnostic) in the highest-margin segments and new SEC regulations enable the Company to continue to trim the fat of the print business and boost incremental revenue from electronic filing.

2) While there are cyclical components to DFIN's capital market (Venue) revenue, the Company will sustain market capture because of 1) Venue's superior value as evidenced by 2) DFIN's ability to outperform M&A decline.

DFIN offers superior value in the M&A space and will continue to capture market share despite headwinds. Venue competes primarily with Datasite and Intralinks in the transaction space. All 3 are very sticky products offering comparable functionality; however, Venue is priced lower and uniquely offers 24-hour, US-based support—a feature IB and PE customers cite as a 'game changer' when something urgent needs timely attention. Former customers corroborated the strategy Venue sales reps articulated: the impetus for switching to Venue is cost, and subsequent retention is driven by superior customer support.[25]

Despite M&A headwinds, DFIN's transactional software has proven resilient. Global M&A transaction volume dropped -16% in FY22, while DFIN's revenue from M&A transactions (Venue) is down -6%.[26] Venue has outpaced global M&A growth by an average of 21% since 2019 and doubled its share of U.S. M&A deals over the same period. [27] DFIN's ability to outpace transaction declines signals sustainable strength in continuing to capture a larger percent of both U.S. and Global transaction volume.



M&A trends support Venue's customer base. Additionally, Venue is primarily used by PE smaller IB clients who could benefit from secular trends towards smaller M&A deal sizes (deals under $1B increased 50% LTM) and increased use of IPO for public acquisitions (IPOs have risen to 35% of type of global acquisitions of public companies).[28]

Potential growth catalyst: IB and PE clients in a M&A lull will likely look to cut costs and either switch or cancel their data room provider, presenting the opportunity for DFIN to capture existing and/or new market share.

3) DFIN meets its 2026 KPIs to become a fundamentally more profitable business. I believe DFIN is positioned to meet its 2026 revenue mix KPI (and corresponding margin expansion) because of 1) its proven ability to meet long-term goals made possible by 2) exceptional executive compensation incentive alignment.

DFIN has met or exceeded 4-year revenue mix KPI's

Revenue %	2018 Goal	FY 2018	2022 Goal	FY 2022
Recurring	57%	58%	63%	69%
SaaS	17%	18%	26%	31%
Services	65%	65%	75%	89%

Formerly demonstrated ability to meet KPIs. DFIN's strategy has been consistent since 2016, driven by clear quantitative and qualitative KPIs. After spinning-off the print business in 2018, DFIN

[25] See VAR section for more details, including relevant quote.
[26] PitchBook Q3 2020 Global M&A Report.
[27] See *Appendix C, Venue vs. Global M&A Growth* for additional information.
[28] See *Appendix D, Secular Trends for Venue's Customer Base* for additional information.

introduced 3 ambitious revenue-mix KPI's for 2022, each of which has been met or exceeded.[29] I believe management will meet 2026 goals with the same vigor. DFIN is already expected to exceed the interim goal of "44 in '24" (management expecting 47% in Software revenue in FY24).

Management's incentives exceptionally aligned with 2026 priorities. DFIN's proxy statement is among the most robust and transparent I've seen. Most importantly, compensation is well-aligned with DFIN's 2026 strategic goals: 70% of CEO and >50% of NEO compensation is based on long-term (3-year) performance incentives, consisting primarily of equity. Performance share units (PSUs) are measured by achievement of software solutions revenue targets (11% growth) and EBITDA targets, measured cumulatively over a 3-year period, and awarded at the end of the period (upcoming periods: 2023 and 2026), whereas restricted stock units (RSUs) provide focus on stock price growth and serve our talent retention objectives and align pay and performance as reflected the stock price.[30]

As the first and only CEO, a significant amount of 53-year-old Dan Leib's net worth is in DFIN equity, who owns 2% of DFIN's equity. Beyond the CEO, insiders own over 5% of DFIN and in the past 3 months, insiders have traded a net positive position (purchasing ~$1M of shares).[31]

Leadership changes to support SaaS transition signals strength in executing goals. Earlier this year, DFIN created the Chief Client Experience Officer position, and hired Jodi Sweeny—former Salesforce executive—to separate IT and client experience functions. Additionally, DFIN added Chandar Pattabhiram—who brings decades of relevant experience as CMO at Coupa Software—to the Board. VAR indicated DFIN's technological transformation has increased collaboration between developers, sales, and client specialists. Many employees serve cross-functionally, echoing sentiments that DFIN's workforce is comprised of highly technical, yet service-oriented employees.[32]

4) DFIN meets 2026 sales mix targets as software growth (excluding Venue) enables more favorable revenue mix.

I expect Compliance Software to experience high-teens growth across all products to generate total Software revenue approaching $500 million by 2026, representing 55% to 60% of total 2026 revenue, in line with management's stated goals.[33] Each software has specific growth drivers, while all benefit from the ability to increase prices.

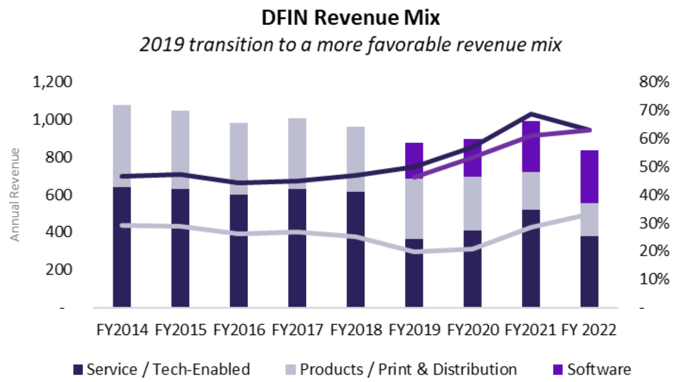
	Transactional Software	Compliance Software	Other Software	Total Software
	VENUE	DFIN | Arc Suite ActiveDisclosure	eBREVIA	
FY 2022 Net Sales	$99M	$171M	$10M	$280M
2016 to 2022 Net Sales CAGR	10%	18%	flat	13%
2022 to 2026 CAGR	Mid- to high-single-digits	High-teens	20%+	Mid-teens
Revenue Type	Transactional driven	Recurring	Recurring	>70% Recurring by 2026
Growth Drivers	M&A and De-SPAC activity, market share gains, subscriptions/enterprise model	Customer/Fund growth, shift from traditional compliance to SaaS, expansion into adjacent markets, new products	Product enhancements, Sales and marketing	
	Price Uplifts			

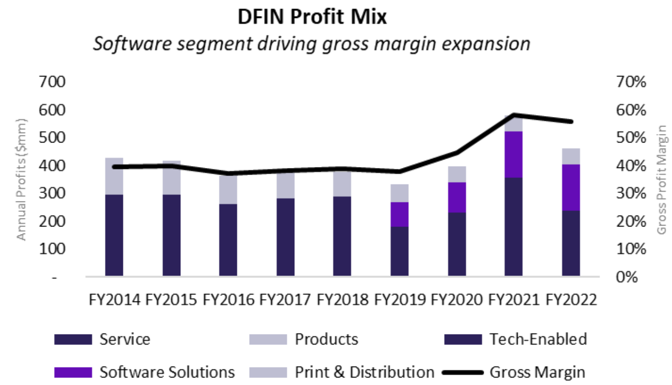
5) Revenue mix shift, growing software offerings, and productivity drive margin expansion.

I expect EBITDA margins expand over time as software solutions become a greater proportion of total revenue, approaching 30% by 2026, in-line with management's expectations.

DFIN has proven ability to prioritize higher-margin business units. DFIN's 2019 divestiture from the low-margin, (~25% gross margin) Print business and prioritization of the Software segment (60% gross margins) has expanded EBITDA margins by 100bps and doubled gross profit margins.

[29] See *Appendix E, 2018 Investor Day KPI's* for additional information.
[30] See *Exhibit B,* Management & Compensation
[31] Bloomberg data.
[32] See VAR section for more information on the cultural and HR implications of DFIN's transformation.
[33] See *Appendix F, Evolution of DFIN's Sales Mix* for more information on DFIN's historic and projected sales mix.





The normalization of transactions revenue and investments in software growth initiatives will result in near-term margin headwinds, but Software segment growth more than offsets decremental margin impact of lower capital market transactions revenue. Software margin expansion will continue to be driven by increased scale and product maturity, pricing opportunities, new products and use cases, and improved service efficiency, while Tech-Enabled Services will maintain strong margins at a reduced level of sales. DFIN will continue to manage Print & Distribution profits for cash, taking only the highest-margin projects.[34,35]

EBITDA margin approaching 30% by 2026, making DFIN fundamentally more profitable. DFIN's improving business mix drive will drive margin expansion organically, while their disciplined cost management and productivity-enhancing initiatives will drive continual cost reductions. Total revenues will decline, but robust EBITDA margins, modest CapEx, and declining interest expenses will continue to drive strong free cash flow to meet 2026 goals.[36]

6) **SEC Tailored Shareholder Reporting regulations bolster organic growth and catalyze price realization in 2024 and beyond.** SEC Rule 30e-3 (elimination or reduction of print annual and semi-annual reports) and Rule 498A (elimination or reduction of print summary prospectus) reduced net print sales over the LTM, but—given the unfavorable margins on the print business (~25%)—the effect on LTM EBITDA is de minimis (<$30M). The street has described these regulatory changes as headwinds, however, the SEC's current and planned regulation is favorable to all 3 DFIN segments and well-aligned with the Company's SaaS transformation.[37]

Corporations - **Soon-to-be mandatory iXBRL tagging is DFIN's bread and butter.** The SEC's pay versus performance disclosure rule requires public companies to disclose the relationship between executive compensation actually paid to the company's named executive officers and the company's financial performance. DFIN streamlines the financial proxy process to deliver effective shareholder communications, and current and new corporate clients are turning to DFIN for supported regulatory services and iXBRL tagging in preparation to comply with the mandate in 2023.

Investment Management - **Rule 30e-3 changes have a de minimums impact on paper products, considering the 2024 Tailored Shareholder Report Regulations will drive Arc Suite growth.** The enactment of SEC Rule 30e-3 and Rule 498A has dragged on LTM Print sales; however, it has enabled the transition of print clients to the digital platform. Further, the SEC's October ruling on shareholder reporting—with 2024 requirements—serves as another catalyst for organic ArcSuite growth.[38] DFIN believes that many clients who chose to do reporting in-house will now turn to DFIN's ArcSuite ahead of 2024 for support with the new, cumbersome reporting requirements.[39]

Capital Markets - Finally, the SEC is in the final stages on the ruling of the EDGAR next project, which is aimed at improving filer access and account management across global capital markets. This ruling presents DFIN with the opportunity to expand the usage of capital market software and services to help meet rigorous regulations.

[34] See VAR section for additional commentary from management.
[35] See *Appendix G, Historical Margins* for more information on DFIN's historical and projected margins.
[36] See *Appendix H, Cost Structure* and Valuation section for details on historical and projected cost structure.
[37] D.A. Davidson Q3 analyst report calls out SEC acts 30e-3, 498a as risks and headwinds moving forward.
[38] New SEC Rule, The new rule requires mutual funds and ETF to distribute updated reports (with specific tables, formatting, information, and iXBRL tagging all in a "visually engaging format").
[39] See VAR section for more details on impact of SEC rules on DFIN's software offerings, expected to create 6x the amount of work for prospective/current ArcSuite clients bi-annually.

EXHIBIT A – CAPITAL ALLOCATION

DFIN has created a strong balance sheet to execute its strategy, and is prioritizing cash flow for internal investments, share repurchase, and net debt reduction. DFIN's strong track-record of shareholder-friendly activity includes:

Efficient Capital Structure: Redeemed $233 million of outstanding 8.25% notes in October 2021 using proceeds from Term Loan A facility and cash on hand; realizing ~$14 million reduction of interest expense on an annualized basis in 2022. Following redemption, capital structure is 100% variable, comprised of Term Loan A and $300 million revolver.

Share Buybacks: From 2020 to 2022, repurchased 6.8 million shares at an average price of $28.71 per share. A $150 million share repurchase programing expiring end of 2023 is in place.

Asset Divestitures: $137 million in cash generated from assets sales since 2016. Includes sale of Language Solutions business in July 2018 for $77.5 million.

Shrinking Cost Base: Aggressively reducing cost and improving bottom line performance. Traditional Print work transitioned to a third-party vendor network driving a more efficient variable cost structure.

Reduced leverage: Utilized strong free cash flow and proceeds from assets sales to pay down debt. Reduced non-GAAP net leverage from 3.4x at year-end 2016 to 0.6x as of 12/31/22.

