



Information Services Corp (TSE:ISV)

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Market Data as of March 26, 2023

Long-Running Operator of Registries in Canada

Business Overview

- Information Services Corporation (ISV), is a leading provider of Registry and Information Management Services for Public Data and Records
- ISV operates underneath a 20-year MSA with the province of Saskatchewan, deeming them the exclusive full-service solution provider for Saskatchewan registries

Investment Thesis

Why Is This a Good Business?

- ISV possesses an impenetrable moat in its registry management segment, which provides high-margin, recurring, and sticky/predictable cash flows
- ISV also successfully finds profitable M&A opportunities while keeping leverage low

What Is The Market Missing?

- ISV is an underfollowed stock with low trading volume and without a clear catalyst
- However, the company's strong and self-hedging cash flows, the resilient profile of the market it operates in, and its current attractive valuation could be disregarded













*We recommend that YUSIF **BUY ISV** with an implied upside of **~24%***

*Intrinsic valuation model implies target price of **~\$28***

Business Maintains Robust Moat and is Attractive at Current Valuation

- We recommend purchasing ISV with a 24% upside using a 10% discount rate
 - This represents a 7.4x EV/ NTM EBITDA purchase multiple
- **How does this fit into YUSIF's Portfolio?**
 - Checks all the boxes for a successful business:
 - Sustainable competitive advantage (20-year contract with government)
 - High ROICs & minimal capital requirements
 - Large barriers to entry
 - Pricing power + inflation protection
 - Competent management team compensated on FCF metrics
- **How is this superior to other TMT names in the portfolio?**
 - ISV has geographical dominance in a niche market, which makes it far more predictable than larger technology names with wide TAMs and increasing competition
 - 4% dividend yield already satisfies 50% of YUSIF's 8% internal hurdle rate
 - **33% ROIC** and 20%+ EBIT margins makes this attractive
 - Micro / small cap exposure could be interesting given upside and conservative profile

Leading Provider of Registry and Information Management Services for Public Data and Records

	Registry Operations	Services	Technology Solutions
Segment Overview & Customers	<ul style="list-style-type: none"> Provides registry and information services on behalf of the Province of Saskatchewan under a 20-year Master Service Agreement, in effect until 2033 Facilitates and coordinates property tax on behalf of 440 Ontario municipalities Customers Include: law firms, financial institutions, governments, surveyors, developers, resource companies, & general public 	<ul style="list-style-type: none"> Delivery of products and services that utilize public records and data to provide value to customers in the legal and financial sectors Mainly built through its wholly owned subsidiary ESC Corporate Services Ltd. Customers Include: legal professionals, consumer market, general public, financial institutions (major banks, credit unions) 	<ul style="list-style-type: none"> Provides the development, delivery, and support of registry technology solutions Through ISV's wholly owned subsidiary, ERS, they offer RegSys - a complete registry solution Has presence in Canada, US, and Ireland Customers Include: governments and regulatory organizations
Revenue Categories/ How Do They Make Money?	<ul style="list-style-type: none"> Land Registry* (67%): mostly value-based fees from searches, registration, geomatics; with some specific services offered at a flat fee Personal Property Registry (12%): flat fee per transaction Corporate Registry (12%): earned from maintenance services Ontario Property Tax Services (7%): based on scope of work 	<ul style="list-style-type: none"> Corporate Solutions (17%): captures revenue from incorporation services and corporate supplies Regulatory Solutions (72%): captures revenue from know-your-customer & due diligence and collateral management Recovery Solutions (11%): captures revenue from asset recovery and AR management 	<ul style="list-style-type: none"> Sale of software licenses related to its technology platform Provision of technology solution definition and implementation services Provision of monthly hosting, support, and maintenance services
Offerings	Searches 	Searches 	RegSys hosting, support, and maintenance 
	Registrations 	Registrations & Filings 	
	Maintenance 	Corporate Supplies 	
	Tax Analysis 	Credit DD, protection & default services 	Software implementation and service contracts regarding maintenance of stable registry systems 
	Property Tax Rate Management 	Asset Recovery 	
	48% of Revenue	49% of Revenue	3% of Revenue

Source(s): SEDAR Filings, Investor Presentations

* Broken down into: Registry Titles (95%), Surveys (1.7%), Geomatics (3.3%)

Share Price Performance

ISV's Strategic Acquisitions and Renewed Contracts Contribute to Stock Stability and Growth

Commentary

- ISV has experienced both positive and negative events since May 2019, including the acquisition of ESC, a cybersecurity incident, and multiple acquisitions in 2022 and 2023
- Despite these events, ISV has continued to renew contracts and expand its registry operations, indicating a positive outlook for the company's future growth and stability in the market

Trading Statistics

Market Cap	\$400.54M
Share Price	\$22.65
Beta (5Y Monthly)	0.54
PE Ratio (TTM)	10.92
Dividend Yield (FWD)	4.06%
5 Year Growth Rate (CAGR)	2.83%
52-week range	\$19.12 - \$25.39

Stock Chart



Registry Management and Information Services

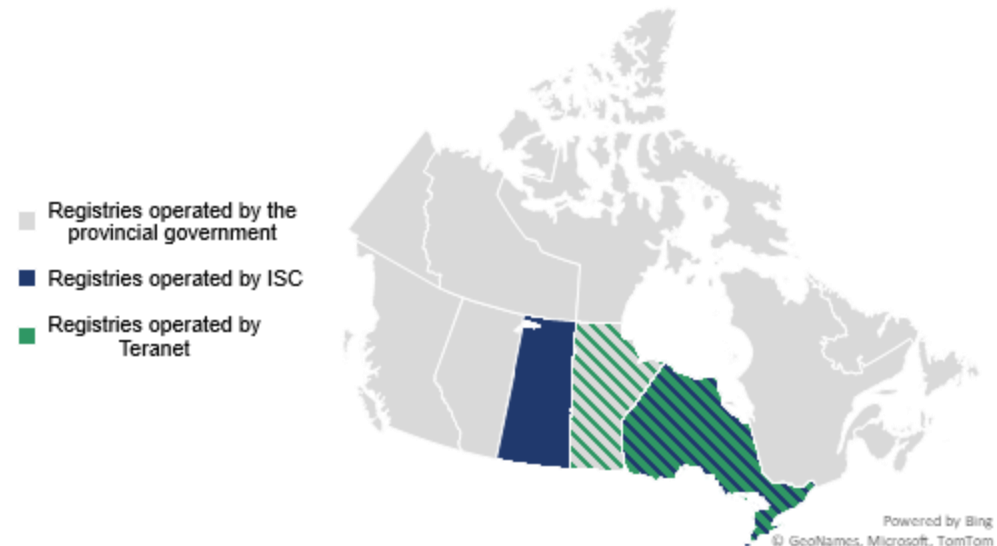
Registry Management

- ISV mainly competes in the governmental registry management market in Canada
- Because most state registries in Canada are directly handled by their respective governments, valuing the industry is difficult. Global land registries are estimated to be worth \$5B in 2022, with a 5.8% CAGR to 2028
- The industry in Canada is defined by geography, where provinces and municipalities are the clients. They either handle the registries in-house, or grant exclusive contracts
- This creates high barriers of entry and makes geographical expansion difficult. Companies expand by instead offering information services using public data

