

VCM = PROFITABLE GROWTH

# SEPTEMBER 2020 INVESTOR UPDATE

September 29, 2020

# SAFE HARBOUR

## Forward-Looking Statements

Certain statements in this presentation may constitute forward-looking statements within the meaning of applicable securities laws. All statements other than statements of historical fact are forward-looking statements. These statements include but are not limited to statements regarding management's intentions, belief or current expectations with respect to market and general economic conditions, future costs and operating performance. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict, and/or are beyond our control. A number of important factors could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. These factors include, but are not limited to, the distinctive characteristics of Vecima's operations and industry that may have a material impact on, or constitute risk factors in respect of Vecima's future financial performance, as set forth under the heading "Risk Factors" in the Company's Annual Information Form dated September 24, 2020, a copy of which is available at [www.sedar.com](http://www.sedar.com). In addition, although the forward-looking statements in this presentation are based on what management believes are reasonable assumptions, such assumptions may prove to be incorrect. Consequently, investors should not place undue reliance on such forward-looking statements. In addition, these forward-looking statements relate to the date on which they are made. Vecima disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

## Non-GAAP Financial Measurements

In an effort to provide investors with additional information regarding the company's results as determined by generally accepted accounting principles (GAAP), the company also discusses, in its earnings press release and earnings presentation materials, non-GAAP information which management believes provides useful information to investors. Non-GAAP measures do not have a standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other issuers. Additional information is available at [www.SEDAR.com](http://www.SEDAR.com) or on our website at [www.vecima.com](http://www.vecima.com).

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THE VECIMA LEADERSHIP TEAM

OUR INDUSTRY

OUR BUSINESS

ADDRESSING THE OPPORTUNITY

FINANCIALS

# COMPANY OVERVIEW

**1988** Company Founded

**2005** Listed on Toronto Stock Exchange - TSX:VCM

**377** Total Employees (as at June 30, 2020)

**30+** Years of Profitability

**11** Offices Globally – Headquartered in Victoria, BC

**5** Continents with Active Deployments

**3** Business Segments

**\$96.4M** Fiscal 2020 Sales

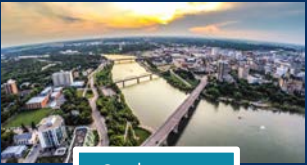
Vecima is a global leader focused on developing integrated hardware and scalable software solutions for broadband access, content delivery and telematics. We enable the world's leading innovators to advance, connect, entertain, and analyze.



Victoria

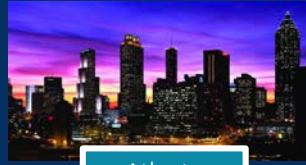


Vancouver



Saskatoon

CANADA



Atlanta



Sunnyvale

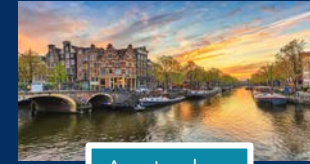


Raleigh

UNITED STATES



London



Amsterdam

EUROPE



Tokyo



Shanghai



Qingdao

ASIA

ADDED THROUGH THE NOKIA ACQUISITION

# EXPANDED GLOBAL COVERAGE

# THREE OPERATING BUSINESS SEGMENTS



## VIDEO & BROADBAND SOLUTIONS

\$35.9M\*

Cable network infrastructure for  
gigabit class broadband internet  
access

Hospitality video platforms for  
commercial properties



## CONTENT DELIVERY & STORAGE

\$55.2M\*

IPTV software and systems from  
creation to delivery

Streaming, cloud DVR, on-demand,  
time shift applications



## TELEMATICS

\$5.4M\*

GPS-based fleet management  
solutions

Moveable asset tracking solutions

Regulatory compliance

\*Total segmented revenue for Fiscal 2020





**Sumit Kumar,**  
**President and CEO**

Over 25 years of c-level, executive and technical experience, including senior management positions in strategy, business development and R&D.



**Dale Booth,**  
**Chief Financial Officer**

Over 30 years of senior management experience in finance, corporate accounting and investments. CPA, CA designated.



**Dean Rockwell,**  
**Executive Vice President**

Over 30 years of experience in c-level and senior management roles in sales, business development, strategy, product management and operations.



