



*Challenge us
to take you further*

Q3 2019 Financial Review

Nov 2019

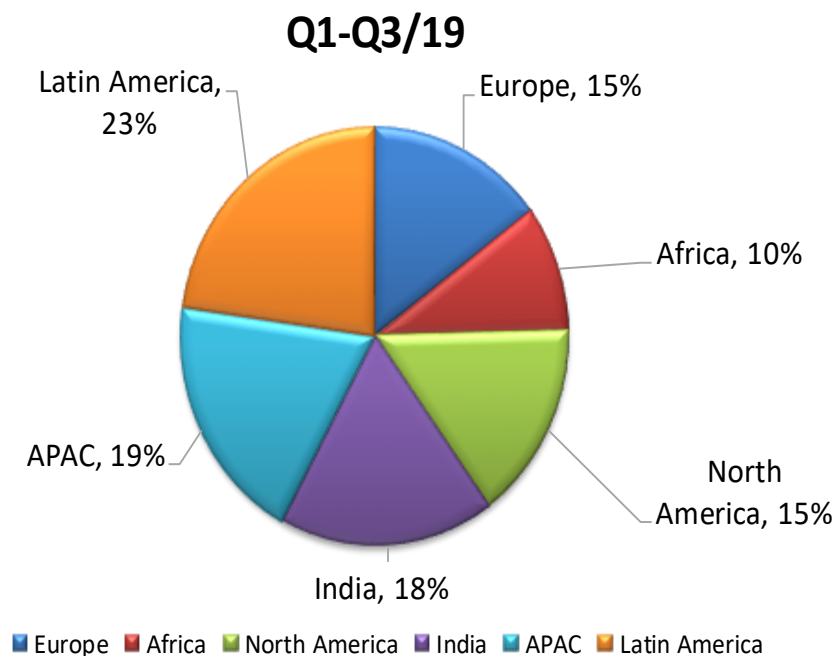
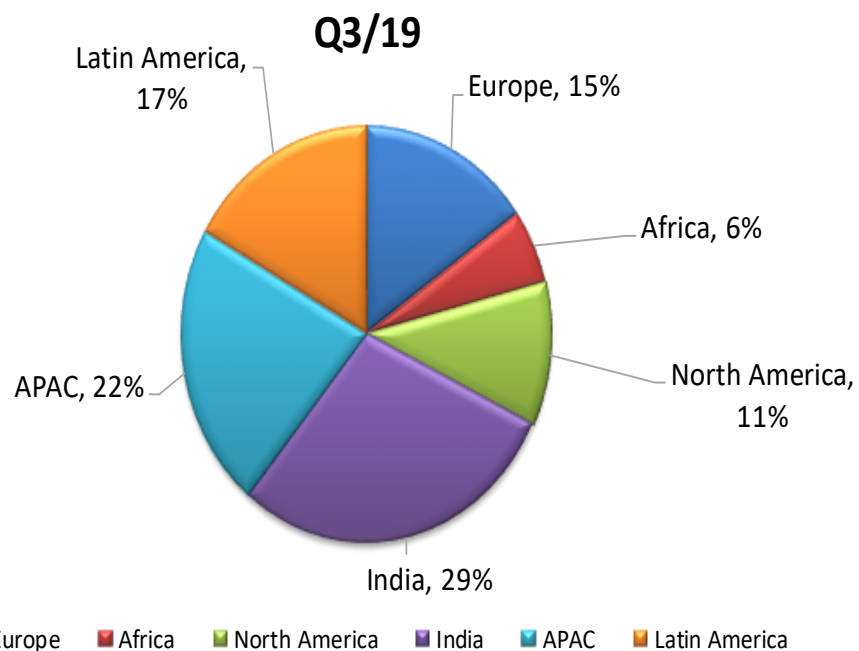


Safe Harbor Statement

This presentation contains statements concerning Ceragon's future prospects that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on the current beliefs, expectations and assumptions of Ceragon's management. Examples of forward-looking statements include: projections of demand, revenues, net income, gross margin, capital expenditures and liquidity, competitive pressures, order timing, growth prospects, product development, financial resources, cost savings and other financial matters. You may identify these and other forward-looking statements by the use of words such as "may", "plans", "anticipates", "believes", "estimates", "targets", "expects", "intends", "potential" or the negative of such terms, or other comparable terminology. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially, including the risks relating to the concentration of a significant portion of Ceragon's expected business in certain geographic regions and particularly in India, where a small number of customers are expected to represent a significant portion of our revenues, including the risks of deviations from our expectations of timing and size of orders from these customers; the risk that the current slowdown in revenue from India could extend for a longer period than anticipated; the risk of delays in converting design wins into revenue; risks associated with any failure to effectively compete with other wireless equipment providers; the risk that the rollout of 5G services could take longer than anticipated; and other risks and uncertainties detailed from time to time in Ceragon's Annual Report on Form 20-F and Ceragon's other filings with the Securities and Exchange Commission, that represent our views only as of the date they are made and should not be relied upon as representing our views as of any subsequent date. We do not assume any obligation to update any forward-looking statements.

