



# Fiscal Year 2022 Q3 Results

Quarterly Investor Call



May 2022  
March 2022 Ending Results Incorporated

# SAFE HARBOUR

## Forward-Looking Statements

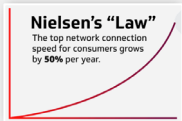
Certain statements in this presentation may constitute forward-looking statements within the meaning of applicable securities laws. All statements other than statements of historical fact are forward-looking statements. These statements include, but are not limited to, statements regarding management's 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 23, 2021, 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-IFRS Financial Measurements

In an effort to provide investors with additional information regarding the Company's results as determined by International Financial Reporting Standards (IFRS), the Company also discusses, in its earnings press release and earnings presentation materials, non-IFRS information which management believes provides useful information to investors. Non-IFRS 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).

# Three Trends Drive Our Investments

**High-Speed Data  
rates will increase to 10Gbps+  
over the next 5-10 years**



50% Annual Growth



Augmented Reality



Gaming



Metaverse

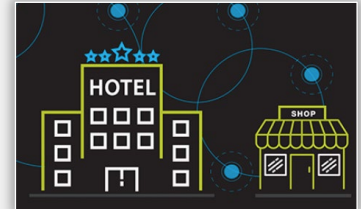
**Video Conferencing and OTT  
Delivered Video will continue  
to grow at high rates**



STARZ



**Enterprise Market for Bundled  
Data & IP Video Solutions will be  
critical to MSO/BSP offerings**



# Q3 FY2022 Highlights

**Record Revenue:**  
\$50.9M (up 60%  
YoY and 17%  
QoQ)



**Record Gross  
Profit: \$24.0M (up  
67% YoY and 10%  
QoQ)**



**Gross Margin:**  
47.1%, Cash  
Balance: \$10.6M

**Adjusted EBITDA  
of \$8.1M up 314%  
YoY and 9% QoQ**

**Record VBS sales  
climbing 70% YoY  
& 36% QoQ to  
\$37.0M**



**CDS sales of  
\$12.5M, up 43%  
YoY and -16% QoQ**

# Vecima's Competitive Edge



Most Open &  
Interoperable



Most Industry-  
Focused Vendor  
in Market



Widest Solution  
Ecosystem



Global Sales Team  
/ Momentum



Credibility in  
Market



**Flexibility  
=  
Design Wins**

**\$350M+ R&D  
Accumulated  
over 7 years**

**Cable  
Fiber  
IP Video  
Commercial**

**Scale  
Knowledge  
Support**

**Invented  
Developed  
Deployed**

COMPANY

MARKET  
OPPORTUNITY

INDUSTRY-  
LEADING  
TECH

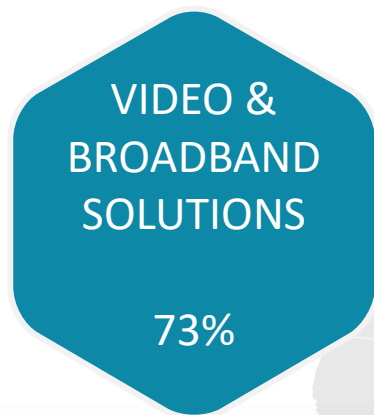
OPERATIONAL  
EXCELLENCE

FINANCIAL  
PERFORMANCE

LEADERSHIP

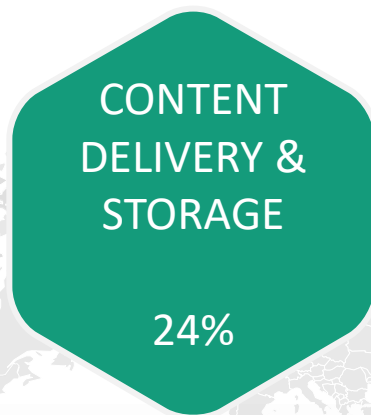


# Three Business Segments



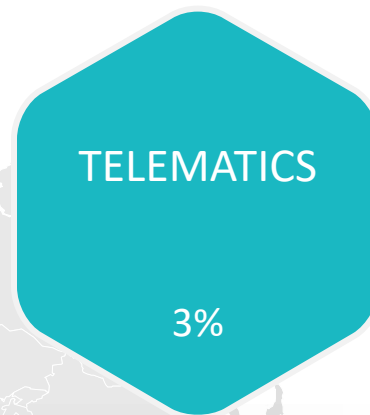
Service Provider infrastructure for  
gigabit broadband internet access

Hospitality video platforms for  
commercial properties



IPTV software and systems  
from creation to delivery

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



GPS-based fleet management  
solutions

Moveable asset tracking  
solutions

Regulatory compliance

30+ Years  
of Innovation &  
Profitability

548  
Employees

68%  
Engineers / R&D

10  
Offices Globally

3  
Business Segments

**FY'2020 Sales: \$96.4M CAD | FY'2021 Sales: \$124.2M CAD | FY'2022 3Q YTD Sales: \$126.9M CAD**

COMPANY

MARKET  
OPPORTUNITY

INDUSTRY-  
LEADING TECH

OPERATIONAL  
EXCELLENCE

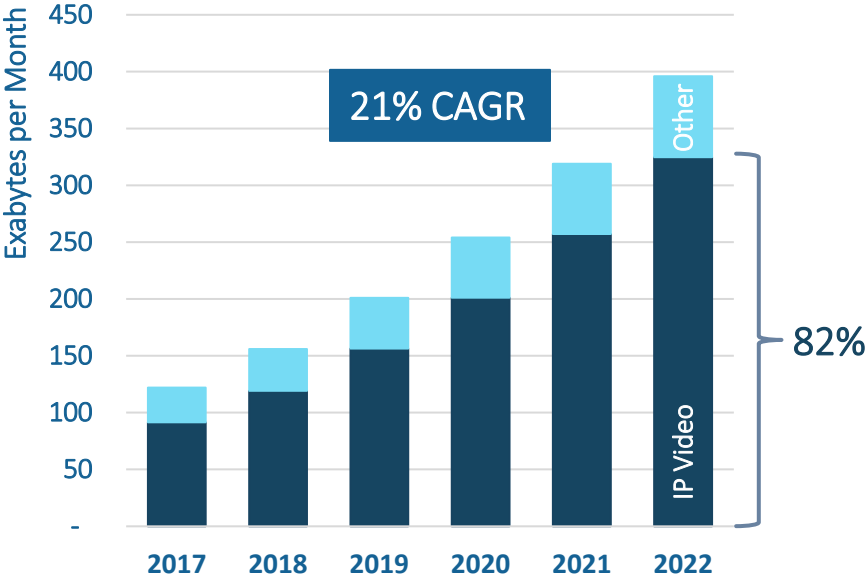
FINANCIAL  
PERFORMANCE

LEADERSHIP



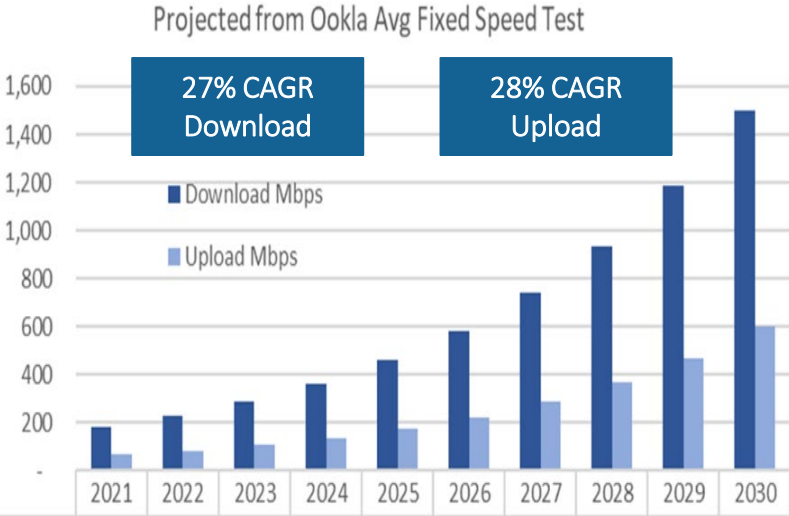
# Global Broadband Demand Continues to Explode

Global IP Traffic



Source: Cisco VNI Global Traffic Forecast, 2017-2022 & 2018-2023

Global Broadband Speeds



Source: Fiber Broadband Association, Digital Divide Whitepaper 2021

## Video Drives Global IP and Broadband Demand

## The Last Mile



Company Achieves a  
Live Network With  
1.25Gbps Speed Up  
and Down



AT&T will expand its fiber  
footprint to 3M additional  
locations this year.



