Sangoma Technologies: A Leading Provider of Hardware and Software Products for IP Communication Systems

"Established in 1984, Sangoma's products are used around the world to address the telecom needs of Telco's/Service Providers, Enterprises/SMBs, and OEM partners of all sizes."

The communications landscape continues to grow in complexity, with more devices, networks, clouds and systems needing to communicate with each other. Sangoma Technologies is a leading provider of products that enable or enhance IP Communications Systems for voice, data and video applications. Its connectivity solutions are used in leading PBX, UC (unified communications), IVR, contact center, carrier networks and data-communication applications worldwide.

Headquartered near Toronto in Canada, Sangoma was founded in 1984 and is now publicly traded on the TSX Venture Exchange. The company has gone through 3 phases in its corporate evolution. Like many tech startups, it began as a project driven engineering company and operated as such for many years. Then, starting around the year 2000, it transitioned into a *'product company',* designing its own products that it began selling across North America. And finally, around 2010, under a new leadership, it launched an expansion phase during which it has been adding new telecom products quickly. This has led to growing revenues, international expansion, and multiple acquisitions of companies that have also added to the company's organic growth. Sangoma now has staff on every continent around the globe and has customers worldwide in over 150 countries.

Its motto is: Everything Connects.

Product Offerings

Sangoma's product line includes both hardware and software products that offer its customers industry leading engineering quality, at cost-effective price points. It is positioned below the *'big guys'* on price, but above the smaller players on product quality, a market segment that is highly attractive. Sangoma promises: *"We deliver industry-leading value and quality, at price points that will make a difference to your ROI."*

The company is all about facilitating the transition away from older telecom networks and technologies (sometimes referred to as POTS, for plain old telephone service, or PSTN for public switched telephone network) to the newer, more advanced IP-based networks such as the internet and VoIP (Voice over Internet Protocol). Some key product lines include the following, each available in varying capacities that are priced from less than $1000 up to $100,000:

- VoIP Gateways - hardware devices that convert traditional networks to new advanced technologies, so customers can connect new systems (like PBXs) to older networks as required to take advantage of new capabilities, or older PBXs to newer IP networks to avoid having to throw out their phone system to utilize more cost effective networks/bandwidth.

- Session Border Controllers (or SBCs) - SBCs are available as a
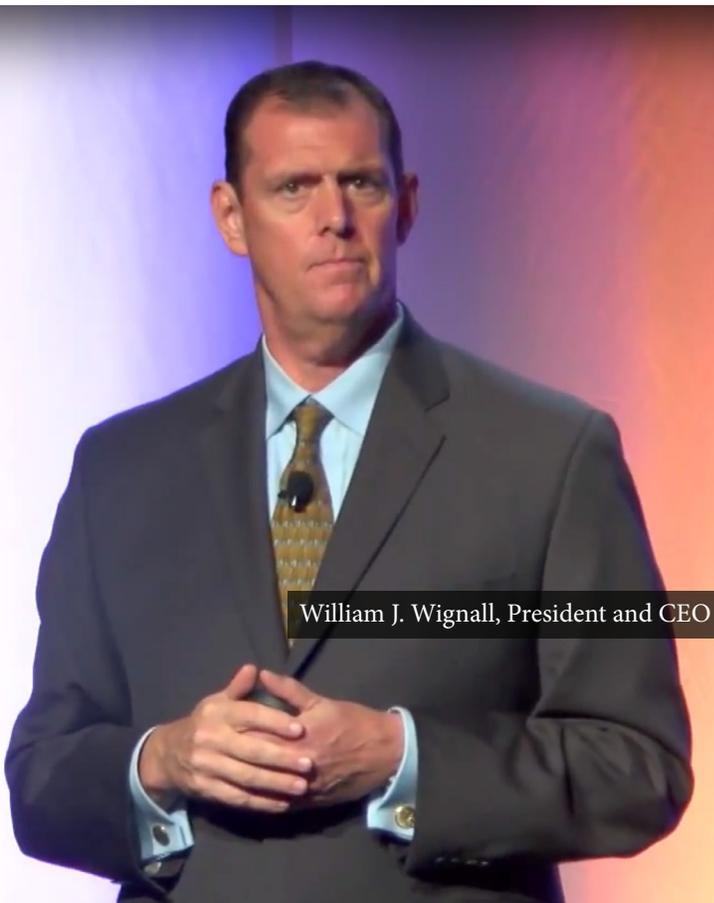
William J. Wignall, President and CEO