Registry Management Industry is a Duopoly

- There are only two relevant non-governmental players in Canada: ISV and Teranet. Only ISV is publicly traded. The rest of registries are handled at the provincial level
- Both ISV and Teranet are former crown corporations, and both still have strong ties with their former governments
- ISV mostly operates in Saskatchewan, but recently acquired Reamined, which holds an agreement with the province of Ontario to provide property tax infrastructure
- Teranet operates in its home state, Ontario, and also handles Manitoba's Land Titles and Personal Properties systems
- Land registry management experiences moderate seasonality, as revenues are correlated to real estate activity

Management of Provincial Registries



Information Services

- ISV also offers a number of services relating to governments, real estate, and financial institutions
- The broader information services industry relies less on governmental relations, as the data used is mostly public, and more on value-added services using technology
- Because of the lack of exclusive agreements, there is more competition than in registry management. Because of the competitive pressures, the segment features lower margins. However, it also presents a higher growth profile: ISV's service revenues grew 77% over the last 3 years
- While there is no governmental player in this segment, the industry is nevertheless riddled with regulations that vary from province to province. Country-wide services must notably comply to all local legislations

Leader In Niche Segment With Predictable and Sticky Revenues

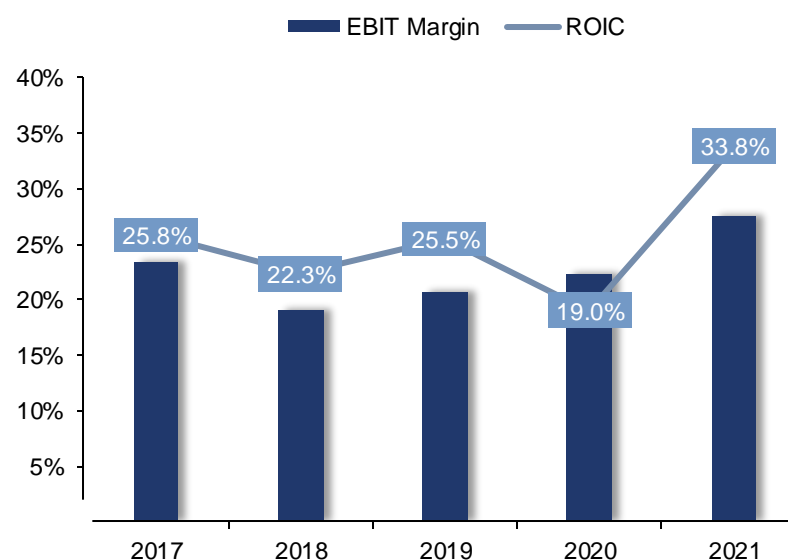
Sustainable Competitive Advantage

- **Long-term contracts** indexed with the governments inflation presents **large barrier to entry**
- **Niche focus** within the Saskatchewan market provides significant regional dominance
- **Crucial services** and products (land registry, incorporation, legal software, etc.) are necessary for financial institutions, legal firms, governments and businesses to operate
 - Pricing power capabilities with CPI indexed contracts and leverage over customers in non-contractual segments
- Overall, ISV is extremely hard to disrupt or replicate given its sustainable competitive advantage, which can makes this business predictable

Saskatchewan 20-year Master Service Agreement

- The agreement creates a moat around ISV's registry business
- Teranet - ISV's only Ontario competitor - is locked out of Saskatchewan until 2033. On the other hand, ISV keeps expanding into Ontario through inorganic growth
- Price flexibility, since the MSA designates ISV as the exclusive full-service solution provider until 2033 for the entire province
- Superior environment for RE related operations in Saskatchewan due to resilient housing market in comparison to the rest of Canada
 - Allows for less dramatic impact during recessions
- Contract renewal with ISV is likely: given the corporation's expertise and history dealing with the specialized registries, and the governmental involvement within the company