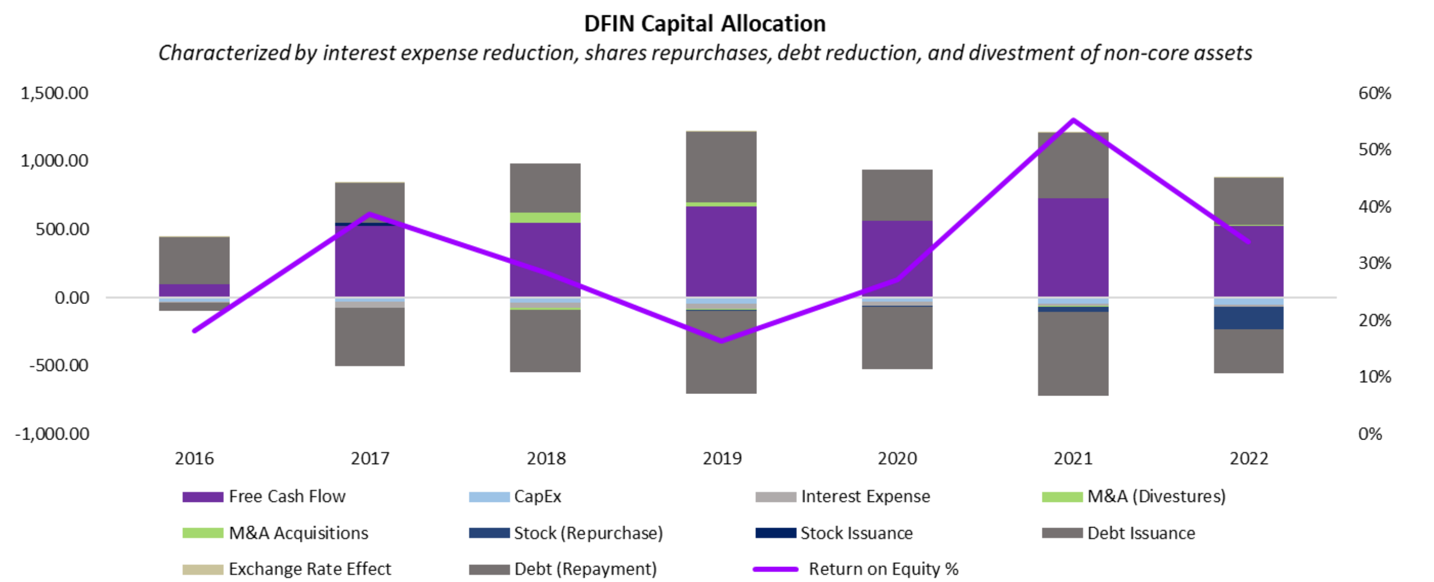
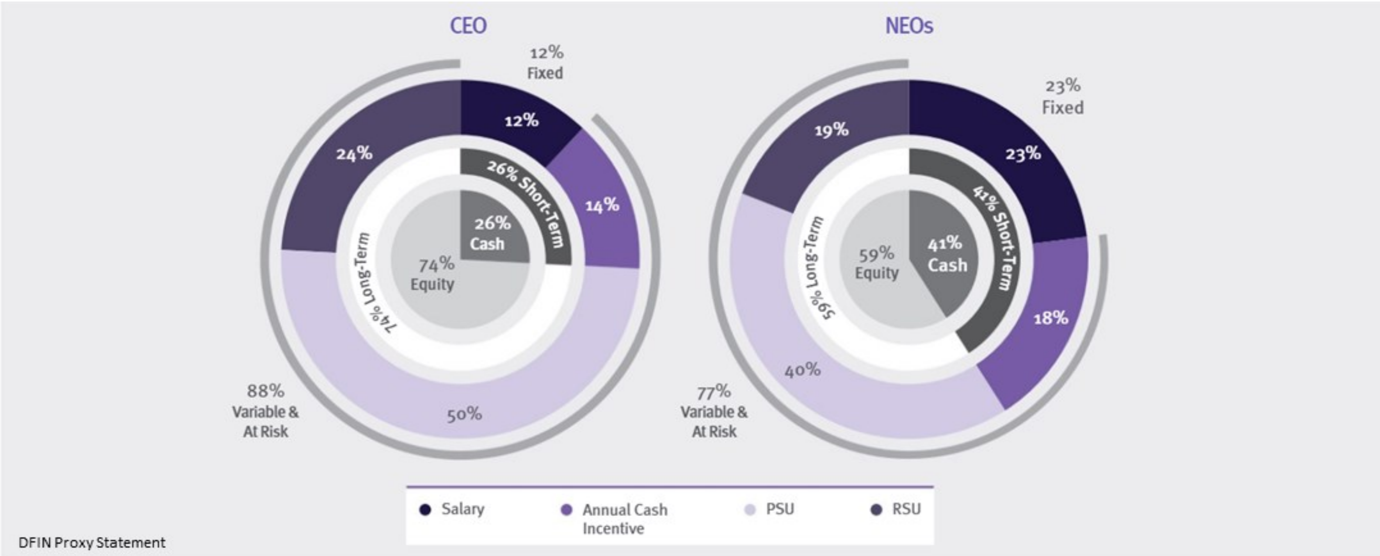


EXHIBIT B – MANAGEMENT & COMPENSATION

As mentioned, DFIN's executive compensation is well-aligned with long-term strategic objectives, with over half of the CEO and NEO's salary derived from 3-year targets based on the following calculations and components:[40]

[40] See *Appendix K, Executive Compensation*.



All but 1 member of DFIN's executive team has been with the Company since the DFIN spin or longer (6 years).

Daniel Leib, President, Chief Executive Officer & Board Member. DFIN's first and only CEO has been with Donnelly since 2004 and has significant management experience, including strategy, mergers & acquisitions, treasury, investor relations, operations and international transactions. He was CFO of Donnelly prior to the spin-off and also held various positions of increasing responsibility including group CFO, SVP of Finance, Mergers & Acquisition, Treasurer, and VP of Investor Relations. He serves as an independent trustee of William Blair Mutual Funds. Former colleagues describe Leib as *very smart* and commend his *success in building a united team to bring DFIN to the technology stage they want to be in.*[41]

Eric Foster, Chief Information Officer. Prior to joining DFIN, Foster was CIO for Univar and Baxalta and held technology leadership positions at Baxter Healthcare, Publicis Groupe and Heller Financial. He started his career at Accenture. Foster was hired into this position after Cynthia Clarke, CTO, left for Thoma Bravo in 2021.

Kirk Williams, Chief Human Resources. Prior to joining DFIN, Williams led global transformational initiatives, serving as Chief Human Resources Officer for James Hardie Building Products and other companies undergoing transition.

Craig Clay, President of Global Capital Markets. Prior to the spin-off, Clay was SVP leading the Global Capital Markets and Legal Process Outsourcing business. Former direct report describes Clay as *forward-thinking* with the potential to grow into DFIN's next CEO.[42]

Dave Gardella, Chief Financial Officer. Prior to being appointed CFO, Gardella held various roles in financial management, financial planning and analysis for R.R. Donnelley, including SVP of Investor Relations, and Mergers and Acquisitions. Prior to his role as SVP, he served as VP of Investor Relations, which was preceded by his role as VP of Corporate Finance.

Jodi Sweeney, Chief Client Experience Officer. Sweeney fills a new role that brings all software service/client experience under one centralized team. Prior to joining DFIN, Jodi led the Professional Services, Customer Support, and Customer Success teams for Field Service Management at Salesforce. Before being part of Salesforce, Jodi led Executive-level service positions at ClickSoftware, Avid, and GTECH Corporations where she led key transformations of the customer experience.

[41] See VAR section for additional commentary on management.
[42] See VAR section for additional commentary on management.

EXHIBIT C- VALUATION & ASSUMPTIONS

Valuation Framework – Sum of the Parts View

	Business		Description	Methodology
Capital Markets	Software	Venue	Leading data room provider	Revenue / EBITDA multiple Comps: SS&C & Datasite
		ActiveDisclosure	Recurring SaaS-based product	Revenue multiple Comp: Workiva
	Compliance / Transactions		Mature with strong market share	EBITDA Multiple Comp: Toppan Merrill & Broadridge
Investment Companies	Software	Arc Suite	Recurring SaaS-based product	Revenue / EBITDA multiple Comp: Confluence & FilePoint
	Compliance / Transactions		Mature with strong market share	EBITDA Multiple Comp: Toppan Merrill & Broadridge

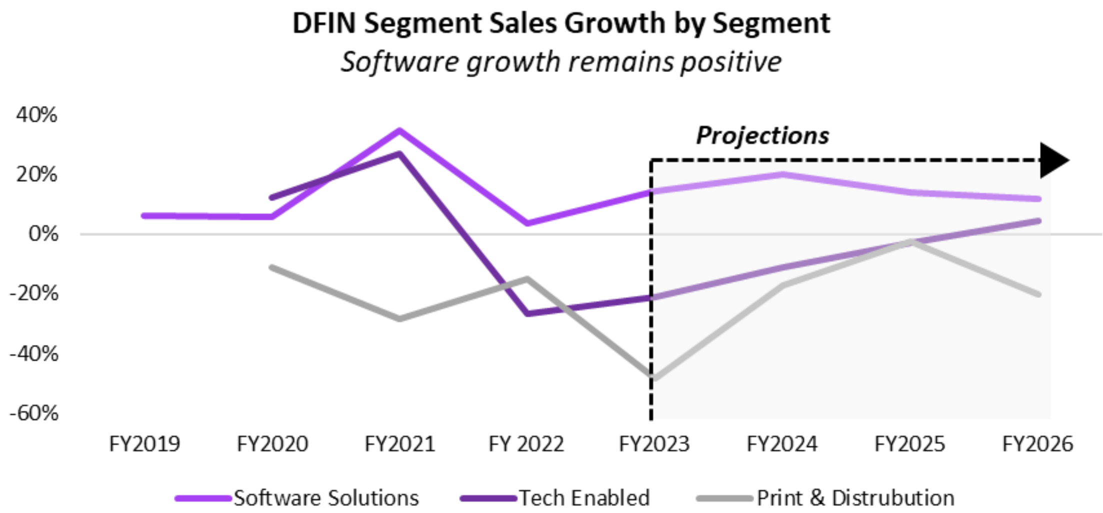
Consolidated Forward-Looking Assumptions

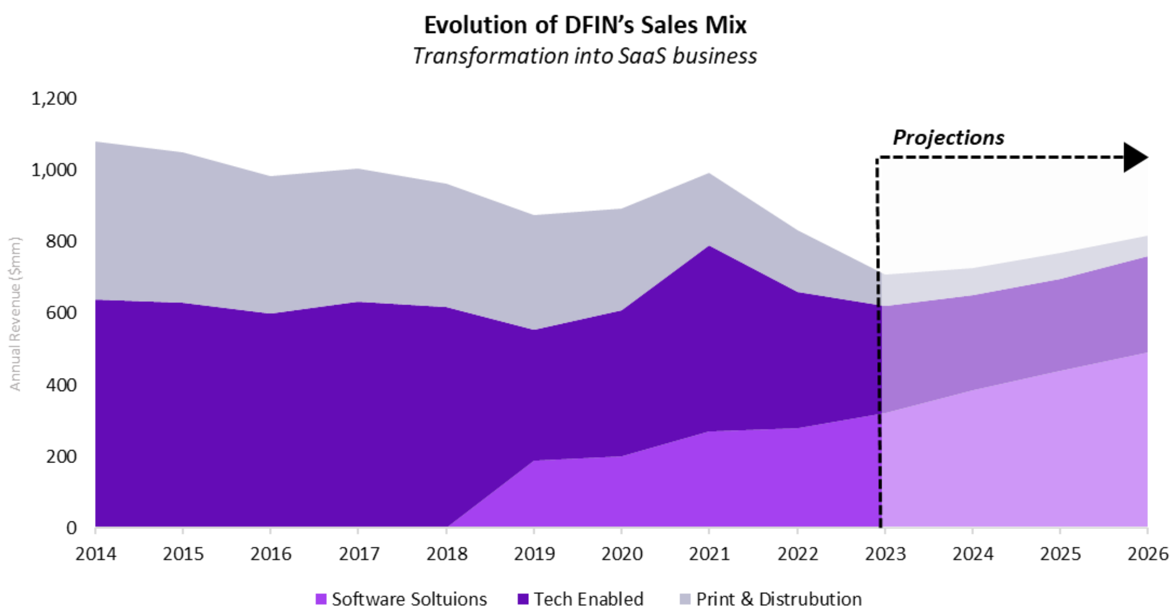
The majority of my forecast assumptions are in-line or below DFIN's management guidance for FY26.

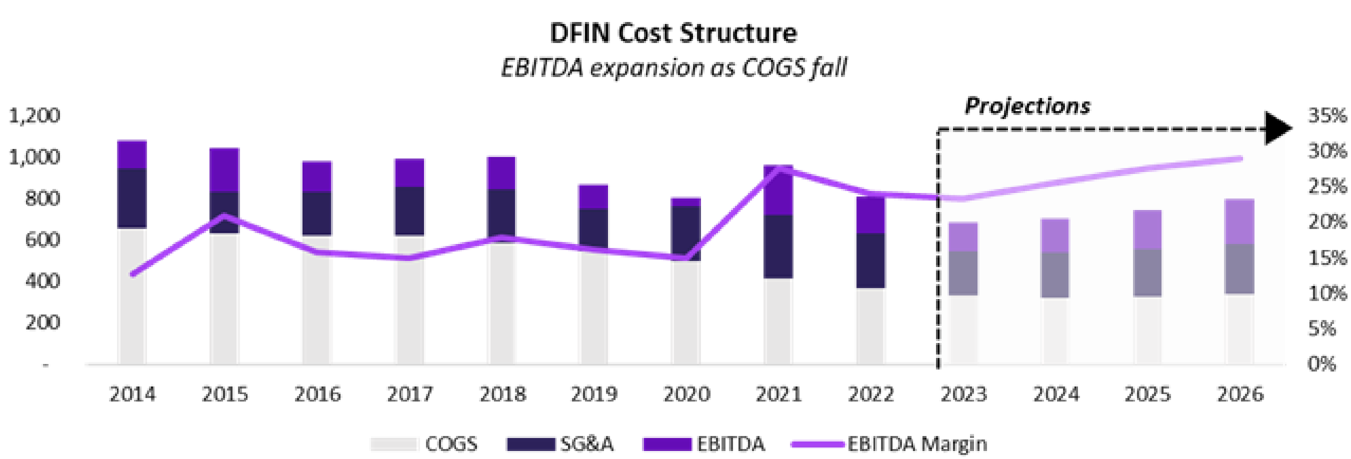
SALES	ASSUMPTION		DFIN 2026 KPI
Software Solutions	60%	of total revenue by 2026	*50-60%*
Capital Markets			
Venue (transactional)	7%	Venue CAGR	
Active Disclosure	17%	Active Disclosure CAGR	*High-Teens*
eBreva, File 16, Edgar Online	20%	eBrava CAGR	*High-Teens*
Investment Companies			
ArcSuite	20%	ArcSuite CAGR	
Tech Enabled	33%	of total revenue by 2026	*30-35%*
Print & Distribution	7%	of total revenue by 2026	*10%*
TOTAL	**0%**	CAGR	*Low-Single*

COSTS			
Software Solutions	70%	operating margin by 2026	*Implies 1% expansion*
Tech-Enabled	62%	operating margin by 2026	*flat*
Print & Distribution	30%	operating margin by 2026	*Implies 2% contraction*
SG&A	30%	of revenue	*historical*
CapEx	5%	of revenue	*5-6%*
TOTAL	**29%**	operating margin by 2026	*30%*

Projection Depictions







Earnings Power Value

EPV Overview ($millions)	2022	Adjusted	Notes
Revenue	833	833	
COGS	370	370	
Operating Expenses	58	58	Includes SBC, restructuring, rent, disposition, pension
Operating Income	406	406	
Operating Margin %	*49%*	*49%*	
Over (under) depreciation charges		2.9	Average of two adjustment models
Expenses related to growth:			
Marketing		13	32% of SG&A, see adjustments to growth expense
Product		2	5% of CapEx, see adjustments to growth expense
Lease		-	N/A
Workforce		2	10% of total wages, see asset value calc. for workforce
Adjusted Operating Profit	**406**	**426**	
Taxes (26.4%)	107	112	2020-2022 effective tax rate
Sustainable NOPAT	**299**	**313**	
WAAC (%)	10%	10%	See WAAC
EPV Operating Business	2,986	3,133	
Non-Operational Cash	34	34	
Debt	169	169	
EVP Equity	**3,121**	**3,268**	

