


TSX: VCM * Recent Share Price: \$12.94 * 52-Week Range: \$12.85-\$23.01 * Shares Outstanding: 24.3M * Market Cap: \$314.6M



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 & Broadband Solutions

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.

Content Delivery and Storage

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.

Telematics

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 Q2 FY 2025

Corporate

- Generated second quarter revenue of \$71.2M, up 15% YoY from last year
- Gross Margin: 36.4%, Adjusted EBITDA: \$1.1M
- Completed a 12% cost restructuring in December 2024 for annualized cash cost savings of approximately \$17.5M

Video & Broadband Solutions

- Q2FY25 VBS revenue increased 21% YOY to \$59.3M from \$49.1M in Q2 of last year
- Entra sales increased 29% YOY to \$56.2M from \$43.8M in Q2 of last year
- Acquired Falcon V Systems, a provider of innovative software orchestration products

Content Delivery and Storage

- Generated sales of \$10.2M and Gross Margin of 56.5%
- Announced global agreement with Digital Harmonic as exclusive reseller for dh/KeyFrame technology

Telematics

- Telematics segment sales grew approximately 7.1% YoY to \$1.7M and achieved strong Gross Margin of 66.5%

Financial Results (C\$ in millions expect percentage and per-share data)	Q2FY25	Q1FY25	Q2FY24
Revenue	\$71.2	\$81.9	\$62.0
Gross Margin*	36.4%	41.7%	49.8%
Net Income	\$(7.9)	\$2.1	\$3.6
Earnings Per Share**	\$(0.32)	\$0.09	\$0.15
Adjusted EBITDA***	\$1.1	\$11.6	\$12.5

*The Company has restated the comparative periods for a change in commissions expense presentation. Refer to Note 22 of the Interim Condensed Financial Statements for the three-month period ended December 31, 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.

Executive Team:

Sumit Kumar
President and CEO

Judd Schmid
Chief Financial Officer

Dean Rockwell
Executive Vice-President

Clay McCreery
Chief Operating Officer

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Outlook

Our Outlook recognizes that demand volatility could continue into the second half of fiscal 2025, depending on customer project timing. Delays to date have primarily reflected ongoing system-level field qualifications, which are typically challenging for customers undertaking very large system upgrades. Vecima's technology has performed exceptionally well through these qualification processes, and we anticipate increased product rollouts once qualifications are completed. The prospect of trade actions between the U.S. and Canada has added further uncertainty to our outlook. With about 90% of our sales in the U.S., an estimated half of which we believe could potentially be exposed to tariff actions, we are underway with plans to mitigate potential risks, regardless of the outcome of current trade discussions. Vecima is a strong, proven company with a long history of responding quickly and successfully to changing business conditions. We are confident in our ability to adapt effectively to changes in the macroeconomic environment. While the combination of current trade and customer timing uncertainties make accurate forecasting more difficult in the near and medium term, Vecima's global market leadership in the high-growth DAA and IPTV markets and long track record of providing innovative technology solutions to the world's most sophisticated cable and broadcast providers continue to position us for sustained long-term growth. In fiscal 2025, a number of Tier 1 customers are implementing major DAA network rollouts supported by Vecima's next-generation solutions. At the same time, the industry is beginning to coalesce around Unified DOCSIS 4.0 solutions, leading to upcoming opportunities for Vecima's highly interoperable platforms. As a broader range of MSOs worldwide begin to undertake their own DAA rollouts, we are well-positioned to realize the rewards of our multi-year investment into the world's most comprehensive DAA portfolio. In our Content Delivery and Storage segment, 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. Moving forward, we remain confident in our future growth prospects and our ability to continue creating strong value for our customers and 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.