5-Year EBIT Margin & ROIC Chart

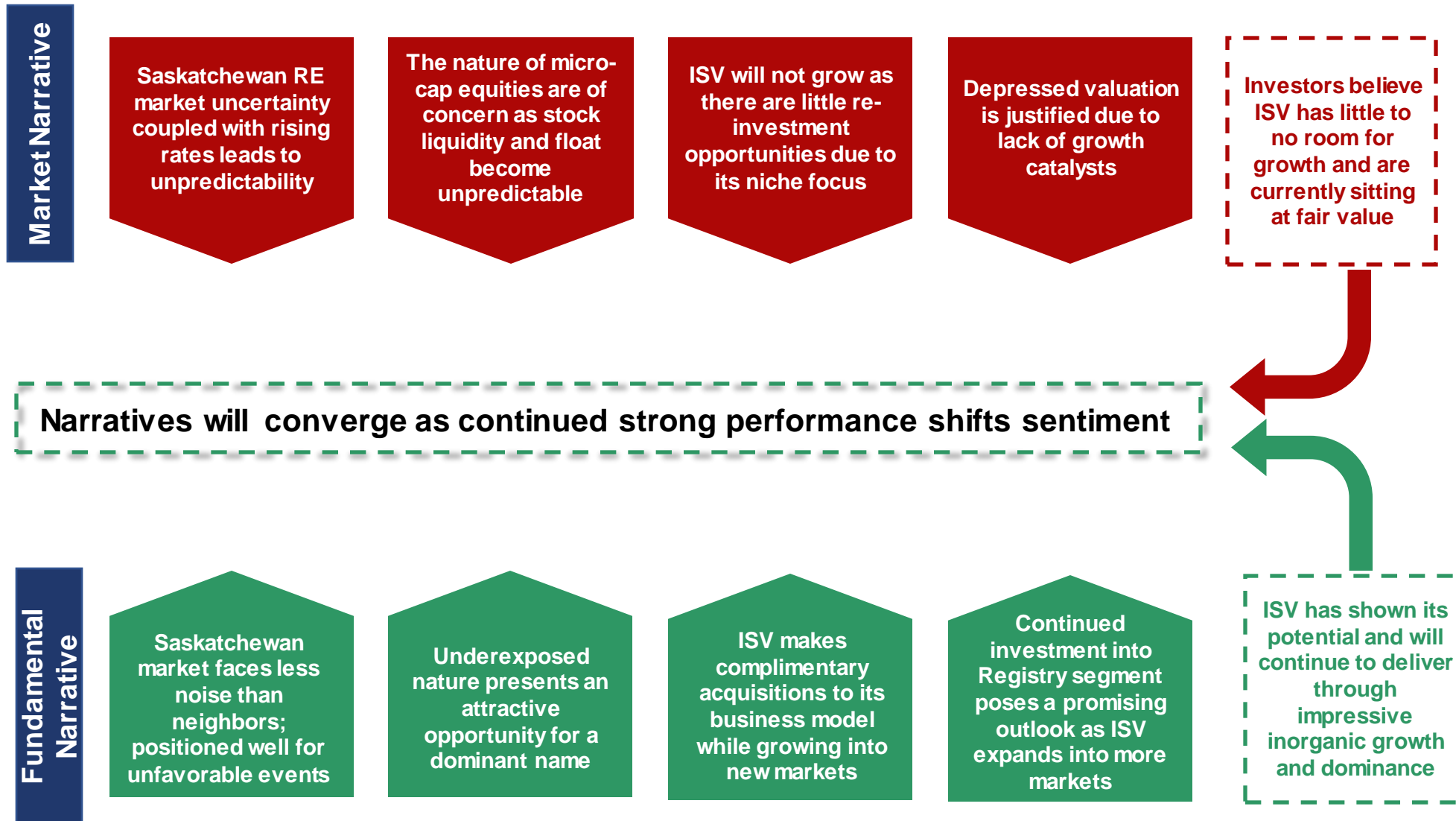


Strategic Acquisitions

- ISV has continuously grown their business through strategic inorganic growth
 - Management has not acquired indiscriminately and has kept buying boring, sticky, and essential software companies in complementary areas to its business
- A persisting issue for the inorganic growth of smaller name is the debt taken on following the deal
 - ISV utilizes its cash heavy model to pay down debts in order to minimize interest expense; seen following Reamind acquisition
 - Allows the business to continue operating with an industry leading ROIC

Investment Thesis: What is the Market Missing?

Market Narrative versus Our Fundamental Narrative

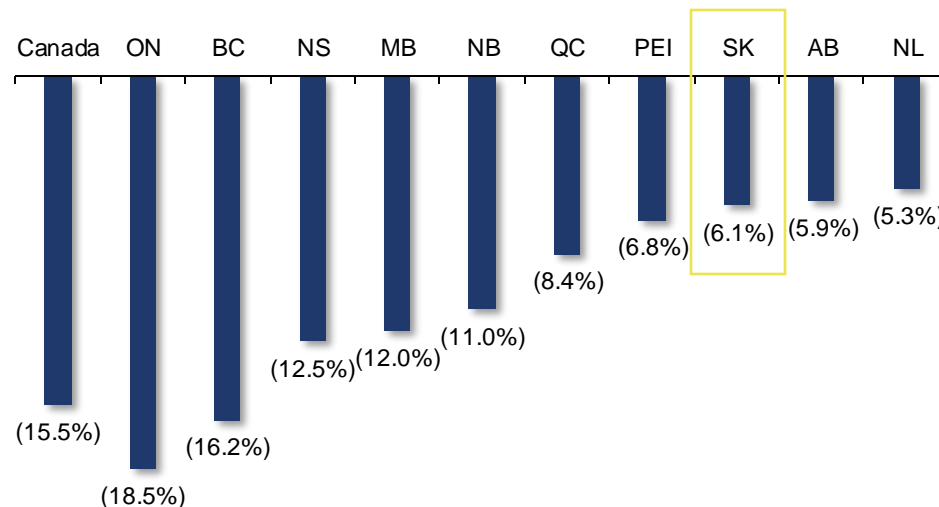


Issues Concerning The Market and Possibly Scaring Investors

Saskatchewan Real Estate

- A considerable portion of revenues are tied to the Saskatchewan real estate market, which can be viewed as cyclical and highly volatile
- However, it is better positioned than other Canadian provinces with worse economic conditions ahead. While projected RE sale growth in 2023 is negative for the province, it is forecasted to outpace the national average by 20%, as major centers like Ontario and British Columbia experience a much sharper cool off
- Home prices show again relative outperformance in Saskatchewan, with expected price drops under half the Canadian average. As of March, 50% of the total decreases shown has been realized.
- Saskatchewan also has a positive long-term outlook, supported by strong population growth and commodity prices

Expected Overall Price Drop in Real Estate Prices



Other Considerations

- **Underfollowed illiquid stock and small float**
 - 9,000 shares traded on an average day, which represents \$204,000 worth of shares changing hands
 - 37% held by institutions and 31% held by Saskatchewan government
- **Limited growth concerns and low re-investment opportunities due to niche focus**
 - Dominating the Saskatchewan market and having governmental influence can imply slow growth; pales in comparison to hyper-growth tech stories
 - However, recent geographical expansion in the services segment shows still untapped growth opportunities on top of the resilient registry segment

Minimal Downside in Worst Case Scenario

- In the unlikely scenario that ISV does not get a contract renewal with the Saskatchewan in 2033, and then exits the industry with a depressed multiple of 3.5 EV/EBITDA (representing the intact Services segment), losses are minimal
- This makes for an attractive imbalance between the investment's upside and downside

Exit Multiple Method - 2033	
Cumulative PV of UFCF	332,156
% of Enterprise Value	77.31%
Terminal Value	
Final Year EBITDA	79,454
EV/EBITDA Multiple	3.5x
Terminal Value:	278,087
PV of Terminal Value	97,468
% of Enterprise Value	22.69%
Total Enterprise Value	429,624
Total Equity Value	376,752
Diluted Shares Outstanding	17,700
Implied Share Price	\$ 21
Current Share Price	\$ 22.65
Implied Upside	(6.02%)