Depreciation Adjustments	
Method 1: Revenue Growth Model	
Revenue Growth	2%
PPE	17.6
PPE_{t+1}=PPE(1+revenue growth)	18.0
Growth Capex = PPE * revenue growth	35%
CapEx	42.5
Maint. Capex = capex - growth capex	42.2
Depreciation Expense	45.8
Over (under) depreciation = D - maint. Capex	3.7

Method 2: Direct Estimate	2020	2021	2022
D&A	50.9	40.3	46.3
Capex	31.1	42.3	54.2
Acquisition / Sale	0.0	3.6	0.0
Difference	19.8	-5.6	-7.9
Average over(under) depreciation	2.1		
Average of two methods	2.9		

Adjustments to Growth Expense	2022	2021	2020
Sales	833	993	895
CapEx	54	42	31
% of sales	*3%*	*4%*	*6%*
Average	*5%*		
Product: Assign 5% to growth CapEx	2		
Sales & Marketing	264	308	265
% of sales	*32%*	*31%*	*30%*
Average	31%		
Marketing: Assign 31% to growth CapEx	**13**		

Asset Value

Asset Value		2023	Adjustment	Adjusted
Book Value of Equity		329.5		329.5
Adjustments				
Fixed Assets		**93.2**		**49.7**
PPE		**17.6**	**-1.0**	**-25.9**
Land		0.3	N/A	0.3
Buildings		20.2	-0.5	10.1
Machinery & equipment		66.8	-0.5	33.4
(-) acc. Depreciation		-69.7	N/A	-69.7
Software		75.6	N/A	75.6
Intangibles - BS		**405.8**		**218.3**
Goodwill		405.8	**-0.5**	202.9
Customer relationships (NBV)		7.6	N/A	7.6
Trade names (NBV)		7.8	N/A	7.8
Intangibles - Hidden		**12.5**		**12.5**
Brand		2.6	N/A	2.6
Workforce		9.8		9.8
# of employees		2,185		
Average wages (Glassdoor)	$	90,000		
Headhunter fee 5%	$	9,832,500		
Asset Value of Equity				**610.0**
(+) net debt				179.7
Asset Value of Enterprise				**789.7**

Asset Value	Rationale
Book Value of Equity	
Adjustments	
Fixed Assets	
PPE	
Land	35 West Wacker Drive, Chicago, in 2022 there was an offer for $13M to sell the land, do not think it deserves a haircut given pending sale
Buildings	16 facilities & warehouses, including RE in NYC, 50% haircut given fluctuation associated with RE value
Machinery & equipment	Machinery lasts 3-13 years on average. Since it has been 7 years since the spin-off, I assume 50% needs to be updated.
(-) acc. Depreciation	
Software	Software is patent protected, new and I think reflects its true value given the patents and proprietary data
Intangibles - BS	
Goodwill	50% haircut for software GW, assuming that the fair values are priced-into other assets on the balance sheet.
Customer relationships (NBV)	Key value driver, useful life 15 years amortized appropriately
Trade names (NBV)	Key value driver, useful life 5 years amortized appropriately
Intangibles - Hidden	
Brand	15% SG&A goes to marketing and 10% of that brand value based off of software companies that include brand value in intangibles
Workforce	Low turnover (great wellness packages, workplace ratings, etc.), highly valuable client relationships, specialized skillset and unique culture
# of employees	
Average wages (Glassdoor)	
Headhunter fee 5%	

Note: I'd hoped to include DFIN's patents as a separate Asset line-item, but I was not able to find any public information and IR was unable to share the information. Therefore, I did not apply a haircut to the software portfolio to account for the hidden patent intangible.

WAAC

WAAC ASSUMPTIONS	
Debt Outstanding	
Term A Loan Facility - LIBOR +2%	125
2022 interest rate	3.70%
Borrowings under Revolving Facility	45
2022 interest rate	4.30%
Unamortized Debt Issuance Costs	-0.8
Total	**169.2**
Weighted average cost of debt	3.9%

WAAC CALCULATION	
Debt	169
Share of Debt	12%
Weighted average cost of debt	3.9%
Equity ($M)	1266
Share of equity	88%
CAPM Assumptions	
Risk free rate	3.5%
Beta	1.2
Market Return	10%
Cost of Equity	11%
Tax Rate	26%
WAAC	**10%**

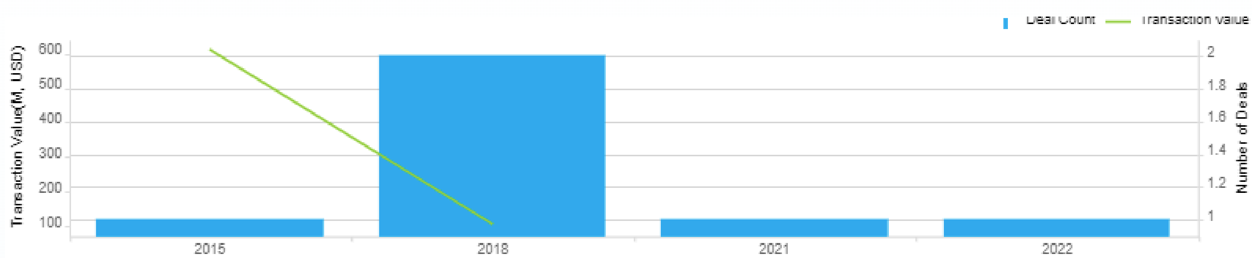
EXHIBIT D- QUICK COMPS

In addition the peers discussed above, DFIN has a larger scale, better margins, and lower trading multiples than the FactSet peer group:

FY22 FactSet Comp Set Name	EBITDA	EBITDA Margin	EBIT Margin	EV/Sales	P/E
Dnnlly Fincl Sol-WI	193.9	25.8%	18.3%	1.88x	14.30x
PROS	0.0	-21.9%	-27.7%	5.36x	850.96x
SEMrush Holdings	1.1	-5.5%	-9.9%	4.56x	84.72x
MeridianLink	111.9	30.4%	11.6%	5.62x	31.89x
Digital Turbine	167.7	23.6%	11.7%	2.23x	10.50x
Olo A	18.7	-23.5%	-26.7%	4.87x	52.88x
Amplitude A	-10.9	-37.0%	-40.6%	5.80x	-
SolarWinds	294.6	31.0%	17.8%	3.51x	9.74x
Average	97.1	2.9%	-5.7%	4.23x	150.71x
DFIN Vs. Average	96.8	23.0	13%	-2.35x	-136.41x

EXHIBIT E- DEAL HISTORY

Deal Activity



Includes cancelled transactions, Transaction value is not disclosed on all deals

M&A Summary

	Last 12 Months	All Transactions
Total Number of Transactions	1	5
Total Transaction Value	-	709.9
Average Transaction Value	-	236.6
Minimum Transaction Value	-	23.5
Maximum Transaction Value	-	608.9

Source: FactSet Mergers; USD, millions
Includes cancelled transactions, Screening results may differ

Top Advisors (3 of 3) Rank By: Number of Deals

Financial Advisor	Last 12 Months	All Transactions	Transaction Value
Merrill Lynch, Pierce, Fenner & S...	0	1	608.9
Centerview Partners LLC	0	1	608.9
DecisionPoint International LLC	0	1	77.5

Source: FactSet Mergers; USD, millions
Includes cancelled transactions, Screening results may differ

All M&A Deals (5)

Announce Date	Close Date	Target	Acquirer	Deal Type	Transaction Value	EV/EBITDA	Role	Target Industry
10 Nov '22	10 Nov '22	Donnelley Financial Solu...	OTC Markets Group, Inc.	Acquisition / Mer...	-	-	Seller	Internet Software/...
13 Dec '21	13 Dec '21	Guardum Holdings Ltd.	Donnelley Financial Solu...	Acquisition / Mer...	-	-	Buyer	Packaged Software
18 Dec '18	27 Dec '18	eBrevia, Inc.	Donnelley Financial Solu...	Acquisition / Mer...	23.5	-	Buyer	Miscellaneous Co...
16 Jul '18	23 Jul '18	Donnelley Language Sol...	SDL Plc	Acquisition / Mer...	77.5	-	Seller	Packaged Software
04 Aug '15	26 Sep '16	Donnelley Financial Solu...	Shareholders	Spinoff	608.9	2.9	Seller	Packaged Software

Source: FactSet Mergers; LTM, USD, millions

No purchases since 2018.

EXHIBIT F - KEY CUSTOMERS

DFIN has no known suppliers, but has key customers like KKR, Goldman, and several large banks:

Rel Type	Rel Rank	Company	Ctry	Industry	F
	1	Goldman Sachs Group	USA	Diversified Investment	
	2	KKR	USA	Asset Management and Financial ...	
	3	Bank of America	USA	Diversified Investment	
	4	Morgan Stanley	USA	Asset Management and Financial ...	
	5	Evercore A	USA	Investment Banking and Corporate...	
	6	Mastercard A	USA	Consumer Finance Services	
	7	Honeywell International	USA	Other Machinery Manufacturing	
	8	Home Depot	USA	Building Materials and Garden Sup...	
	9	Salesforce	USA	Enterprise Management Software	
	10	Capital One Financial	USA	Consumer Finance Services	
	11	eBay	USA	Department Stores	
	12	Zillow Group C	USA	Consumer Data and Services	
	13	Toast A	USA	Retail Industry Software	
	14	Alaska Air Group	USA	Air Passenger Transportation	
	15	Walt Disney	USA	Entertainment and Programming P...	
	16	Verizon Communications	USA	Wireless Services	
	17	Kraft Heinz	USA	Food Production	
	18	HP	USA	Computer Systems	
	19	GoDaddy A	USA	Internet Support Services	
	20	Lyft A	USA	Other Passenger Transportation	
	21	Carters	USA	Apparel and Footwear Production	
	22	Unisys	USA	Infrastructure and Network Consult...	
	23	SVB Financial Group	USA	United States Commercial Banks	
	24	Microsoft	USA	General and Mixed-Type Software	
	25	Tesla	USA	Consumer Vehicle Manufacturing	
	26	Cisco Systems	USA	Wide Area Networking Equipment	
	27	AT&T	USA	Wireless Services	
	28	CVS Health	USA	Pharmacies and Drug Retailers	
	29	General Motors	USA	Consumer Vehicle Manufacturing	
	30	Autodesk	USA	Design and Engineering Software	
	31	FirstEnergy Corp	USA	Electric Utilities	
	32	CBRE Group A	USA	Other Real Estate Investment and ...	
	33	Albertsons Companies A	USA	Grocery Stores	
	34	American Airlines Group	USA	Air Passenger Transportation	
	35	Roku A	USA	Entertainment and Programming P...	
	36	Under Armour A	USA	Apparel and Footwear Production	
	37	EW Scripps A	USA	Broadcast Media Services	

APPENDIX - INDEX

FINANCIALS - INDEX

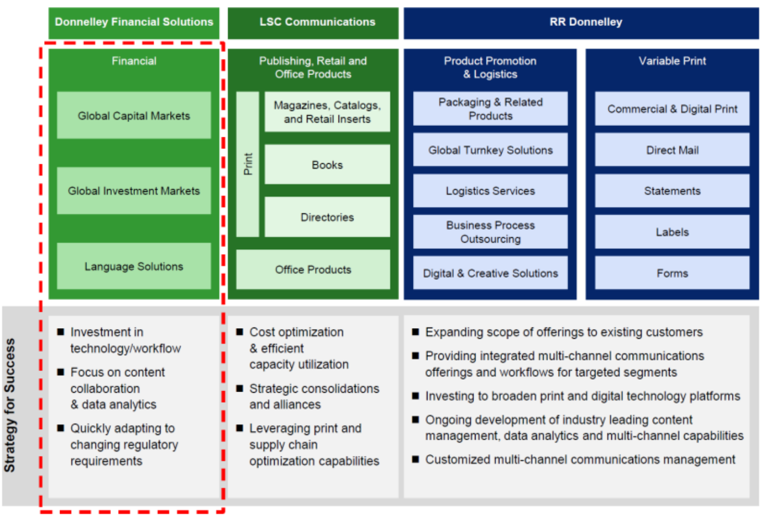
PRIMARY RESEARCH - INDEX

APPENDIX

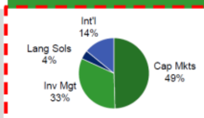
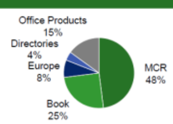
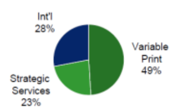
Appendix A, Spin Off

DFIN's outlined strategic goals at spin-off consistent with 2018 and 2022 strategies.

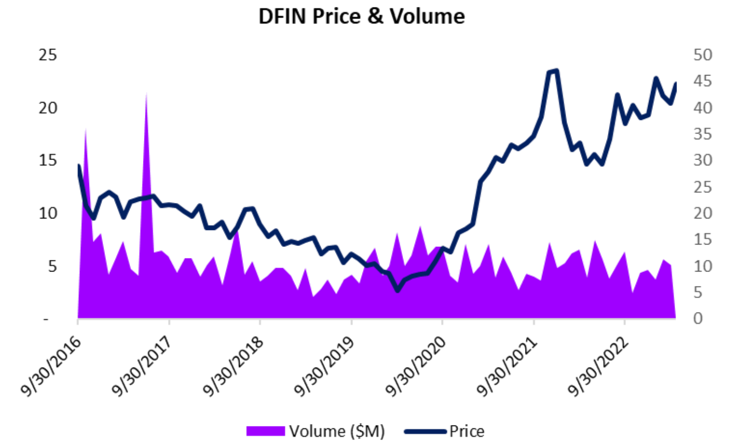
Unique Industry Dynamics are Creating Different Paths to Success for Key RRD Businesses

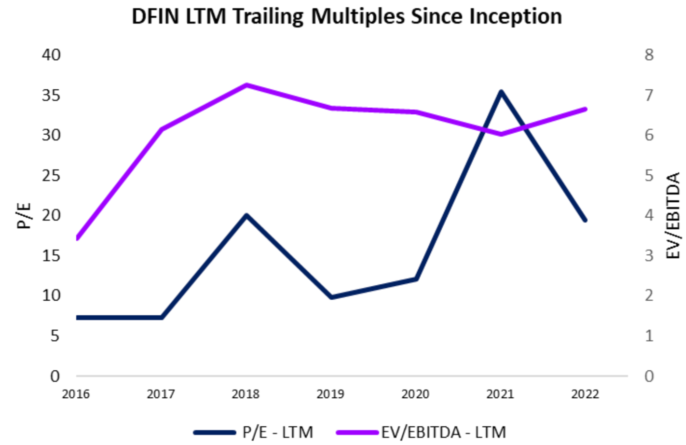


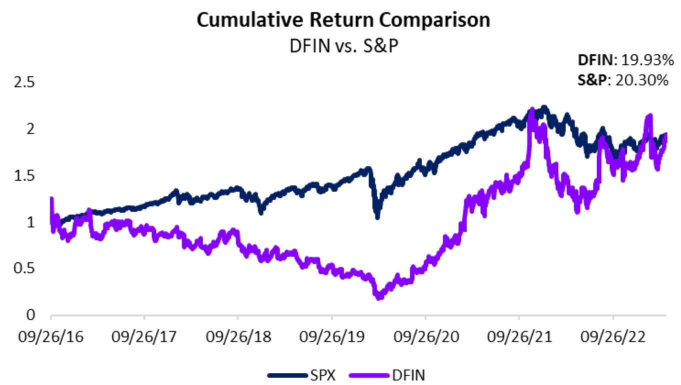
Creates Three Industry Leading Companies