**Clay McCreery,**  
**Chief Operations Officer**

Over 20 years in the technology sector with experience in c-level management, M&A transactions, strategy development, sales and product management.



**Colin Howlett,**  
**Chief Technology Officer**

Over 20 years of technical experience in developing cable broadband access systems and working with customers and industry standards bodies to define next-generation cable technology.

***Dynamic  
Leadership Team***

***Extensive Industry  
Experience***

***Driving Growth and  
Profitability***

# VECIMA EXECUTIVE MANAGEMENT TEAM



**Surinder Kumar, Chairman of the Board**  
Founder of Vecima Networks



**Sumit Kumar, Director**  
President and CEO of Vecima Networks



**T. Kent Elliott, Independent Director**  
Former CEO and Executive Vice-Chairman at ForeScout Technologies



**Danial Faizullahoy, Independent Director**  
Senior Advisor at Glasnostic since June 2020. Former CEO of Cypherpath



**Ben Colabrese, Independent Director**  
EVP Finance for the Toronto Blue Jays and SVP, Finance for Rogers Communications



**Derek Elder, Independent Director**  
President of Sercomm Americas and Director of Zoom Telephonics

- ✓ **4 Independent Directors**
- ✓ **Technology Sector Experience**
- ✓ **Executive Leadership Experience**