Stable and Counter-Cyclical Revenue Segments & Saskatchewan Outlook

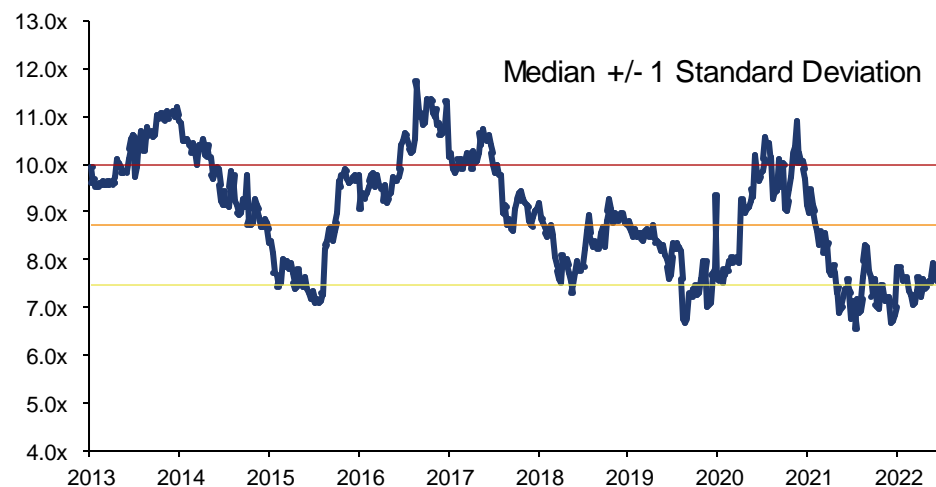
Steady Revenue Generation with Counter-Cyclical Segment

- **Growth in service portfolio and price increases provide significant organic growth potential over the long-term**
 - Registry business is indexed with CPI which provides inflation protection
 - Non-contract revenue segments have pricing power opportunities between “5% to 15%” per management commentary from Q3 2022 transcript
 - Pricing power has 100% incremental margins as it drops straight to the bottom-line
- **Service offerings in compliance and collateral management software act as a hedge to registry revenue**
 - These services have little seasonality and are counter-cyclical. Lower registry revenue from worse macro conditions will be partially offset by higher demand for compliance and collateral related services
 - ISV’s overall services segment has much less geographical concentration, which also diversifies revenue streams

Dividends and Multiple Undervaluation

- From FY 2017 to FY 2021, ISV paid \$14M per year in dividends to shareholders. In FY 2022, ISV increased its dividend to \$15.6M per year, reflecting a stronger cash flow profile and improved business performance
- Overall, ISV will continue reward shareholders with strong dividends over the long-term
- Given the current dividend yield of 4%, we believe that this return is attractive given the current interest rate environment and YUSIF’s internal hurdle rate
- ISV is also currently trading well under its 10-year historical EV/EBITDA multiple, offering investors a 20% discount to the robust business model

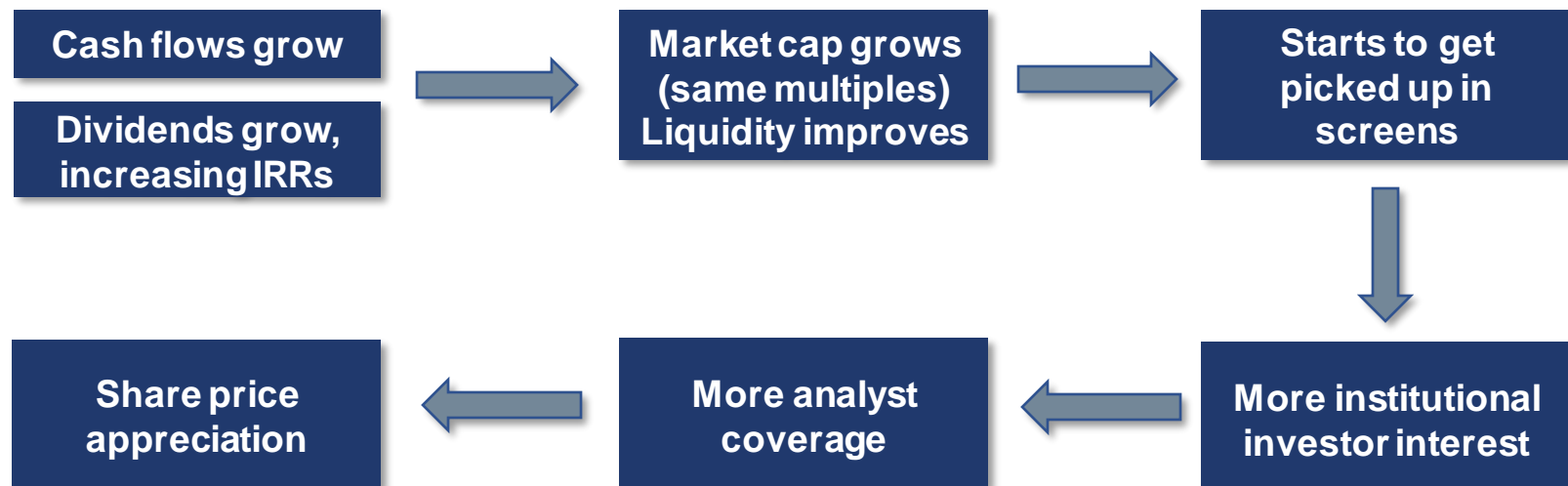
ISV Currently Trading at Trough Multiples



Investment Thesis: What is the Market Missing?

