



**Fourth Quarter & Full Year 2021  
Earnings Presentation**

March 17, 2022

# Forward-Looking Statements and Non-IFRS Financial Measures

## Forward-Looking Statements

This presentation contains “forward-looking information” within the meaning of applicable Canadian securities laws. Such forward-looking information includes, but is not limited to, information with respect to MDA Ltd.’s (“MDA” or the “Company”) objectives and strategies to achieve these objectives, as well as information with respect to the Company’s beliefs, plans, expectations, anticipations, estimates, intentions and views of future events. The Company has based the forward-looking information on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs. Statements containing forward-looking information are based on certain assumptions and analyses made by the Company in light of management’s experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate, and are subject to risks and uncertainties. These assumptions include our ability to maintain and expand the scope of our business; our ability to execute on our growth strategies; assumptions relating to government support and funding levels for space programs and missions; continued and accelerated growth in the global space economy; the impact of competition; our ability to retain key personnel; our ability to obtain and maintain existing financing on acceptable terms; changes and trends in our industry or the global economy; currency exchange and interest rates; and changes in laws, rules, regulations. Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect and there can be no assurance that actual results will be consistent with the forward-looking information. Given these risks, uncertainties and assumptions, readers should not place undue reliance on the forward-looking information. Whether actual results, performance or achievements will conform to the Company’s expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those described in the Company’s latest MD&A and listed under the heading “Risk Factors”, which factors should not be considered exhaustive. If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking information prove incorrect, actual results might vary materially from those anticipated in the forward-looking information. Although the Company bases the forward-looking information on assumptions that it believes are reasonable when made, the Company cautions investors that statements containing forward-looking information are not guarantees of future performance and that its actual results of operations, financial condition and liquidity and the development of the industry in which it operates may differ materially from those made in or suggested by the forward-looking information contained in this presentation. Given these risks and uncertainties, investors are cautioned not to place undue reliance on the forward-looking information. Any forward-looking information that is made in this presentation speaks only as of the date of such statement, and the Company undertakes no obligation to update any forward-looking information or to publicly announce the results of any revisions to any of those statements to reflect future events or developments, except as required by applicable securities laws.

## Non-IFRS Financial Measures

This presentation refers to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management’s perspective. We use non-IFRS measures, including EBITDA, Adjusted EBITDA, EBITDA Margin, Adjusted EBITDA Margin, Order Bookings, Net Debt and Free Cash Flow, to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. We also believe that securities analysts, investors, and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Additional details for these non-IFRS measures, including a reconciliation of such measures to the most directly comparable IFRS measures, can be found in our most recently issued MD&A which is posted on [www.mda.space](http://www.mda.space) and available on SEDAR.

