



*Challenge us
to take you further*

Q3 2022 Financial Review

November 2022

DISCLAIMER



This presentation has been prepared by Ceragon Networks Ltd. ("Ceragon" or the "Company") for informational purposes only. This presentation is proprietary to the Company and may not be reproduced (in whole or in part) nor summarized, passed, distributed, disseminated and/or copied without the prior written consent by the Company.

Ceragon Networks® and FibeAir® are registered trademarks of Ceragon in the United States and other countries. CERAGON® is a trademark of Ceragon Networks Ltd., registered in various countries. Other names mentioned are owned by their respective holders.

This presentation does not constitute a proposal and/or an offer and/or invitation to acquire and/or to be issued shares or any other securities by the Company and/or to engage in any transaction.

This presentation has been prepared to provide summary information to its recipients, but it does not, however, purport to present all material information regarding the Company and/or the subject matter thereof, and it is not a substitute for a thorough review of Ceragon's public filings with the Securities and Exchange Commission ("SEC") and the information and documents incorporated by reference from other documents that we file with the SEC. This presentation does not pretend to present or reflect the full and complete information as published with the SEC and should be read together with such filings with the same care. In particular, the Company makes no warranty, representation, assurance or inducement, express or implied, as to adequacy, sufficiency, or freedom from defect of any kind of information contained herein. This presentation includes a summary of the issues addressed therein, in the context at which they appear, and not the full information that the Company has or have published on those matters. EXCEPT AS TO THOSE MATTERS EXPRESSLY COVERED BY THE COMPANY'S SEC FILINGS, CERAGON DISCLAIMS ALL OTHER REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS OR IMPLIED, AND THE RECIPIENTS/READERS HEREOF ACKNOWLEDGE AND AGREE THAT THEY ARE NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF CERAGON OTHER THAN THOSE SET FORTH IN THE COMPANY'S PUBLIC SEC FILINGS.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995. This presentation contains statements that constitute "forward-looking statements" within the meaning of the Securities Act of 1933, as amended and the Securities Exchange Act of 1934, as amended, and the safe-harbor provisions of 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 about Ceragon's business, financial condition, results of operations, micro and macro market trends and other issues addressed or reflected therein. Examples of forward-looking statements include, but are not limited to, statements regarding: projections of demand, revenues, net income, gross margin, capital expenditures and liquidity, competitive pressures, order timing, supply chain and shipping, components availability, growth prospects, product development, financial resources, cost savings and other financial and market 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, although not all forward-looking statements contain these identifying words.

Although we believe that the projections reflected in such forward-looking statements are based upon reasonable assumptions, we can give no assurance that our expectations will be obtained or that any deviations therefrom will not be material. Such forward-looking statements involve known and unknown risks and uncertainties that may cause Ceragon's future results or performance to differ materially from those anticipated, expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, any future actions that may be taken by Aviat Networks, Inc. or others; the continuing impact of the components shortage due to the global shortage in semiconductors, chipsets, components and other commodities, on our supply chain, manufacturing capacity and ability to timely deliver our products, which have caused, and could continue to cause delays in deliveries of our products and in the deployment of projects by our customers, risk of penalties and orders cancellation created thereby, as well as profit erosion due to constant price increase, payment of expedite fees and costs of inventory pre-ordering and procurement acceleration of such inventory, and the risk of becoming a deadstock if not consumed; the continued effect of the global increase in shipping costs and decrease in shipping slots availability on us, our supply chain and customers, which have resulted, and may continue to result in, price erosion, late deliveries and the risk of penalties and orders cancellation due to late deliveries; the impact of the transition to 5G technologies on our revenues if such transition is developed differently than we anticipated; the risks relating to the concentration of a major portion of our business on large mobile operators around the world from which we derive a significant portion of our ordering, that due to their relative effect on the overall ordering coupled with inconsistent ordering pattern and volume of business directed to us, creates high volatility with respect to our financial results and results of operations; the effect of the competition from other wireless transport equipment providers and from other communication solutions that compete with our high-capacity point-to-point wireless products; the risks relating to increased breaches of network or information technology security along with increase in cyber-attack activities, growing cyber-crime threats, and changes in privacy and data protection laws, that could have an adverse effect on our business; risks associated with any failure to meet our product development timetable, including delay in the commercialization of our new chipset; imposition of additional sanctions and global trade limitations in connection with Russia's invasion to Ukraine; risks relating to potential uprising or additional outbreak of the COVID-19 pandemic and the effects on the global economy and markets and on us and on the markets in which we operate that are associated therewith; the effects of general economic conditions and trends on the global and local markets in which we operate and such other risks, uncertainties and other factors that could affect our results, as further detailed in Ceragon's most recent Annual Report on Form 20-F and in Ceragon's other filings with the Securities and Exchange Commission.