Clear Path Towards Share Price Appreciation Despite Illiquidity and Market Cap

- **Illiquidity will not be an issue for YUSIF given our AUM**
 - Should be able to buy and sell with ease given that the average daily volume is \$204,000
- **ISV pays a 4% dividend yield, already satisfying 50% of YUSIF's hurdle rate**
 - Reiterates the large margin of safety and conservatism of the investment
- **Smaller market cap presents greater mispricing**
 - \$400M market cap makes this a micro/small cap opportunity, which means less analyst coverage and eyeballs
 - However, as the business grows its earnings and dividends, we believe it will start to become more followed and recognized



Talented Corporate Leaders with Minority Stake from Government

Shawn Peters

President & CEO



- Shawn Peters joined ISV as VP Finance & Technology and CFO in 2012. He has been appointed President and CEO in February 2022
- During his stay as CFO, he led the company's M&A activities, resulting in \$150M in acquisitions since 2015
- Prior to his stay at ISV, he worked as Senior Vice-President and CFO for Group Medical Services

CFO



Bob Antochow

- Bob joined ISV in 2016 as Senior Director of Finance and was appointed CFO in February 2022
- Bob implemented new enterprise reporting systems, and manages internal audits
- Before his tenure at ISV, he acquired 25 years of experience at Viterra and Bayer CropScience. He was also the CFO of Sulvaris

Board of Directors and Executive Compensation

- The board comprises of 10 members, and the average tenure is 7 years. All members are independent, but the independent nature of the 3 members picked by the government can be debated
- CEO compensation is 43% salary with 57% short- and long-term performance incentives in stock, with other executives following a similar breakdown
- Key metrics for incentives are EBITDA, Free Cash Flow, EPS, all unadjusted. Long-term incentives are judged on individual merit, and are more easily manipulated. However, this makes up only 20% (36% for the CEO) of executives' total compensation

Ken Budzak

EVP, Reg. Ops.



- Ken joined ISV in 2001, and held various senior leadership positions before being promoted to VP of Registry Operations in 2017
- Prior to joining ISV, Ken had a 15-year career at the Saskatchewan Wheat Pool, and served on the Saskatchewan Science Centre Board of Directors. He is currently a board member of the Regina Exhibition Association Limited

The Bear Case (What Could Go Wrong?)

As a former crown corporation, ISV is overexposed to its original function

Client and contract concentration

- While the company's offerings have a wide user base, revenue relies on a small number of contracts and customers
- Registry management for the Saskatchewan government made up 40% of 2022 revenues. ISV's services segment (~50% of total revenue) also rely on information in these registries
- Management on behalf of the Saskatchewan government was granted through a single 20-year Master Service Agreement (MSA), which will expire in 2033
- Since ISV's registry operations used to be handled by the government prior to the MSA's issuance, expiry of the contract will lead to an unprecedented competitive situation
- While ties with the state will favor ISV, it also means that expansion in other geographic areas will be difficult

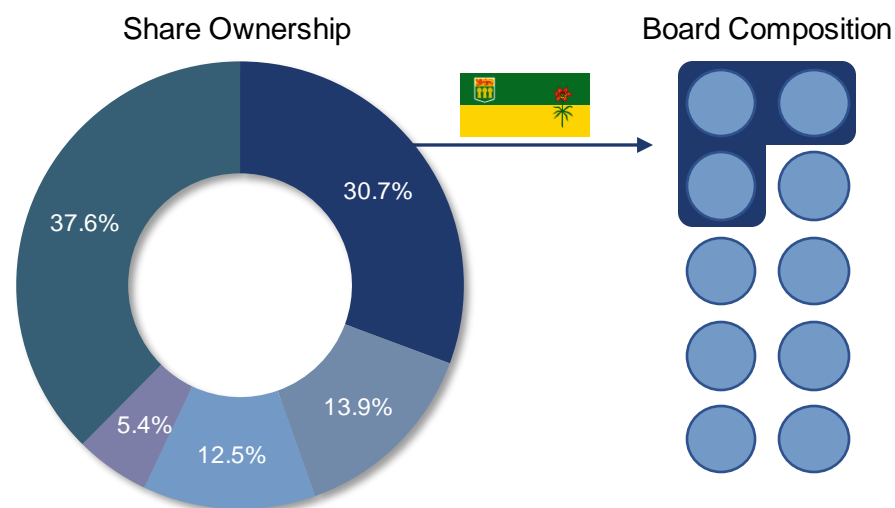
Exposure to the Saskatchewan RE market

- Much of ISV's registry and services operations revolve around real estate in Saskatchewan, which might not fare well
- ~84% of land registry revenue is based on new registrations, and is thus non-recurring and sensitive to changes in activity of the real estate market
- Management expects real estate activity to keep normalizing through 2023 to pre-pandemic levels, as the number of transactions decrease from unfavorable economic conditions
- The province is also experiencing a housing supply shortage, especially for lower-end segments, and transaction volume could stabilize under estimates. Year-over-year sales are already down 16%, and expected to continue decreasing

Governmental involvement

- Despite ISV now being a publicly owned corporation, the Saskatchewan government still exerts internal control in the company
- The province has the right to elect a number of board members equal to the proportion of total shares it holds (right now ~30%, or 3 members), with a minimum of 2 members
- The government also holds the only "golden share", which gives it the right to veto major company changes and voting power in decisions regarding operations outside the province
- Since the Saskatchewan government is also the company's key customer, ISV is both partially controlled by and dependant on the State
- However, insider involvement and strong historic ties with the government gives the company incredible moat