**Targeted skillsets in:**

- ✓ **M&A**
- ✓ **Finance**
- ✓ **Venture Capital**
- ✓ **Strategic Growth**



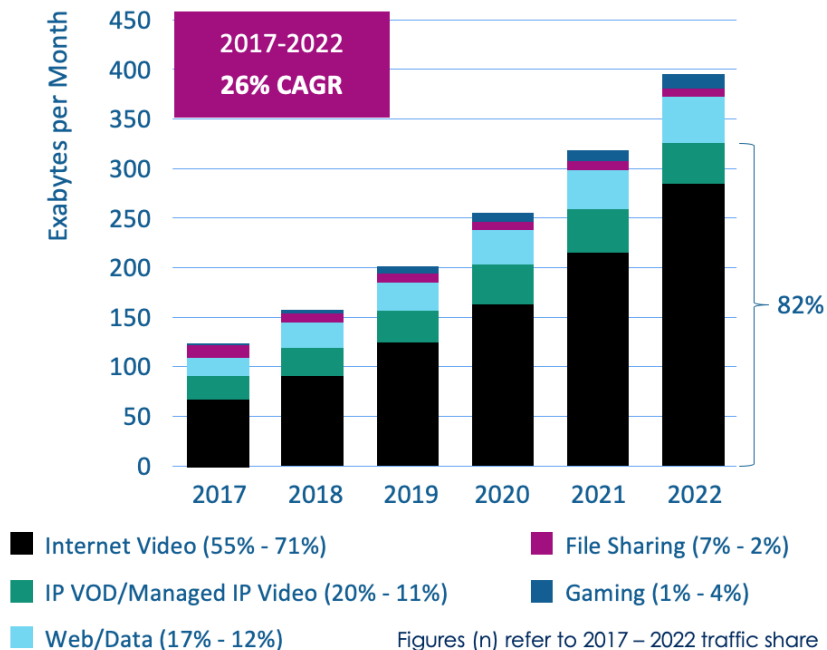
# VECIMA BOARD OF DIRECTORS



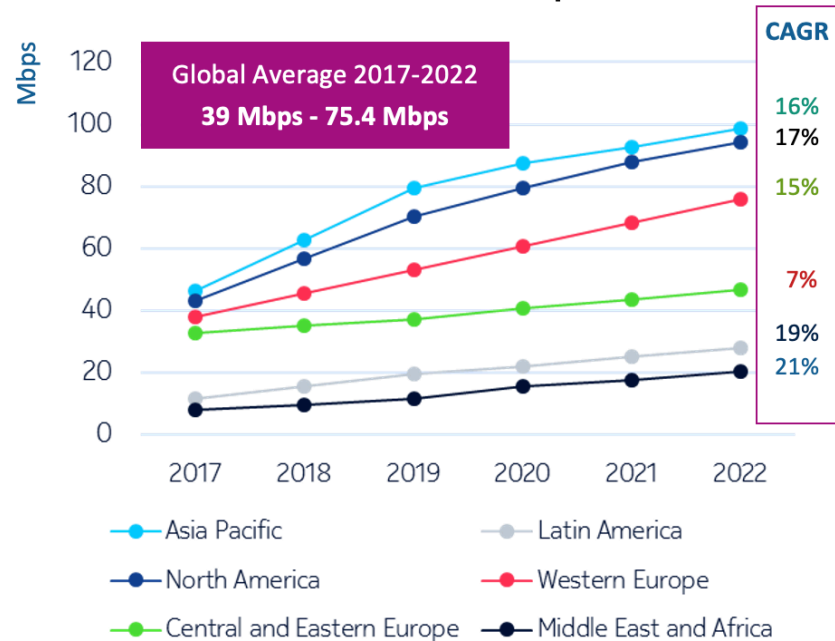


# 30+ YEARS OF GLOBAL MSO RELATIONSHIPS

## Global IP Traffic



## Fixed Broadband Speeds

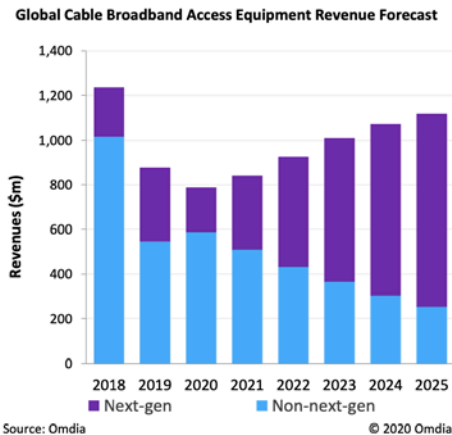


Source: Cisco VNI Global IP Traffic Forecast, 2017-2022

# GLOBAL REQUIREMENTS CONTINUE TO EXPLODE

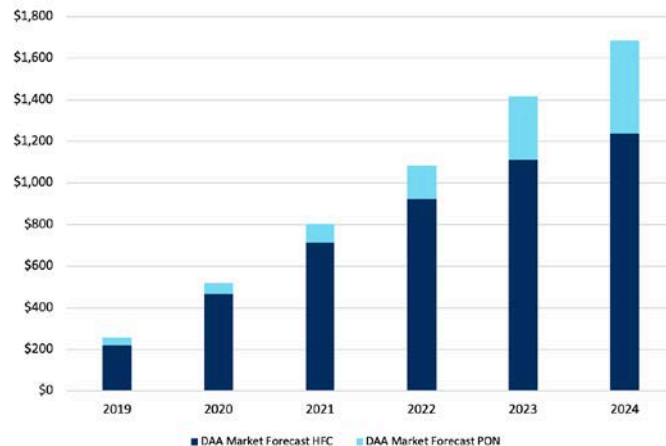
## DAA momentum will transform cable market

- Omdia's cable broadband access equipment forecast – updated August 2020.
- Next-gen technologies include vCMTS/CCAP, Remote PHY/Remote MACPHY Devices and Shelves, and DAA Fiber Nodes.
- Post-pandemic, market will regain momentum, approaching \$1.2B in 2025.
- By 2025, next-gen technologies will make up 75%+ of global cable access equipment revenues.



## DAA Market Size (\$M)

DAA market is accelerating



- Market is Global & Accelerating
- Deploying & seeing momentum across all regions
- Major MSO's making significant investments

# DAA MOMENTUM TRANSFORMING THE CABLE MARKET



Google Fiber

## The Landscape of 5G

5G will differentiate itself by delivering various improvements:



