



# Vecima Networks Inc.

## Q1FY25 Investor Fact Sheet

TSX: VCM \* Recent Share Price: \$20.22 \* 52-Week Range: \$14.50- \$23.01 \* Shares Outstanding: 24.3M \* Market Cap: \$491.6M

**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
<p>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</p>	<p>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</p>	<p>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</p>

### **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 Q1FY25

### Corporate

- Generated quarterly revenue of \$81.9 M, a 33% increase YoY
- Increased gross profit to \$34.2M, up 14% from \$30.0M YoY
- Adjusted EBITDA climbed to \$11.6M from \$8.1M in Q1 of last year

### Video and Broadband Solutions

- Q1FY25 VBS revenue increased 65% to \$72.9M from \$44.1M in Q1 of last year
- Subsequent to the quarter-end, on October 11, 2024, acquired Falcon V Systems, a provider of innovative software orchestration products

### Content Delivery and Storage

- Achieved strong gross margin of 60.2% and increased CDS services revenue YoY as the base of deployed MediaScale platforms continues to grow

### Telematics

- Telematics segment sales grew approximately 5% YoY to \$1.7M and achieved strong gross margin percentage of 72.3%

### Executive Team:

Sumit Kumar,  
President and CEO

Judd Schmid,  
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: 612

### Investor Contact

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Financial Results (C\$ in millions except percentage and per-share data)	Q1FY25	Q4FY24	Q1FY24
Revenue	\$81.9	\$87.5	\$61.5
Gross Margin*	41.7%	47.9%	48.8%
Net Income	\$2.1	\$8.3	\$1.7
Earnings Per Share**	\$0.09	\$0.34	\$0.07
Adjusted EBITDA***	\$11.6	\$16.0	\$8.1

\*The Company has restated the comparative periods for a change in commissions expense presentation. Refer to Note 21 of the Interim Condensed Financial Statements for the three-month period ended September 30, 2024.

\*\*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. In fiscal 2025, a number of Tier 1 customers are implementing major DAA network rollouts supported by Vecima's next-generation solutions. While the transition to the US\$42.5 billion BEAD program as a source of funding for network expansion into underserved rural areas has been slower than expected, we continue to see solid support for our fiber access products from operators accessing the existing Rural Digital Opportunity Fund (RDOF). As these and other opportunities begin to converge, and as a broader range of MSOs worldwide begin to undertake their own DAA rollouts, we expect to build on our Entra-driven revenue results in fiscal 2025 as we more fully realize the rewards of our multi-year investment into the world's most comprehensive DAA portfolio. Commercial Video sales, which include TerraceQAM and Terrace Family products, are expected to be lower year-over-year as customers continue to transition to our next-generation solutions 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, we anticipate a stronger second quarter as projects delayed in Q1 resume in Q2. On a full-year basis, we expect CDS segment performance to be supported by an increase in existing and new customers' IPTV upgrades and expansions. We continue to see excellent long-term opportunities for this segment as IPTV gains further momentum and our newer open caching and Dynamic Ad Insertion solutions become an important driver of CDS performance. In the Telematics segment, we anticipate continued profitable growth as demand for our asset tracking services grows and as we add additional subscriptions from the fleet tracking market. On a consolidated basis, we continue to expect fiscal 2025 to be a growth year for Vecima, with our momentum building more significantly in the second half. We continue to see fiscal 2025 as a year of capturing the major and multi-year opportunities in the compelling DAA and IPTV markets as we 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 2025 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.