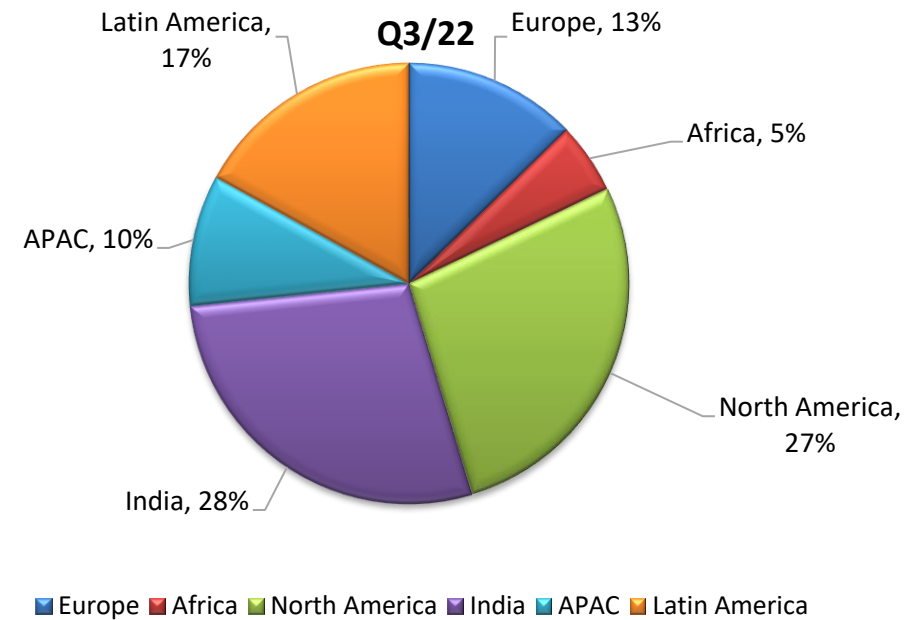
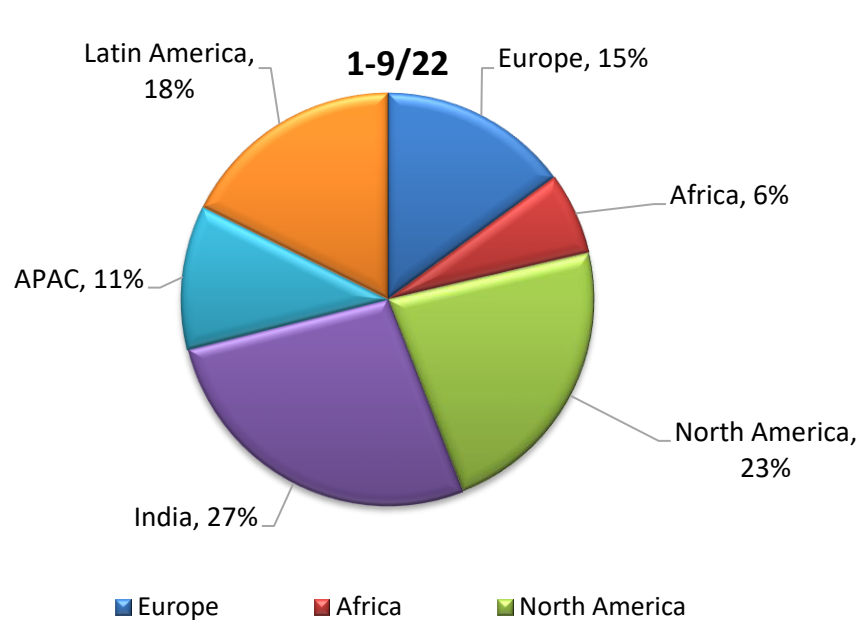
Such forward-looking statements, including the risks, uncertainties and other factors that could affect our results, represent our views only as of the date they are made and should not be relied upon as representing our views as of any subsequent date. Such forward-looking statements do not purport to be predictions of future events or results and there can be no assurance that it will prove to be accurate. Ceragon may elect to update these forward-looking statements at some point in the future, but the company specifically disclaims any obligation to do so except as may be required by law.

