



*Challenge us
to take you further*

Q3 2018 Financial Review

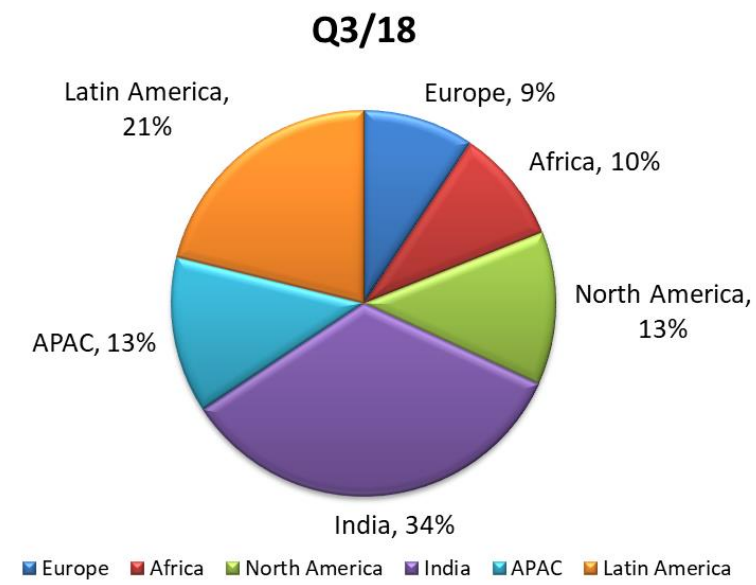
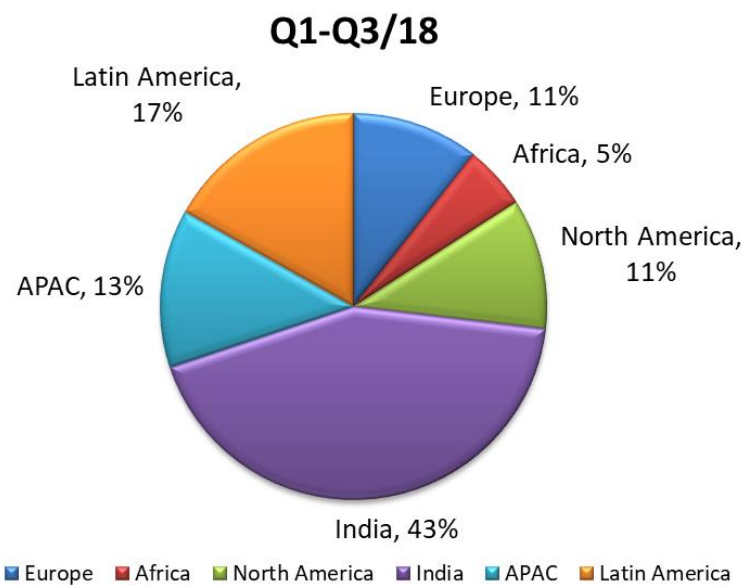
November 2018

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 revenues, net income, gross margin, capital expenditures and liquidity, competitive pressures, 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 risks associated with a decline in revenues due to our focus on a single market segment; risks relating to the concentration of Ceragon's business in certain geographic regions such as India, and in other developing nations; risk relating to certain guarantees granted by Ceragon on behalf of Orocom to FITEL, in the framework of the FITEL project; political, economic and regulatory risks from doing business in developing regions, including potential currency restrictions and fluctuations; risks related to our ability to meet the demand for our products due to shortages in raw materials, including certain passive components; risks associated with a change in Ceragon's gross margin as a result of changes in the geographic mix of revenues and/or as a result of increase in costs of raw materials, including certain passive components; risks associated with the loss of a single customer or customer group, which represents a significant portion of Ceragon's revenues; risks associated with Ceragon's failure to effectively compete with other wireless equipment providers; 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

	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17	Q1/18	Q2/18	Q3/18
Europe	12%	15%	18%	15%	13%	14%	10%	12%	17%	17%	12%	11%	9%
Africa	12%	12%	9%	6%	8%	4%	6%	3%	3%	3%	2%	4%	10%
North America	15%	10%	15%	16%	10%	14%	15%	7%	12%	14%	11%	10%	13%
India	30%	30%	19%	26%	31%	32%	36%	53%	31%	34%	46%	47%	34%
APAC	11%	9%	14%	10%	8%	9%	19%	11%	12%	12%	16%	11%	13%
Latin America	20%	24%	25%	27%	30%	27%	14%	14%	25%	20%	13%	17%	21%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%