# Why Invest In MDA?

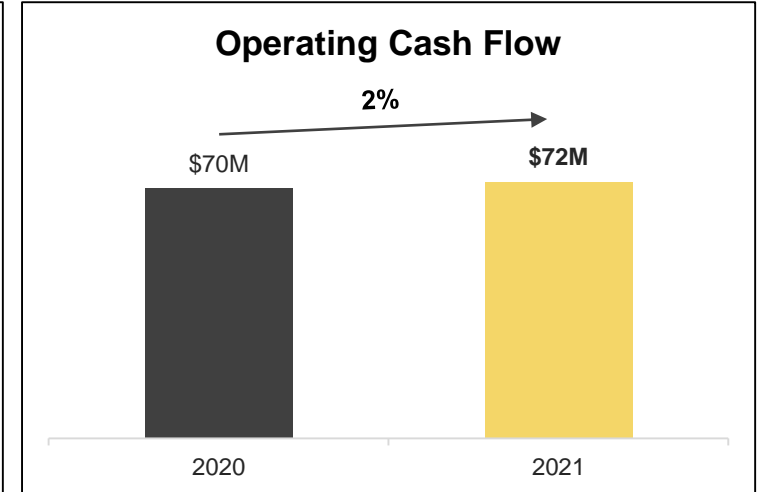
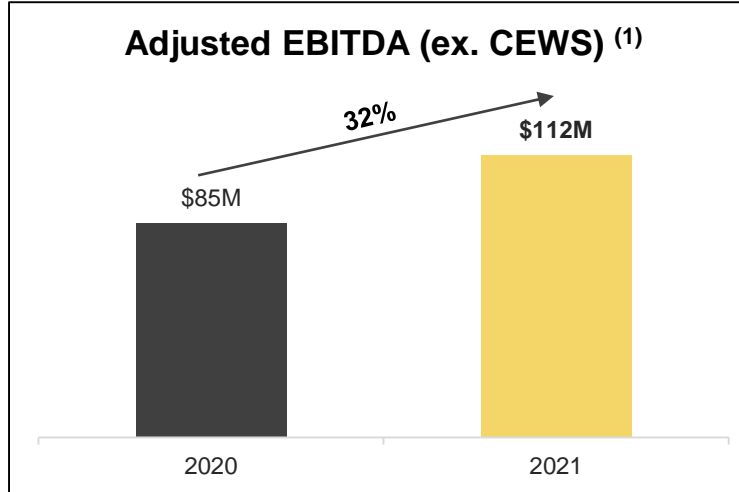
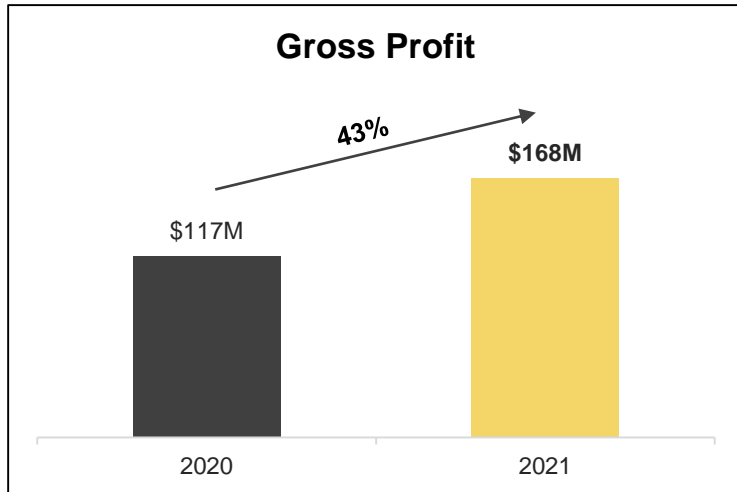
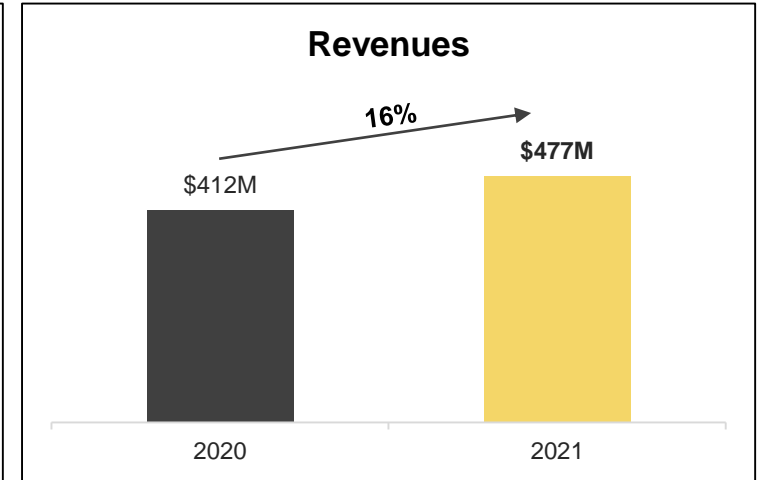
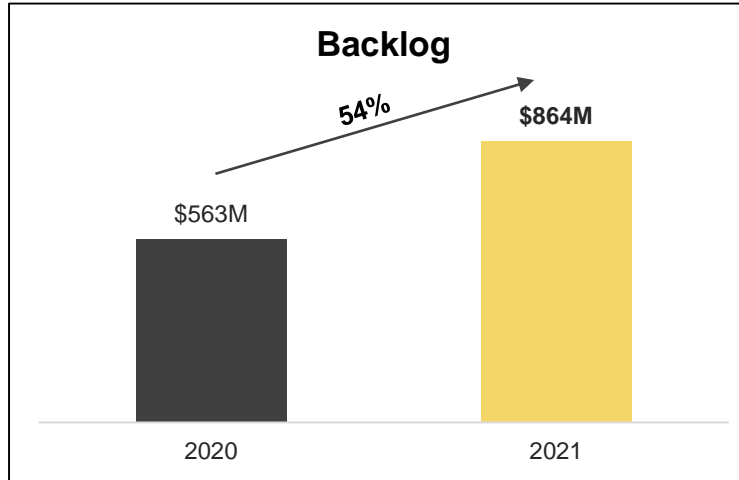
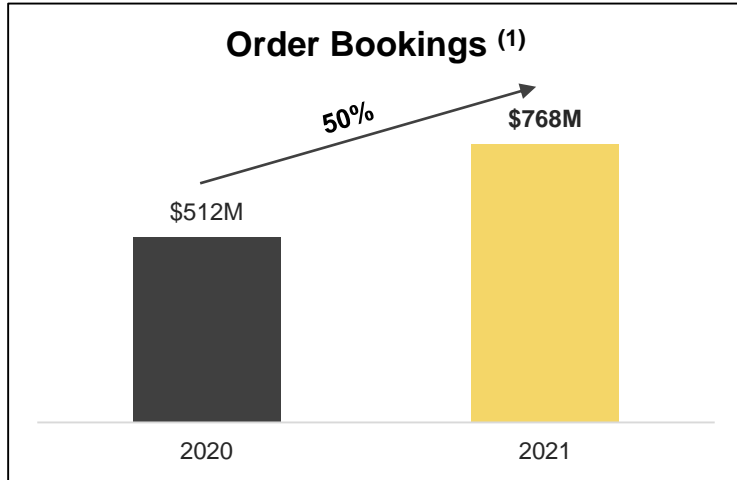
- **Pure-play exposure to the growing space market**
  - Global space economy projected to reach US\$1+ trillion by 2040 up from ~US\$370 billion today <sup>(1)</sup>
- **Established industry leader with a proven track record and strong competitive position**
  - More than 50 years of innovation in space
  - Strong customer relationships with government agencies and commercial companies
  - Cutting-edge technologies and solutions including robotics, satellite systems and earth observation offerings
  - Rich portfolio of patents and industry know-how
  - Long-tenured and experienced technical team
- **Attractive fundamentals for long-term value creation**
  - Growing backlog, strong profitability and healthy balance sheet