Ceragon's public filings are available on the Securities and Exchange Commission's website at www.sec.gov and may also be obtained from Ceragon's website at www.ceragon.com.

Ceragon will not be responsible for any consequences resulting from the use of this presentation as well as the reliance upon any opinion or statement contained herein or for any omission.

Revenues- Geographic Split

	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22	Q3/22
Europe	15%	15%	15%	21%	14%	19%	19%	18%	15%	14%	17%	15%	13%
Africa	6%	7%	6%	4%	14%	10%	9%	8%	6%	9%	8%	6%	5%
North America	11%	13%	13%	15%	14%	16%	17%	19%	14%	16%	19%	21%	27%
India	29%	16%	25%	22%	24%	23%	26%	27%	35%	30%	22%	31%	28%
APAC	22%	18%	21%	19%	20%	14%	14%	11%	9%	10%	14%	11%	10%
Latin America	17%	31%	20%	19%	14%	18%	15%	17%	21%	21%	20%	16%	17%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%



NON-GAAP Profit & Loss



Actual (Unaudited)													
	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22	Q3/22
Revenues	72,163	71,256	55,871	62,427	70,581	74,002	68,270	68,621	76,115	77,760	70,319	70,674	78,649
Cost of Revenues	48,907	48,980	41,833	45,891	46,970	52,631	48,087	47,005	52,509	55,199	50,850	49,142	50,699
Gross profit	23,256	22,276	14,038	16,536	23,611	21,371	20,183	21,616	23,606	22,561	19,469	21,532	27,950
Gross margin	32.2%	31.3%	25.1%	26.5%	33.5%	28.9%	29.6%	31.5%	31.0%	29.0%	27.7%	30.5%	35.5%
Research & Development	6,652	7,558	7,201	6,760	7,299	7,694	7,358	7,494	6,640	7,745	6,779	7,493	7,150
% R&D	9.2%	10.6%	12.9%	10.8%	10.3%	10.4%	10.8%	10.9%	8.7%	10.0%	9.6%	10.6%	9.1%
Selling & Marketing	9,585	9,975	8,173	8,032	7,819	8,452	8,186	8,266	8,349	8,681	8,495	9,060	8,280
% S&M	13.3%	14.0%	14.6%	12.9%	11.1%	11.4%	12.0%	12.0%	11.0%	11.2%	12.1%	12.8%	10.5%
General & Administration	4,456	6,836	4,246	4,755	4,754	4,680	3,934	5,247	4,645	4,616	4,803	4,612	6,116
% G&A	6.2%	9.6%	7.6%	7.6%	6.7%	6.3%	5.8%	7.6%	6.1%	5.9%	6.8%	6.5%	7.8%
Total operating expenses	20,693	24,369	19,620	19,547	19,872	20,826	19,478	21,007	19,634	21,042	20,077	21,165	21,546
Operating profit (loss)	2,563	(2,093)	(5,582)	(3,011)	3,739	545	705	609	3,972	1,519	(608)	367	6,404
Operating margin	3.6%	-2.9%	-10.0%	-4.8%	5.3%	0.7%	1.0%	0.9%	5.2%	2.0%	-0.9%	0.5%	8.1%
Non-GAAP EBITDA	5,105	587	(2,878)	(331)	6,467	3,494	3,591	3,552	6,931	4,977	2,333	3,201	9,047
Financial expenses and others, net	(1,469)	(2,071)	(758)	(1,354)	(1,238)	(2,527)	(1,237)	(1,367)	(2,273)	(2,691)	(1,184)	(2,531)	(2,011)
Income Tax	(597)	(801)	(365)	(487)	(201)	(1,559)	(347)	(420)	(348)	(855)	(61)	(304)	(269)
Non GAAP Net income (loss)	497	(4,965)	(6,705)	(4,852)	2,300	(3,541)	(879)	(1,178)	1,351	(2,027)	(1,853)	(2,468)	4,124
Non GAAP EPS	0.01	(0.06)	(0.08)	(0.06)	0.03	(0.04)	(0.01)	(0.01)	0.02	(0.02)	(0.02)	(0.03)	0.05
# of Shares for diluted EPS ('000)	81,814	80,575	80,765	81,013	82,244	81,536	82,584	83,424	85,271	83,916	83,959	84,019	85,970