	Donnelley Financial Solutions	LSC Communications	RR Donnelley
2015 net sales mix			
2015 net sales	$1B	$3.7B	$7B
EBITDA margin	High teens – low 20s	Low double digits	High single digits
Capital intensity	Asset light	Low incremental	Low to medium (asset light logistics)
Long-term target gross leverage	2.25x to 2.75x	1.75x to 2.25x	2.25x to 2.75x
Description	▪ Provides data management and analytics solutions to the corporate filing and global financial community ▪ "One-stop shop" for content creation, collaboration, management, and distribution	▪ Produces and distributes magazines, catalogs, retail inserts, books, office products and directories ▪ Diversified scope of print-related capabilities ▪ Serves publishers, merchandisers and retailers globally making the supply chain more efficient	▪ Creates, manages and executes customer-specific marketing and business communications strategies ▪ Provides comprehensive solutions that reduce supply chain and organizational inefficiencies ▪ Manages related data analytics and digital content management services

Appendix B, Historical Price Movements & Performance Market Sentiment

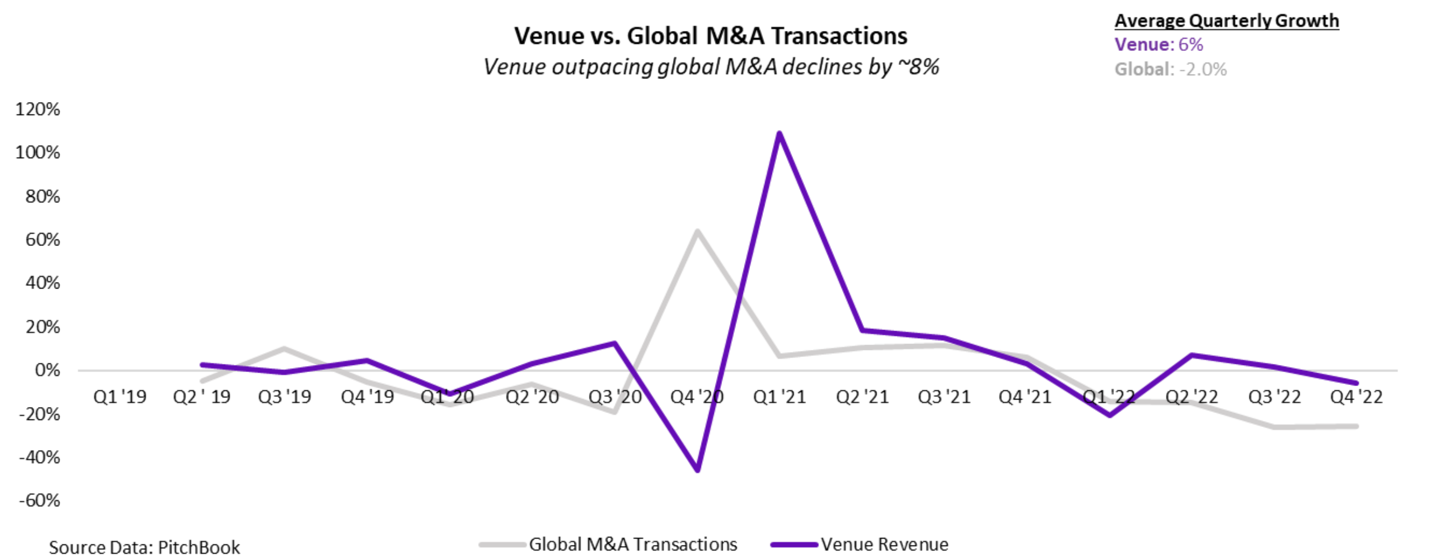






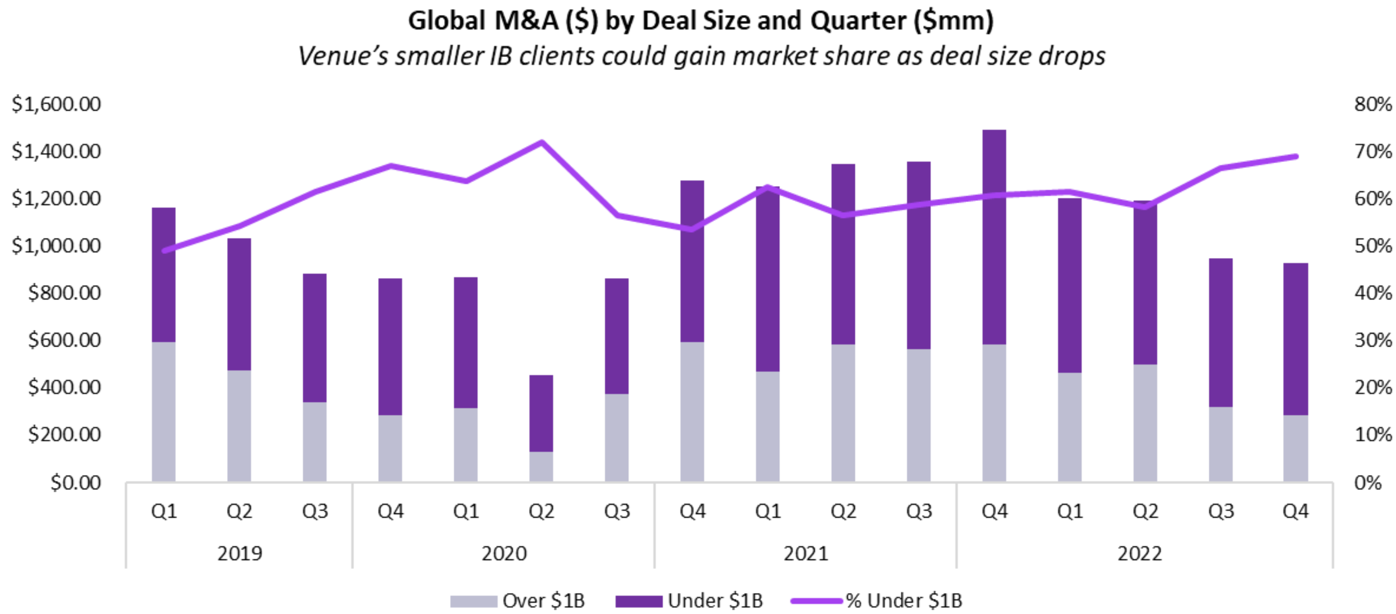
Appendix C, Venue vs. Global M&A Growth

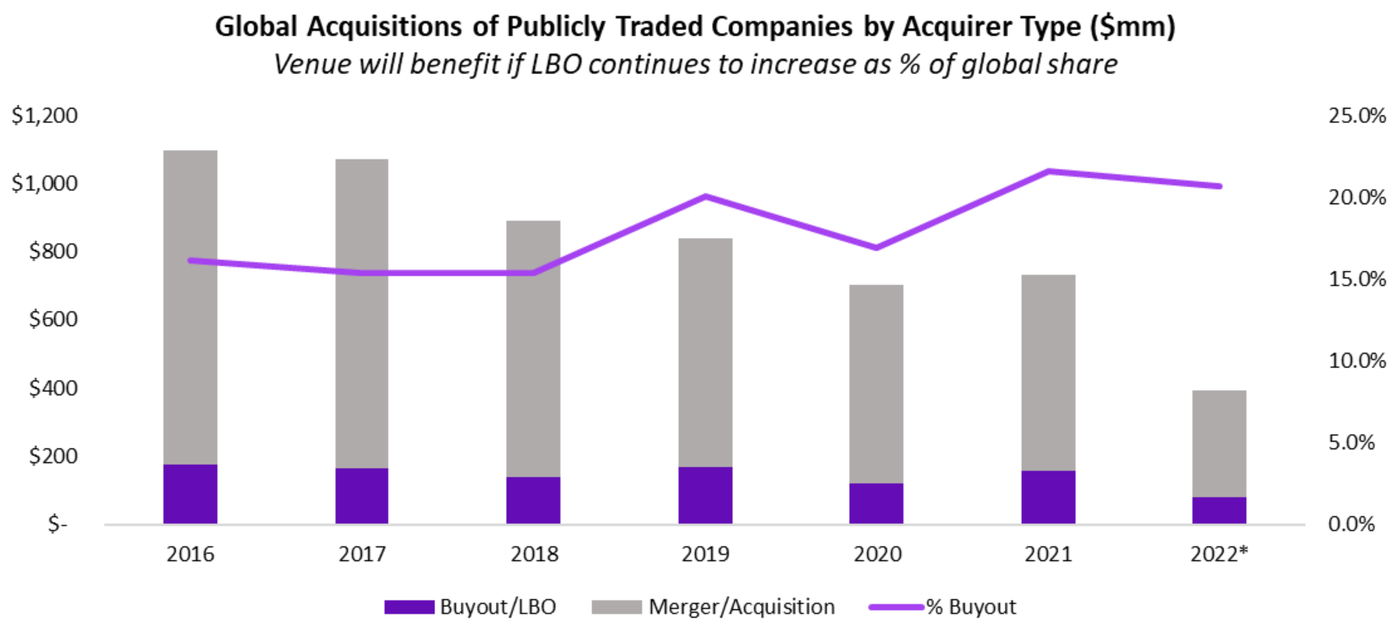
DFIN outpacing global M&A.



Appendix D, Secular Trends for Venue's Customer Base

Venue is primarily used by PE smaller IB clients and could benefit from secular trends in smaller M&A deal sizes (deals over under $1B increased 10% LTM) and increased use of IPO for public acquisitions (IPO's risen to 21% of global acquisitions of public companies).

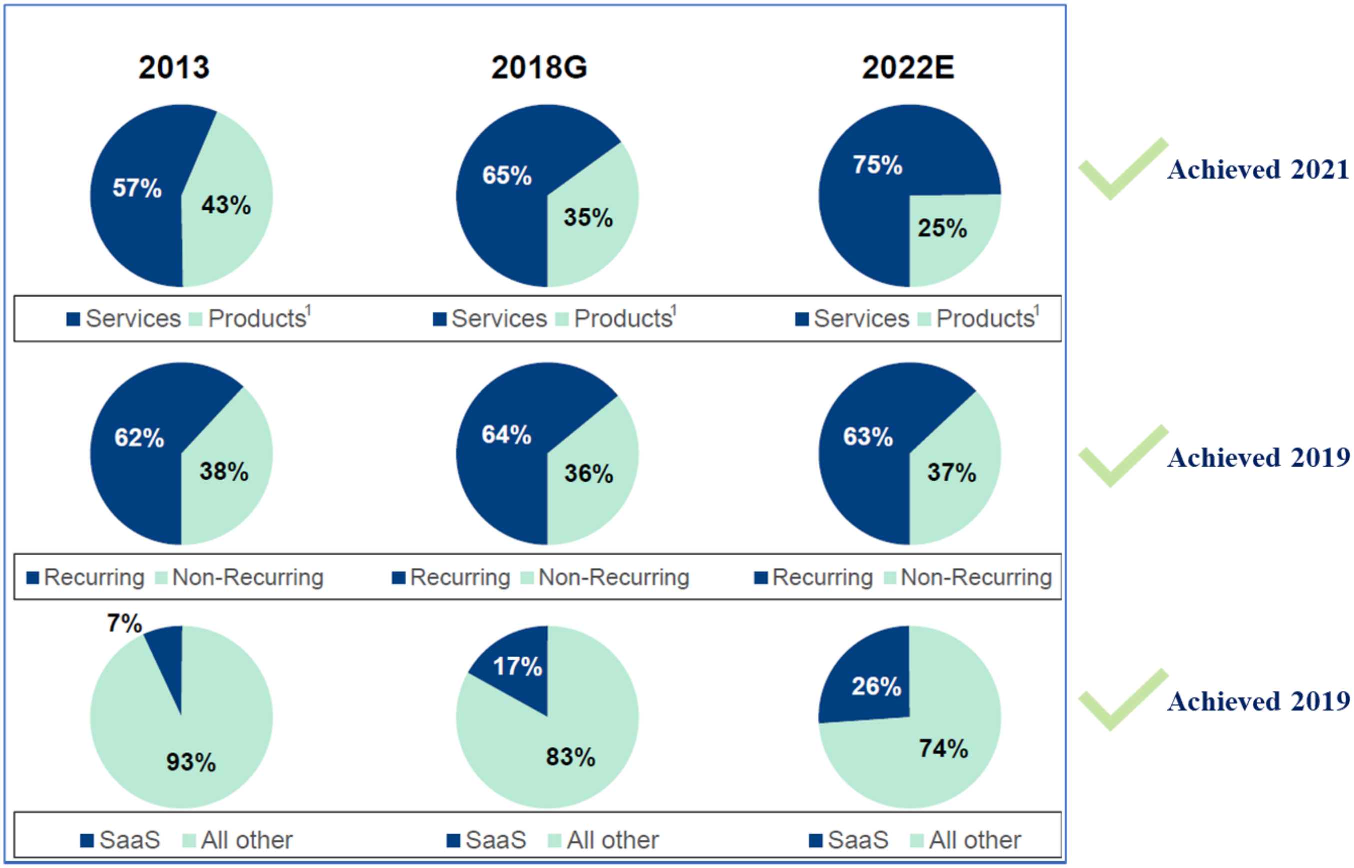




Appendix E, 2018 Investor Day KPI's.

All 2018 KPI's have been achieved, giving confidence in DFIN's ability to meet 2026 strategic goals.