# Key Messages

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- **Solid business momentum** with backlog growing to \$864.3M, up 54% YoY
- **Double-digit revenue growth** with full-year revenues of \$476.9M up 16% YoY (Q4-21 revenues up 15% YoY)
- **Strong margin profile** with full-year adjusted EBITDA of \$137.1M (29% adj. EBITDA margin), and Q4-21 adjusted EBITDA of \$26.8M (23% adj. EBITDA margin)
- **Healthy financial position** with net debt to adjusted EBITDA ratio of 0.4x at quarter end
- **Focused on strategic initiatives** and growing the business
  - Successfully hired and on-boarded 670 people in 2021
  - Deployed \$95M on capital expenditures in 2021 to support revenue growth
- **Increased order bookings** including two significant contract awards in Q1-22 which further enhance our competitive position
  - Globalstar LEO satellite constellation (\$415M contract)
  - Canadarm3 Phase B (\$269M contract)

# Full Year Key Performance Indicators



<sup>(1)</sup> Non-IFRS measure; refer to Appendix for reconciliation of non-IFRS to IFRS measures

# Full Year 2021 Results

<i>(\$M, except per share data)</i>	2021	2020	Y/Y Change (\$)	Y/Y Change (%)
Revenues	\$476.9	\$411.5	\$65.4	16%
Gross profit	\$167.8	\$117.3	50.5	43%
<i>Gross margin</i>	<i>35%</i>	<i>29%</i>		
EBITDA	123.3	65.7	57.6	88%
Adjusted EBITDA	137.1	126.8	10.3	8%
<i>Adjusted EBITDA margin</i>	<i>29%</i>	<i>31%</i>		
Adjusted EBITDA, excluding CEWS	112.3	85.2	27.1	32%
<i>Adjusted EBITDA margin, excluding CEWS</i>	<i>24%</i>	<i>21%</i>		
Net Income (loss)	2.9	-36.2	39.1	NM
Basic Earnings (loss) per share	0.03	-0.61		
Diluted Earnings (loss) per share	0.02	-0.61		

