First Quarter 2015 Results

May 7, 2015

SIERRA WIRELESS®

Safe harbor statement

Certain statements and information in this presentation are not based on historical facts and constitute forward-looking statements within the meaning of applicable securities laws ("forward-looking statements") including statements and information relating to our financial guidance summary for Q2 2015, our guidance drivers for 2015 and our business outlook for 2015 and beyond. Forward-looking statements are provided to help you understand our views of our short and longer term prospects. We caution you that forward-looking statements may not be appropriate for other purposes. We will not update or revise our forward-looking statements unless we are required to do so by securities laws.

Forward-looking statements:

- typically include words and phrases about the future, such as: "outlook", "will", "may", "estimates", "intends", "believes", "plans", "anticipates" and "expects";
- are not promises or guarantees of future performance. They represent our current views and may change significantly;
- are based on a number of material assumptions, including those listed below, which could prove to be significantly incorrect:
  - Our ability to develop, manufacture and sell new products and services that meet the needs of our customers and gain commercial acceptance;
  - Our ability to continue to sell our products and services in the expected quantities at the expected prices and expected times;
  - Expected cost of goods sold;
  - Expected component supply constraints;
  - Our ability to "win" new business;
  - Our ability to integrate acquired businesses and realize expected benefits;
  - Expected deployment of next generation networks by wireless network operators;
  - Our operations will not be adversely disrupted by component shortages or other development, operating or regulatory risks; and
  - Expected tax rates and foreign exchange rates.
- are subject to substantial known and unknown material risks and uncertainties. Many factors could cause our actual results, achievements and developments in our business to differ significantly from those expressed or implied by our forward-looking statements, including, without limitation, the following factors, which are discussed in greater detail. These risk factors and others are discussed in our Annual Information Form and Management's Discussion and Analysis of Financial Condition and Results of Operations, which may be found on SEDAR at www.sedar.com and on EDGAR at www.sec.gov and in our other regulatory filings with the Securities and Exchange Commission in the United States and the Provincial Securities Commissions in Canada.
  - Actual sales volumes or prices for our products and services may be lower than we expect for any reason including, without limitation, the continuing uncertain economic conditions, price and product competition, different product mix, the loss of any of our significant customers or competition from new or established wireless communication companies;
  - Higher than anticipated costs; disruption of, and demands on, our ongoing business; and diversion of management's time and attention in connection with acquisitions or divestitures
  - The cost of products sold may be higher than planned or necessary component supplies may not be available, may be delayed or may not be available on commercially reasonable terms;
  - We may be unable to enforce our intellectual property rights or may be subject to litigation that has an adverse outcome;
  - The development and timing of the introduction of our new products may be later than we expect or may be indefinitely delayed;
  - Transition periods associated with the migration to new technologies may be longer than we expect; and
  - Unanticipated costs associated with litigation or settlements associated with intellectual property matters.

Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results.

USE OF NON-GAAP FINANCIAL MEASURES

- This presentation contains references to certain non-GAAP financial measures and should be viewed in conjunction with our press release.

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Business Overview

Jason Cohenour, Chief Executive Officer

Q1 2015 Highlights

- Record quarterly revenue
- Revenue increased 24.1% year-over-year to $150.4 million
  - Organic revenue growth of 19.4%
- Adjusted EBITDA increased 177% year-over-year to $11.3 million
- Non-GAAP earnings from operations of $8.8 million was 12.3 times higher compared to Q1’14
- Completed acquisition of Wireless Maingate

Sierra Wireless is Building the Internet of Things

Technology leadership

4G LTE

Strong global presence

Industry’s broadest product portfolio

M2M Cloud

Innovative open-source embedded platforms

IoT Connectivity Services

maingate

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OEM Solutions

Q1’15 Revenue: $133.0M ↑*25.3% YoY (Non-GAAP GM: 30.2%)*

- Strong year-over-year revenue growth
  - Led by Networking, Automotive, Sales & Payment, Transportation
- Transition to 3G/4G LTE continues
- Introduced 4 new AirPrime modules, first to support LTE-A networks globally
- Solid Q1 design win activity in Networking, Energy, Automotive, Transportation
- Philips Lighting wins City of LA

AirVantage M2M Cloud

Legato

PHILIPS

CISCO

Honeywell

HARMAN

ingenico GROUP

EDMI

AVM

DELL

Itron

Enterprise Solutions

Q1’15 Revenue: $17.4M ↑ *15.8% YoY (Non-GAAP GM: 51.3%)*

- Revenue growth of 16% year-over-year; includes $3.4m from Wireless Maingate
- Q1 was seasonally weaker as expected
  - Re-charging product portfolio and expanding sales team
- New customer wins in Public Safety, Energy, Power, Industrial Automation
- Strengthened distribution channels
- Maingate strengthens device-to-cloud offering; new connectivity wins secured