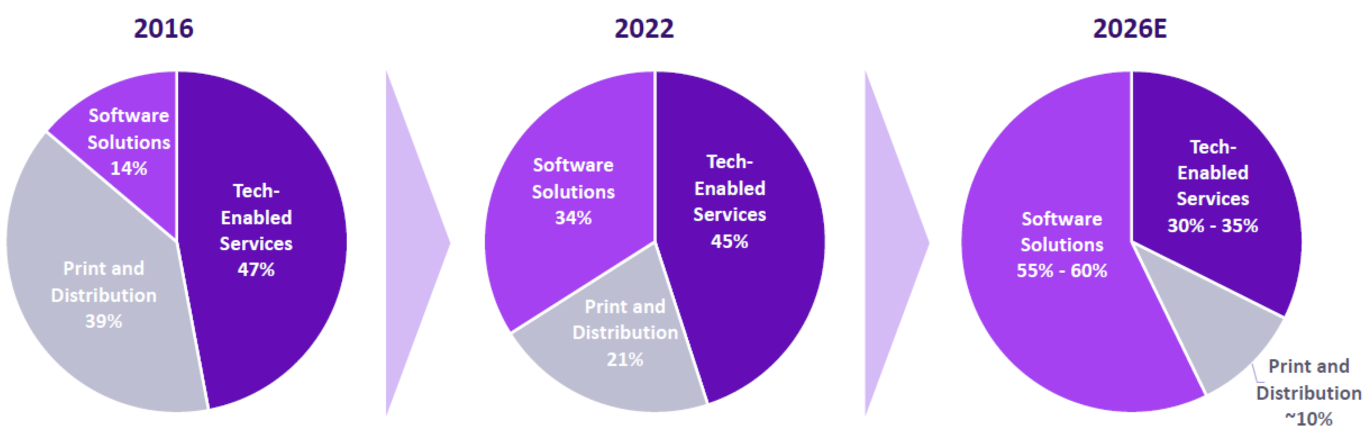
Proven ability to meet KPI's. All KPI's established in 2018 have been met or exceeded.



2018 GFIN Investor Day Materials

Appendix F, Evolution of DFIN's Sales Mix & Software Detail

DFIN's outlined 2026 revenue mix targets.



Product Detail

ActiveDisclosure is a SaaS-based product utilized by corporate clients who wish to manage SEC filings using purpose-built financial reporting software

Venue is virtual data room solution used to securely organize, manage and distribute confidential information largely utilized in capital market transactions IPO, debt & M&A) by investment banks, law firms and company deal teams.

eBrevia is an AI-based contract analytics and data extraction solution

Arc Suite DFIN's Arc Suite offers a complete end-to-end set of global software solutions to help manage the front, middle, and back-office functions via integrated workflow tools that simplify the creation, management and distribution of their financial regulatory compliance. Arc Suite consists of four industry-leading products: ArcReporting, ArcPro, ArcRegulatory, and Arc Digital.

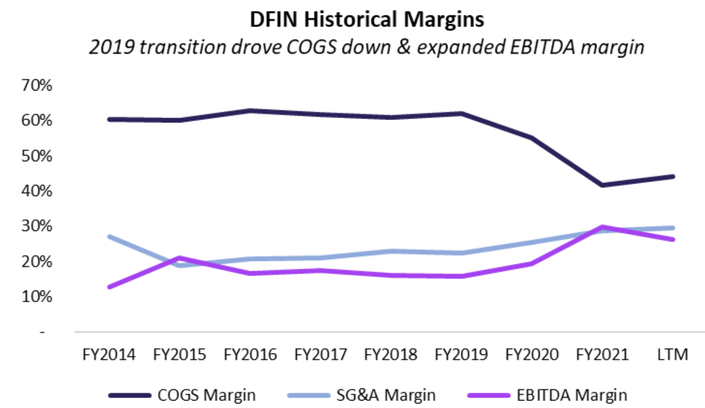
ArcReporting technology purpose-built to produce annual, semi-annual, ad hoc and quarterly reports for registered investment companies, private equity, hedge and alternative investment reporting

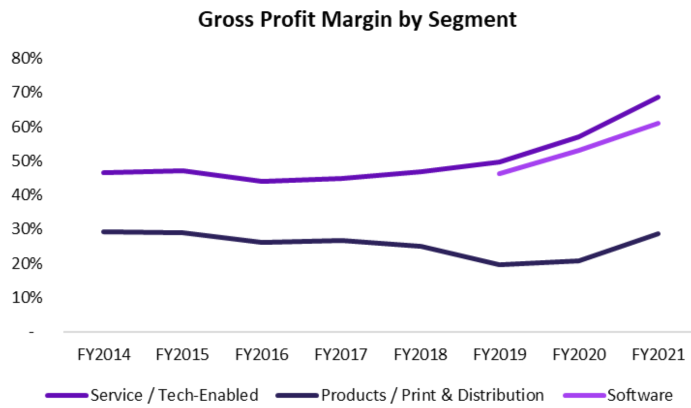
ArcPro offers intuitive, cloud-based workflow tools and managerial dashboards to streamline the review and approval process for prospectus building and a wide range of other regulatory communications

ArcRegulatory primarily serves EMEA reporting requirements in advance of the PRIIPs mandate in January 2023 and further evolves DFIN's regulatory book of record (RBOR) concept

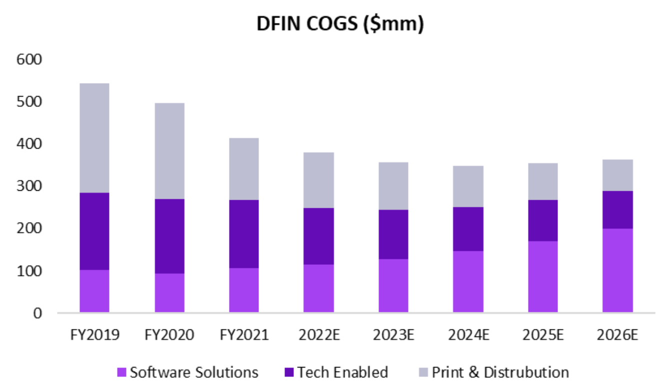
ArcDigital originally launched in 2020 as a software solution with our Total Compliance Management offering (TCM), a holistic approach to providing a customized audit-traceable and centralized compliance program for SEC Rules 30e-3 and 498A

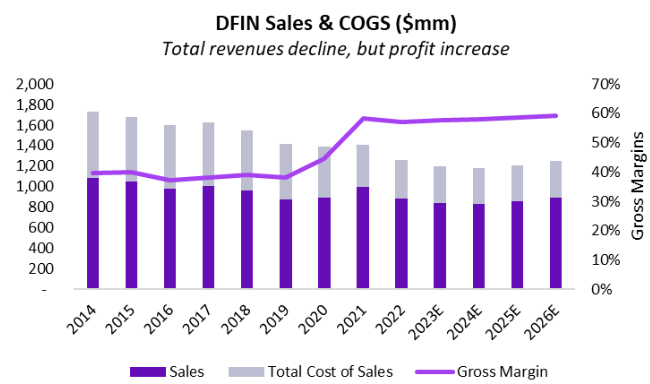
Appendix G, Historical Margins





Appendix H, Cost Structure



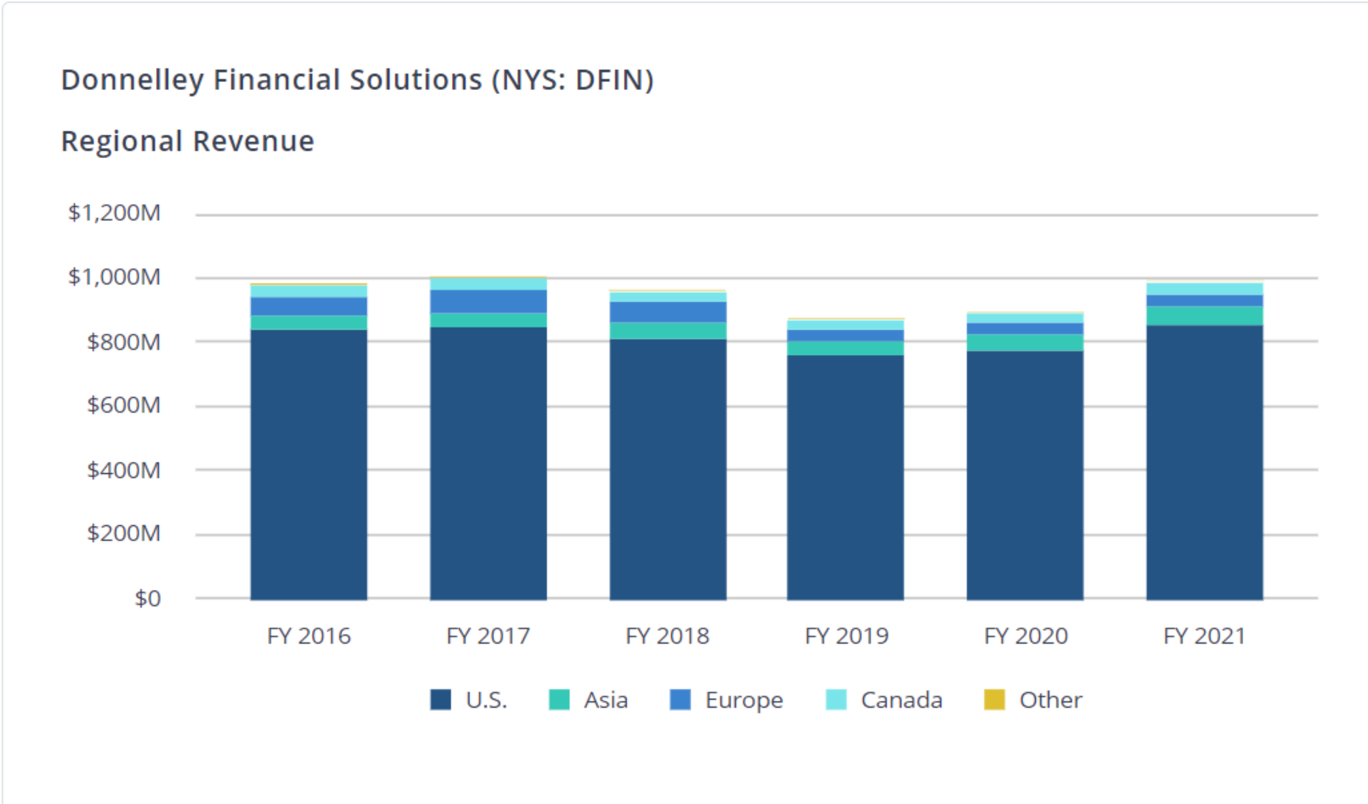


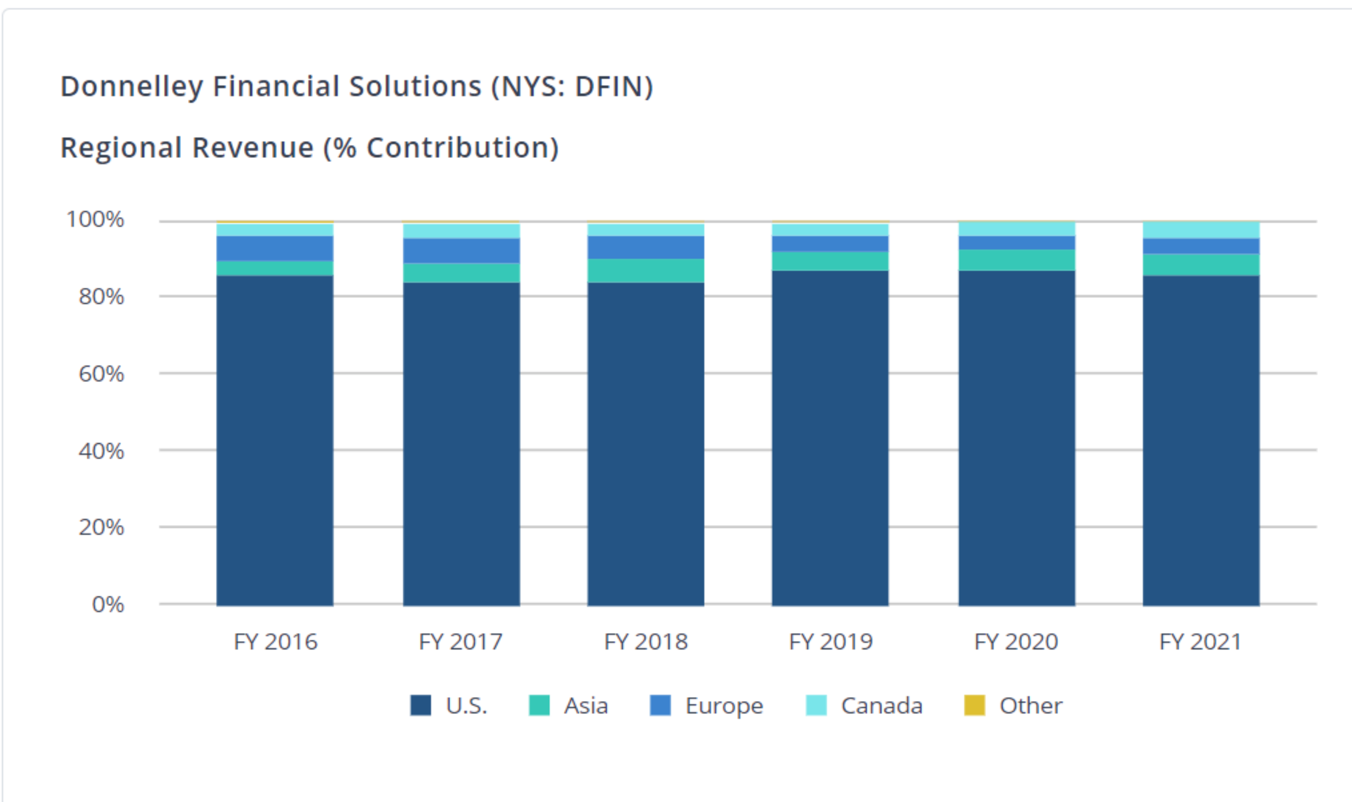
Appendix I, Additional Assumption Detail

	FY2019	FY2020	FY2021	2022	2023E	2024E	2025	2026
Revenue Growth Assumptions								
Software Solutions	**6%**	**6%**	**35%**	**4%**	*14%*	*20%*	*14%*	*12%*
Capital Markets	6%	5%	36%	13%	*5%*	*8%*	*7%*	*12%*
Investment Companies	6%	7%	33%	12%	*20%*	*25%*	*17%*	*10%*
Tech Enabled	**N/A**	**12%**	**27%**	**-27%**	*-21%*	*-11%*	*-3%*	*4%*
Capital Markets	-7%	17%	41%	-15%				
Investment Companies	-12%	-1%	-19%	-3%				
Print & Distribution	**N/A**	**-11%**	**-29%**	**-15%**	*-49%*	*-17%*	*-2%*	*-20%*
Capital Markets	-20%	-9%	8%	-13%				
Investment Companies	3%	-12%	-51%	-27%				
Total Revenue Growth	**-9%**	**2%**	**11%**		**-15%**	**2%**	**6%**	**6%**
Organic Growth	-5%	2%	10%		*-14%*	*2%*	*6%*	*6%*
FX Impact	-4%	0%	1%		*0.5%*	*0.5%*	*0.5%*	*0.5%*
Operating Margins Assumptions								
Software Solutions	46%	53%	61%	59%	*60%*	*61%*	*62%*	*62%*
Tech Enabled	50%	57%	69%	63%	*69%*	*69%*	*70%*	*70%*
Print & Distribution	20%	21%	29%	33%	*30%*	*30%*	*30%*	*30%*
Revenue Mix Assumptions								
Software Solutions	**189**	**200**	**270**	**280**	**320**	**384**	**439**	**491**
Capital Markets	127	133	181	180	201	235	264	299
Investment Companies	63	67	89	99	119	149	174	192
Tech Enabled	**365**	**409**	**520**	**381**	**300**	**267**	**259**	**270**
Capital Markets	269	314	443	360				
Investment Companies	96	95	76	78				
Print & Distribution	**321**	**285**	**204**	**173**	**89**	**74**	**72**	**57**
Capital Markets	121	110	118	105				
Investment Companies	200	176	85	72				
Total Revenue	**875**	**895**	**993**	**899**	**857**	**814**	**808**	**829**

