



Vecima Networks Inc. Q4FY20 Investor Fact Sheet

TSX: VCM * Recent Share Price: \$12.50 * 52-Week Range: \$7.51 - \$12.51 * Shares Outstanding: 22.5M * Market Cap: \$281.2M

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 Fiscal 2020

Corporate

- Fiscal 2020 consolidated sales grew to \$96.4 million and full year gross profit grew to \$52.3 million
- Grew full-year gross profit 17% to \$52.3 million, delivering a gross margin of 54%

Video and Broadband Solutions

- Captured next generation Entra family sales of \$5.3M in Fiscal 2020, including \$2.1M in Q4 2020 representing only the very start of the major DAA market ahead for the company

Content Delivery and Storage

- Achieved record FY2020 Content Delivery and Storage results and growth, with segment revenue growing 32% and gross profit increasing 38% year-over-year

Telematics

- Steady progress in the moveable assets market with 21 new restoration customers by fiscal year-end and over 6,000 assets being monitored with Vecima Bluetooth Low Energy tags

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

	Q4FY20	Q4FY19	FY2020
Revenue	\$26.1	\$20.7	\$96.4
Gross Margin	49%	49%	54%
Net (Loss) Income	\$(1.0)	\$(3.0)	\$1.8
(Loss) Earnings Per Share*	\$(0.05)	\$(0.13)	\$0.08
Adjusted EBITDA**	\$3.8	\$0.3	\$18.3
Cash and Short-term Investments	\$34.5	\$44.4	\$34.5

*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 and on the Company's website at www.vecima.com.

Outlook

In our Video and Broadband Solutions segment, we anticipate a building of momentum for our next generation Entra DAA products in fiscal 2021, particularly in the second half. Together with the new DAA Remote MACPHY, access controller and 10G EPON products gained through our recent acquisition of the Nokia cable access portfolio, we believe Vecima now offers the industry's strongest and most relevant DAA portfolio for the cable industry evolution underway and we anticipate meaningful sales growth for our entire Entra portfolio in fiscal 2021. Our Content Delivery and Storage segment is positioned for measured growth in fiscal 2021 as we consolidate the record-setting new business wins of fiscal 2020. We expect demand for our MediaScaleX solutions will remain strong as additional operators begin their evolution to IPTV. We note, as always, that the Content Delivery and Storage segment is prone to significant quarter-to-quarter revenue variations due to the size and timing of orders. In the Telematics segment, we anticipate incremental growth in demand from the fleet tracking market in fiscal 2021, along with continued gradual growth in demand for our asset tracking services. Overall, we anticipate a strong fiscal 2021 for Vecima in as our multi-year investment, development, and strategic acquisition strategy continues to bear fruit.

Analyst Coverage

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Executive Team

Sumit Kumar,
President and CEO

Dale Booth,
CFO

Corporate Information

Employees: 377

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