



Vecima Networks Inc.

Q2FY24 Investor Fact Sheet

TSX: VCM * Recent Share Price: \$16.64 * 52-Week Range: \$15.50 - \$23.31 * Shares Outstanding: 24.3M * Market Cap: \$404.5M

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 Q2FY24

Corporate

- Revenue: \$62.0M, Gross Profit: \$29.6M, Adjusted EBITDA: \$12.5M, Gross Margin:47.8%
- Next-generation ERM3 program rollout launched with Charter Communications

Video and Broadband Solutions

- Q2FY24 VBS revenue of \$49.1 million
- Engagements for Entra cable and fiber access now span 184 unique program opportunities across 110 service providers globally
- Announced availability of Vecima's series of DOCSIS 4.0-Ready and 1.8 GHz 'Forever Nodes'

Content Delivery and Storage

- Generated sales of \$11.3 million and Increased service revenue by 18% YoY

Telematics

- Added 10 new customers to the NERO asset tracking platform and significantly increasing the number of moveable assets being monitored to over 59,000 units

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: 585

Investor Contact

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Financial Results (C\$ in millions except percentage and per-share data)	Q2FY24	Q1FY24	Q2FY23
Revenue	\$62.0	\$61.5	\$76.2
Gross Margin	47.8%	46.9%	47.3%
Net Income	\$3.6	\$1.7	\$8.1
Earnings Per Share*	\$0.15	\$0.07	\$0.35
Adjusted EBITDA**	\$12.5	\$8.1	\$15.8
Cash and Cash Equivalents	\$2.6	\$2.3	\$3.3

*Based on weighted average number of shares outstanding.

**Adjusted EBITDA is a non-IFRS measures. For reconciliation of adjusted EBITDA, please see Vecima's most recently filed Management's Discussion and Analysis, which is available on SEDAR at www.sedarplus.ca 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 now poised to move to even wider adoption of DAA, we expect demand for our solutions will begin to accelerate again in the second half of fiscal 2024, following the transitional period that materialized in the first half as customers refined their rollout logistics and drew down existing inventories that we had helped them build during the supply chain challenges of fiscal 2023. Customers are continuing to expand field deployments and work down inventory while new programs and deployments are getting underway concurrently. The rollout of our next-generation ERM3 Remote PHY devices with Charter Communications, significant new fiber access opportunities that are becoming available as a result of the US\$42.5 billion BEAD program which represents the largest injection of federal funding into broadband network deployment in U.S. history, and additional opportunities related to the launch of our new Generic Access Platform (GAP) node and its recent certification with the lead Tier 1 customer are just some of the major growth opportunities ahead for Entra and our VBS segment. On a consolidated basis, we expect fiscal 2024 revenues to be in line with the all-time record results we achieved in fiscal 2023. 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. Accordingly, we continue to target a gross margin percentage in the 45% to 49% range, and we expect this margin profile, combined with our operating expenses model, will support our targeted bottom line performance. 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.