Google Fiber 2-Gig  
service goes live



Charter launches \$5 billion  
initiative to expand broadband  
availability

**CABLE & FIBER ACCESS TO HOME  
AND BUSINESS**

## The 5G Mobile Last Mile



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



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



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



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



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



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



**5G MOBILE BACKHAUL**

# Huge and Growing Rural Broadband Investment

## Rural Digital Opportunity Fund



### \$20.4B USD to:

- Build out rural fiber in US over 10 years
- Many Vecima customers have received funding
- Vecima Tier 1 US operator initiating huge fiber build
- Incremental to existing FTTH opportunity

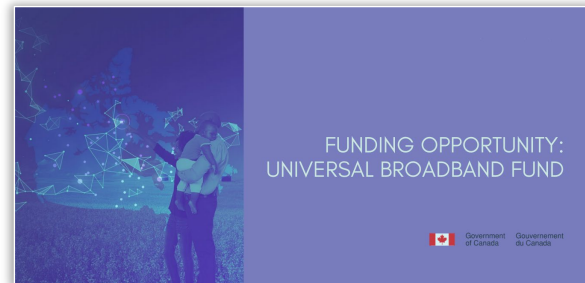
## American Jobs Plan



### \$100B USD to:

- Build high-speed broadband US infrastructure to reach 100% coverage
- Promote transparency and competition
- Reduce cost of broadband internet service, promote more widespread adoption

## Universal Broadband Fund

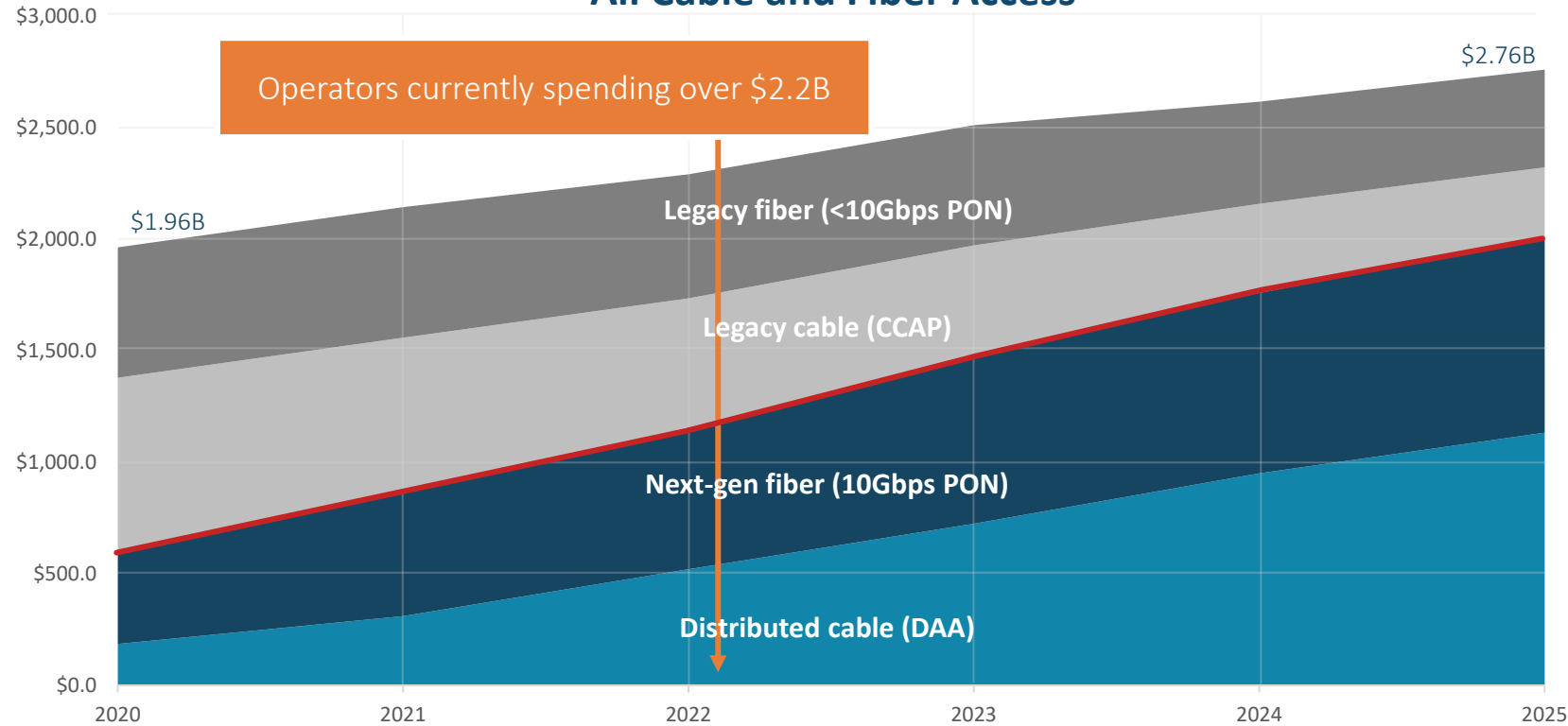


### \$2.75B CAD to:

- Support high-speed internet projects across Canada
- Bring Internet at speeds of 50/10 Megabits per second (Mbps) to rural and remote communities

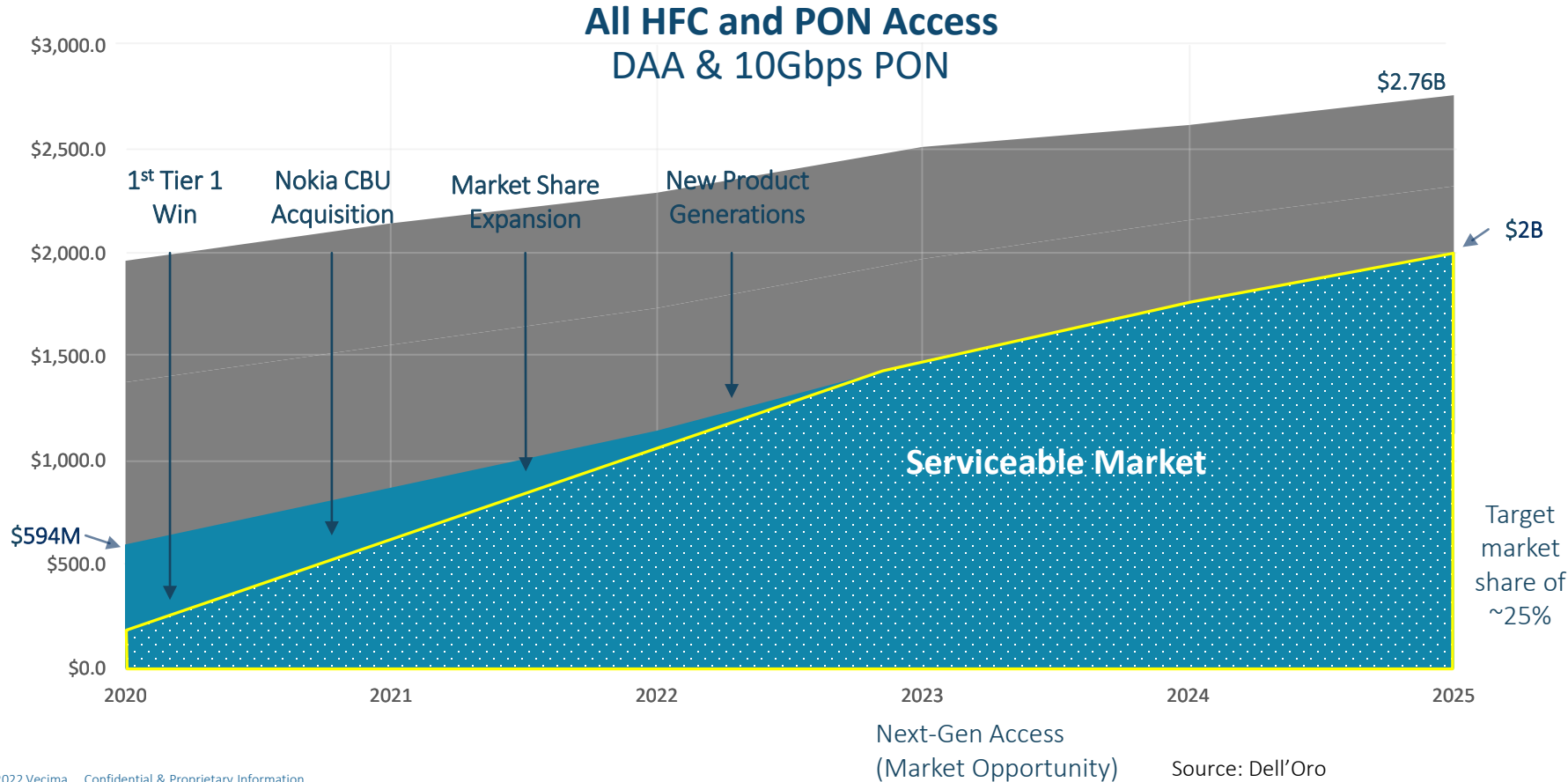
# Cable & Fiber Access Market Opportunity