ISC Ownership and Board Composition



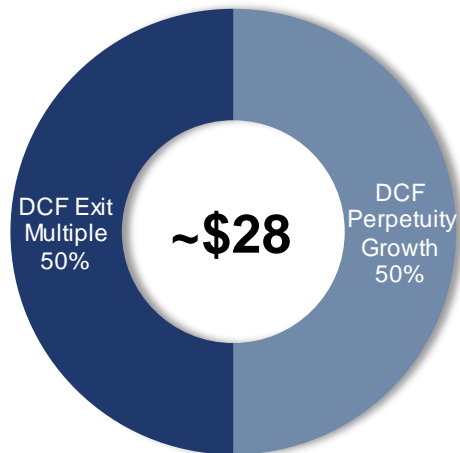
Valuation Summary

Valuation indicates an upside of ~24%

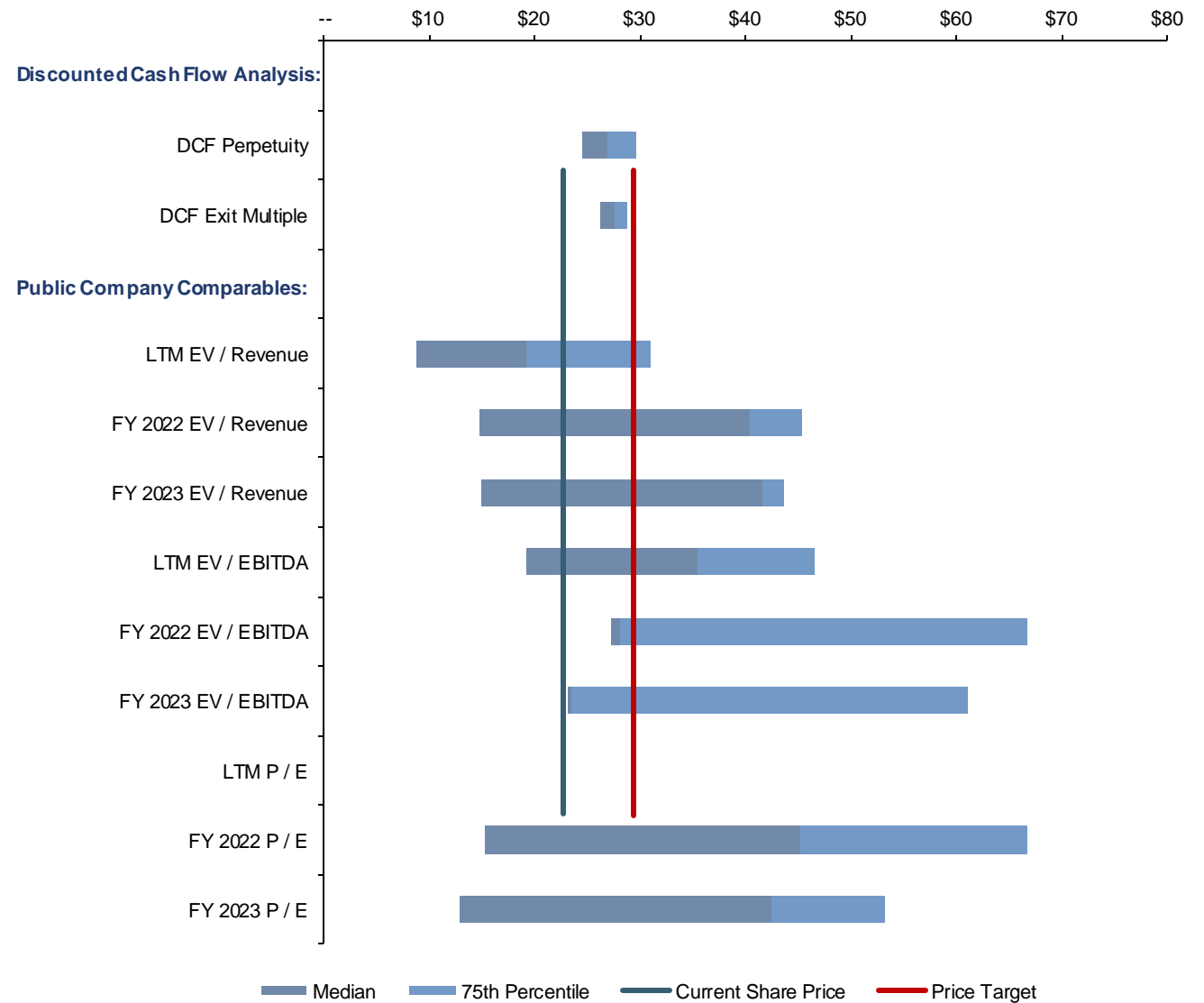
We recommend a **BUY** on **ISV** with an implied upside of ~24%

Results and Weighting

- **Current Price:** \$22.65
- **Target Price:** ~\$28
- **Implied Upside:** ~24%



Football Field Valuation Summary



Conservative DCF Assumptions with a 10% WACC

■ Revenue

- ❑ Projections are based on the supporting revenue model. FY 2022 and FY 2023 projections are in-line with guidance and consensus estimates
- ❑ Long-term growth expected to land in-line with inflation
- ❑ No added benefit of significant improvement real estate fundamentals or acquisitions which are bound to materialize

■ Terminal Cost Structure and CapEx Projections

- ❑ Cost of revenues, R&D, and G&A remain in-line with historical % of revenue
- ❑ Due to the uncertainty of working capital changes, we decided to keep it 0% as a % of revenue to ensure conservatism and to account for its volatile nature

■ Terminal Value Assumptions

- ❑ 8% WACC represents YUSIF's hurdle rate. However we used a 10% discount rate to reflect a higher rate environment, the smaller market capitalization, and to add conservatism
- ❑ 9.0x EBITDA exit multiple seems fair when looking at the 2% perpetuity growth rate and 10% discount rate

Discounted Cash Flow Analysis

Intrinsic Valuation

Discounted Cash Flow Analysis (In \$ Thousand C\$)	Actuals					Projections					
	2018A	2019A	2020A	2021A	2022A	2023E	2024E	2025E	2026E	2027E	2028E
Total Revenues:	98,903	111,470	136,723	169,379	189,895	204,457	209,484	214,643	219,935	224,538	229,248
% Growth		12.71%	22.65%	23.88%	12.11%	7.67%	2.46%	2.46%	2.47%	2.09%	2.10%
Cost of Goods Sold	(25,084)	(31,171)	(31,271)	(40,359)	(49,215)	(52,989)	(54,292)	(55,629)	(57,000)	(58,193)	(59,414)
% of Revenue	25.36%	27.96%	22.87%	23.83%	25.92%	25.92%	25.92%	25.92%	25.92%	25.92%	25.92%
Gross Profit	73,819	80,299	105,452	129,020	140,680	151,468	155,192	159,014	162,934	166,345	169,834
Gross Profit Margin	74.64%	72.04%	77.13%	76.17%	74.08%	74.08%	74.08%	74.08%	74.08%	74.08%	74.08%
Total Operating Expenses:	(71,265)	(74,171)	(74,784)	(82,266)	(94,485)	(109,600)	(112,295)	(115,060)	(117,897)	(120,365)	(122,889)
Operating Income	2,554	6,128	30,668	46,754	46,195	41,868	42,897	43,954	45,037	45,980	46,944
EBIT Margin (%)	2.58%	5.50%	22.43%	27.60%	24.33%	20.48%	20.48%	20.48%	20.48%	20.48%	20.48%
Income Tax	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%
NOPAT	1,839	4,412	22,081	33,663	33,260	30,145	30,886	31,647	32,427	33,106	33,800
Add: Depreciation and Amortization	11,775	11,400	12,724	13,778	14,735	15,865	16,255	16,655	17,066	17,423	17,789
% of Revenue	11.91%	10.23%	9.31%	8.13%	7.76%	7.76%	7.76%	7.76%	7.76%	7.76%	7.76%
Less: Capital Expenditures	(2,775)	(2,829)	(1,223)	(2,227)	(1,464)	(4,089)	(4,190)	(4,293)	(4,399)	(4,491)	(4,585)
% of Revenue	2.81%	2.54%	0.89%	1.31%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Add / (Less): Changes in Net Working Capital	(12,469)	16,888	(35)	14,375	(2,164)	0	0	0	0	0	0
% of Revenue	(12.61%)	15.2%	0.0%	8.5%	(1.14%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unlevered Free Cash Flow	(1,630)	29,871	33,547	59,589	44,368	41,921	42,951	44,009	45,094	46,038	47,004
Discount Rate						10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
PV of Unlevered Free Cash Flows						38,110	35,497	33,065	30,800	28,586	26,532