Revenues- Geographic Split

	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17	Q1/18	Q2/18	Q3/18	Q4/18	Q1/19	Q2/19	Q3/19
Europe	13%	14%	10%	12%	17%	17%	12%	11%	9%	13%	17%	13%	15%
Africa	8%	4%	6%	3%	3%	3%	2%	4%	10%	12%	13%	11%	6%
North America	10%	14%	15%	7%	12%	14%	11%	10%	13%	15%	15%	20%	11%
India	31%	32%	36%	53%	31%	34%	46%	47%	34%	25%	15%	10%	29%
APAC	8%	9%	19%	11%	12%	12%	16%	11%	13%	15%	18%	18%	22%
Latin America	30%	27%	14%	14%	25%	20%	13%	17%	21%	20%	22%	28%	17%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%



NON-GAAP Profit & Loss

Actual (Unaudited)													
	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17	Q1/18	Q2/18	Q3/18	Q4/18	Q1/19	Q2/19	Q3/19
Revenues	79,132	84,665	76,021	93,334	75,999	86,679	83,275	88,328	86,529	85,742	69,163	73,001	72,163
Cost of Revenues	52,377	56,808	53,232	63,648	49,215	57,382	55,639	59,566	56,219	55,961	44,495	46,615	48,907
Gross profit	26,755	27,857	22,789	29,686	26,784	29,297	27,636	28,762	30,310	29,781	24,668	26,386	23,256
Gross margin	33.8%	32.9%	30.0%	31.8%	35.2%	33.8%	33.2%	32.6%	35.0%	34.7%	35.7%	36.1%	32.2%
Research & Development	5,331	5,701	6,029	6,083	6,943	6,420	7,154	6,754	7,353	6,606	6,061	6,156	6,652
% R&D	6.7%	6.7%	7.9%	6.5%	9.1%	7.4%	8.6%	7.6%	8.5%	7.7%	8.8%	8.4%	9.2%
Sales & Marketing	9,407	10,174	9,586	9,892	9,375	12,252	10,418	10,227	10,349	11,327	9,287	9,914	9,585
%S&M	11.9%	12.0%	12.6%	10.6%	12.3%	14.1%	12.5%	11.6%	12.0%	13.2%	13.4%	13.6%	13.3%
General & Administration	5,154	4,820	4,323	4,936	4,249	4,440	4,327	4,721	4,247	5,074	5,600	5,478	4,456
%G&A	6.5%	5.7%	5.7%	5.3%	5.6%	5.1%	5.2%	5.3%	4.9%	5.9%	8.1%	7.5%	6.2%
Total operating expenses	19,892	20,695	19,938	20,911	20,567	23,112	21,899	21,702	21,949	23,007	20,948	21,548	20,693
Operating profit	6,863	7,162	2,851	8,775	6,217	6,185	5,737	7,060	8,361	6,774	3,720	4,838	2,563
Operating margin	8.7%	8.5%	3.8%	9.4%	8.2%	7.1%	6.9%	8.0%	9.7%	7.9%	5.4%	6.6%	3.6%
Non-GAAP EBITDA	8,975	9,280	4,821	10,625	8,024	8,218	7,248	9,050	10,455	8,937	5,840	7,156	5,105
Finance expenses	(1,519)	(1,494)	(1,598)	(1,481)	(1,655)	(1,155)	(2,034)	(2,646)	(1,766)	(872)	(1,135)	(1,612)	(1,469)
Income Tax	(572)	(429)	(389)	(1,319)	(202)	(964)	(701)	(593)	(894)	(904)	(516)	(744)	(597)
Non GAAP Net income	4,772	5,239	864	5,975	4,360	4,066	3,002	3,821	5,701	4,998	2,069	2,482	497
Non GAAP EPS	0.06	0.07	0.01	0.07	0.05	0.05	0.04	0.05	0.07	0.06	0.03	0.03	0.01
# of Shares for diluted EPS ('000)	79,780	79,889	80,752	80,405	79,880	79,785	80,378	81,157	81,546	82,369	82,702	82,250	81,814