**10x**

**Decrease in latency:**  
Delivering latency as low as 1 ms.



**10x**

**Connection density:**  
Enabling more efficient signaling  
for IoT connectivity.



**10x**

**Experienced throughput:**  
Bringing more uniform, multi-Gbps  
peak rates.



**3x**

**Spectrum efficiency:**  
Achieving even more bits per Hz with  
advanced antenna techniques.



**100x**

**Traffic capacity:**  
Driving network hyper-densification  
with more small cells everywhere.



**100x**

**Network efficiency:**  
Optimizing network energy consumption  
with more efficient processing.



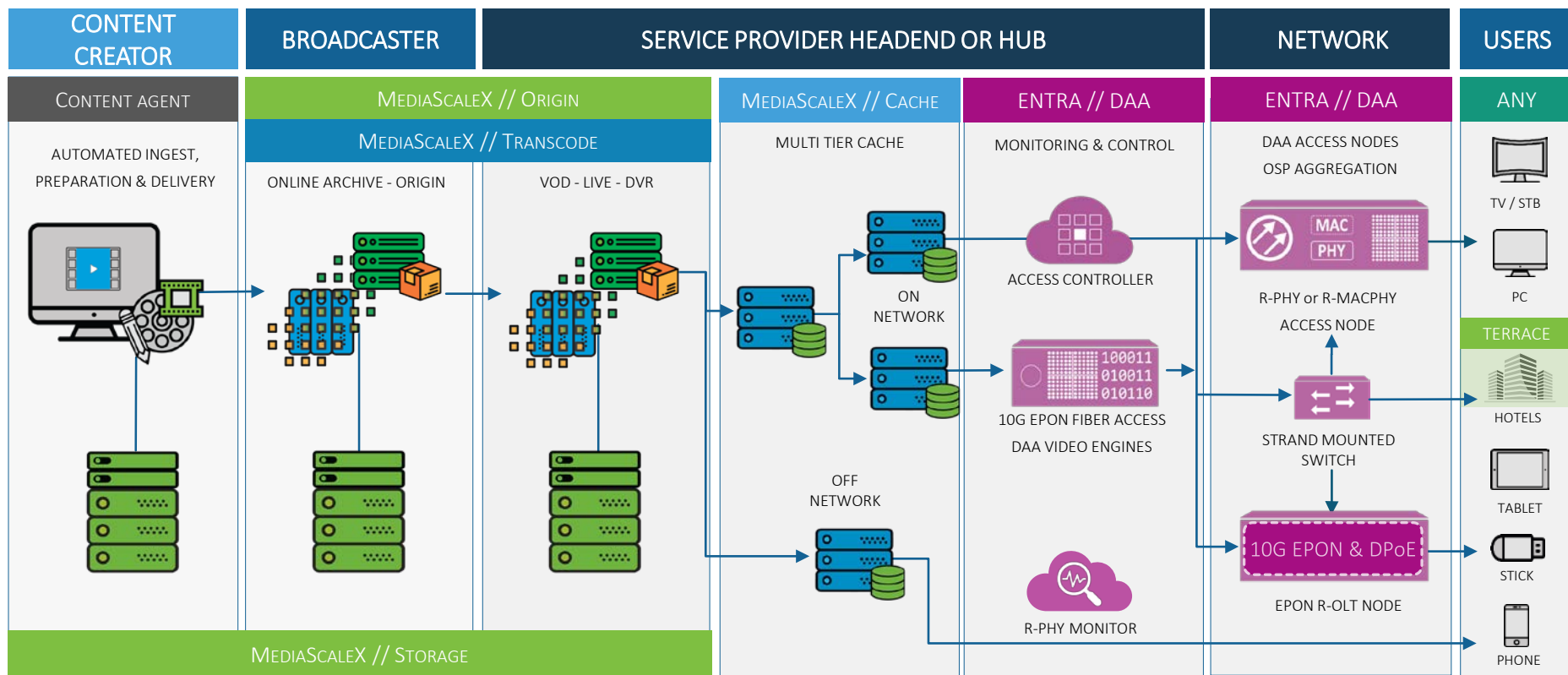
AT&T Wireless



verizon wireless

T Mobile

# THE BANDWIDTH WARS ARE BACK!



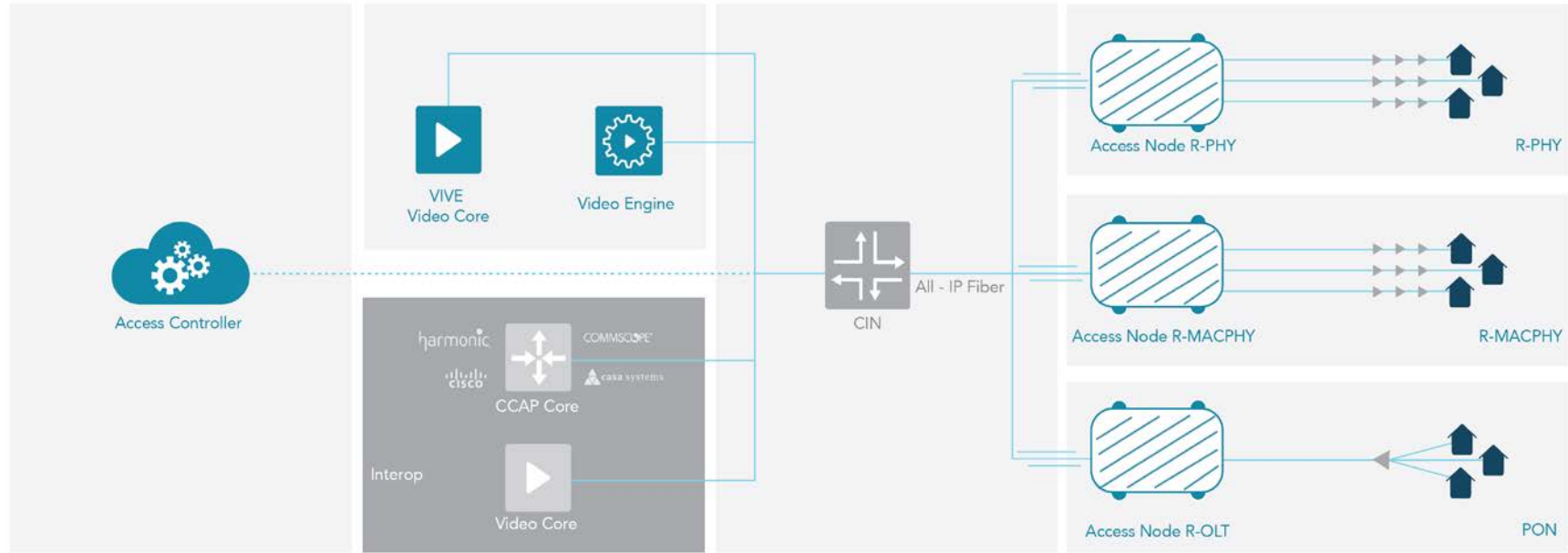
END-TO-END VECIMA VALUE

Common  
Controller

Core  
Flexibility

Common Routing  
& Switching

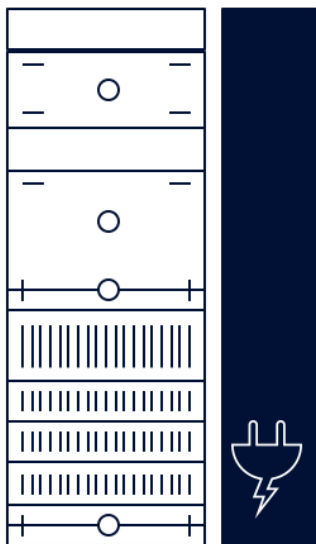
Any Service, Any  
Medium



\*DELL'ORO Group [www.delloro.com](http://www.delloro.com)

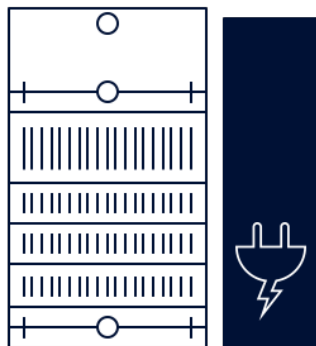
ENTRA UNIFIED CABLE ACCESS - \$1.5BN\* MARKET