NON-GAAP Profit & Loss

Actual (Unaudited)													
	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17	Q1/18	Q2/18	Q3/18
Revenues	85,367	75,643	59,834	70,010	79,132	84,665	76,021	93,334	75,999	86,679	83,275	88,328	86,529
Cost of Revenues	57,683	50,501	38,085	45,141	52,377	56,808	53,232	63,648	49,215	57,382	55,639	59,566	56,219
Gross profit	27,684	25,142	21,749	24,869	26,755	27,857	22,789	29,686	26,784	29,297	27,636	28,762	30,310
Gross margin	32.4%	33.2%	36.3%	35.5%	33.8%	32.9%	30.0%	31.8%	35.2%	33.8%	33.2%	32.6%	35.0%
Research & Development	5,278	5,089	5,155	5,357	5,331	5,701	6,029	6,083	6,943	6,420	7,154	6,754	7,353
% R&D	6.2%	6.7%	8.6%	7.7%	6.7%	6.7%	7.9%	6.5%	9.1%	7.4%	8.6%	7.6%	8.5%
Sales & Marketing	9,592	9,725	9,626	9,522	9,407	10,174	9,586	9,892	9,375	12,252	10,418	10,227	10,349
%S&M	11.2%	12.9%	16.1%	13.6%	11.9%	12.0%	12.6%	10.6%	12.3%	14.1%	12.5%	11.6%	12.0%
General & Administration	5,323	5,338	4,785	5,100	5,154	4,820	4,323	4,936	4,249	4,440	4,327	4,721	4,247
%G&A	6.2%	7.1%	8.0%	7.3%	6.5%	5.7%	5.7%	5.3%	5.6%	5.1%	5.2%	5.3%	4.9%
Total operating expenses	20,193	20,152	19,566	19,979	19,892	20,695	19,938	20,911	20,567	23,112	21,899	21,703	21,949
Operating profit	7,491	4,990	2,183	4,890	6,863	7,162	2,851	8,775	6,217	6,185	5,737	7,059	8,361
Operating margin	8.8%	6.6%	3.6%	7.0%	8.7%	8.5%	3.8%	9.4%	8.2%	7.1%	6.9%	8.0%	9.7%
Non-GAAP EBITDA	9,746	7,669	4,085	7,146	8,975	9,280	4,821	10,625	8,024	8,218	7,248	9,050	10,455
Finance expenses	(2,966)	(2,265)	(1,825)	(2,372)	(1,519)	(1,494)	(1,598)	(1,481)	(1,655)	(1,155)	(2,034)	(2,646)	(1,766)
Income Tax	(818)	(670)	(505)	(911)	(572)	(429)	(389)	(1,319)	(202)	(964)	(701)	(593)	(894)
Non GAAP Net income (loss)	3,707	2,055	(147)	1,608	4,772	5,239	864	5,975	4,360	4,066	3,002	3,821	5,701
Non GAAP EPS	0.05	0.03	(0.00)	0.02	0.06	0.07	0.01	0.07	0.05	0.05	0.04	0.05	0.07
# of Shares for diluted EPS ('000)	78,012	78,264	77,655	78,526	79,780	79,889	80,752	80,405	79,880	79,785	80,378	81,157	81,546

Selected Cash Flow Data

(U.S. dollars in thousands)													
	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17	Q1/18	Q2/18	Q3/18
Total cash & cash investments	39,572	36,318	41,845	34,377	32,374	36,338	36,460	34,087	36,470	25,877	25,956	29,398	41,322
Cash flow from operations	7,833	8,143	12,708	2,297	764	10,002	7,781	2,268	(9,516)	16,617	4,373	4,179	15,521
Capital expenditures	(847)	(2,441)	(2,201)	(1,407)	(1,825)	(2,757)	(2,309)	(1,196)	(3,980)	(3,451)	(4,385)	(908)	(3,764)
Option Exercise	112	26	-	7	60	8	74	115	40	65	100	274	189
Loans received (repaid), net	(7,058)	(9,008)	(5,072)	(8,400)	(1,150)	(3,300)	(5,500)	(3,500)	15,800	(23,800)	-	-	-
Other	(371)	394	92	35	148	11	76	(60)	39	(24)	(9)	(103)	(22)
Net Change in Cash	(331)	(2,886)	5,527	(7,468)	(2,003)	3,964	122	(2,373)	2,383	(10,593)	79	3,442	11,924