Financial Overview

David McLennan, Chief Financial Officer

Summary of Key Financial Metrics

Q1 2015 Financial Metrics

($USD millions, except EPS and margin %)

	Q1 2015		
	GAAP Actual	Non-GAAP[1] Actual	Non-GAAP[1] Guidance
Revenue	$150.4	$150.4	$145 – $149
Gross Margin (%)	32.5%	32.6%	
Operating Expenses	$46.4	$40.2	
Adjusted EBITDA[2]	n/a	$11.3	
Earnings from operations	$2.5	$8.8	$6.0 – $7.2
Net Earnings (loss)	$(9.7)	$7.2	$4.7 – $5.7
Earnings (loss) per Share	$(0.30)	$0.22	$0.15 – $0.18

(1) Non-GAAP financial measures exclude the impact of: stock-based compensation expense and related social taxes, acquisition and disposition costs, acquisition amortization, impairment, integration costs, restructuring costs, foreign exchange gains or losses on translation of balance sheet accounts, and certain tax adjustments.
(2) Adjusted EBITDA as defined equates to earnings (loss) from operations plus stock-based compensation expense and related social taxes, acquisition costs, restructuring costs, integration costs, impairment and amortization.

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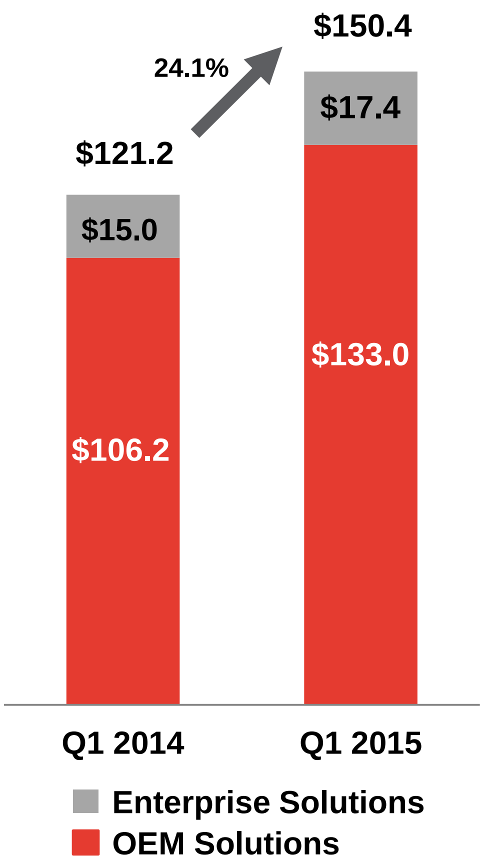
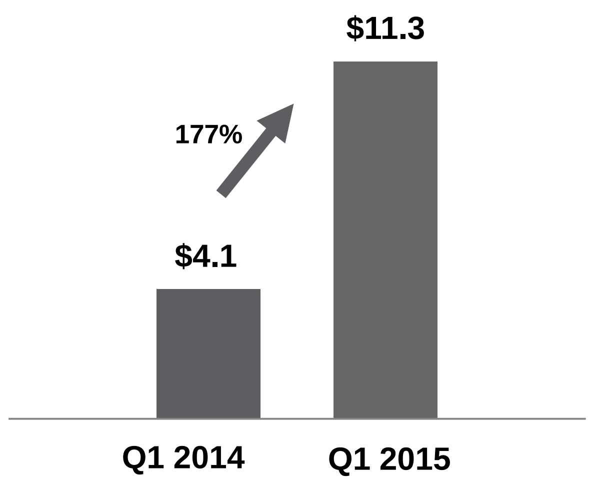
Q1 2015 – Non GAAP Operating Results[1]

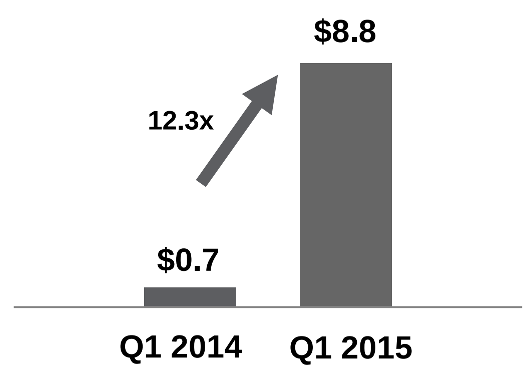
Quarterly Revenue
($USD millions)



Adjusted EBITDA[2]
($USD millions)



Earnings from Operations
($USD millions)