## All Cable and Fiber Access



Source: Dell'Oro  
Units: USD

# Cable & Fiber Access Market Opportunity



COMPANY

MARKET  
OPPORTUNITY

INDUSTRY-  
LEADING  
TECH

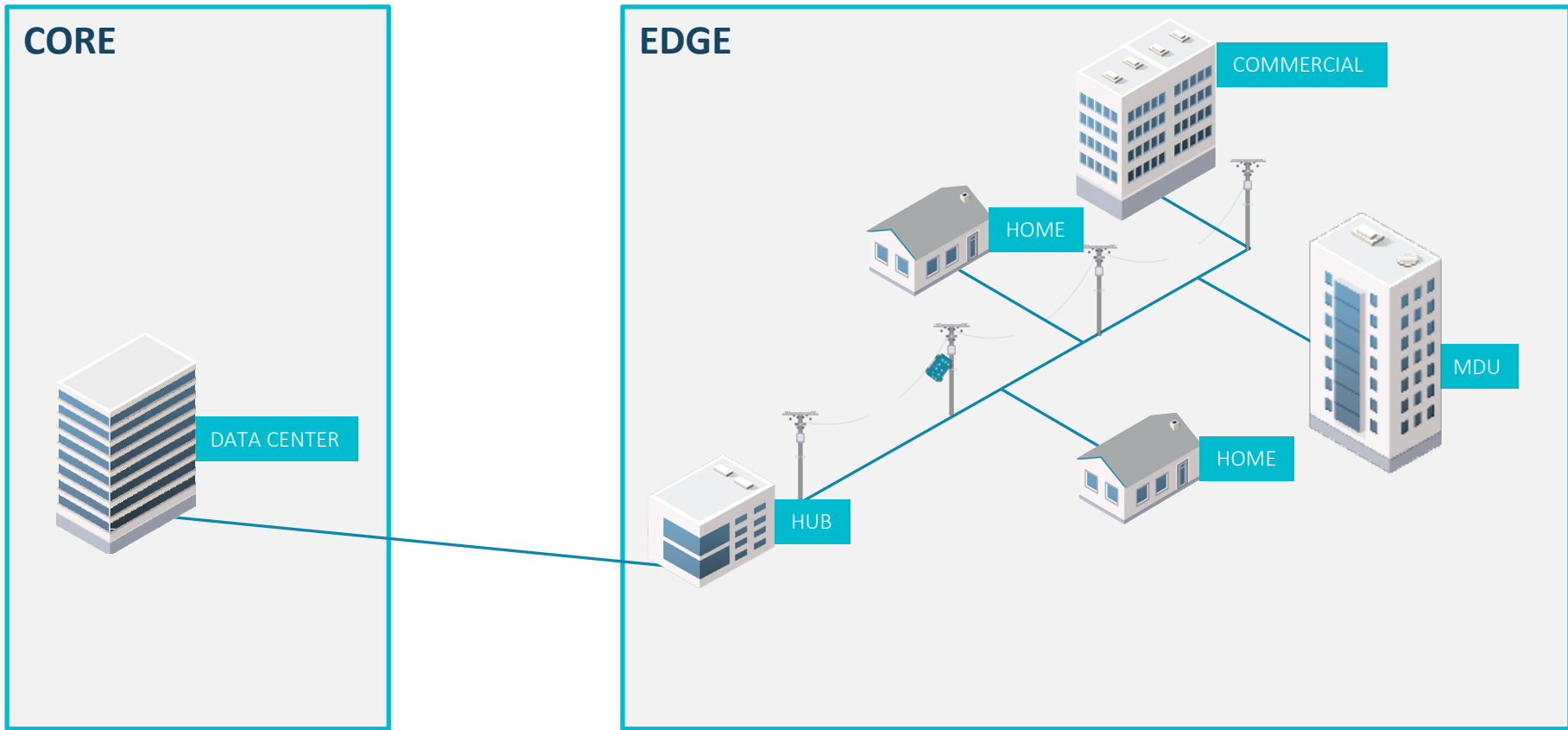
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EXCELLENCE

FINANCIAL  
PERFORMANCE

LEADERSHIP



# Network Architectures are Evolving



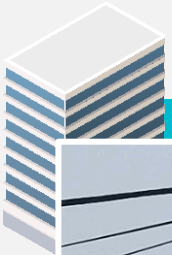
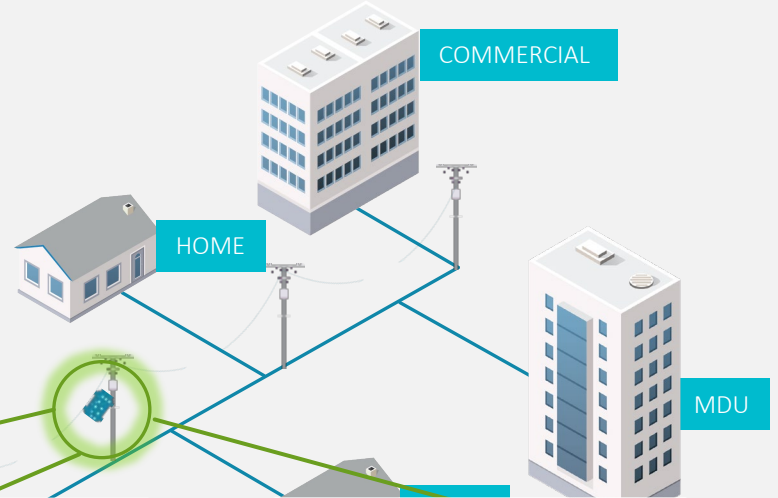
# Network Architectures are Evolving