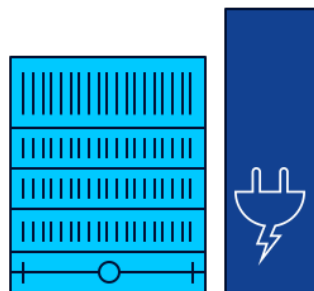
~ 180 rack units ~ 290 kW

"Big Iron" I-CCAP



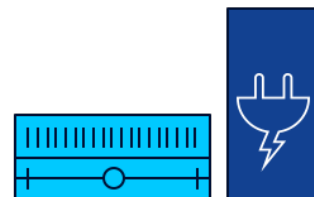
~ 110 rack units ~ 180 kW

"Big Iron" CCAP-core + R-PHY



~ 78 rack units ~ 155 kW

Nokia vDAA | vCMTS in Hub



~ 32 rack units ~ 105 kW

Nokia vDAA | vCMTS on Node

6x

Reduction in  
rack space

3x

Reduction  
in power

0

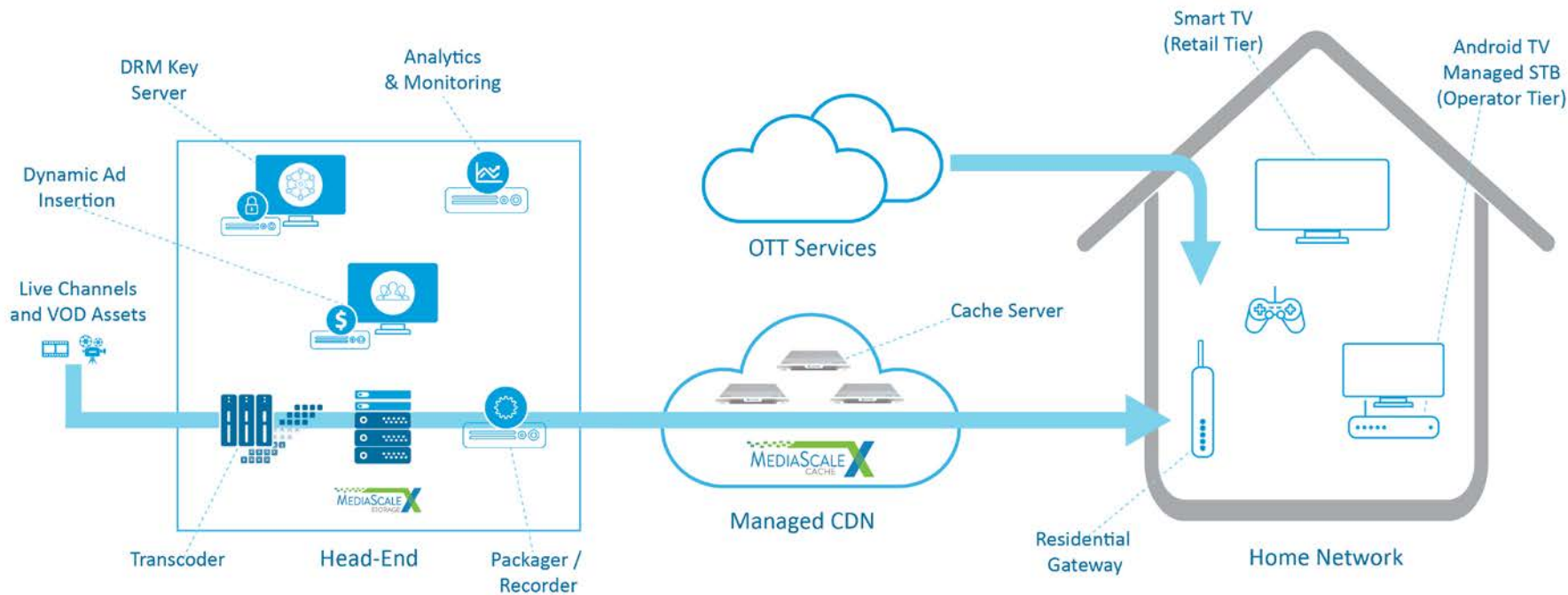
more  
analog fiber

∞

Future-proof  
IP network

Headend equipment for 1,000 service groups  
Power includes outside plant

# ENVIRONMENTAL IMPACT OF DAA



# VECIMA MODERNIZED IPTV PLATFORM

## ► Invest and Grow IP Network

- Move more services to IP
- Reclaim spectrum for data
- Control Infrastructure Costs
- Reduce CPE costs