See Appendix J, DFIN Revenue by Geography

80% of revenues from the US





Appendix K, Executive Compensation

	Pay Element			
	Base Salary	**Annual Cash Incentive**	**PSU**	**RSU**
Who Receives	All NEOs →	→	→	→
When Granted	Annually →	→	→	→
Form of Delivery	Cash →	→	Equity →	→
Type of Performance	Short-term emphasis (fixed)	Short-term emphasis (variable)	Long-term emphasis →	→
Performance Period	1 year	1 year	3 years	3 years (ratable annual vesting)
How Payout Determined	Compensation Committee determination	Pre-established formula	Pre-established formula and stock price at vesting date	Stock price at each vesting date
2021 Performance Measures	Individual performance, role, responsibilities, market/industry norms	EBITDA, software solution sales growth, strategic corporate initiatives, individual performance	Software solutions sales growth; EBITDA margin	Stock price

Summary Compensation Table

NAME AND PRINCIPAL POSITION	YEAR	SALARY ($)	BONUS ($)	STOCK AWARDS ($)[(1)]	OPTION AWARDS ($)	NON-EQUITY INCENTIVE PLAN COMPENSATION ($)[(2)]	CHANGE IN PENSION VALUE AND NONQUALIFIED DEFERRED COMPENSATION EARNINGS ($)[(3)]	ALL OTHER COMPENSATION ($)[(4)]	TOTAL ($)
Daniel Leib	2021	780,000	—	4,952,391	0	1,852,500	0	51,320	7,636,211
President and Chief	2020	780,000	—	2,167,772	0	1,657,500	60,237	30,674	4,696,183
Executive Officer	2019	732,692	—	2,702,650	300,281	487,500	63,764	21,924	4,308,811
David Gardella	2021	425,000	—	1,550,662	0	807,500	0	28,971	2,812,133
Chief Financial Officer	2020	425,000	—	734,564	0	722,500	26,214	8,550	1,916,828
	2019	400,539	—	946,635	105,075	213,200	27,429	—	1,692,878
Craig Clay President, Global Capital Markets	2021	425,000	—	1,353,253	0	807,500	0	28,971	2,614,724
Eric Johnson President, Global Investment Companies	2021	400,000	—	1,152,983	0	749,560	0	28,971	2,331,514
Jennifer Reiners	2021	390,000	—	752,443	0	481,650	0	28,971	1,653,064
General Counsel	2020	365,000	—	334,056	0	403,325	64,876	8,550	1,175,807
	2019	341,923	80,000	451,385	50,436	109,200	76,470	—	1,109,415

FINANCIALS

Income Statement

Income Statement	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E	2026E
SALES										**681**	**725**	**770**	**818**
Software Solutions						**189**	**200**	**270**	**280**	**320**	**384**	**439**	**491**
Capital Markets						**127**	**133**	**181**	**180**	**201**	**235**	**264**	**299**
Venue						71	72	105	99	104	112	120	134
Active Disclosure						39	42	53	61	73	90	106	122
eBreva, File 16, Edgar Online						17	19	23	21	24	33	38	43
Investment Companies						**63**	**67**	**89**	**99**	**119**	**149**	**174**	**192**
ArcSuite						63	67	89	99	119	149	174	192
Tech Enabled						**365**	**409**	**520**	**381**	**300**	**267**	**259**	**270**
Print & Distribution						**321**	**285**	**204**	**173**	**89**	**74**	**72**	**57**
Pre-DFINSolutions													
TOTAL SALES	**1080**	**1050**	**984**	**1005**	**963**	**875**	**895**	**993**	**833**	**709**	**725**	**770**	**818**
COSTS													
Services cost of sales (exclusive of D&A)	301	292	297	329	329								
Services cost of sales with R.R. Donnelley	39	40	38	20									
Products cost of sales (exclusive of D&A)	236	231	226	241	259								
Products cost of sales with R.R. Donnelley	77	68	58	32									
Cost of Tech-Enabled services						183	176	162	141	93	83	78	81
Cost of Software Solutions						102	94	105	113	128	101	94	87
Cost of Print and distribution						258	226	146	116	62	52	50	40
TOTAL COST OF SALES	**653**	**632**	**619**	**621**	**587**	**542**	**496**	**413**	**370**	**331**	**323**	**327**	**336**
Gross Margin	*40%*	*40%*	*37%*	*38%*	*39%*	*38%*	*45%*	*58%*	*56%*	*53%*	*55%*	*58%*	*59%*
Consensus									*44%*	*44%*	*44%*	*44%*	*44%*
Gross Profit	**427**	**418**	**365**	**384**	**376**	**332**	**399**	**580**	**463**	**378**	**402**	**443**	**483**
Tech-Enabled Services						182	233	357	240	207	184	181	189
Operating margin						*50%*	*57%*	*69%*	*63%*	*69%*	*69%*	*70%*	*70%*
Software Solutions						88	106	165	166	192	283	345	404
Operating margin						*46%*	*53%*	*61%*	*59%*	*60%*	*61%*	*62%*	*62%*
Print & Distribution						63	59	58	57	27	22	22	17
Operating margin						*20%*	*21%*	*29%*	*33%*	*30%*	*30%*	*30%*	*30%*
Operating margin	*40%*	*40%*	*37%*	*38%*	*39%*	*38%*	*45%*	*58%*	*56%*	*53%*	*55%*	*58%*	*59%*
Consensus									*56%*	*57%*	*57%*	*57%*	*57%*
GAAP SG&A	291	199	210	233	258	206	265	308	264	213	218	231	246
% revenue	*27%*	*19%*	*21%*	*23%*	*27%*	*24%*	*30%*	*31%*	*32%*	*30%*	*30%*	*30%*	*30%*
SBC	-	2	3	7	9	9	14	20	19	24	24	24	24
Restructuring, impairment and other charg	5	4	5	7	4	14	79	14	8				
Other operating income					(54)	(15)		(1)	(0)				
Total SG&A	**295**	**205**	**218**	**247**	**218**	**213**	**358**	**340**	**291**	**237**	**242**	**255**	**270**
EBITDA	**132**	**213**	**147**	**137**	**158**	**119**	**41**	**240**	**173**	**142**	**161**	**188**	**213**
Company Reported Margin (excluding SBC	*13%*	*21%*	*16%*	*15%*	*18%*	*16%*	*15%*	*28%*	*24%*	*23%*	*25%*	*28%*	*29%*
Consensus									*24%*	*26%*	*26%*	*26%*	*26%*
Reported depreciation and amortization	41	42	43	45	46	50	51	40	46	60	49	49	49
Operating Income	**91**	**171**	**104**	**92**	**112**	**70**	**(10)**	**200**	**126**	**82**	**111**	**138**	**164**
Interest (income) expense-net	2	1	12	43	37	38	23	27	*8*	*7*	*7*	*6*	*6*
Investment and other income-net	(3)	(0)		(0)	(18)	(12)	(2)	(5)	*(5)*	*(0)*	*(1)*	*(1)*	*(2)*
Earnings before taxes	**92**	**170**	**92**	**49**	**94**	**43**	**(31)**	**178**	**123**	**75**	**105**	**133**	**160**
Income tax expense	35	67	35	47	29	15	8	52	*37*	*29*	*30*	*32*	*32*
Net Income	**57**	**103**	**57**	**3**	**64**	**29**	**(40)**	**127**	**87**	**46**	**75**	**102**	**128**
	38%	**39%**	**38%**	**42%**	**31%**	**26%**	**11%**	**23%**	**23%**	**23%**	**23%**	**23%**	**23%**
Earnings Per Common Share	$ 1.77	$ 3.17	$ 1.74	$ 0.09	$ 1.91	$ 0.84	$ (1.17)	$ 3.78	$ 2.81	$ 1.53	$ 2.51	$ 3.42	$ 4.29
Non-GAAP Adjusted Earnings Per Share	$ 1.77	$ 3.34	$ 2.04	$ 1.51	$ 1.57	$ 1.17	$ 2.07	$ 4.89	$ 3.71	$ 2.86	$ 2.97	$ 2.97	$ 3.08
Shares Outstanding - WAB	32	32	33	33	34	34	34	34	31	30	30	30	30
Shares Outstanding - WAD	32	32	33	33	34	34	34	35	32	31	31	31	31
Adjusted Shares Outstanding - WAD	32	32	33	33	34	34	34	35	32	31	31	31	31

Balance Sheet

Balance Sheet	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E	2026E
Current Assets													
Cash and cash equivalents		15	36	52	47	17	74	55	34	81	162	269	408
Receivables, less allowances for doubtful accounts		146	156	165	173	161	174	199	164	142	145	154	164
% of LTM Sales		*14%*	*16%*	*16%*	*18%*	*18%*	*19%*	*20%*	*0*	*20%*	*20%*	*20%*	*20%*
Receivables from R.R. Donnelley		-	96										
Inventories		22	24	23	12	11	5	6	-	0	0	0	0
Prepaid expenses and other current assets		7	17	30	17	16	10	18	28	28	28	28	28
Assets held for sale						6	6	3	3	3	3	3	3
Total Current Assets		**191**	**330**	**270**	**249**	**211**	**267**	**280**	**228.6**	**253**	**338**	**454**	**603**
Non-Current Assets													
Property, plant and equipment-net		33	36	35	32	18	12	19	18	7	1	(2)	(10)
Right of use assets						81	53	43	33.3	33	33	33	33
Goodwill		447	446	447	450	450	410	410	405.8	406	406	406	406
Other intangible assets-net		69	54	40	37	22	10	9	7.8	8	8	8	8
Software-net		43	42	41	48	55	51	64	75.6	76	76	76	76
% of LTM Sales		*4%*	*4%*	*4%*	*5%*	*6%*	*6%*	*6%*	*9%*				
Total Intangible Assets		113	96	81	85	77	61	72	83.4	83.4	83.4	83.4	83.4
Deferred income taxes		11	37	22	10	9	34	32	33.4	33	33	33	33
Other noncurrent assets		24	35	38	43	41	29	11	26.4	26	26	26	26
Total Non-Current Assets			**649**	**623**	**620**	**676**	**598**	**586**	**599.9**	**589.5**	**583.6**	**580.4**	**572.0**
Total Assets		**818**	**979**	**894**	**869**	**887**	**866**	**866**	**828.5**	**842.9**	**921.8**	**1,034.8**	**1,174.8**
Current Liabilities													
Accounts payable		40	85	68	72	59	54	36	49.2	42	43	45	48
% of LTM Sales		*4%*	*9%*	*7%*	*8%*	*7%*	*6%*	*4%*	*6%*	*6%*	*6%*	*6%*	*6%*
Current operating lease liabilities								18	16.3	16	16	16	16
Accrued liabilities		75	101	119	126	121	184	207	159.3	136	139	147	156
% of LTM Sales		*7%*	*10%*	*12%*	*13%*	*14%*	*21%*	*21%*	*19%*	*19%*	*19%*	*19%*	*19%*
Short-term debt		9	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities		**124**	**186**	**187**	**198**	**180**	**239**	**244**	**225**	**194**	**198**	**209**	**221**
Non-Current Liabilities													
Long-term debt		-	587	458	363	296	231	124	169.2	169	169	169	169
Note payable with an RRD affiliate		29											
Deferred compensation liabilities		29	24	23	20	20	21	20	13.6	14	14	14	14
Pension and other postretirement benefits plan liabilities			56	53	51	59	51	41	42.9	43	43	43	43
Noncurrent lease liabilities						58	51	39	28.4	28	28	28	28
Other noncurrent liabilities		13	14	24	11	6	26	21	19.9	20	20	20	20
Total Non-Current liabilities		**70**	**682**	**557**	**444**	**439**	**379**	**245**	**274.0**	**274.0**	**274.0**	**274.0**	**274.0**
Total Liabilities		**194**	**868**	**744**	**643**	**618**	**618**	**488**	**498.8**	**467.7**	**471.7**	**482.8**	**495.0**
Shareholders' Equity													
Preferred stock			-										
Common stock			0	0	0	0	0	0	0.4	0	0	0	0
Treasury stock				(1)	(2)	(4)	(16)	(57)	(221.8)	(222)	(222)	(222)	(222)
Additional paid-in-capital			180	206	217	225	239	261	280.2	256	232	208	184
Net parent company investment		640	-	-	-	-	-	-	-	-	-	-	-
Retained earnings (deficit)			(1)	9	94	132	106	251	353.9	423.40	522.26	648.11	799.99
Accumulated other comprehensive loss		(16)	(68)	(65)	(83)	(85)	(81)	(78)	(83.2)	-83	-83	-83	-83
Total SE		**624**	**111**	**149**	**226**	**269**	**248**	**377**	**329.5**	**375.0**	**449.9**	**551.7**	**679.6**
NCI													
Total Liabilities & SE		**818**	**979**	**894**	**869**	**887**	**866**	**865**	**828.3**	**842.7**	**921.6**	**1,034.6**	**1,174.6**
Check		-	-	-	-	-	-	-	-	(0)	(0)	(0)	(0)