## CORE

## EDGE

*Today, there are ~1 million nodes deployed.*



*Expected to increase 4x to 4+ million nodes by 2025*



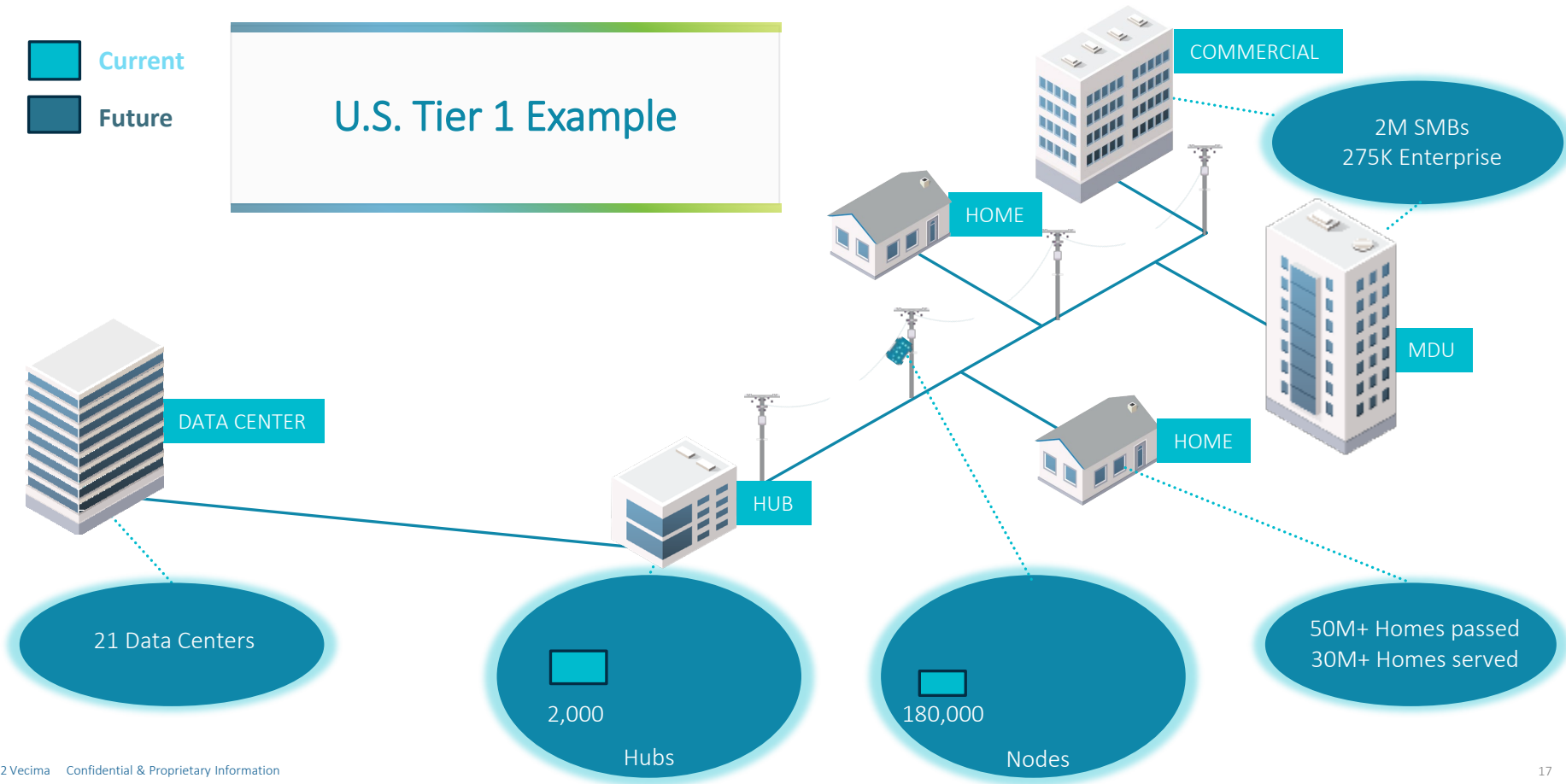
DATA CENTER



# Network Architectures are Evolving

 Current  
 Future

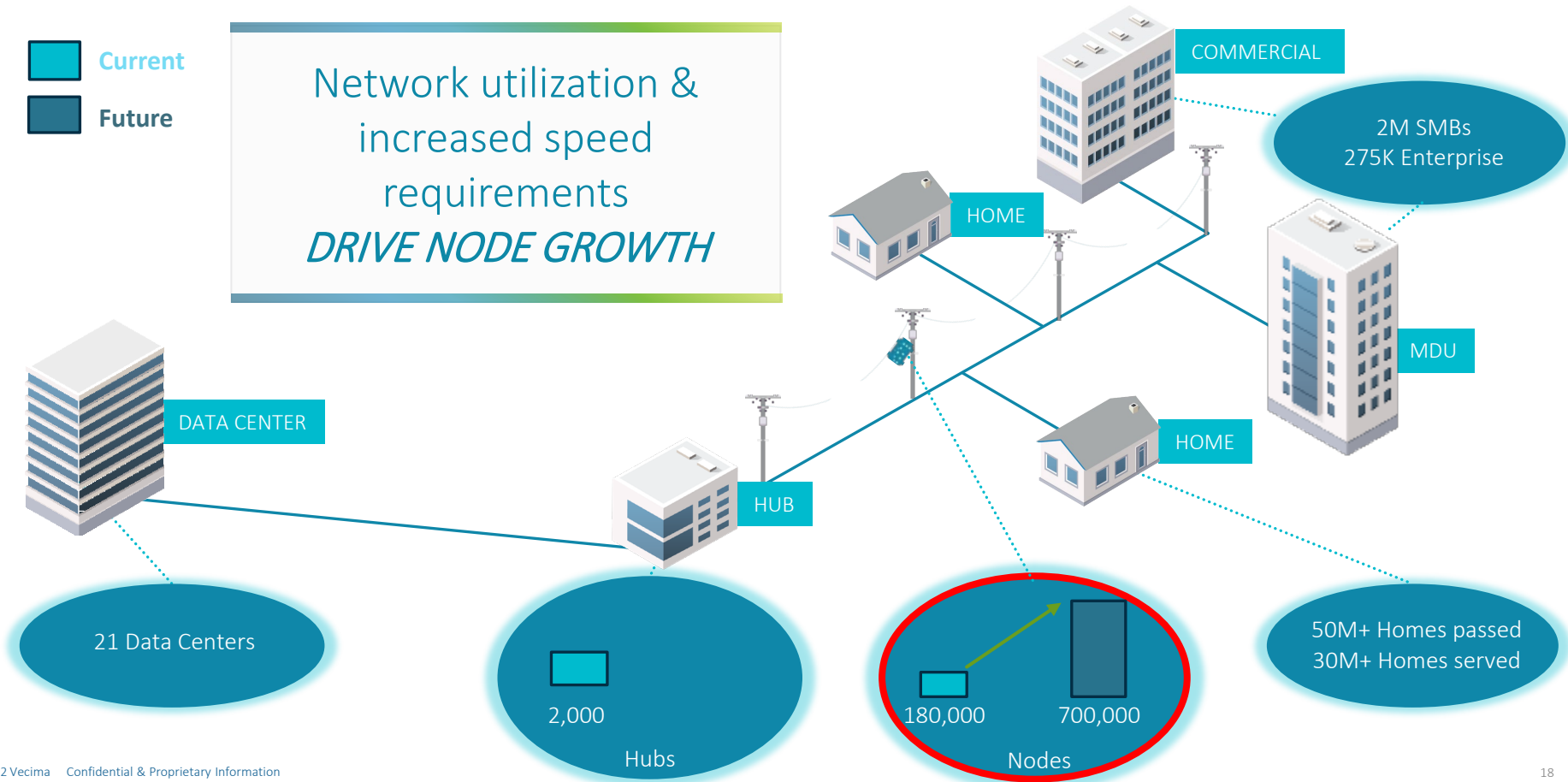
U.S. Tier 1 Example





# Network Architectures are Evolving

 Current  
 Future

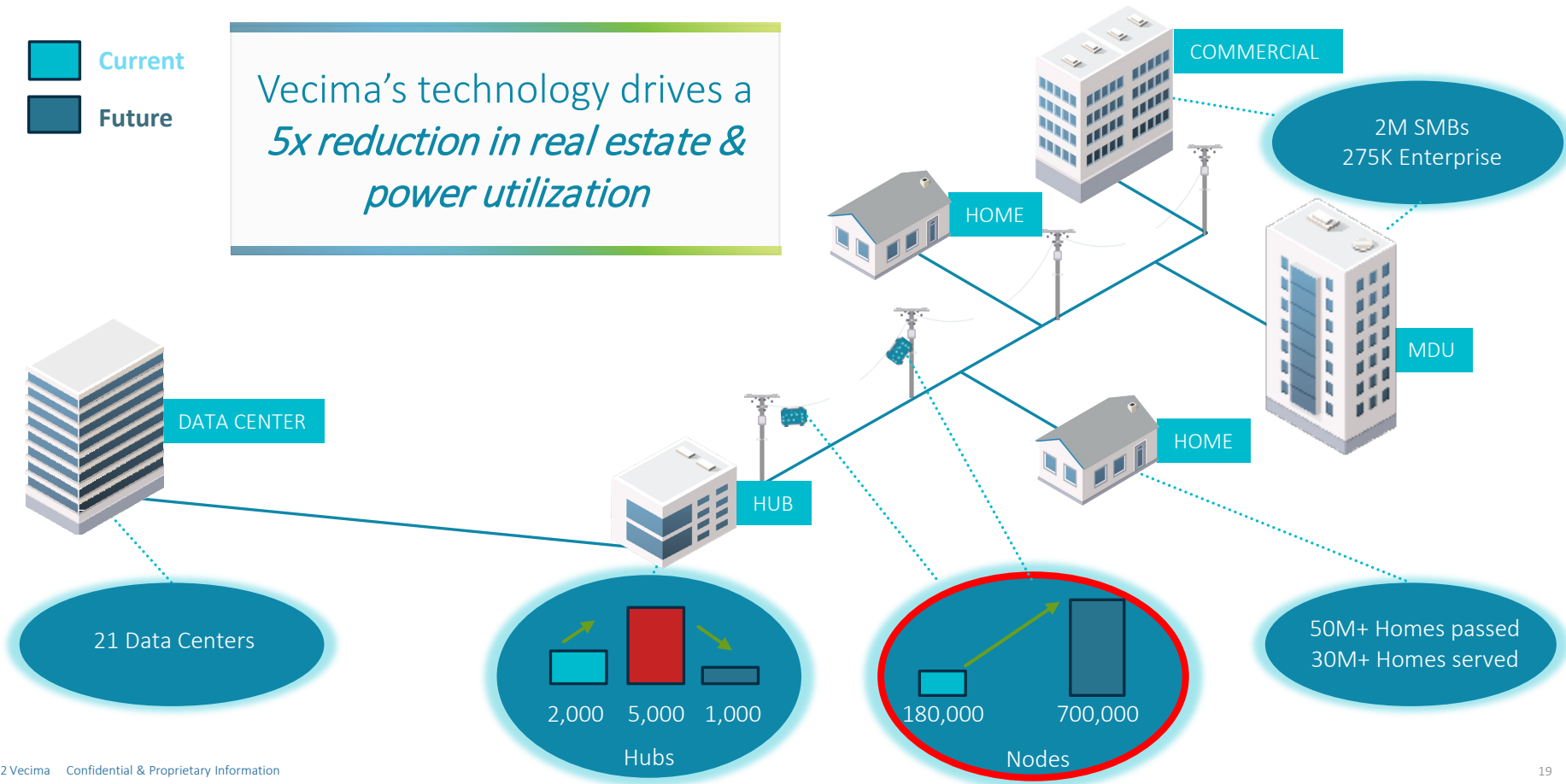
Network utilization & increased speed requirements  
*DRIVE NODE GROWTH*