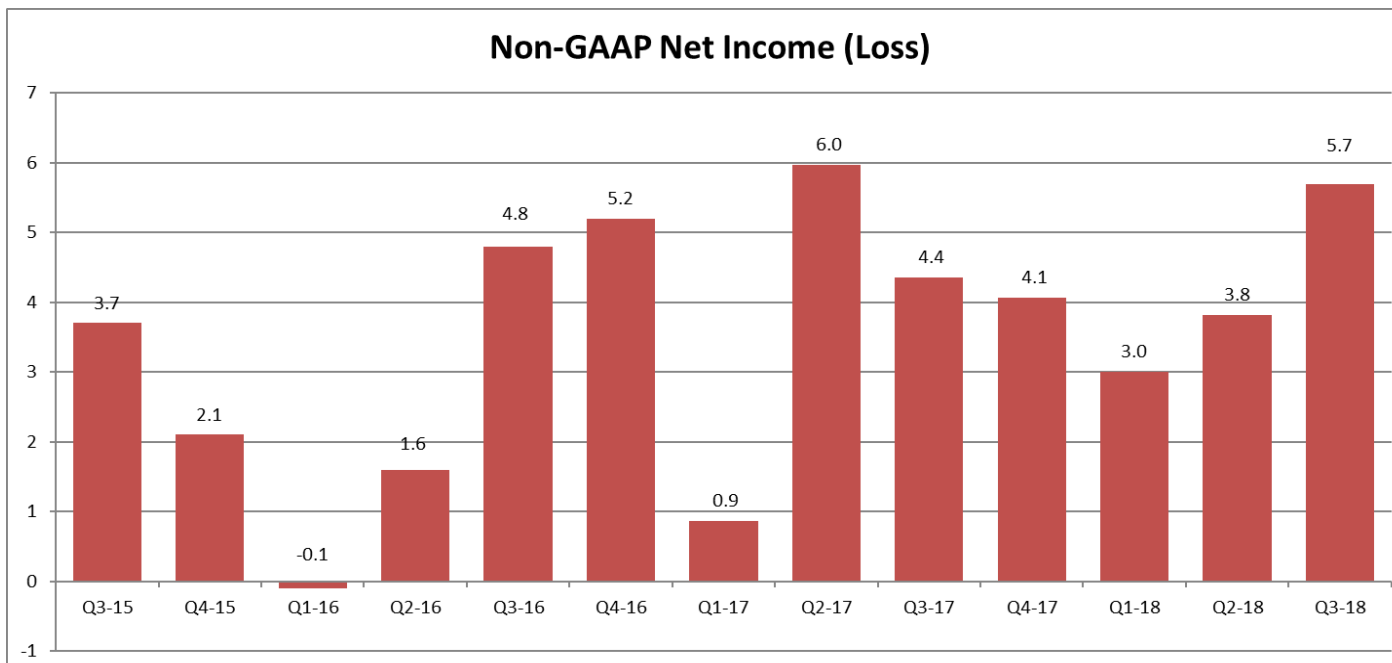
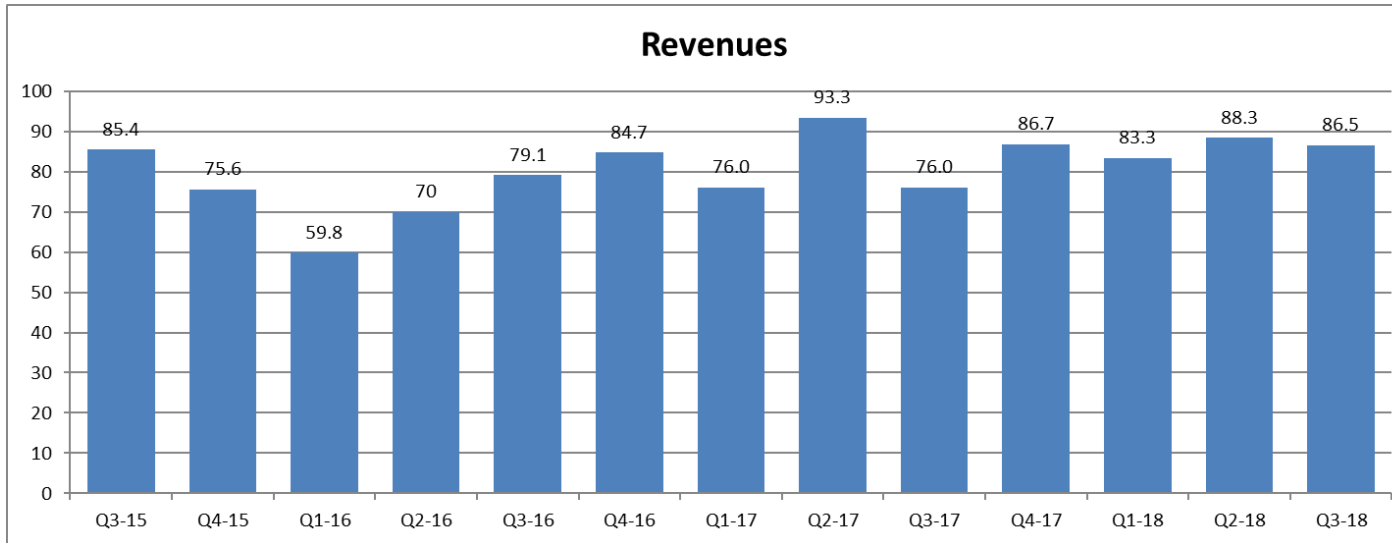
Selected Balance Sheet Data