## ► Increase Subscribers and ARPU

- Video Drives Data Usage / Demand
- Reduce Churn



# MSO BUSINESS PLANS

# FINANCIALS

# VECIMA FINANCIAL OVERVIEW

## Why Vecima?

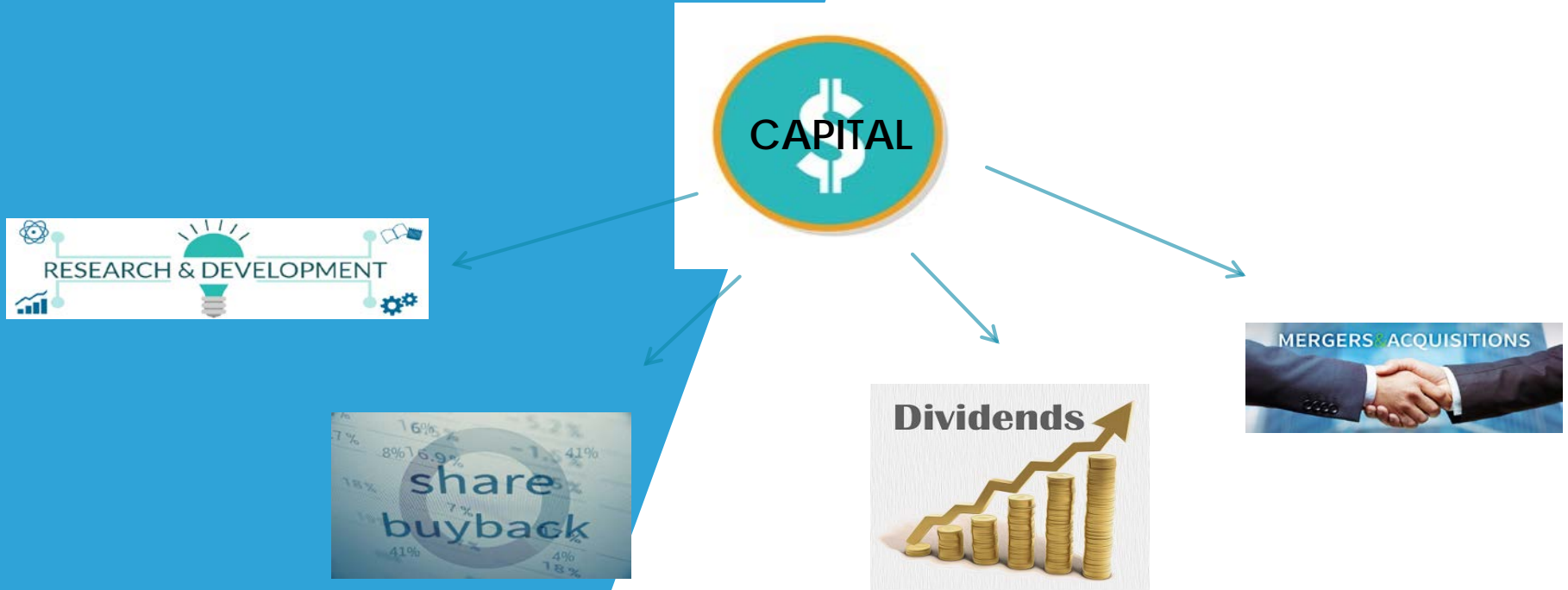
- Expert Management Team
- Solid Balance Sheet
- Clear and Differentiated Value Proposition
- Organic and Acquisitive Growth Strategy
- Quarterly Dividends (\$29.9M returned to shareholders since October 2014)

<i>in CDN\$</i>	As At June 30, 2020	As At June 30, 2019
Cash & ST Investments	\$34.5M	\$44.4M
Total Assets	\$210.3 M	\$200.8M
Long-term debt	\$4.6M	\$1.7M
Shareholders' equity	\$179.8M	\$180.8M
Employees	377	364