Selected Cash Flow Data

(U.S. dollars in thousands)													
	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17	Q1/18	Q2/18	Q3/18	Q4/18	Q1/19	Q2/19	Q3/19
Total cash & cash equivalents	32,374	36,338	36,460	34,087	36,470	25,877	25,956	29,398	41,322	35,581	29,754	29,041	20,524
Cash flow from operations	764	10,002	7,781	2,268	(9,516)	16,617	4,373	4,179	15,521	(3,207)	(620)	(6,487)	(14,431)
Capital expenditures	(1,825)	(2,757)	(2,309)	(1,196)	(3,980)	(3,451)	(4,385)	(908)	(3,764)	(4,610)	(5,240)	(3,339)	(2,658)
Option Exercise	60	8	74	115	40	65	100	274	189	2,048	66	190	135
Loans received (repaid), net	(1,150)	(3,300)	(5,500)	(3,500)	15,800	(23,800)	-	-	-	-	-	8,900	8,500
Other	148	11	76	(60)	39	(24)	(9)	(103)	(22)	28	(33)	23	(63)
Net Change in Cash	(2,003)	3,964	122	(2,373)	2,383	(10,593)	79	3,442	11,924	(5,741)	(5,827)	(713)	(8,517)

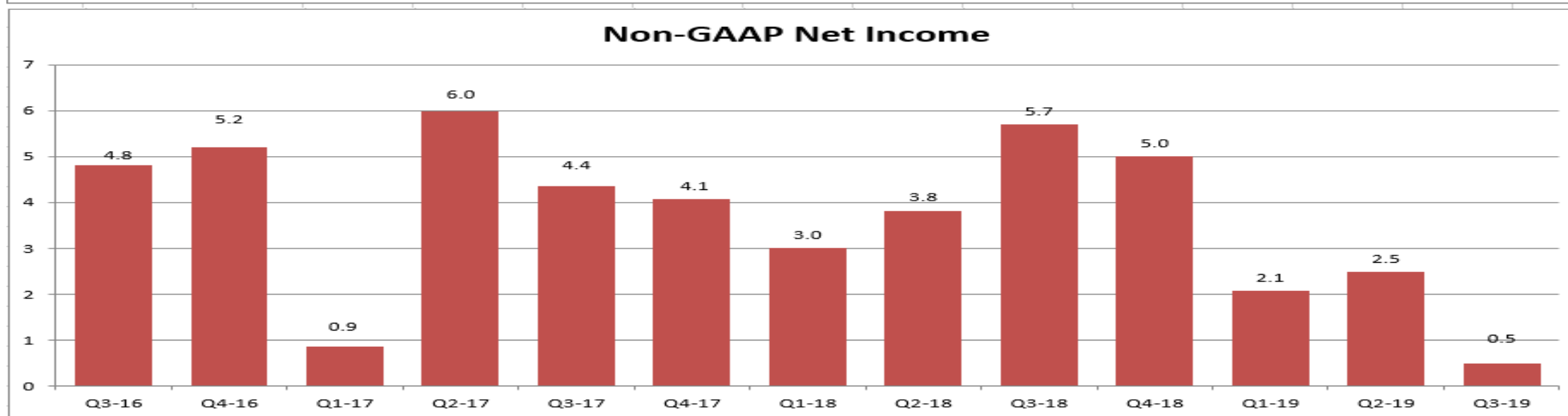
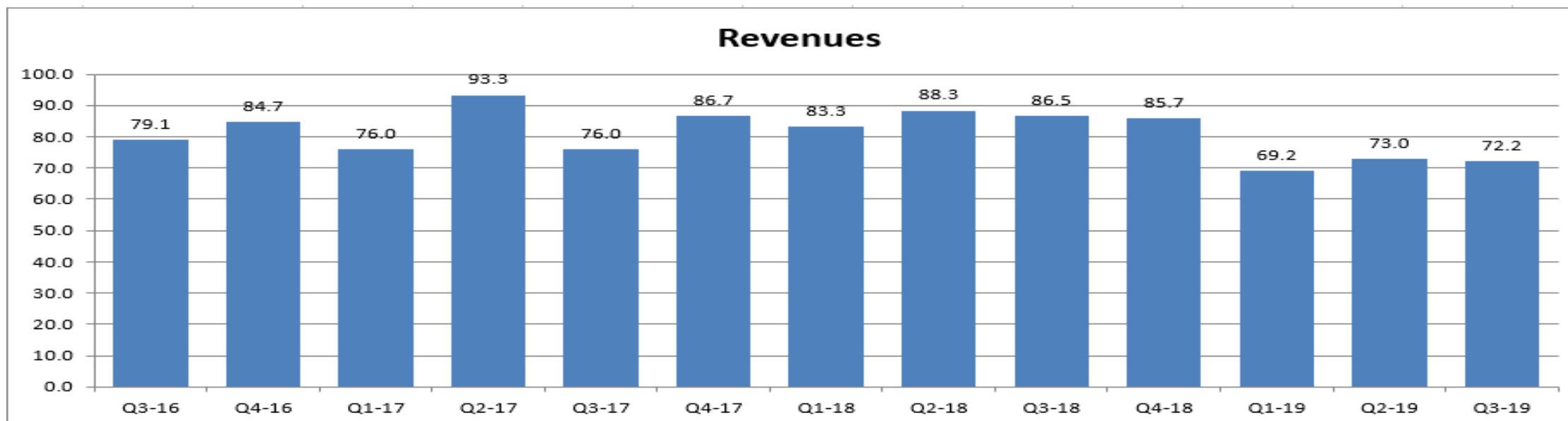
Selected Balance Sheet Data