# Network Architectures are Evolving

 Current  
 Future

Vecima's technology drives a  
*5x reduction in real estate & power utilization*



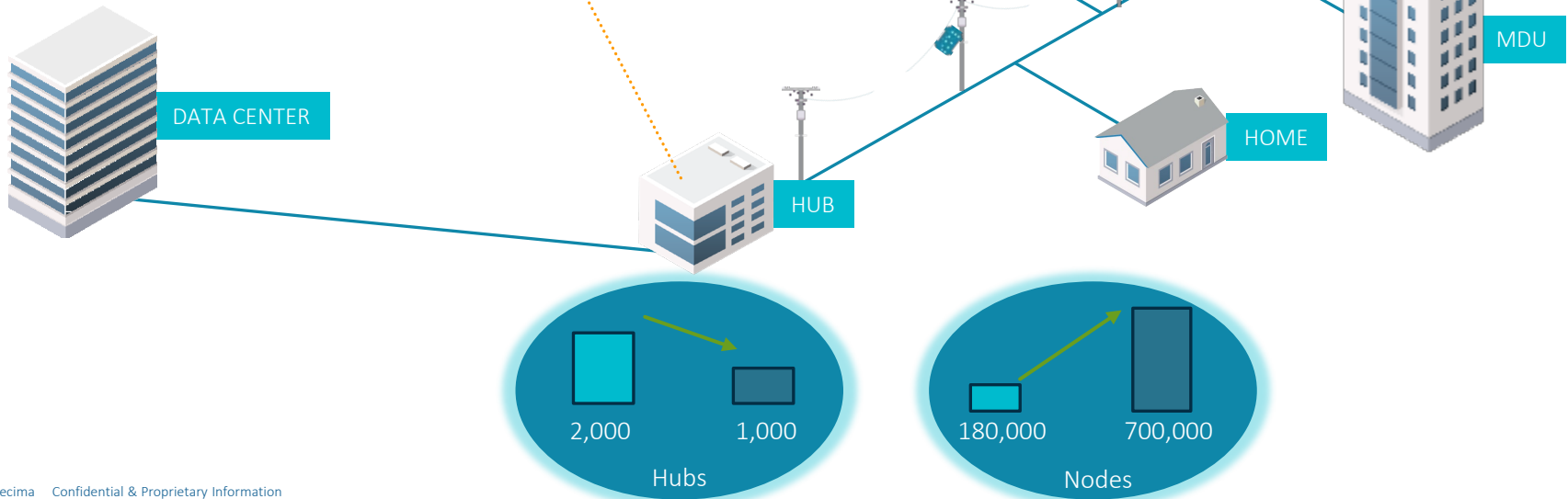
# Legacy Architectures Do Not Scale

## Current limitations

- “Big Iron”
- Cable-specific
- Difficult to scale
- Space-power intensive

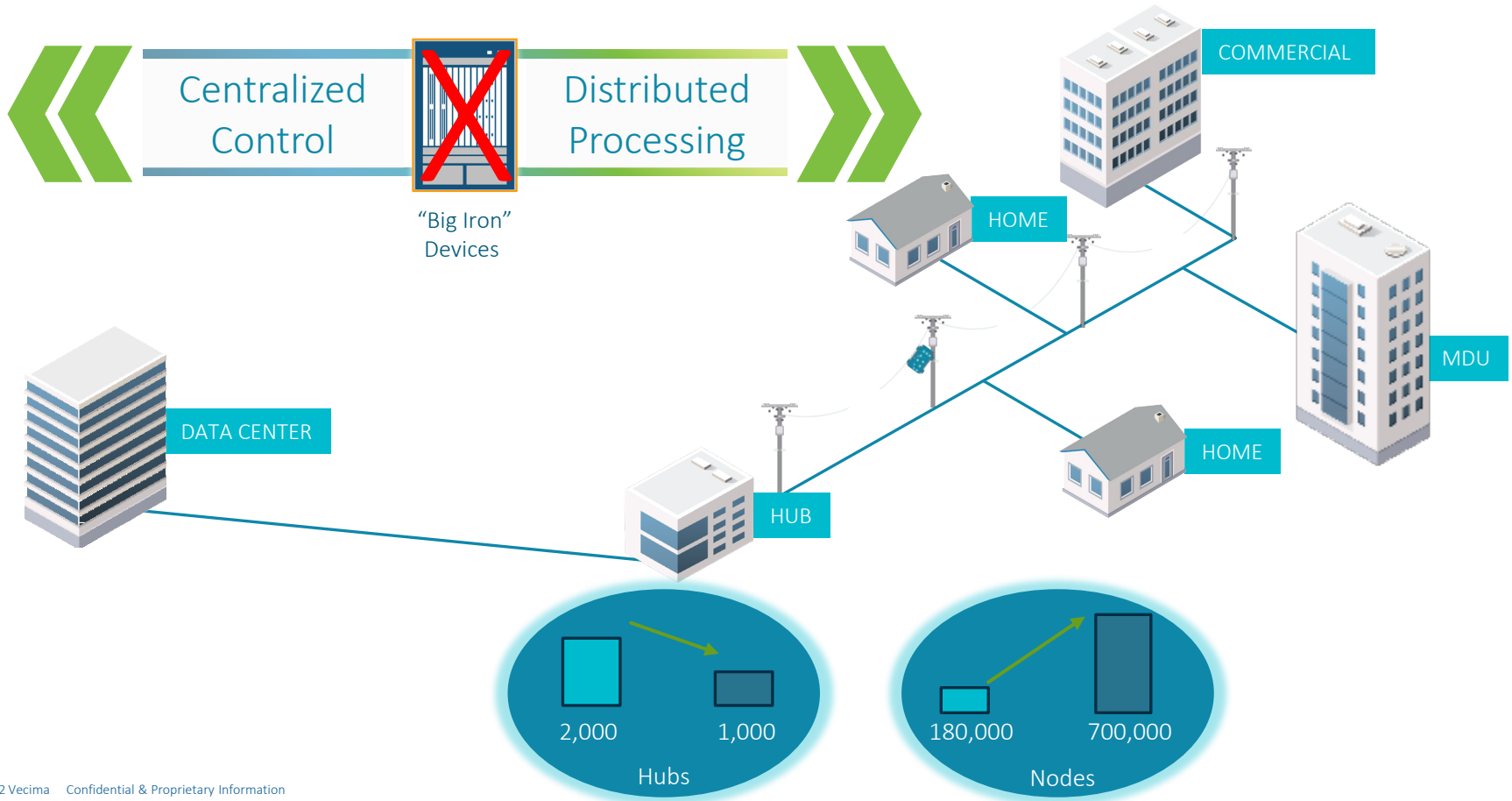