	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17	Q1/18	Q2/18	Q3/18
Cash and Cash Equivalents	39,204	36,318	41,845	34,377	32,374	36,338	36,460	34,087	36,470	25,877	25,956	29,398	41,322
Trade Receivables	122,245	116,683	82,070	89,451	109,615	107,395	99,539	114,077	127,124	113,719	116,002	118,545	113,193
DSOs	116	122	95	112	141	133	117	125	141	125	125	129	120
Inventory	48,634	49,690	49,592	48,786	44,182	45,647	50,815	56,158	55,866	54,164	49,676	46,040	47,435
Inventory Days	63	74	85	93	87	87	89	90	91	88	80	76	76
Working capital	79,975	84,311	86,561	88,322	95,252	95,950	98,197	102,818	105,673	105,362	108,030	109,134	113,817
Loans	43,930	34,922	29,850	21,450	20,300	17,000	11,500	8,000	23,800	-	-	-	-
Shareholders' Equity	96,261	102,821	103,440	104,048	108,363	116,164	118,026	123,656	126,854	133,898	136,061	138,474	145,543
%- Shareholders' Equity/													
Total assets	35%	39%	44%	45%	45%	48%	48%	47%	46%	53%	55%	56%	56%
Total BS	271,500	265,332	236,482	230,269	242,563	244,225	243,848	263,682	278,658	253,593	248,190	247,212	258,948

Reported results – Reconciliation to GAAP

(U.S. dollars in thousands)													
	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17	Q1/18	Q2/18	Q3/18
Non GAAP Net income (loss)	3,707	2,055	(147)	1,608	4,772	5,239	864	5,975	4,360	4,066	3,002	3,821	5,701
Stock based compensation expenses	600	452	411	180	283	197	358	261	349	235	353	679	450
Amortization of intangible assets	590	457	406	414	414	416	374	380	384	406	-	-	-
Changes in pre-acquisition tax exposures	129	(4,848)	133	723	403	(1,921)	162	165	(209)	(1,983)	15	12	11
Recovery of devaluation related expenses in Venezuela	-	-	-	-	-	-	-	-	-	-	-	-	(969)
Currency devaluation in Venezuela	-	-	(907)	-	-	-	-	-	-	-	-	-	-
Non-cash tax adjustments	945	762	246	242	189	(1,786)	98	187	340	(1,802)	564	(96)	58
GAAP Net Income (Loss)	1,443	5,232	(436)	49	3,483	8,333	(128)	4,982	3,496	7,210	2,070	3,226	6,151
GAAP EPS	0.02	0.07	(0.01)	0.00	0.04	0.10	(0.00)	0.06	0.04	0.09	0.03	0.04	0.08
# of Shares for basic EPS ('000)	77,221	77,416	77,655	77,675	77,712	77,759	77,796	77,891	77,964	78,010	78,080	78,232	78,455
# of Shares for diluted EPS ('000)	77,356	78,432	77,655	77,920	79,285	79,584	80,513	80,202	79,597	79,452	80,065	80,850	81,172

Quarterly Revenues and Non-GAAP Net Income (Loss)





Thank You