Selected Cash Flow Data

(U.S. dollars in thousands)													
	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22	Q3/22
Total cash & cash equivalents	20,524	23,939	44,120	35,167	29,155	27,101	33,011	28,670	27,235	17,079	24,960	23,592	25,964
Cash flow from operations	(14,431)	8,607	3,127	6,666	(3,225)	10,677	(1,654)	(2,958)	(667)	(9,740)	(1,816)	(3,173)	8,597
Capital expenditures	(2,658)	(2,627)	(1,202)	(2,715)	(1,230)	(1,342)	(2,003)	(1,728)	(2,336)	(3,328)	(2,726)	(3,079)	(4,487)
Options Exercise	135	211	246	308	293	390	3,689	269	730	42	81	32	297
Proceeds (repayment) of short-term bank credits and loans, net	8,500	(2,800)	18,255	(13,176)	(1,800)	(11,900)	6,000	-	900	2,900	12,150	4,950	(2,000)
Other	(63)	24	(245)	(36)	(50)	121	(122)	76	(62)	(30)	192	(98)	(35)
Net Change in Cash	(8,517)	3,415	20,181	(8,953)	(6,012)	(2,054)	5,910	(4,341)	(1,435)	(10,156)	7,881	(1,368)	2,372

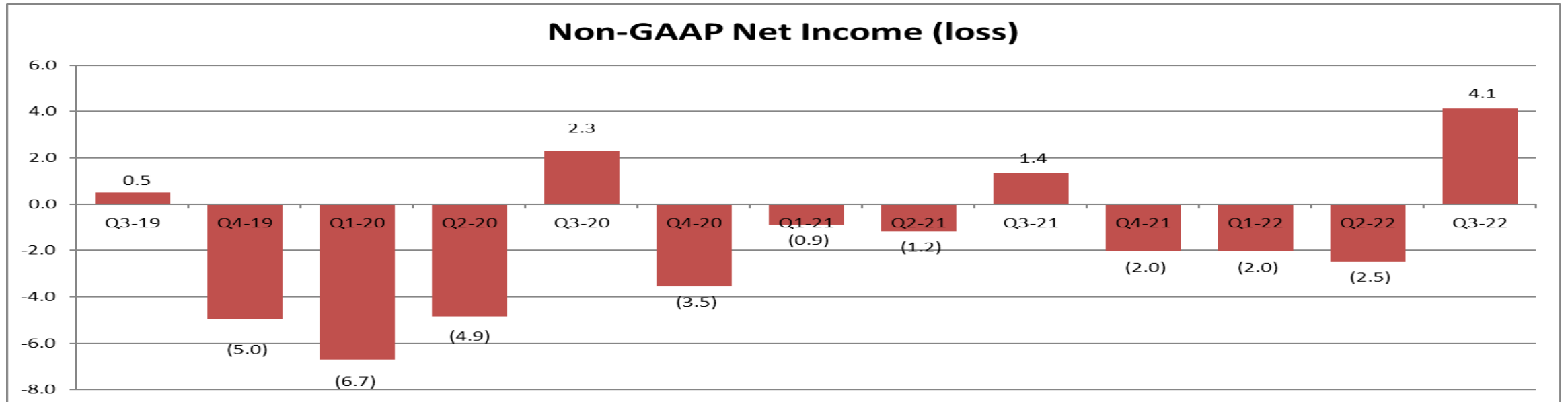
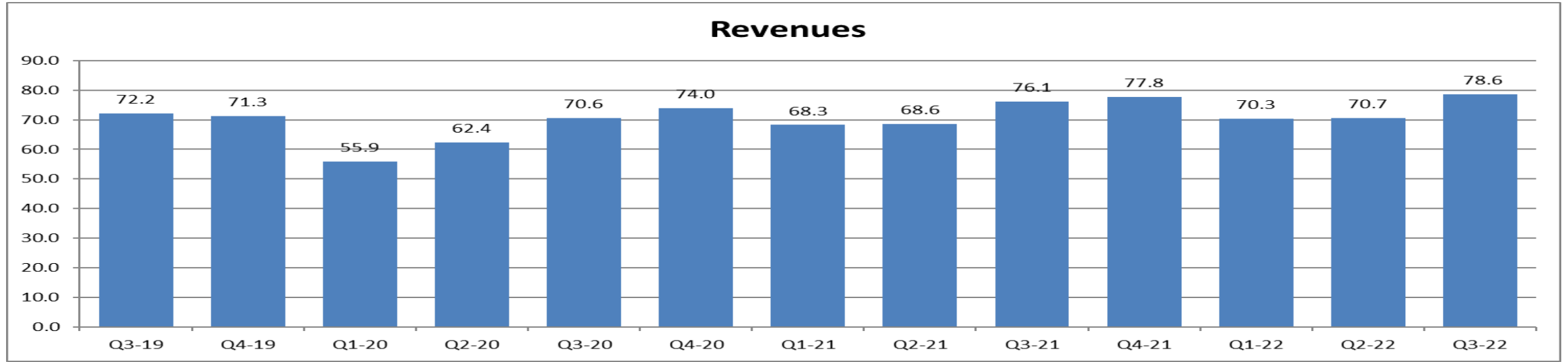
Selected Balance Sheet Data