“Big Iron”  
Devices

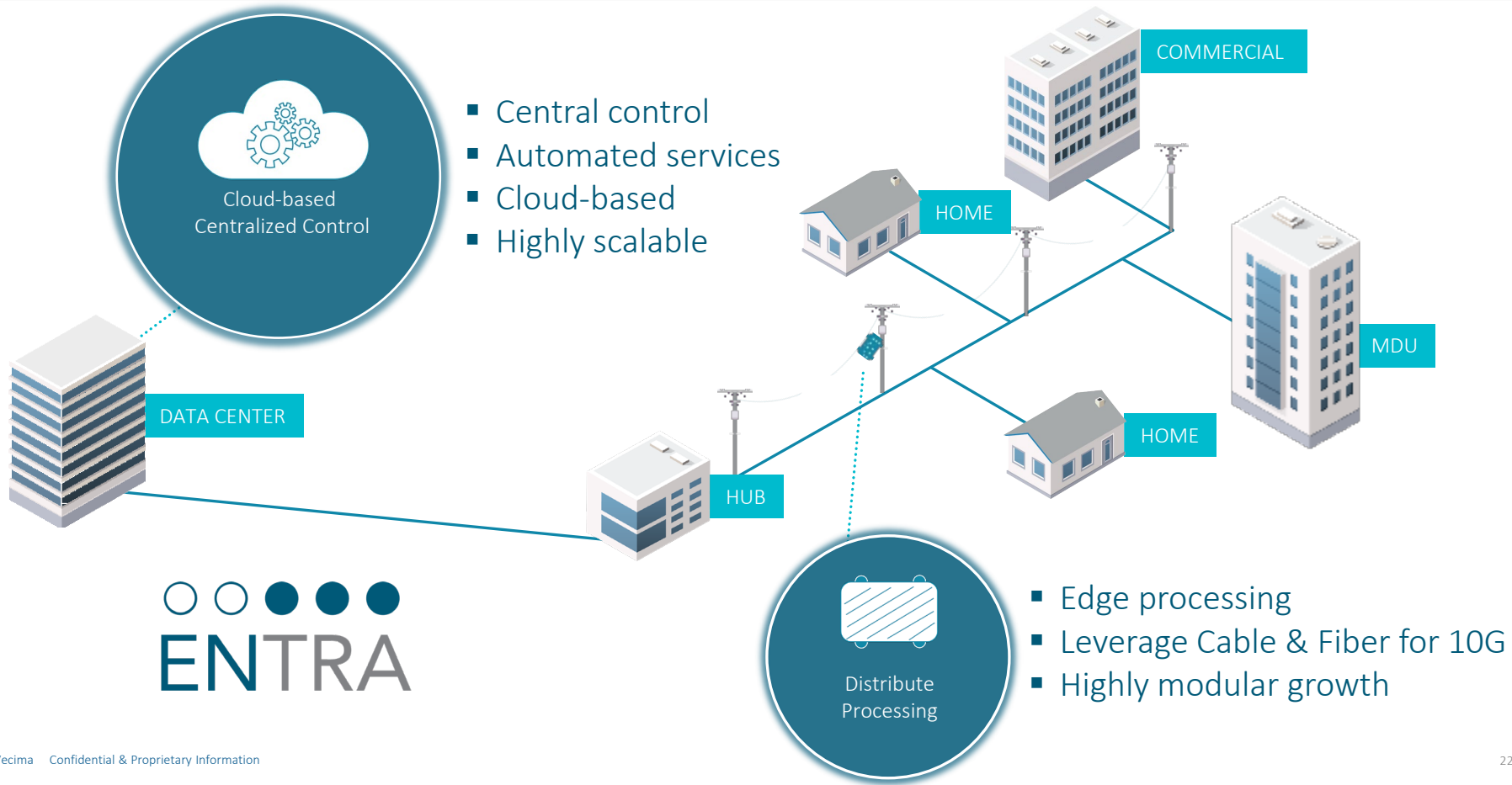




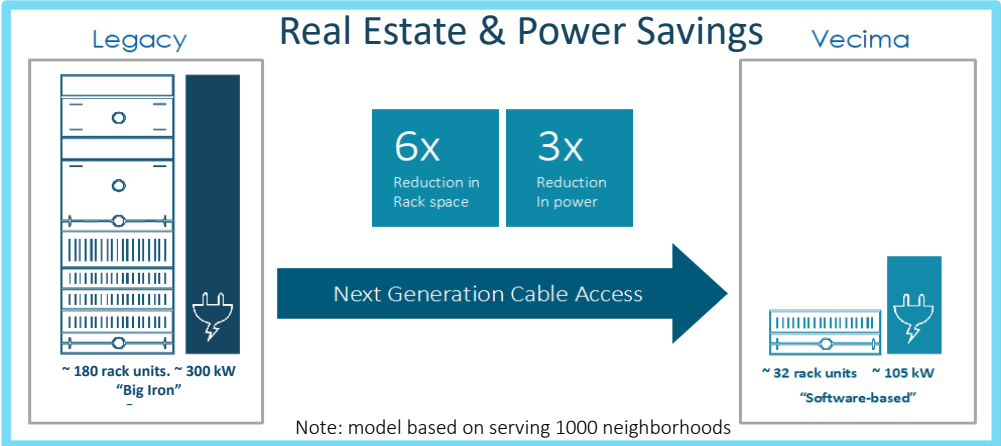
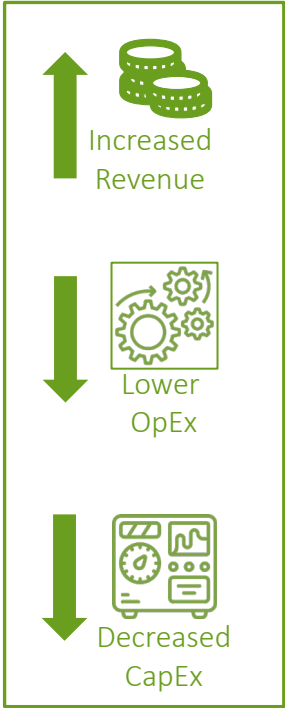
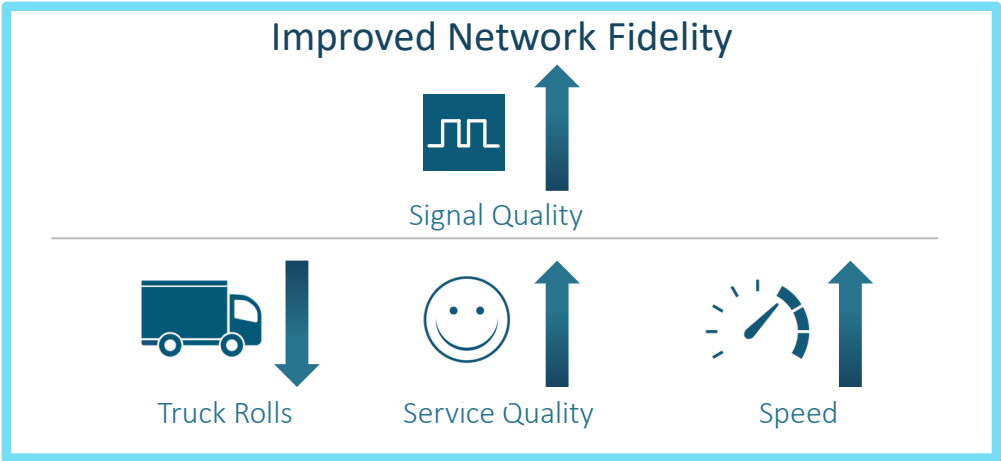
# A Next-Generation Approach is Required



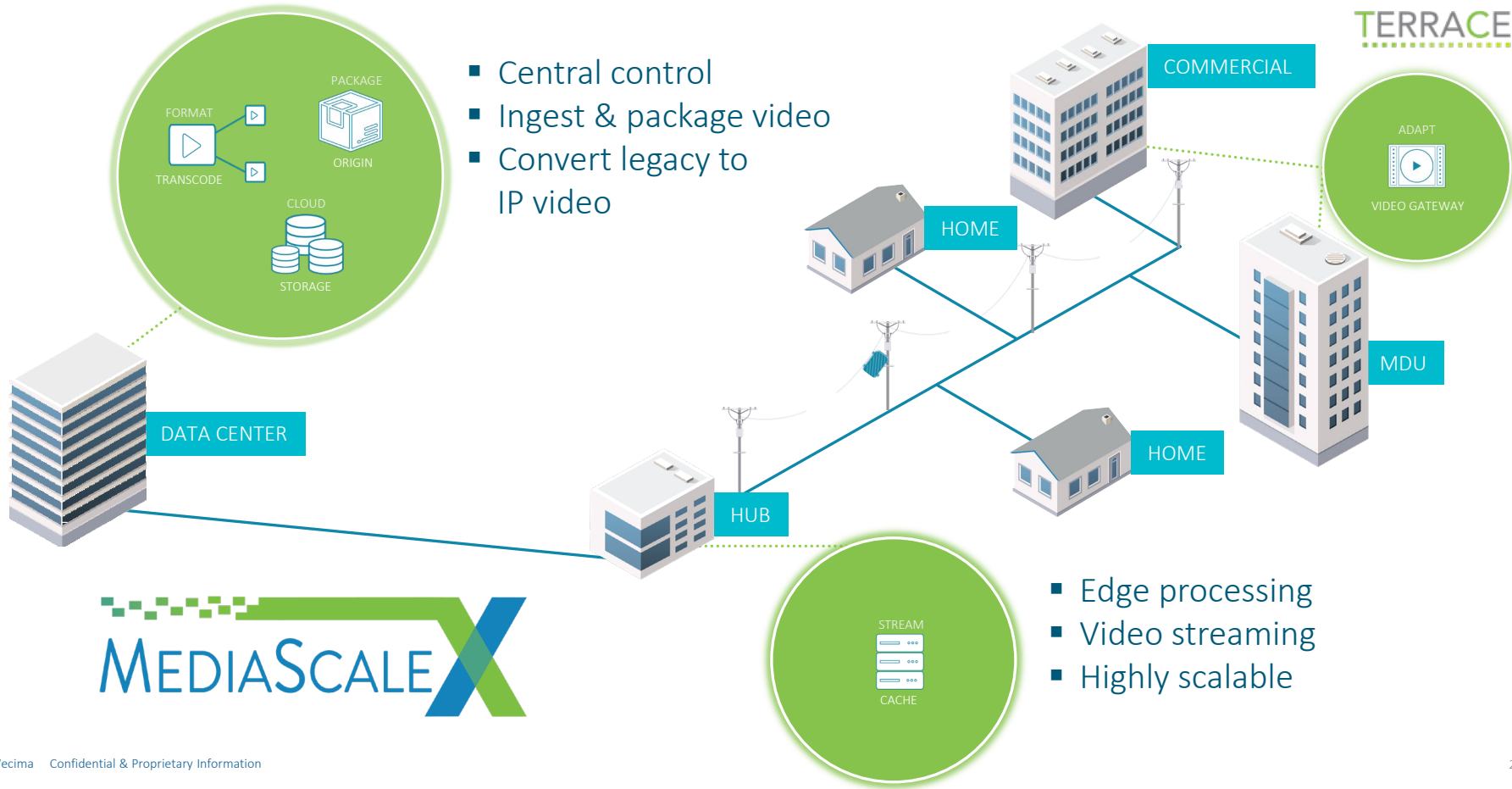
# Next-Generation Distributed Access Architecture