Cashflow Statement

Cash Flow Statement	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E	2026E
CFO													
Net earnings	57	104	59	10	74	38	(26)	146	103	70	99	126	152
Impairment charges	2	-	-	-	-	3	61	9	0	-	-	-	-
Depreciation and amortization	41	42	43	45	46	50	51	40	46	60	49	49	49
Provision for doubtful accounts receivable	1	1	3	4	5	3	4	3	8				
Share-based compensation	2	2	3	7	9	9	14	20	19	(24)	(24)	(24)	(24)
Loss on debt extinguishment	-	-	-	-	-	4	(2)	3	-	-	-	-	-
Deferred income taxes	(13)	10	(6)	12	11	3	(26)	(0)	(1)				
Changes in uncertain tax positions	(0)	0	1	(0)	-	-	-	-	-	-	-	-	-
Gain on debt extinguishment	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on investments and other assets - ne	(9)	-	0	0	-	-	-	(0)	-	-	-	-	-
Gain on change in fair value of investmen	-	-	-	-	(14)	(14)	-	-	-	-	-	-	-
Gain on sale of building	-	-	-	-	-	(19)	-	-	-	-	-	-	-
Gain on disposition	-	-	-	-	(54)	4	-	(1)	-	-	-	-	-
Net pension and other postretirement be	-	-	-	(3)	(3)	2	(2)	(4)	(1)	-	-	-	-
Amortization of right-of-use assets	-	-	-	-	-	22	23	17	16	-	-	-	-
Loss on pension settlement	96	-	-	-	-	-	-	-	-	-	-	-	-
Other	1	0	1	3	2	3	1	2	2	-	-	-	-
CFO before WC	**178**	**159**	**104**	**77**	**76**	**107**	**97**	**234**	**193**	**106**	**124**	**151**	**177**
Accounts receivable - net	4	(10)	(43)	18	(25)	9	(15)	(29)	**24**	22	(3)	(9)	(10)
Inventories	1	0	(2)	1	(2)	1	6	(1) -		-	-	-	-
Prepaid expenses and other current asset	(1)	1	(7)	(4)	1	3	2	(5)	(3)	-	-	-	-
Accounts payable	(6)	5	42	(18)	11	(14)	(4)	(20)	12.1	(7.4)	1.0	2.6	2.9
Income taxes payable and receivable	2	(1)	(4)	5	9	(13)	12	(14)	(2)	-	-	-	-
Accrued liabilities and other	(51)	(33)	17	14	(2)	(14)	79	37	(54)	(24)	3	9	9
Lease liabilities	-	-	-	-	-	(24)	(22)	(21)	(19)	-	-	-	-
Pension and other postretirement benefit	-	-	(1)	(2)	(2)	(1)	(1)	(1)	(2)	-	-	-	-
Net CFO	**125**	**121**	**106**	**91**	**66**	**55**	**154**	**180**	**150**	**96**	**125**	**153**	**180**
CFI													
Capital expenditures	(29)	(27)	(26)	(28)	(37)	(45)	(31)	(42)	(54)	(50)	(44)	(46)	(41)
As % of revenue ('22-'26 to 5% per manag	-3%	-3%	-3%	-3%	-4%	-5%	-3%	-4%	-7%	*-7%*	*-6%*	*-6%*	*-5%*
Sale of investment	-	-	-	-	3	13	13	-	-	-	-	-	-
Acquisition of business, net of cash acquir	(6)	-	-	-	(13)	(5)	-	(4)	-	-	-	-	-
Proceeds from sale of building	-	-	-	-	-	31	-	-	3	-	-	-	-
Proceeds from sales of other assets	5	-	-	-	78	(4)	-	1	-	-	-	-	-
Purchase of investment	-	(10)	(4)	(3)	-	(2)	(1)	-	-	-	-	-	-
Other investing activities	-	-	0	0	(1)	-	(0)	-	-	-	-	-	-
Net CFI	**(30)**	**(37)**	**(29)**	**(31)**	**30**	**(12)**	**(20)**	**(45)**	**(51)**	**(50)**	**(44)**	**(46)**	**(41)**
CFF													
Revolving facility borrowings	-	-	348	299	360	516	369	278	346	-	-	-	-
Payments on revolving facility borrowings	-	-	-	(299)	(360)	(516)	(369)	(278)	(301)	-	-	-	-
Payments on current maturities and long-	-	-	(50)	(133)	(98)	(73)	(64)	(313)	-	-	-	-	-
Proceeds from issuance of long-term debt	-	-	-	-	-	-	-	200	-	-	-	-	-
Debt issuance costs	-	-	(9)	(2)	(1)	(0)	-	(3)	-	-	-	-	-
Finance lease payments	-	-	-	-	-	-	-	(1)	(2)	-	-	-	-
Separation-related payment from R.R.Dor	-	-	-	68	-	-	-	-	-	-	-	-	-
Proceeds from the issuance of common st	-	-	-	19	1	-	-	-	-	-	-	-	-
Payments on note payable with an RR Dor	(15)	(15)	-	-	-	-	-	-	-	-	-	-	-
Net transfers related to the Separation	-	-	-	-	-	-	-	-	-	-	-	-	-
Net change in short-term debt	(13)	(24)	(9)	3	-	-	-	-	-	-	-	-	-
Net transfers from Parent and affiliates	(63)	(56)	(340)	-	-	-	-	-	-	-	-	-	-
Treasury stock repurchases	-	-	-	(1)	(2)	(2)	(12)	(41)	(165)	-	-	-	-
Proceeds from exercise of stock options	-	-	-	-	-	-	-	2	0	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financing activities	-	-	-	0	-	-	(2)	0	-	-	-	-	-
Net CFF	**(90)**	**(95)**	**(60)**	**(46)**	**(99)**	**(75)**	**(78)**	**(155)**	**(121)**	**-**	**-**	**-**	**-**
FX	2	(3)	4	1	(2)	2	(1)	1	2				
Net Change in Cash Balance	**7**	**(14)**	**21**	**16**	**(5)**	**(30)**	**56**	**(19)**	**(20)**	**46**	**82**	**107**	**139**
Beginning Cash Balance	**21**	**29**	**15**	**36**	**52**	**47**	**17**	**74**	**55**	**34**	**81**	**162**	**269**
Ending Cash Balance	**29**	**15**	**36**	**52**	**47**	**17**	**74**	**55**	**34**	**81**	**162**	**269**	**408**
Check		-	-	-	-	-	-	-	-	-	-	-	-

Summaries

Cash Flow Summary	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E	2026E
Operating Cash Flow before WC	178	159	104	77	76	107	97	234	193.4	106	124	151	177
Change in Working Capital	(52)	(38)	2	15	(9)	(53)	58	(54)	(43)	(9)	1	2	2
Operating Cash Flow after WC	**125**	**121**	**106**	**91**	**66**	**55**	**154**	**180**	**150**	**96**	**125**	**153**	**180**
Cash Flow Per Diluted Share before WC	**$ 5.48**	**$ 4.90**	**$ 3.17**	**$ 2.31**	**$ 2.23**	**$ 3.12**	**$ 2.85**	**$ 6.64**	**$ 5.99**	**$ 3.41**	**$ 4.02**	**$ 4.89**	**$ 5.74**
Cash Flow Per Diluted Share	**$ 3.87**	**$ 3.73**	**$ 3.23**	**$ 2.74**	**$ 1.95**	**$ 1.59**	**$ 4.55**	**$ 5.11**	**$ 4.65**	**$ 3.11**	**$ 4.05**	**$ 4.97**	**$ 5.82**
Capex	**(29)**	**(27)**	**(26)**	**(28)**	**(37)**	**(45)**	**(31)**	**(42)**	**(54)**	**(50)**	**(44)**	**(46)**	**(41)**
Consensus Estimates - Capex	97	94	80	64	29	10	123	138					
Acquisitions	(6.0)	-	-	-	(12.5)	(4.5)	-	(3.6)	-	-	-	-	-
Divestiture	5.3	-	-	-	77.5	26.6	-	0.9	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Per Share	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Debt Issuance (Repayment)	(27.5)	(38.8)	280.1	(64.0)	(98.7)	(72.7)	(63.8)	(115.6)	45.0	-	-	-	-
Net Share Issuance (Buybacks)	-	-	-	17.9	(0.3)	(1.8)	(11.8)	(38.6)	(164.3)	-	-	-	-
Estimated Share Price for Issuance/Buybacks, USD										$ 39	$ 43	$ 47	$ 52
FCF (before WC), Post Div, Debt, Buyback,	**154.3**	**92.9**	**358.0**	**2.9**	**4.6**	**9.9**	**(10.0)**	**34.7**	19.90	55.87	80.74	105.07	136.35
FCF, Post Div, Post A/D	129.6	93.8	79.8	63.6	94.2	31.8	123.1	135.0	96.0	46.4	81.6	107.3	138.8
FCF, Post Div, Debt, Buyback, A/D	**102.1**	**55.0**	**359.9**	**17.5**	**(4.8)**	**(42.7)**	**47.5**	**(19.2)**	**(23.3)**	**46.4**	**81.6**	**107.3**	**138.8**

Balance Sheet Summary	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E	2026E
Cash		15.1	36.2	52.0	47.3	17.2	73.6	54.5	34.2	81	162	269	408
ST Debt		8.8	-	-	-	-	-	-	-	-	-	-	-
LT Debt		29.2	587.0	458.3	362.7	296.0	230.5	124.0	169.2	169.20	169.20	169.20	169.20
Debt		**38.0**	**587.0**	**458.3**	**362.7**	**296.0**	**230.5**	**124.0**	**169.2**	**169.20**	**169.20**	**169.20**	**169.20**
Operating Lease Liabilities		-	-	-	-	57.9	51.0	57.3	44.7	44.7	44.7	44.7	44.7
Net Debt		22.9	550.8	406.3	315.4	336.7	207.9	126.8	180	133	52	(56)	(194)
Interest Expense		1.1	11.7	42.9	36.7	38.1	22.8	26.6	9.2	6.8	6.8	6.8	6.8
Effective Interest Rate on Debt		n/a	3.8%	8.2%	8.5%	10.2%	7.5%	12.5%	4.7%	*4%*	*4%*	*4%*	*4%*
Interest Income		-	-	-	-	-	-	-	-	0.2	0.7	1.2	1.8
Effective Interest Rate on Cash		**n/a**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	*0.3%*	*0.4%*	*0.4%*	*0.4%*
Net Interest Expense (Income)		1.1	11.7	42.9	36.7	38.1	22.8	26.6	9.2	6.5	6.1	5.6	5.0
Effective Net Interest Rate on Debt		**n/a**	**3.8%**	**8.2%**	**8.5%**	**10.2%**	**7.5%**	**12.5%**	**4.7%**	*3.9%*	*3.6%*	*3.4%*	*3.2%*
EBITDA / Net Interest Expense		**193.5 x**	**12.5 x**	**3.2 x**	**4.3 x**	**3.1 x**	**1.8 x**	**9.0 x**	**18.8 x**	**21.7 x**	**26.4 x**	**33.5 x**	**42.6 x**
Net Debt / EBITDA		**0.1 x**	**3.8 x**	**3.0 x**	**2.0 x**	**2.8 x**	**5.1 x**	**0.5 x**	**1.0 x**	**0.9 x**	**0.3 x**	**n/a**	**n/a**
Net Debt / Cash Flow		**0.2 x**	**5.2 x**	**4.4 x**	**4.8 x**	**6.2 x**	**1.3 x**	**0.7 x**	**1.2 x**	**1.4 x**	**0.4 x**	**n/a**	**n/a**

Valuation Summary	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E	2026E
Stock Price Avg, USD		**$ -**	**$ 21.78**	**$ 21.58**	**$18.10**	**$12.98**	**$10.40**	**$ 32.44**	**$ 35.11**	**$26.41**	**$35.94**	**$ 52.08**	**$ 71.80**
Market Cap - Avg			714.4	718.7	615.3	445.1	352.6	1,142.0	1,134.0	816	1,111	1,609	2,219
Enterprise Value - Avg			1,321.6	1,177.5	982.0	840.6	611.5	1,309.4	1,356.64	992	1,205	1,597	2,067
P/E - Avg			10.7 x	14.3 x	11.5 x	11.0 x	5.0 x	6.6 x	9.5 x	9.2 x	12.1 x	15.2 x	16.7 x
Consensus										13.8 x	13.3 x	13.3 x	12.8 x
EV/EBITDA - Avg			8.2 x	6.8 x	6.3 x	6.1 x	3.5 x	4.4 x	6.2 x	7.0 x	7.5 x	8.5 x	9.7 x
Base										7.0 x	7.5 x	7.5 x	9.0 x
Bear										4.0 x	5.0 x	6.0 x	5.0 x
Bull										10.0 x	10.0 x	12.0 x	15.0 x
P/CF - Avg			6.7 x	7.9 x	9.3 x	8.2 x	2.3 x	6.3 x	7.6 x	8.5 x	8.9 x	10.5 x	12.3 x
FCF Yield % to Avg Market Cap			11.2%	8.8%	15.3%	7.1%	34.9%	11.8%	8.5%	5.7%	7.3%	6.7%	6.3%
FCF Yield % to Avg Enterprise Value			6.0%	5.4%	9.6%	3.8%	20.1%	10.3%	7.1%	4.7%	6.8%	6.7%	6.7%

Profitability Summary	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E	2026E
Net Income	57	108	67	50	53	40	70	172	120	46	75	102	128
LTM Net Income	57	108	67	50	53	40	70	172	120				
Shareholder's Equity		624	111	149	226	269	248	377	330	375	450	552	680
Average Shareholder's Equity			367	130	188	247	258	312	353				
ROE			1	0	0	0	0	0	0				
NOPAT	59	109	74	75	76	64	109	196	132				
LTM Net Operating Profit	59	109	74	75	76	64	109	196	132	142	161	188	213
Total Assets		818	979	894	869	887	866	883	828				
Average Total Assets		818	898	936	881	878	876	874	856				
After-tax ROA		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**				
Total Debt		38	587	458	363	354	282	181	214	214	214	214	214
Average Book Value of Debt			313	523	411	358	318	231	198				
Average Invested Capital			680	653	598	606	576	544	551	587	677	768	861
Average Invested Capital		331	349	304	294	311	265	279	272	294	332	383	447
NOPAT		102	55	30	56	26	(19)	107	74	45	63	80	96
EBIT		170	92	49	94	43	(31)	178	123	75	105	133	160
ROIC		**0**	**0**	**0**	**0**	**0**	**(0)**	**0**	**0**	**0**	**0**	**0**	**0**
Net Working Capital		70	682	557	444	439	379	245	274	274	274	274	274
Fixed Assets		183	192	191	177	123	152	151	135	171	247	351	481
ROTC		**1**	**0**	**0**	**0**	**0**	**(0)**	**0**	**0**	**0**	**0**	**0**	**0**
ROTC		**1**	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**
EBIT	96	179	119	130	109	87	123	255	172	139	163	177	181
LTM EBIT	96	179	119	130	109	87	123	255	172				
Current Liabilities		124	186	187	198	180	239	261	225				
Average Current Liabilities			155	187	193	189	209	250	243				
Average Capital Employed			743	750	688	689	667	625	613				

PRIMARY RESEARCH

Sources:

- Current Vice President of Investment Sales – U.S.
- Current Venue Sales Rep – Boston
- Current Client Success Manager – Charlotte
- Head of IR
- Former Principal Product Designer
- Former Vice President - Global Head of Venue Sales
- Former Business Development Director - DACH, CSEE & Greece
- Former Executive, Former Sales Director at Toppan Merrill, leaving April 2022. Former Business Development
- Former Director of Strategy & Business Development, Global Capital Markets at Donnelley Financial Solutions
- Customer, former VP Compliance JP Morgan Chase
- Customer, former Compliance at Citi Bank
- SEC Regulations Specialist, JD Columbia Law School

Echoing of 2026 Strategic Priorities: Long-term value drivers are clearly more software, natural margin accretion and cost out exercises.