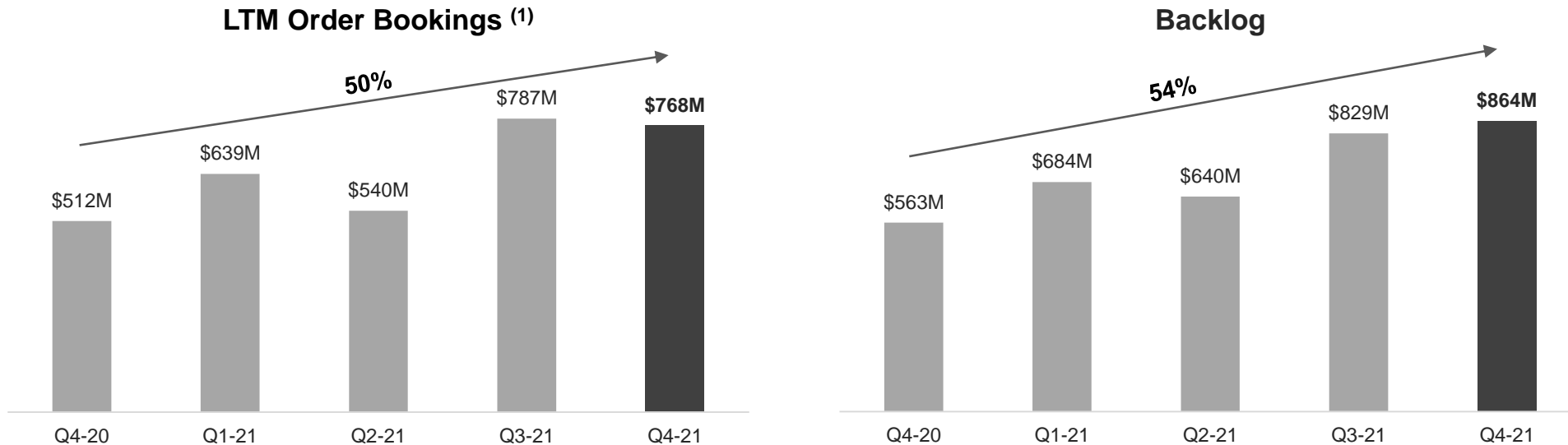
- Revenues up 16% YoY driven by improved program performance and backlog execution, primarily in Satellite Systems and Robotics & Space Operations businesses
- Adjusted EBITDA up 8% YoY, and adjusted EBITDA margin stable at 29%
  - Excluding impact of wage subsidy (CEWS), adjusted EBITDA up 32% YoY and adjusted EBITDA margin up 284 bps YoY

# Fourth Quarter 2021 Results

<i>(\$M, except per share data)</i>	Q4-21	Q4-20	Y/Y Change (\$)	Y/Y Change (%)
Revenues	\$115.5	\$100.2	\$15.3	15%
Gross profit	45.4	28.6	16.8	59%
<i>Gross margin</i>	39%	29%		
EBITDA	22.9	11.6	11.3	97%
Adjusted EBITDA	26.8	30.1	-3.3	-11%
<i>Adjusted EBITDA margin</i>	23%	30%		
Adjusted EBITDA, excluding CEWS	26.0	21.7	4.3	20%
<i>Adjusted EBITDA margin, excluding CEWS</i>	23%	22%		
Net Income (loss)	0.6	-12.6	13.2	NM
Basic Earnings (loss) per share	0.01	-0.16		
Diluted Earnings (loss) per share	0.00	-0.16		

- Revenues up 15% YoY driven by improved program performance and continued execution on backlog, primarily in Satellite Systems and Robotics & Space Operations businesses
- Adjusted EBITDA down 11% YoY, and adjusted EBITDA margin declined to 23%
  - Excluding impact of wage subsidy (CEWS), adjusted EBITDA up 20% YoY and adjusted EBITDA margin up 85 bps YoY