# Significant Service Quality & Financial Benefits

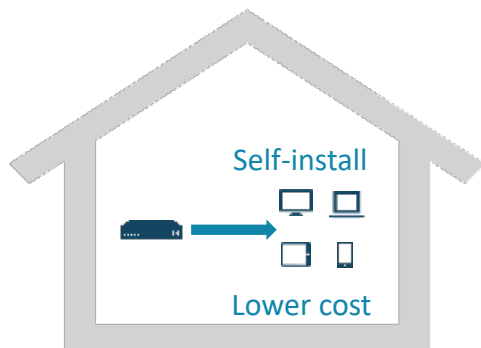


# Advanced IP Video Delivery

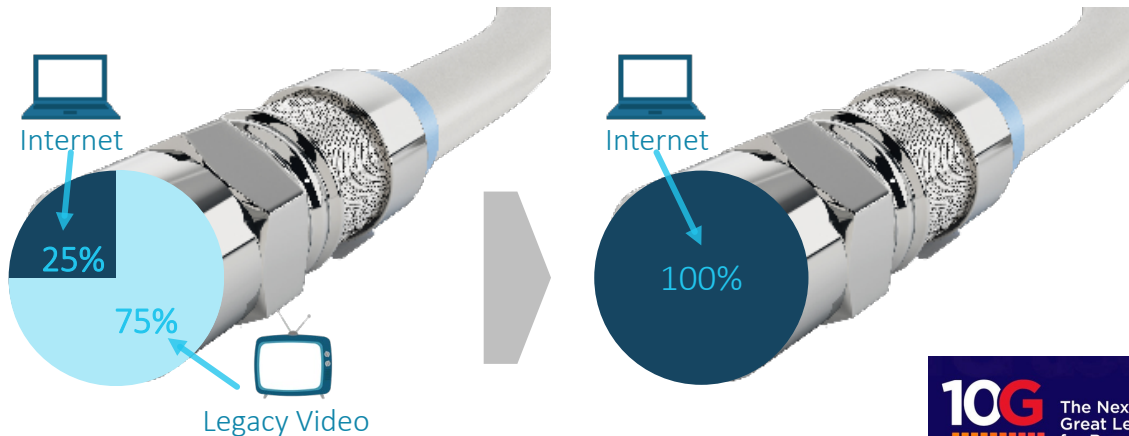


# Significant Service Quality & Financial Benefits

## Enhance CPE



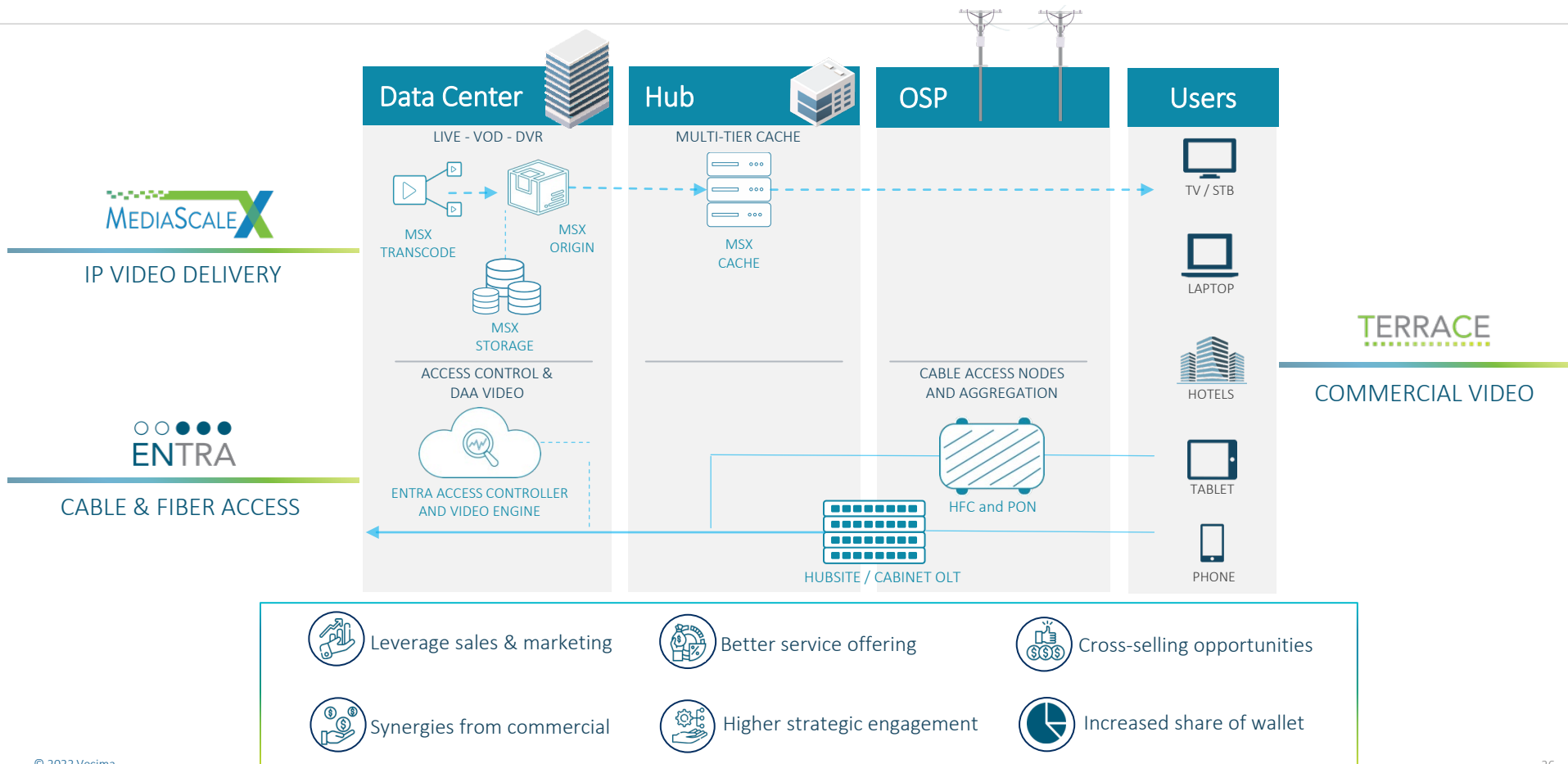
## Reclaim Bandwidth



## Benefits

































- Dramatic reduction in the cost of CPE, thereby reducing CapEx and improving the ROI
- Legacy Video used the majority of the available bandwidth in the fiber or coax
- Move to IP Video allows the operator to dedicate the entire capacity in the coax cable or fiber to High-speed Data, which is required as they work to upgrade these networks to support the industry's 10G initiatives

# Strategically Positioned and Aligned





# Competitive Landscape

<i>(in scope order)</i>	Next-Generation <u>Cable</u> Access	Next-Generation <u>Fiber</u> Access	IP Video Distribution	Commercial Video IP Gateways
Vecima				
Competitor 1				
Competitor 2				
Competitor 3				
Competitor 4				
Competitor 5				
Competitor 6				
Competitor 7				

COMPANY

MARKET  
OPPORTUNITY

INDUSTRY-  
LEADING  
TECH

OPERATIONAL  
EXCELLENCE

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PERFORMANCE

LEADERSHIP

# 30+ Years of Global Relationships

30+ Years  
of Innovation &  
Profitability

548  
Employees

68%  
Engineers / R&D

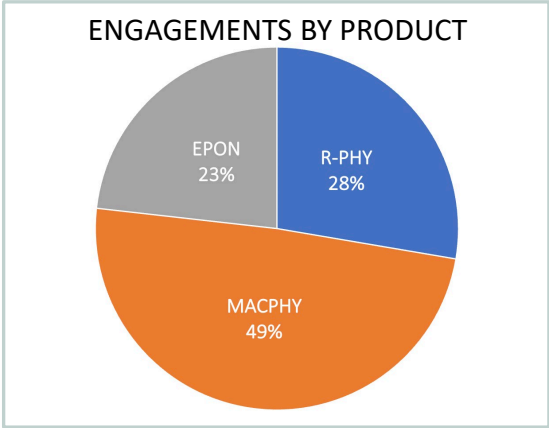
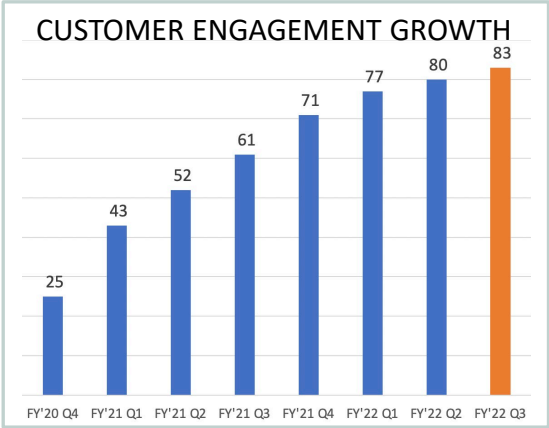
10  
Offices Globally

3  
Business Segments

6  
Continents with  
Deployments



# Cable & Fiber Engagement Tracking (as of FY'22 Q3)



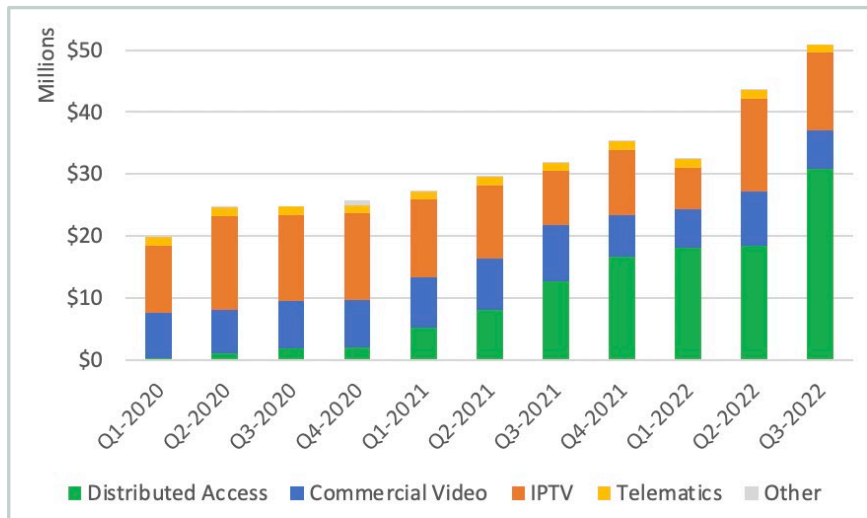
**Consistent Quarterly  
Customer Order Growth**