Perpetuity Growth Method	
Cumulative PV of UFCF	261,287
% of Enterprise Value	48.65%
Terminal Value	
Final Year UFCF	51,013
Perpetuity Growth Rate	2.00%
Terminal Value:	650,413
PV of Terminal Value	275,838
% of Enterprise Value	51.35%
Total Enterprise Value	537,125
Plus: Cash & ST Investments	34,479
Less: Total Debt	(74,854)
Less: Preferred Stock	0
Less: Non-Controlling Interes	0
Total Equity Value	496,750
Diluted Shares Outstanding	17,700
Implied Share Price	\$ 28
Current Share Price	\$ 22.65
Implied Upside	23.91%

Exit Multiple Method	
Cumulative PV of UFCF	261,287
% of Enterprise Value	48.82%
Terminal Value	
Final Year EBITDA	71,756
EV/EBITDA Multiple	9.0x
Terminal Value:	645,807
PV of Terminal Value	273,885
% of Enterprise Value	51.18%
Total Enterprise Value	535,172
Plus: Cash	34,479
Less: Total Debt	(74,854)
Less: Preferred Stock	0
Less: Non-Controlling Interest	0
Total Equity Value	494,797
Diluted Shares Outstanding	17,700
Implied Share Price	\$ 28
Current Share Price	\$ 22.65
Implied Upside	23.42%

WACC	Perpetuity Growth Rate				
	1.00%	1.50%	2.00%	2.50%	3.00%
9.00%	\$ 29.70	\$ 30.98	\$ 32.44	\$ 34.13	\$ 36.11
9.50%	\$ 27.77	\$ 28.87	\$ 30.11	\$ 31.53	\$ 33.17
10.00%	\$ 26.06	\$ 27.00	\$ 28.06	\$ 29.27	\$ 30.64
10.50%	\$ 24.54	\$ 25.35	\$ 26.26	\$ 27.29	\$ 28.46
11.00%	\$ 23.16	\$ 23.87	\$ 24.66	\$ 25.55	\$ 26.54

WACC	Exit Multiple				
	8.0x	8.5x	9.0x	9.5x	9.5x
9.00%	\$ 28.04	\$ 28.97	\$ 29.91	\$ 30.84	\$ 30.84
9.50%	\$ 27.12	\$ 28.01	\$ 28.91	\$ 29.81	\$ 29.81
10.00%	\$ 26.24	\$ 27.09	\$ 27.95	\$ 28.81	\$ 28.81
10.50%	\$ 25.39	\$ 26.21	\$ 27.04	\$ 27.86	\$ 27.86
11.00%	\$ 24.57	\$ 25.36	\$ 26.16	\$ 26.95	\$ 26.95

Appendix

Comparable Company Analysis

Relative Valuation

Company Name	Share Price (\$)	Equity Value (\$M)	Enterprise Value (\$M)	EV / Revenue			EV / EBITDA			Growth (2024)	
				LTM	2023E	2024E	LTM	2023E	2024E	Revenue	EBITDA
Broadridge Financial Solutions, Inc.	\$142.94	\$22,929	\$28,464	3.6x	4.6x	4.4x	17.2x	19.6x	18.9x	4.0%	3.9%
Dye & Durham Limited	\$19.78	\$1,098	\$2,265	4.7x	5.0x	4.6x	14.0x	8.8x	8.1x	9.6%	8.1%
Deluxe Corporation	\$25.88	\$1,116	\$3,358	1.1x	1.5x	1.5x	6.4x	8.5x	8.2x	1.1%	3.3%
Equifax Inc.	\$277.44	\$34,114	\$41,599	6.0x	7.8x	7.1x	18.9x	23.3x	19.7x	10.0%	18.3%
Sylogist Ltd.	\$5.60	\$134	\$141	2.6x	2.3x	2.1x	9.3x	8.5x	7.4x	10.2%	14.1%
Information Services Corporation	\$22.65	\$405	\$458	2.4x	2.3x	2.2x	7.5x	7.3x	7.4x	2.3%	(1.1%)
Maximum	\$277.44	\$34,114	\$41,599	6.0x	7.8x	7.1x	18.9x	23.3x	19.7x	10.2%	18.3%
75th Percentile	\$142.94	\$22,929	\$28,464	4.7x	5.0x	4.6x	17.2x	19.6x	18.9x	10.0%	14.1%
Median	\$25.88	\$1,116	\$3,358	3.6x	4.6x	4.4x	14.0x	8.8x	8.2x	9.6%	8.1%
25th Percentile	\$19.78	\$1,098	\$2,265	2.6x	2.3x	2.1x	9.3x	8.5x	8.1x	4.0%	3.9%
Minimum	\$5.60	\$134	\$141	1.1x	1.5x	1.5x	6.4x	8.5x	7.4x	1.1%	3.3%

Company Name	Share Price (\$)	P / E			EBITDA Margins			Returns			Leverage
		LTM	2023E	2024E	LTM	2021E	2022E	ROIC	ROA	ROE	Debt/EBITDA
Broadridge Financial Solutions, Inc.	\$142.94	31.8x	26.8x	24.7x	21.0%	23.4%	23.3%	7.9%	6.1%	30.1%	3.3x
Dye & Durham Limited	\$19.78	(19.3x)	10.3x	8.0x	33.9%	57.3%	56.5%	2.5%	2.1%	(8.3%)	7.2x
Deluxe Corporation	\$25.88	12.6x	8.4x	7.3x	17.2%	18.2%	18.6%	5.7%	4.3%	11.1%	4.2x
Equifax Inc.	\$277.44	36.2x	38.6x	30.9x	31.8%	33.5%	36.0%	7.0%	5.9%	18.5%	3.6x
Sylogist Ltd.	\$5.60	46.6x	44.6x	46.2x	28.4%	27.7%	28.6%	4.6%	2.8%	6.5%	1.7x
Information Services Corporation	\$22.65	10.9x	12.6x	13.0x	32.4%	31.0%	29.9%	33.8%	13.7%	25.8%	1.4x
Maximum	\$277.44	46.6x	44.6x	46.2x	33.9%	57.3%	56.5%	7.9%	6.1%	30.1%	7.2x
75th Percentile	\$142.94	36.2x	38.6x	30.9x	31.8%	33.5%	36.0%	7.0%	5.9%	18.5%	4.2x
Median	\$25.88	31.8x	26.8x	24.7x	28.4%	27.7%	28.6%	5.7%	4.3%	11.1%	3.6x
25th Percentile	\$19.78	12.6x	10.3x	8.0x	21.0%	23.4%	23.3%	4.6%	2.8%	6.5%	3.3x
Minimum	\$5.60	(19.3x)	8.4x	7.3x	17.2%	18.2%	18.6%	2.5%	2.1%	(8.3%)	1.7x