# Order Bookings & Backlog



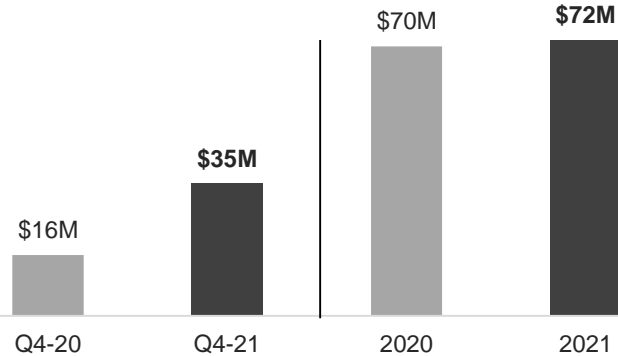
- LTM order bookings up 50% YoY driven by awards in Geointelligence and Satellite Systems
- Revenue visibility with backlog at \$864M (not including recently announced awards in Q1-22)
- LTM Book-to-Bill ratio of 1.6x

(1) Non-IFRS measure

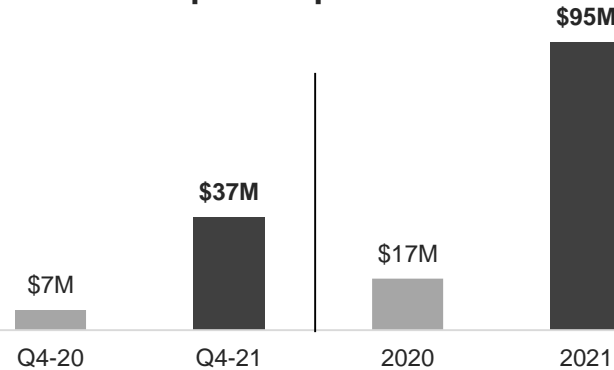


# Cash Generation & Financial Position

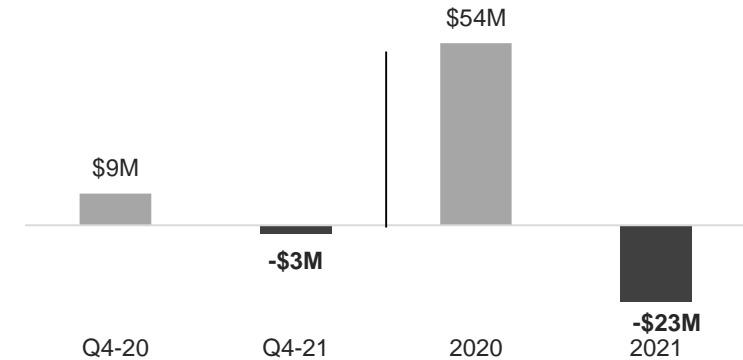
### Operating Cash Flow



### Capital Expenditures

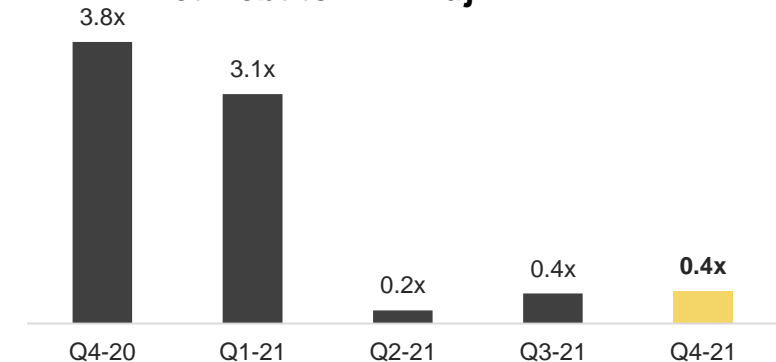


### Free Cash Flow (1)



- Full-year operating cash flow of \$72M benefited from improved earnings in 2021
- Higher 2021 capex of \$95M driven primarily by growth capex
- Healthy balance sheet with net debt to adjusted EBITDA ratio of 0.4x at quarter end

