



Vecima Networks Inc.

Q3FY24 Investor Fact Sheet

TSX: VCM * Recent Share Price: \$20.00 * 52-Week Range: \$14.50 - \$23.30 * Shares Outstanding: 24.3M * Market Cap: \$486.2M

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 Q3FY24

Corporate

- Revenue: \$80.1M, Gross Profit: \$37.6M, Adjusted EBITDA: \$17.2M, Gross Margin:46.9%

Video and Broadband Solutions

- Q3FY24 VBS revenue of \$68.2 million
- Achieved robust next-generation Entra product sales of \$60.9 million, including 39% quarter-over- quarter growth
- Entered an agreement for U.S. manufacturing for certain Entra fiber access equipment to meet Buy America requirements under the U.S. Broadband Equity, Access, and Deployment (BEAD) program
- Unveiled the Entra Virtualized Cable Modem Termination System (vCMTS), part of the Entra Cloud platform
- Dell'Oro group named Vecima the global market share leader in two DAA segments for the third consecutive year

Content Delivery and Storage

- Generated sales of \$10.2 million and a strong CDS gross margin of 59.8%

Telematics

- Sales grew approximately 3% year-over-year to a record \$1.7 million and achieved a strong gross margin percentage of 67.8%

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: 591

Investor Contact

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Financial Results (C\$ in millions except percentage and per-share data)	Q3FY24	Q2FY24	Q3FY23
Revenue	\$80.1	\$62.0	\$78.3
Gross Margin	46.9%	47.8%	43.5%
Net Income	\$5.8	\$3.6	\$4.5
Earnings Per Share*	\$0.24	\$0.15	\$0.18
Adjusted EBITDA**	\$17.2	\$12.5	\$11.7
Cash and Cash Equivalents	\$3.3	\$2.6	\$3.9

*Based on weighted average number of shares outstanding.

**Adjusted EBITDA is a non-IFRS measure. 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. Our Video and Broadband Solutions segment is currently underway with a number of major DAA rollouts and we expect sales velocity will continue to build as multiple pathways for growth begin to converge. While the exact timing of these various rollouts is customer dependent, we expect Entra sales momentum as a whole will build through the balance of fiscal 2024 and into fiscal 2025 and beyond. As we have stated previously, we see a long and remarkable runway of growth for Entra. In our Content Delivery and Storage segment, demand for our IPTV and open caching solutions remains strong and we expect the CDS segment to achieve fiscal 2024 sales results similar to, or slightly lower than, the strong performance achieved in fiscal 2023. In the Telematics segment, we anticipate continued incremental growth in subscriptions from the fleet tracking market, along with increased demand for our asset tracking services, which have been an important driver of segment differentiation and gains in recent quarters. While we expect consolidated full-year fiscal 2024 revenues will be modestly lower than the all-time record results achieved in fiscal 2023, we expect our quarterly run rate will continue to build in Q4 and beyond. We continue to target a gross margin percentage in the 45% to 49% range, which combined with our operating expenses model, is expected to support robust full-year Adjusted EBITDA 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.

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