- ✓ **Customer Success**
  - *We are really working on making our clients self-sufficient. My job is to aggregate what clients are using (and is important to them), not using (and could be removed), and would want to have – if there is a need, we will build it. We are constantly working on reducing the number of tickets in the system and* ***being strategic in how to choose our objectives – we aren't complicit in success.***
  - *Looking services revenue – we are always asking, what are we offering that they don't value and what are we providing and not charging for and they do value?*
- ✓ **Intentionality with print work**
  - *Constantly trying to find the balance and only take high-margin print jobs.*
  - *We really only take print jobs that really make sense on a per-page cost basis.*
  - *We do not want to be seen as a printer, we lead with technology, so always trying to figure out where the breakeven point is because there are still things investors have to send out. We only take projects that make sense per page pricing*
- ✓ **Price Increases**
  - *We're focused on price increases as a continued lever*
- ✓ **Organic Software Growth**
  - *If you break that down into the drivers: growth levers 1) Transactional software and 2) Compliance software - growth is all organic (new products)*
  - *Product enhancements: New products, expansion, content management, collaboration, filing*
- ✓ **Talent is a priority and DFIN is positioned to attract and retain tech talent**
  - Earlier this year, April / May hired Jodi to lead up client experience – software services and came in from salesforce to make sure we have the ability to serve customers end-to-end and added seat on board : Coupa Software, CMO to join as DFIN board – SaaS experience, deep level of sales marketing and execution
  - Upgraded organizational capabilities at the leadership level for SaaS journey = split the organization with a focus on engineering and product officer (SAP) and IT focus on security, infrastructure, workplace services
  - *Their HR department was very, very good. So, they were trying to replace these people or place them or give them severance. But they were reducing the workforce to be more of a software company, a Software as a Service company, which means fewer people overall*

Sales strategy aligns with customer testimonials: Customers switch to DFIN for cost reasons & stay because of the service. Cross-selling and sales team are competitive advantages.

- ✓ **Selling based on cost advantages and relationships**

- *Once we have a client, we rarely lose them. We have the best mouse trap. Usually seduce new clients away with lower pricing*
- *Cases where we've lost customers usually when there is a M&A event and new company issues a RFP to see if the service is still needed and sometimes cut costs.*

✓ **Strong, connected sales team**

- *The strength of the company comes from their sales team. The sales team has relationships that run far, wide and deep at both companies and law firms, and to some extent, the investment banks. And that's where they get 100% of their revenue on the capital market side, are using these relationships to land the transactional, to land the Venue and also to land the AD*

✓ **Unparalleled support**

- *So, they will go above and beyond to make sure that a customer feels that they are completely serviced. And I mean, that goes from anything from making sure that the CEO, who's stuck in the middle of Iowa because of COVID, gets the book beforehand. Or if there was a print error, to have that rectified within minutes. And pass it to customer service.*

✓ **Customers buy-in at low price and stay with service.**

- *And if I remember correctly, I know we saved money by going to Donnelley, but I can't remember exact specifics, but we definitely did the cost thing, but also at the same time, we felt like we were getting more for the value is what I would tell you. And to be honest with you, I thought their support was better than Worktiva. They were more available what I would tell you is how I felt like you. Like we had two specific people that we would contact during ActiveDisclosure once we went to ActiveDisclosure, if we had issues, whether it was the file, is it like the Excel is not linking correctly into the Word document or something gets lost or it's not filing, errand.*
- *As far as you know, you've done everything that you need to do in order to file with the SEC. But I remember specifically, it was either a K or a Q, and we've done everything. I don't like the checklist to make sure everything was reviewed because you have to do this checklist in ActiveDisclosure to verify that when you do the tagging that everything is correct. So don't do that, you can't file it. But we've done that, everything was good. I cleared all the errors that existed out there. And we hit the button and it wouldn't file and it was some error that just didn't make any sense to the three of us or anybody else that was there that we were kind of trying to run a value and we had 45 minutes to file this thing.*
- *And we called them, Donnelley, and they got on it immediately and fixed it and we filed the document. I mean it probably looks like 15 minutes to get everything fixed, but they dropped everything is the way I felt. You know what I mean? It wasn't this worry that you're sitting here like wondering if you're not going to be able to file this thing. So that's what I would say, I just felt like their support was better. That's what I would say.*
- *Venue competes with Datasite and Intralinks, the products are really all the same. We are differentiated by being a service-based company, that has implications for the technology side. Customer service is on the west coast and works in 3 8-hr. shifts, so when something pops up at 3am and a PE analyst is working on something, we can fix their model in 15 minutes or less, our clients think that is huge – our competitors have their service in India and it's not always helpful or available*

✓ **Cross selling as source of competitive advantage**

- *Let's say, it's an all-in-one deal. I'll walk you through an example. They land a large IPO, okay? The company has already done very well. It's a private company or feedback company, they're going to land the IPO. They're going to do all the documents, the filings and all of that, the process that goes around that. As part of that process, what they might do is to say, "Okay, we know you're IPO-ing. I'm going discount the ActiveDisclosure service for you for the first year. Because you did the IPO with us, I'm going to discount the VDR portion of the business if you gave us print job as well." I cover the transaction, I'm going to do this, we can do an overall arching discount. They will discount software to preserve the transaction pricing, if that makes sense.*

Regulations are net positive for DFIN.

✓ **Discontinued print actually good for DFIN.**

- *Our core focus has been on SEC 30, 40 and another act governs the fund side. Traditionally where there is success based upon relationships.* ***SEC side, rule changes have created catalysts for the industry now the digital option as the default, which has a profound impact and has allowed us to shed print sales. This rule is a catalyst to get rid of unprofitable sales, even though 100M of revenue lost, its great for our strategy.***

    - *Shareholder reports might also be an opportunity on the print side, but we are very intentional on what kind of print work that we take. More important that we are aligned with the rule from a software standpoint, incremental software creation of this content and management to comply to this rule.* ***We expect realization in 2025.***

- ✓ **New Tailored Shareholder Report rule great for business.**
    - *New tailored shareholder report regulations = very bullish on what that means for ArcSuite business = clients will have to comply mid-2024, still waiting on specific clarity, already expecting revenue positive growth*
    - ***Arc Digital is not influenced by the administrator market, we sell direct to investment funds. Tailored shareholder reporting will require CUSIP-level detail, most funds only have fund-level reporting today. So, if you have 6 share classes per fund, that means 6x the work*** *for those funds. Great selling point. Year 1 costs (implementation) might be higher than in-house but saving a lot of money in the long-run.*
- ✓ **Reporting is here to stay and good for DFIN.**
    - *Increase level of disclosure and reporting are a positive change,, and serve to increase the consumption of our products. Moreover, the higher level of transparency makes market more efficient, and can lead to more public companies.*
    - *Generally, the transparency disclosure regulations get the attention of all lawmakers.* ***The Financial Transparency Act was bipartisan.***

Strong management team with well-aligned compensation.

- ✓ **Compensation is well aligned**
    - *Pay for performance, Performance drivers all very strategic for the long-term and margin expansion*
    - ***Very transparent compared to peers***
    - *No claw back, minimum owned shared incentive means leaders have a significant stake in future of the company*
- ✓ **Leadership positioned to execute goals**
    - *So* ***very, very numbers-oriented, both the CEO and the CFO****. They definitely know the business inside and out. You can ask them any stat at any point in time, and they're going to know it. I do have to say, I think Dan Leib, if you look at where he was in 2018 to where he is and how he presents now, the 90-day difference, it's like two different people. He's done a great job of leading the company through a transformation of being printing and having all these plans to really being focused on software. And I think he's a great job of that, personally. And there's a lot of personality in there. There's also a decent number of personalities that as the CEO, you have to deal with. And I think he's done a great job of it.*
    - *Dan, used to be the CFO of R.R. Donnelley. Dave is still the CFO. Dave Gardella, who is the CFO. All great guys, super smart, super technical. Dan, I think he has the vision to do it. Dave Gardella used to be the Head of IR for printing, for a more traditional printing business. So, he's now CFO of DFIN, and so like they're getting there from that perspective, the business perspective side of it.*
    - *CPO - he was new when I was still there, so he didn't cross over about a year or so. He's super forward-thinking, more technology aligned.*
    - *I would say, Craig Clay, President, who I worked with directly, he's really good. He's going to call the SPAC market. He's forward-thinking. I think he ultimately, 1 day will either be COO, if not in the near future, or potentially the CEO.*

Strong collaborative and technical culture.

- ✓ **Everyone loves working at DFIN**
    - *Our sales strategy is really relationship-based, it's fun. I've heard there is no career progression at Intralinks, that's not the case here. It's a really great place to work, I have a lot of fun, we all do.*
- ✓ **Culture has changed with the strategy**
    - *The culture changed in 2019 when we outsourced print, everything is more technology focused*
- ✓ **Collaborative**
    - *I was on the tech side, now I moved to client success when the position was created, that's common for a lot of folks.*
    - Heard from multiple sources across levels that Transactional and Investment sales and products team interact every day

Active Disclosure 2.0 competitive with Worktiva.

- ✓ **Completely rebuilt**
  - *The "new" AD is a total rebuild. The AD product team is excellent, and they were using DevBridge for the development and much of the UX when I left. While the UX won't be great on any product with that type of functionality, it will be/is vastly better than the old AD. Thus, it has potential for growth.*
  - *It's a fantastic product. I mean, literally, rebuilt. They started working on this probably three and a half, four years ago conceptually, and then physically started working on it somewhere in 2018, if that makes sense, and completely rebuilt it from the ground up. So essentially did not use any of the resources that they have on ActiveDisclosure, but whole new team, whole new everything, to build the new 2.0. So, it is truly a new product, if that makes sense. And it addresses all of the issues that AD had problems working on like multiple permissioning, multiple users, tying into the ledger. All of that's addressed in AD 2.0. It truly is and can be a 100% competitor to Workiva at any size company.*
- ✓ **Any issues vs. Worktiva have been 100% addressed**
  - *And they have the head of sales for the ActiveDisclosure product who's been dealing with ActiveDisclosure clients for years. And his left hand or right-hand man, however you want to call it, is the former Workiva person. So, he definitely will be able to help coach the sales team on how to properly position the new 2.0 versus Workiva. But it is every issue. Fully software cloud-based product. Now they're able to stand on their own two legs against Workiva and say, "Well, multiple permissioning across multiple user Because the one thing that Donnelley offers that really no one else offered in the marketplace is you can go to one place and you can get everything done. And by going to just one vendor, it's going to satisfy your risk, it's going to satisfy your security need, and you having to write three checks to you having only to one check to one vendor*.
  - And because it's a fully cloud-based software program that works with all Office tools, if there is an issue, to get an enhancement or a fix is a lot easier than the old system, which was locally based. So, if there's something broken or a client says, "Hey, I really wish you could do X, Y and Z." Instead of maybe it being a 6-month deployment or 10-month turnaround, it might just be a few weeks.
  - *I think it's going to be comparable to Workiva. I don't see them pricing themselves lower. I think like any software company, if you enter a multiyear agreement, you might get some pricing concessions. But if you're looking to do just a one-to-one switch, I think they're going to be within 5% to 10% of Workiva's pricing.*

eBrava has potential to be a cash cow.

- ✓ **True AI learning**
  - *And it is a true learning AI. It's not machine learning. So, it literally learns what you're doing. And I can see that being overlaid onto ActiveDisclosure 2.0 to start really learning about how a user does it and start to extrapolate data automatically for users. It's one of the most powerful AIs I've seen. Period. It is truly a very powerful engine. They're not folding that in. It's definitely around and prevalent.*
  - *So, for attorneys, you can get your work done faster and it's proven to speed up the attorney review process. The attorney review process is not limited to mergers and acquisitions, right? It's tangential to mergers and acquisitions. It's only for that audience, the attorney audience. And attorneys are involved in mergers and acquisitions and going public on that. But they're not the only players.*

Other Competitive Dynamics/Advantages

- ✓ 40-Act domination
  - *Worktiva is a competitor on the CM side, but it's not 40 Act Built, that's DFIN's advantage*
- ✓ Network MVP
  - *On the transaction side, they do a great job of utilizing their network to win deals that aren't there. Now sometimes their biggest competitor is Toppan Merrill. And the time that Toppan will win is if there's a long-standing relationship with the sales rep that is at a competitor. But they absolutely know how to position Donnelley's sales team, impeccably. And one of the nice things about the*
- ✓ Sales along the entire capital structure
  - So they're the only people that could offer a company to go public; do all their filings with the SEC; because of Galvanize, bringing ERP and SOX; handle any type of merger with the Venue; do all of their filings post-merger; and then handle their PMI, post-merger integration as well. And that's where a lot of the eBrevia stuff came in.
- ✓ Strong European Positioning
  - FIN is still the leader in terms of market share by far in Europe, and I can't speak so much to APAC. But definitely Europe, the picture is a slightly different one. And especially in the financial as well as our capital market side, it's a

different kind of marketplace. The client demand has changed a lot, especially in Continental Europe. There's not as much documentation required anymore or it is done more in-house by law firms.

- On the compliance side, DFIN is quite strong in the U.K. In Continental Europe, probably not existent. And then they do compliance for U.S. listed companies. But in terms of European regulatory reporting, yes, there's not really any business

Risks of Sales

Broadridge was actually one of the companies I thought that would make sense to do a purchase. The second one would be to carve it up into pieces. Sell the print business to maybe Toppan Merrill, along with the sales reps that covered the print side, the transactional side of the business, and spin off the software to either its own separate company or under a PE umbrella.

I think Workiva buying them is super compelling because then, you bring in the half of IPO piece of it. And then you have all the regulatory side of it, and you also have an investment management, which is interesting. But I don't see them looking to grow it beyond being a stand-alone.

If you asked about, do I think they want to be a stand-alone or ultimately acquired? I think they want to ultimately be acquired because there's just too much that goes into rotating towards that GRC, which is what they really are and started focusing on. I don't think they have the risk tolerance, and frankly, I don't think they have access to capital to be able to do it.

ArcSuite

Arc Reporting is heavily chosen by the administrator market (State Street. BNY, JPM) that do admin on behalf of a client and the administrator has several platforms to chose from. DFIN has to keep the administrator happy b/c beholden to them on some extent for the clients.

Arc Pro sold more directly, usually as an add on to the other Arc products