software product from Sangoma, or as a hardware solution. They are a key network element to provide secure VoIP connections between modern IP systems (such as a PBX for instance) and advanced IP networks. SBCs are to voice and Firewalls are to data/LANs. SBC sales are often driven by the adoption of SIP trunking, one of the fastest growing areas of VoIP.

- PBX's (private branch exchange)- PBXs are business communication systems that provide voice capability and business phones to SMB and Enterprise customers. With an acquisition in Jan 2015, Sangoma added software and hardware based PBX/UC systems under the brands *"FreePBX"* (an open source version) and PBXact (the commercial version). The company now has over 2 million active installations. It has recently introduced a new line of VoIP phones, to complement the PBX sales line.

- Skype for Business- Multiple products for Microsoft's unified communications ecosystem, including the industry leading *"All in One"* on premise appliance, *'Lync Express',* that helps customers to deploy Microsoft Skype for Business, faster and less expensively.

- Telecom Interface Cards- electronic circuit boards that customers (mostly system integrators and OEMs, but some end users too) use to connect their systems/servers to traditional telecom networks.

Customers
Sangoma is a B2B company that has customers on every continent in over 150 countries around the globe. Some of its sales are handled through a carefully developed network of hundreds of technical distributors and resellers throughout the world. The company's customers typically fall into three broad categories: Enterprise/SMB users (ie. Typical business customers), Carriers/Service Providers/Telcos, and OEMs (who buy Sangoma software or hardware, and put it inside the OEM's own products). Customers cover almost all vertical markets including military/aerospace, transportation, manufacturing, service, telecom operators, etc etc

Case Study
Exchange Communications

The Challenge: The job was to deploy voice and data services as quickly and efficiently as possible for film production sites.

The Solution: Exchange Communications began using FaxxBochs® Fax-over-IP from Sangoma. *"Since we started with FaxxBochs, it has been a super-reliable technology for us. We just have to prep the units for shipping, plug them in behind the firewall, and they're good to go,"* said Blake Hannon, Technology Officer. *"It's a straightforward solution that's a reasonable cost, easy to deploy, and can address all our customers're-quirements. It's more flexible and cost-effective to bring in Fax-over-IP services because it doesn't require additional engineering or phone lines to make it work because we already have the network in place."*

Future Focus Areas
The company's future focus areas are on establishing its presence in new markets and moving towards hosted service offerings in the Cloud with recurring revenue.

Knowing the Masters
William J. Wignall, President and CEO
William leads the company in the formation and execution of its growth strategy. His deep operational and strategic skills are major assets to the corporation. Under his leadership, Sangoma is dramatically expanding its product portfolio, driving organic growth by targeting new markets and territories, and undertaking multiple acquisitions that are strategic fits to further accelerate that growth. As a technology industry veteran, Bill has previously been President and CEO at Truition Inc., President and CEO of Electronics Workbench, and in senior executive roles throughout his career at companies ranging in size from start-ups to Northern Telecom, BNI and Telezone. He has served on or Chaired various tech company boards, both public and private, mentors young CEOs/startups, and teaches at multiple universities in the engineering and business faculties.

David S. Moore, CFO
David handles Finance, Human Resources, Investor Relations, and Logistics at Sangoma. He brings extensive corporate finance, operations management and accounting experience to the management team. He is a Certified Management Accountant with 25 years of experience in both public and private companies within the technology sector. Most recently David was CFO at Truition Inc. a developer and marketer of e-Commerce software and before that the CFO of Fifty-Plus International Inc., a TSX-V company now trading as Zoomer Media Inc. He has extensive international experience in Europe and North America and in the past held executive positions at Nortel Networks.