	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17	Q1/18	Q2/18	Q3/18	Q4/18	Q1/19	Q2/19	Q3/19
Cash and Cash Equivalents	32,374	36,338	36,460	34,087	36,470	25,877	25,956	29,398	41,322	35,581	29,754	29,041	20,524
Trade Receivables	109,615	107,395	99,539	114,077	127,124	113,719	116,002	118,545	113,193	123,451	119,548	121,449	126,196
DSOs	141	133	117	125	141	125	125	129	120	131	132	141	154
Inventory	44,182	45,647	50,815	56,158	55,866	54,164	49,676	46,040	47,435	53,509	67,370	73,900	67,717
Inventory Days	87	87	89	90	91	88	80	76	76	86	114	132	126
Working capital	95,252	95,950	98,197	102,818	105,673	105,362	108,030	109,134	113,817	115,170	112,855	119,687	118,925
Loans	20,300	17,000	11,500	8,000	23,800	-	-	-	-	-	-	8,900	17,400
Shareholders' Equity	108,363	116,164	118,026	123,656	126,854	133,898	136,061	138,474	145,543	159,568	161,833	163,759	163,878
%- Shareholders' Equity/ Total assets	45%	48%	48%	47%	46%	53%	55%	56%	56%	56%	54%	53%	54%
Total BS	242,563	244,225	243,848	263,682	278,658	253,593	248,190	247,212	258,948	283,000	297,517	308,513	302,067

Reported results – Reconciliation to GAAP

(U.S. dollars in thousands)													
	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17	Q1/18	Q2/18	Q3/18	Q4/18	Q1/19	Q2/19	Q3/19
Non GAAP Net income	4,772	5,239	864	5,975	4,360	4,066	3,002	3,821	5,701	4,998	2,069	2,482	497
Stock based compensation expenses	283	197	358	261	349	235	353	679	450	498	475	697	422
Amortization of intangible assets	414	416	374	380	384	406	-	-	-	-	-	-	-
Changes in indirect tax positions	403	(1,921)	162	165	(209)	(1,983)	15	12	11	(230)	21	9	4
Leases - financial expenses (income)	-	-	-	-	-	-	-	-	-	-	(26)	218	(91)
Recovery of devaluation related expenses in Venezuela	-	-	-	-	-	-	-	-	(969)	-	-	-	-
Non-cash tax adjustments	189	(1,786)	98	187	340	(1,802)	564	(96)	58	(6,869)	618	654	(182)
Equity loss in affiliates	-	-	-	-	-	-	-	-	-	-	173	141	158
GAAP Net Income (Loss)	3,483	8,333	(128)	4,982	3,496	7,210	2,070	3,226	6,151	11,599	808	763	186
GAAP EPS	0.04	0.10	(0.00)	0.06	0.04	0.09	0.03	0.04	0.08	0.14	0.01	0.01	0.00
# of Shares for basic EPS ('000)	77,712	77,759	77,796	77,891	77,964	78,010	78,080	78,232	78,455	79,539	80,114	80,192	80,304
# of Shares for diluted EPS ('000)	79,285	79,584	77,796	80,202	79,597	79,452	80,065	80,850	81,172	81,988	82,334	82,051	81,652

Quarterly Revenues and Non-GAAP Net Income





Thank You