**Expanding Global Customer  
Engagements**

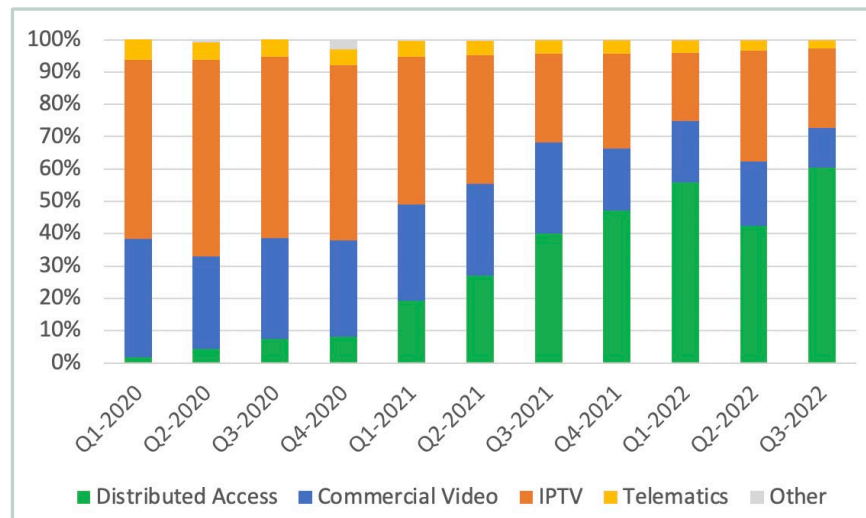
**Balanced Product  
Engagements**

# Significant Progress with New Products

## FY'20 Q1 vs FY'22 Q3



## New Product Introduction



**159%**

Top Line Revenue Growth  
FY'20 Q1 v FY'22 Q3

**60%**

of Revenue  
Attributed to Cable & Fiber Access

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TECH

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FINANCIAL  
PERFORMANCE

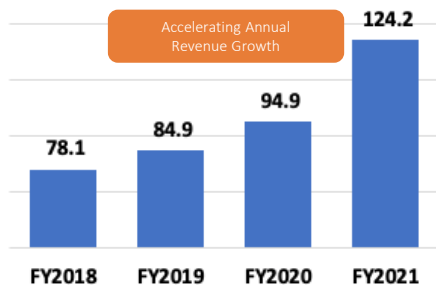
LEADERSHIP



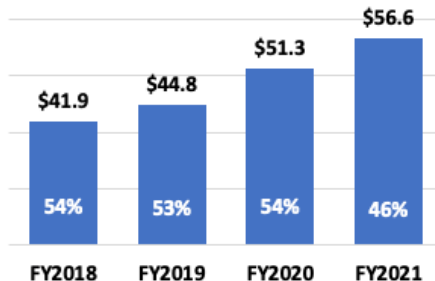
# Financial Highlights

## Annual

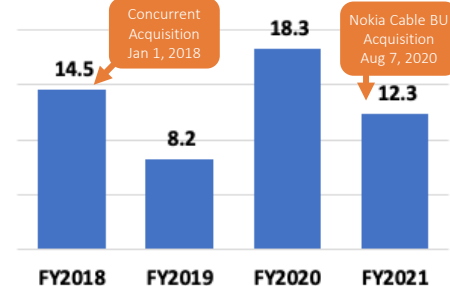
### Revenue (\$M)



### Gross Margin (\$M)

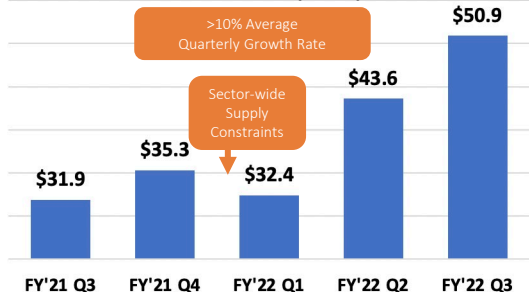


### Adjusted EBITDA (\$M)

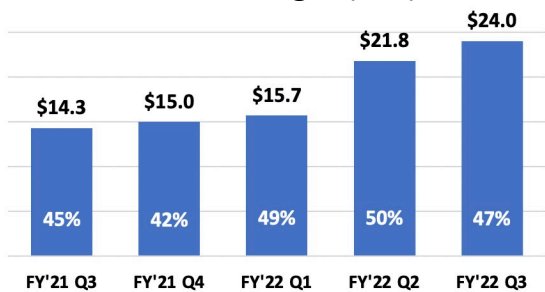


## Quarterly

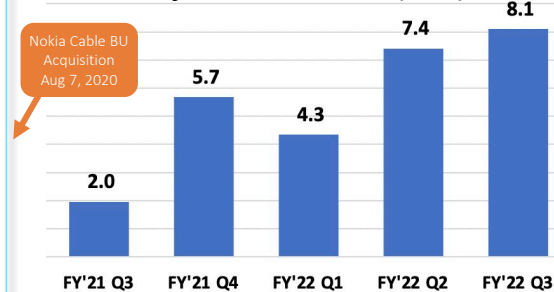
### Revenue (\$M)



### Gross Margin (\$M)



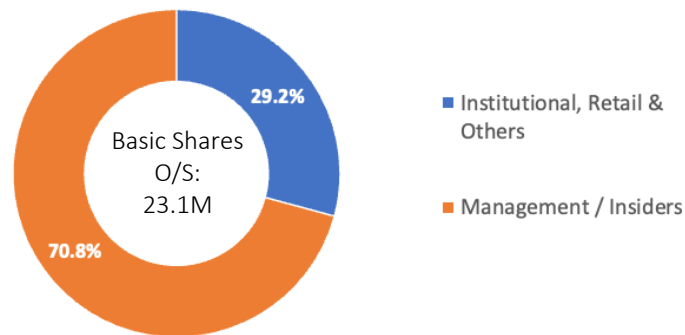
### Adjusted EBITDA (\$M)



# Vecima Financial Overview

C\$	As at March 31, 2021
Cash & ST Investments	\$10.6M
Working Capital	\$54.9M
Total Assets	\$251.1M
Long-term Debt	\$15.1M
Shareholders' Equity	\$176.5M
Employees	548

- Recent Market Cap of ~\$395M (as at April 22, 2022)
- Solid Balance Sheet
- Quarterly Dividends (\$38.7M returned to shareholders since October 2014)



## FOCUSED ON GROWTH & PROFITABILITY

COMPANY

MARKET  
OPPORTUNITY

INDUSTRY-  
LEADING  
TECH

OPERATIONAL  
EXCELLENCE

FINANCIAL  
PERFORMANCE

LEADERSHIP

# Vecima Leadership Team



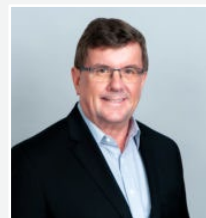
**SUMIT KUMAR**  
PRESIDENT AND CEO

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 OPERATING  
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.



**HEATHER ASHER**  
GENERAL COUNSEL AND  
CORPORATE SECRETARY

Over 15 years advising organizations on commercial contracts, mergers and acquisitions, compliance, corporate governance, and enterprise security and risk management.

Experienced  
Leadership Team

Extensive Industry  
Expertise

Driving Growth and  
Profitability

# Board of Directors

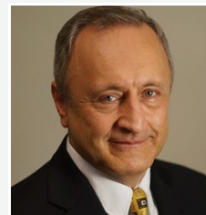


**DR. SURINDER KUMAR**  
CHAIRMAN OF THE  
BOARD

Founder of Vecima  
Networks



**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.



**T. KENT ELLIOTT**  
INDEPENDENT  
DIRECTOR

Former CEO and  
Executive Vice-Chairman  
at ForeScout  
Technologies



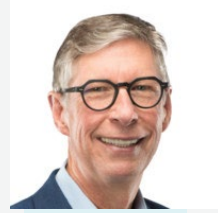
**DANIAL FAIZULLABHOY**  
INDEPENDENT  
DIRECTOR

Chief Commercial Officer  
and Senior Advisor at  
Glasnostic, and  
Senior Advisor at Platina  
Systems



**JAMES BLACKLEY**  
INDEPENDENT  
DIRECTOR

2020 Cable Hall of Fame  
Honoree and former  
Executive VP  
Advisor to the CEO at  
Charter Communications



**SCOTT EDMONDS**  
INDEPENDENT  
DIRECTOR

Advisor to the CEO at  
STEMCELL Technologies  
and a 2014 finalist for EY  
Entrepreneur of the Year  
(Pacific Region) in the  
B2B category

- Technology Leadership
- Industry Leadership
- Executive Leadership

- M&A and Venture Capital
- Finance
- Strategic Growth

4 Independent Directors



Dell'Oro Group  
Recognizes Vecima  
Networks as 2021  
Market Share Leader  
in Two Growing DAA  
Segments



Vecima Announces  
Flexible MAC  
Architecture (FMA)  
Interoperability  
with Industry-  
leading Entra  
Remote MACPHY



Vecima Announces  
Scalable Software  
Enhancements for  
its Entra Remote  
MACPHY and  
DPoE/Remote OLT  
Portfolio



Vecima Redefines  
Commercial Video  
Gateways with  
Newly Released  
Terrace IQ Feature  
Set



Vecima Demonstrates  
DOCSIS® 4.0 Leadership at  
CableLabs 10G Showcase



Elisa and Vecima Supercharge  
Cable Network with DAA to  
Deliver Gigabit Access to  
Subscribers in Finland



- DOCSIS 4.0 speed test demonstration
- HFC's Multi-Gigabit Future, featuring Remote MACPHY
- PON fiber access
- TruLive™ Low Latency HLS Video



# Key Takeaways

-  Global leader in IP Video Delivery and Cable & Fiber Access with a market-leading portfolio
-  Strong industry dynamics – broadband demand; shift to Distributed Access underway; \$2 billion per year market opportunity
-  Recent acquisitions have advanced Company's product offering, positioning Vecima for success in the emerging DAA market
-  Strong operational and financial track record
-  Organic and acquisitive growth strategy
-  Highly experienced team with proven track record

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Email: [invest@vecima.com](mailto:invest@vecima.com)

Social:  

LISTED  
**TSX**



# CONTACT VECIMA

# Thank You

