



# Vecima Networks Inc.

## Q3FY20 Investor Fact Sheet

TSX: VCM \* Recent Share Price: \$10.30 \* 52-Week Range: \$7.52 - \$11.00 \* Shares Outstanding: 22.4M \* Market Cap: \$231.0M

Vecima (TSX:VCM) is a global leader focused on developing integrated hardware and scalable software solutions for broadband access, content delivery, and telematics. We enable the world’s leading innovators to advance, connect, entertain, and analyze. We build technologies that transform content delivery and storage, enable high-capacity broadband network access, and streamline data analytics.



Video and Broadband Solutions	Content Delivery and Storage	Telematics
Includes platforms and modules that process data from the cable network and deliver it in formats suitable to be consumed on televisions and Internet devices.	Includes solutions and software, under the MediaScaleX™ brand, for industries and customers that focus on storing, protecting, transforming and delivering high value media assets.	Provides fleet managers with the key information and analytics they require to optimally manage their mobile and fixed assets under the Contigo, Nero Global Tracking, and FleetLynx brands.

### Our Strategy

Our growth strategy focuses on the development of our core technologies, including next generation platforms such as our new DOCSIS 3.1 platform, Entra, as well as new IP video storage, distribution and transcoding technologies being developed under the MediaScaleX™ and ContentAgent brands. We intend to continue pursuing profitable growth both organically and when appropriate, through value enhancing strategic acquisitions.

## Highlights for Q3 Fiscal 2020

### Corporate

- Delivered a strong quarter while navigating the potential impact of COVID-19
- Grew consolidated sales 23.5% year-over-year

### Video and Broadband Solutions

- Achieved \$1.8 million in Entra family product sales with multiple products within Entra DAA ecosystem purchased by a wide group of MSOs
- Increased TerraceQAM sales by 125% year-over-year

### Content Delivery and Storage

- Generated segment sales of \$14.2 million, a 119% increase year-over-year
- Further advances in the IPTV market with the win of four new customers for MediaScaleX products, including three new wins in the quarter and one subsequent to quarter-end

### Telematics

- Continued penetration in the moveable assets market, adding six new restoration industry customers

## Financial Results (C\$ in millions except percentage and per-share data)

	Q3FY20	Q2FY20	Q3FY19
Revenue	\$25.1	\$25.1	\$20.3
Gross Margin	52%	64%	53%
Net Income/(Loss)	\$0.7	\$3.6	\$(1.5)
Earnings/(Loss) Per Share*	\$0.03	\$0.16	\$(0.07)
Adjusted EBITDA**	\$5.6	\$7.0	\$0.4
Cash and Short-term Investments	\$36.2	\$40.2	\$47.2

\*Based on weighted average number of shares outstanding.

\*\*Adjusted EBITDA is a Non-GAAP measure. For reconciliation of adjusted EBITDA to the most directly comparable financial measure calculated in accordance with GAAP, please see Vecima's most recently filed Management's Discussion and Analysis, which is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.vecima.com](http://www.vecima.com).

## Fiscal 2020 Outlook and COVID-19 Impact\*

Around the globe, social distancing and stay-at-home mandates related to the COVID-19 pandemic are driving unusually high levels of utilization across our customers' cable and IPTV networks. As a manufacturer and provider of communications solutions that expand the capacity of our customers' networks, Vecima's operations are not only deemed essential, but we have seen interest in our solutions increase in recent months. Our manufacturing sites have continued to operate at or near normal levels, and we have not as of yet encountered significant disruptions to our supply chain. Longer term, it is difficult to predict what the full economic, supply chain and network development impacts of the COVID-19 pandemic will be, given the evolving and uncertain nature of this crisis. We will continue to monitor the situation closely and make adjustments to our business as necessary. As it currently stands, we continue to feel well positioned to manage any COVID-19 related risks leading into Q4 fiscal 2020. Meanwhile, as anticipated, Vecima's Content Delivery and Storage segment remains on track to deliver 20% or better segment sales growth in fiscal 2020.

## Analyst Coverage

Todd Coupland,  
CIBC World Markets

David Kwan,  
PI Financial Corp.

## Executive Team

Sumit Kumar,  
President and CEO

Dale Booth,  
CFO

## Corporate Information

Employees: 375

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