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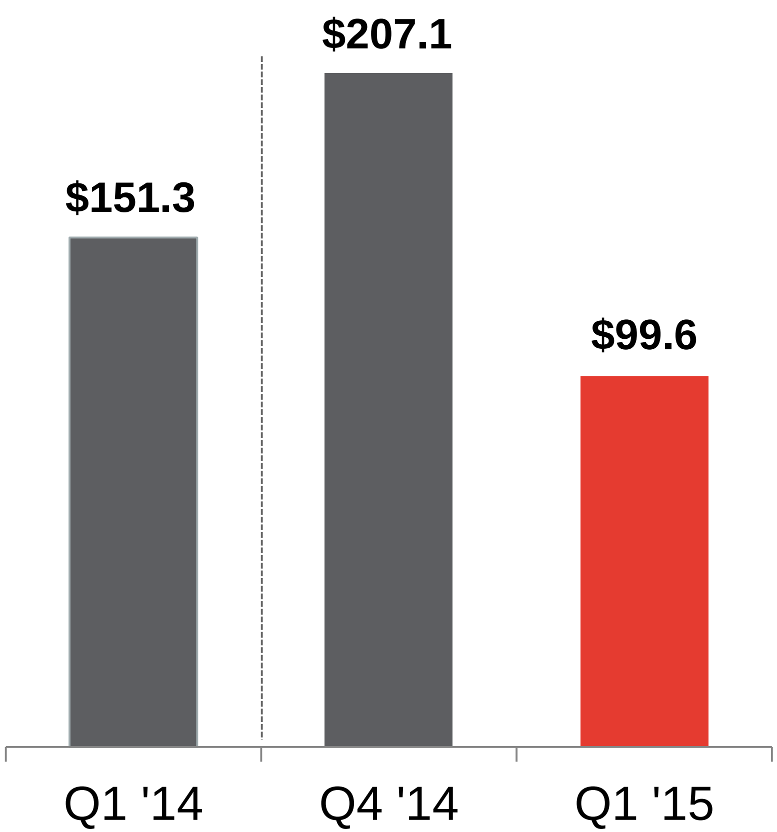
Solid Cash Position and Debt Free

Cash & Cash Equivalents
($USD millions)



- **Working capital requirements and acquisition of Maingate drove cash consumption in Q1'15**
- **Balance sheet remains strong with $100m in cash**

	($US mill)
Opening cash balance (Dec 31, 2014)	$ 207.1
Changes in working capital	$ (25.9)
Acquisition of Maingate, net of cash acquired	$ (88.4)
Other	$ 6.8
Closing cash balance (March 31, 2015)	$ 99.6

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Financial Guidance Q2'15 Summary

Non-GAAP[1] Financial Guidance
($USD millions, except EPS)

	Q2 2015 Guidance
Revenue	**$153.0 to $156.0 million**
Earnings from operations	**$8.5 to $10.0 million**
Net earnings	**$6.7 to $7.9 million**
Diluted Earnings per share	**$0.21 to $0.24 per share**

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Overview of Accel Networks

- Provider of secure, managed 4G LTE connectivity services
- More than 300 enterprise and SME customers in the U.S. serving over 5,000 locations
- Proven iMaestro™ platform with smart antenna and cloud-based RF link optimization management
- Integrated with AT&T, Verizon, Sprint as cellular service providers
- 28 employees, based in Florida and Atlanta

Primary Service

DSL and/or T1 replacement using 4G LTE technology

Network Continuity

Intelligent backup and failover for mission critical applications

Quick Start Service

Temporary business connectivity for store openings, new sites or seasonal business

Acquisition of Accel Networks

Entered into definitive agreement to acquire Accel; expected to close in June

- Purchase price of $9.3 million in cash with potential earnout of $1.5 million
- 2014 revenue of $8.5 million; post-closing of the acquisition, expect revenue in the next 12 months of approx. $10 million and breakeven Adjusted EBITDA

Strategic Rationale

- Strong fit with device-to-cloud strategy, including managed connectivity services
- Strong segment fit: 4G LTE managed connectivity services for distributed enterprise represents a large and growing market opportunity
- Strengthens expertise in distributed networking
- Business model enhancement: Accel adds a significant base of high ARPU recurring revenue
- Strong team fit: Accel is a long-time Sierra Wireless partner

Q1 2015 Summary

- Continued strong year-over-year revenue growth
- Continued improvements in profitability and operating leverage
- Continue to strengthen strategic position with acquisitions
- Building the Internet of Things with powerful device to cloud solutions

Trusted M2M partner to leading global customers

PHILIPS
Itron
RENAULT
CHRYSLER
CISCO
ingenico GROUP
MOTOROLA SOLUTIONS
Honeywell
LOOMIS
EDMI
VEOLIA
HARMAN
PEUGEOT
DELL

Q&A Session