



Vecima Networks Inc.

Q4FY23 Investor Fact Sheet

TSX: VCM * Recent Share Price: \$17.20 * 52-Week Range: \$15.59 - \$23.31 * Shares Outstanding: 24.3M * Market Cap: \$417.9M

Vecima Networks Inc. (TSX: VCM) is leading the global evolution to the multi-gigabit, content-rich networks of the future. Our talented people deliver future-ready software, services, and integrated platforms that power broadband and video streaming networks, monitor and manage transportation, and transform experiences in homes, businesses, and everywhere people connect. We help our customers evolve their networks with cloud-based solutions that deliver ground-breaking speed, superior video quality, and exciting new services to their subscribers. There is power in connectivity - it enables people, businesses, and communities to grow and thrive.



Video and Broadband Solutions	Content Delivery and Storage	Telematics
Includes the Entra™ family of DAA technologies that process data from cable networks to deliver high-speed internet connectivity to homes over cable and fiber, and the Commercial Video product lines that adapt video services to formats suitable for media consumption at commercial properties	Includes solutions and software, under the MediaScale™ brand, for service providers and content owners that focus on ingesting, producing, storing, delivering and streaming video for live linear, Video on Demand (VOD), network Digital Video Recorder (nDVR) and time-shifted services over the internet	Provides fleet managers with the key information and analytics they require to optimally manage their mobile and fixed assets under the Contigo and Nero Global Tracking brands

Our Strategy

Our growth strategy focuses on the development of our core technologies, including next-generation platforms such as our Entra DAA platform, as well as our IP video storage and distribution technologies being sold and deployed under the MediaScale brand within the Content Delivery and Storage segment. We will continue to pursue profitable growth both organically and when appropriate, through value-enhancing strategic acquisitions.



Highlights for Q4FY23

Corporate

- Annual revenue up 62.4% YoY to \$303.4M; Q4 revenue up 26.0% YoY to \$75.5M
- Adjusted EBITDA up 92.8% to \$59.8M in FY23; Q4 Adjusted EBITDA up 35.7% YoY to \$15.1M
- FY23 Gross Margin of 46.8%; Q4 Gross Margin of 50.5%
- Adjusted EPS climbs to a record \$1.19 in FY23 and \$0.25 in Q4

Video and Broadband Solutions

- Annual VBS revenue increasing 77.7% YoY to a record \$245.1M and Q4 VBS sales climbing 15.4% YoY to \$57.0M
- Deployments of next-generation Entra DAA products increased 107% YoY to \$222.1M in FY23; Q4 Entra sales increased 26.8% YoY to \$50.7M

Content Delivery and Storage

- Full-year CDS sales grew 20.3% to \$52.3M from \$43.5M in fiscal 2022; achieved record fourth quarter CDS sales of \$17.1M, up 85.4% from \$9.2M in Q4 FY22
- CDS services revenues increased 28.9% to \$22.2M in FY23 and grew 44.3% to \$6.8M in Q4

Telematics

- Achieved record full-year sales of \$6.1M, and record FY23 and Q4 margins of 67.7% and 72.4%, respectively

Executive Team:

Sumit Kumar,
President and CEO

Dale Booth,
CFO

Dean Rockwell,
Executive Vice-President

Clay McCreery
Chief Operating Officer

Corporate Office:

771 Vanalman Avenue
Victoria, BC, Canada

U.S. Office:

4375 River Green Parkway
Suite 100
Duluth, GA, U.S.A.

Manufacturing Facility:

150 Cardinal Place
Saskatoon, SK, Canada

Corporate Information

Employees: 602

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Financial Results (C\$ in millions except percentage and per-share data)	Q4FY23	Q4FY22	FY2023	FY2022
Revenue	\$75.5	\$60.0	\$303.4	\$186.8
Gross Margin	50.5%	47.5%	46.8%	48.2%
Net Income (Loss)	\$5.1	\$3.5	\$27.2	\$8.7
Earnings (Loss) Per Share*	\$0.21	\$0.16	\$1.15	\$0.38
Adjusted EBITDA**	\$15.1	\$11.1	\$59.8	\$31.0
Cash and Cash Equivalents	\$2.3	\$12.9	\$2.3	\$12.9

*Based on weighted average number of shares outstanding.

**Adjusted EBITDA is a non-IFRS measure. For reconciliation of adjusted EBITDA to the most directly comparable financial measure calculated in accordance with IFRS, 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

Around the globe, MSOs are upgrading their cable, fiber, and IPTV networks to expand capacity, respond to increasing competition, and meet customers' expectations for ever-faster internet speeds and enhanced services. In the broadband market, these trends, together with significant government investment into rural broadband initiatives, are fueling a wave of demand for Vecima's world-class Entra DAA cable and fiber access solutions; demand that further amplifies the need to upgrade networks when compounded with the continuous capacity increases that must regularly occur. With the industry poised to move to even wider adoption of DAA, we expect demand for our solutions will grow even stronger as we move into the latter part of fiscal 2024, while continuing to note that in the near term the macro environment is in transition. Our Video and Broadband Solutions segment is preparing to launch major DAA rollouts with key customers in fiscal 2024. Commercial Video sales, which include TerraceQAM and Terrace Family products, are expected to be slightly lower year-over-year as customers continue to transition to our next-generation Terrace IQ solution and as a portion of our Commercial Video solutions become DAA-driven and are accounted for as part of Entra family sales. In our Content Delivery and Storage segment, demand for our IPTV and open caching solutions continues to grow as existing IPTV customers undertake network expansions and new customers come on board. We expect to build on the segment's strong fiscal 2023 sales performance with low double-digit growth in fiscal 2024. We also continue to see robust longer-term growth potential as IPTV gains momentum and our newer open caching and dynamic ad insertion solutions become an important driver of CDS performance. In the Telematics segment, we anticipate incremental growth in subscriptions from the fleet tracking market, along with continued increases in demand for our asset tracking services that have been an important driver of segment differentiation and gains in recent quarters. As we move forward, we anticipate that our market and product mix will continue to gradually shift to higher volume, lower-margin cable access products. Overall, we expect fiscal 2024 will further demonstrate our ability to capture the major and multi-year opportunities in the compelling DAA and IPTV markets as we continue to build value for our shareholders.

*Certain statements in this fact sheet may constitute forward-looking statements within the meaning of applicable securities laws. All statements other than statements of historical fact are forward-looking statements. For additional details on Forward-Looking Information or for further details on Vecima's Fiscal 2024 Outlook, please refer to 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.