### Net Debt to LTM Adj. EBITDA (1)



(1) Non-IFRS measures; refer to Appendix for reconciliation of non-IFRS to IFRS measures

# 2022 Outlook

	2022 Full-Year Outlook
Revenues	\$750 - \$800M
<i>YoY Growth</i>	<i>~55% - 65%</i>
Adjusted EBITDA	\$140 - \$160M
Capital Expenditures <sup>(1)</sup>	\$180 - \$220M

- Backlog and recent awards provide revenue visibility for 2022
- Forecasts predicated on backlog build in H1-22 followed by revenue inflection commencing in Q2-22 and accelerating throughout the balance of 2022
- Capital expenditures comprised primarily of growth investments (maintenance capex ~\$25 – \$30M per annum)

*(1) Capital expenditures include purchase of PPE and Intangible assets*



## APPENDIX

## Appendix – Reconciliation of Non-IFRS Measures

(\$M)	Q4-21	Q4-20		2021	2020
Net income (loss)	\$0.6	(\$12.6)		\$2.9	(\$36.2)
Depreciation and amortization	6.1	5.1		23.5	22.8
Amortization of intangible assets	14.0	14.0		56.3	42.5
Income tax expense (recovery)	—	(3.6)		8.4	5.2
Finance costs	2.2	8.7		32.2	31.4
<b>EBITDA</b>	<b>22.9</b>	<b>11.6</b>		<b>123.3</b>	<b>65.7</b>
Unrealized foreign exchange loss	(0.5)	(0.5)		2.0	1.0
Unrealized gain on financial assets	0.5	(3.9)		(0.8)	(7.0)
Restructuring costs	0.0	5.3		(0.9)	9.5
Acquisition costs	—	—		—	12.3
Loss related to Jupiter 3	—	12.7		—	23.0
Impairment	—	—		—	16.4
Share based compensation	3.9	4.9		13.5	5.9
<b>Adjusted EBITDA</b>	<b>26.8</b>	<b>30.1</b>		<b>137.1</b>	<b>126.8</b>
CEWS income	0.8	8.4		24.8	41.6
<b>Adjusted EBITDA, excluding CEWS</b>	<b>26.0</b>	<b>21.7</b>		<b>112.3</b>	<b>85.2</b>

## Appendix – Reconciliation of Non-IFRS Measures

(\$M)	Q4-21	Q3-21	Q2-21	Q1-21	Q4-20	Q3-20	Q2-20	Q1-20
Opening Backlog	\$828.9	\$640.0	\$683.9	\$562.5	\$503.8	\$549.2	\$476.7	\$462.1
Revenue recognized	(115.5)	(111.3)	(126.7)	(123.4)	(100.2)	(98.4)	(109.7)	(103.2)
Order Bookings	140.1	300.2	82.8	244.8	158.9	53.0	182.2	117.8
Adjustments <sup>(1)</sup>	10.8				—			
<b>Ending Backlog</b>	<b>864.3</b>	<b>828.9</b>	<b>640.0</b>	<b>683.9</b>	<b>562.5</b>	<b>503.8</b>	<b>549.2</b>	<b>476.7</b>

<sup>(1)</sup> Adjustments in 2021 include reassessments of the values on certain customer contracts and effects of foreign exchange

(\$M)	Q4-21	Q4-20		2021	2020
Cash from operating activities	\$34.5	\$15.9		\$72.1	\$70.4
Purchases of PP&E	(22.3)	(1.0)		(52.5)	(5.9)
Purchases of intangible assets	(14.7)	(5.6)		(42.1)	(11.0)
<b>Free Cash Flow</b>	<b>(2.5)</b>	<b>9.3</b>		<b>(22.5)</b>	<b>53.5</b>

(\$M)	2021	2020
Total Debt	\$144.7	\$559.7
Cash	(83.6)	(78.6)
<b>Net Debt</b>	<b>61.1</b>	<b>481.1</b>
Adjusted EBITDA (LTM)	137.1	126.8
<b>Net Debt to Adjusted EBITDA Ratio</b>	<b>0.4x</b>	<b>3.8x</b>



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