*Recent Market Cap of \$281.2M (as at September 14, 2020)*

FOCUSED ON PROFITABILITY AND RETURN ON EQUITY

# CAPITAL ALLOCATION

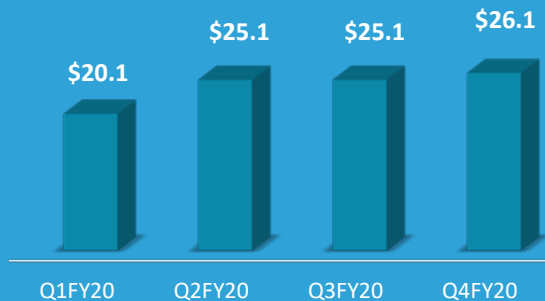


USE OF CASH

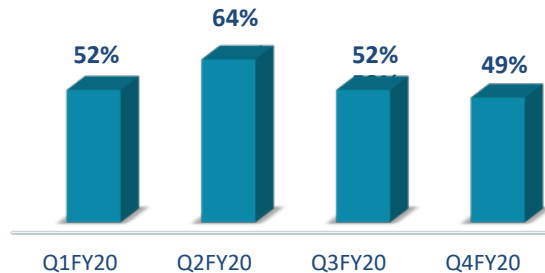


# FINANCIAL HIGHLIGHTS - QUARTERLY

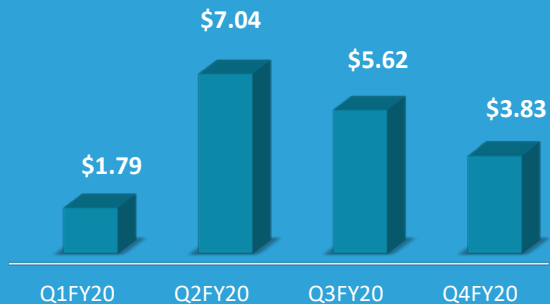
## Revenue (\$M)



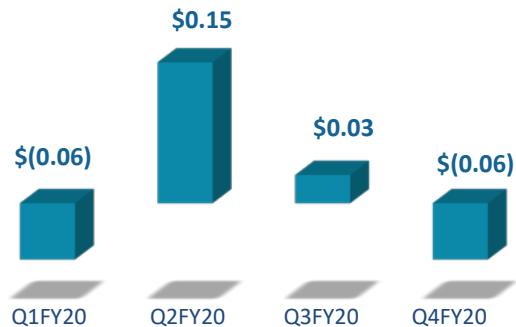
## Gross Margin (%)



## Adjusted EBITDA (\$M)

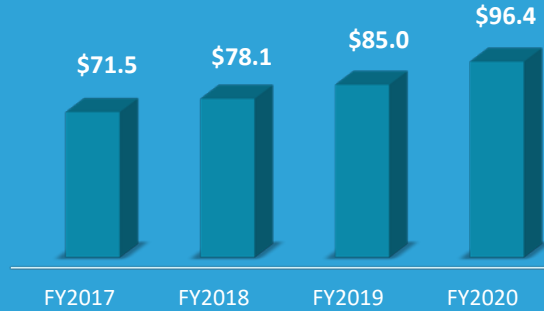


## Adjusted Earnings Per Share

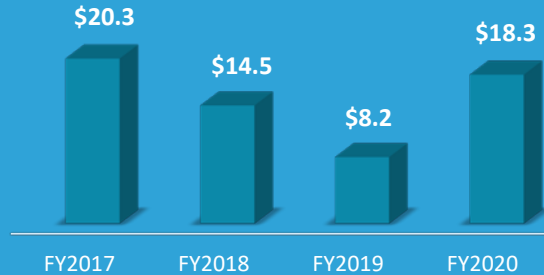


# FINANCIAL HIGHLIGHTS - ANNUAL

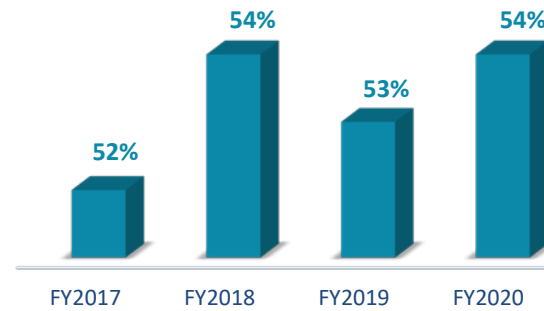
## Revenue (\$M)



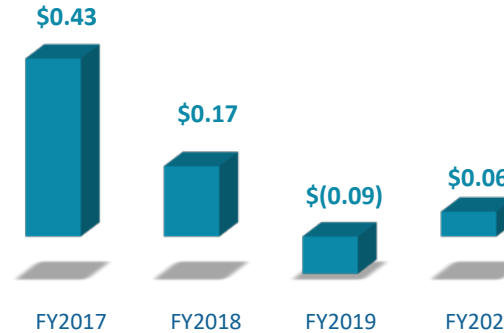
## Adjusted EBITDA (\$M)



## Gross Margin (%)



## Adjusted Earnings Per Share



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**CONTACT VECIMA**

# Thank You