(U.S. dollars in thousands)													
	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22	Q3/22
Cash and Cash Equivalents	20,524	23,939	44,120	35,167	29,155	27,101	33,011	28,670	27,235	17,079	24,960	23,592	25,964
Trade Receivables	126,196	118,531	104,185	97,547	108,394	107,388	106,712	107,404	109,863	118,310	120,682	122,734	115,871
DSOs	154	151	140	136	152	149	141	139	140	149	150	152	142
Inventory	67,717	62,132	59,659	53,593	51,869	50,627	48,542	52,316	53,203	61,398	58,060	60,710	64,227
Inventory Days	126	120	117	106	103	99	92	98	97	111	103	107	114
Working capital	118,925	111,267	102,830	98,206	102,067	99,446	98,954	99,864	101,615	87,799	87,494	82,105	83,335
Short-term loans	17,400	14,600	32,855	19,679	17,879	5,979	11,979	11,000	11,900	14,800	26,950	31,900	29,900
Shareholders' Equity	163,878	160,421	151,414	147,329	149,662	146,126	146,397	146,310	147,663	137,151	135,856	131,973	132,757
% - Shareholders' Equity/													
Total assets	54%	55%	52%	54%	55%	54%	50%	50%	50%	47%	45%	43%	44%
Total Balance Sheet	302,067	289,889	292,671	272,097	273,759	272,419	291,098	294,416	295,416	292,563	300,187	304,980	302,336

Reported results – Reconciliation to GAAP

(U.S. dollars in thousands)													
	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22	Q3/22
Non GAAP Net income (loss)	497	(4,965)	(6,705)	(4,852)	2,300	(3,541)	(879)	(1,178)	1,351	(2,027)	(1,853)	(2,468)	4,124
Share based compensation expenses	422	459	426	441	384	411	351	286	1,034	891	746	689	1,167
Amortization of intangible assets	-	-	-	-	-	1,800	-	-	-	-	-	-	-
Changes in indirect tax positions	4	(361)	1	1	1	(202)	1	2	2	(399)	-	1	1
Leases - financial expenses (income)	(91)	133	(450)	110	157	229	(186)	435	102	706	(425)	(1,774)	(233)
Paycheck protection program	-	-	-	-	-	-	-	(979)	-	-	-	-	-
Retired CEO compensation	-	-	-	-	-	-	-	810	-	-	(96)	-	-
Hostile attempt related costs	-	-	-	-	-	-	-	-	-	-	-	-	3,971
Non-cash tax adjustments	(182)	(1,272)	15	(87)	76	2	128	(23)	(53)	8,987	210	136	81
Equity loss in affiliates	158	177	183	160	98	538	-	-	-	-	-	-	-
GAAP Net Income (Loss)	186	(4,101)	(6,880)	(5,477)	1,584	(6,319)	(1,173)	(1,709)	266	(12,212)	(2,288)	(1,520)	(863)
GAAP EPS	0.00	(0.05)	(0.09)	(0.07)	0.02	(0.08)	(0.01)	(0.02)	0.00	(0.15)	(0.03)	(0.02)	(0.01)
# of Shares for basic EPS ('000)	80,304	80,575	80,765	81,013	81,278	81,536	82,584	83,424	83,717	83,916	83,959	84,019	84,200
# of Shares for diluted EPS ('000)	81,652	80,575	80,765	81,013	82,000	81,536	82,584	83,424	84,637	83,916	83,959	84,019	84,200

Quarterly Revenues and Non-GAAP Net Income (Loss)





Thank You