- Due to the fact that ISV operates in a niche industry and that the only comparable company is not publicly traded, there is no suitable competitor to conduct relative valuation, hence why it has no weight in the target price

Full DCF with Revenue Build

Discounted Cash Flow Analysis (In \$ Thousand C\$)	Actuals					Projections										
	2018A	2019A	2020A	2021A	2022A	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Registry Operations	50,031	48,901	69,535	85,567	91,721	97,683	99,637	101,629	103,662	105,217	106,795	108,397	110,023	111,618	113,237	114,879
% growth		(2.26%)	42.20%	23.06%	7.19%	6.50%	2.00%	2.00%	2.00%	1.50%	1.50%	1.50%	1.50%	1.45%	1.45%	1.45%
Services	42,360	51,131	56,398	75,165	92,306	100,614	103,380	106,223	109,145	111,873	114,670	117,537	120,475	123,427	126,451	129,549
% growth		20.71%	10.30%	33.28%	14.00%	9.00%	2.75%	2.75%	2.75%	2.50%	2.50%	2.50%	2.50%	2.45%	2.45%	2.45%
Technology	6,442	11,416	10,782	8,644	5,849	6,141	6,449	6,771	7,109	7,429	7,764	8,113	8,477	8,859	9,258	9,674
% growth		77.21%	(5.55%)	(19.83%)	10.00%	5.00%	5.00%	5.00%	5.00%	4.50%	4.50%	4.50%	4.49%	4.50%	4.50%	4.50%
Corporate and Other	70	22	8	3	19	19	19	19	19	19	19	19	19	19	19	19
% growth		(68.57%)	(63.64%)	(62.50%)	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Revenues:	98,903	111,470	136,723	169,379	189,895	204,457	209,484	214,643	219,935	224,538	229,248	234,066	238,994	243,923	248,964	254,121
% Growth		12.71%	22.65%	23.88%	12.11%	7.67%	2.46%	2.46%	2.47%	2.09%	2.10%	2.10%	2.11%	2.06%	2.07%	2.07%
Cost of Goods Sold	(25,084)	(31,171)	(31,271)	(40,359)	(49,215)	(52,989)	(54,292)	(55,629)	(57,000)	(58,193)	(59,414)	(60,663)	(61,940)	(63,217)	(64,524)	(65,860)
% of Revenue	25.36%	27.96%	22.87%	23.83%	25.92%	25.92%	25.92%	25.92%	25.92%	25.92%	25.92%	25.92%	25.92%	25.92%	25.92%	25.92%
Gross Profit	73,819	80,299	105,452	129,020	140,680	151,468	155,192	159,014	162,934	166,345	169,834	173,403	177,054	180,705	184,440	188,260
Gross Profit Margin	74.64%	72.04%	77.13%	76.17%	74.08%	74.08%	74.08%	74.08%	74.08%	74.08%	74.08%	74.08%	74.08%	74.08%	74.08%	74.08%
Total Operating Expenses:	(71,265)	(74,171)	(74,784)	(82,266)	(94,485)	(109,600)	(112,295)	(115,060)	(117,897)	(120,365)	(122,889)	(125,472)	(128,114)	(130,756)	(133,458)	(136,222)
Operating Income	2,554	6,128	30,668	46,754	46,195	41,868	42,897	43,954	45,037	45,980	46,944	47,931	48,940	49,950	50,982	52,038
EBIT Margin (%)	2.58%	5.50%	22.43%	27.60%	24.33%	20.48%	20.48%	20.48%	20.48%	20.48%	20.48%	20.48%	20.48%	20.48%	20.48%	20.48%
Income Tax	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%
NOPAT	1,839	4,412	22,081	33,663	33,260	30,145	30,886	31,647	32,427	33,106	33,800	34,510	35,237	35,964	36,707	37,467
Add: Depreciation and Amortization	11,775	11,400	12,724	13,778	14,735	15,865	16,255	16,655	17,066	17,423	17,789	18,162	18,545	18,927	19,318	19,719
% of Revenue	11.91%	10.23%	9.31%	8.13%	7.76%	7.76%	7.76%	7.76%	7.76%	7.76%	7.76%	7.76%	7.76%	7.76%	7.76%	7.76%
Less: Capital Expenditures	(2,775)	(2,829)	(1,223)	(2,227)	(1,464)	(4,089)	(4,190)	(4,293)	(4,399)	(4,491)	(4,585)	(4,681)	(4,780)	(4,878)	(4,979)	(5,082)
% of Revenue	2.81%	2.54%	0.89%	1.31%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Add / (Less): Changes in Net Working Capital	(12,469)	16,888	(35)	14,375	(2,164)	0	0	0	0	0	0	0	0	0	0	0
% of Revenue	(12.61%)	15.2%	0.0%	8.5%	(1.14%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unlevered Free Cash Flow	(1,630)	29,871	33,547	59,589	44,368	41,921	42,951	44,009	45,094	46,038	47,004	47,991	49,002	50,013	51,046	52,103
% Growth		(1932.45%)	12.31%	77.63%	(25.54%)	(5.52%)	2.46%	2.46%	2.47%	2.09%	2.10%	2.10%	2.11%	2.06%	2.07%	2.07%
Discount Period						1	2	3	4	5	6	7	8	9	10	11
Discount Rate						10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Discount Factor						0.909091	0.826446	0.751315	0.683013	0.620921	0.564474	0.513158	0.466507	0.424098	0.385543	0.350494
PV of Unlevered Free Cash Flows						38,110	35,497	33,065	30,800	28,586	26,532	24,627	22,860	21,210	19,680	18,262