

The MicroCap Rodeo 2019

Aviat Networks

AVNW (NASDAQ)

October 16, 2019

Forward-Looking Statements

The information contained in this presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 21E of the Securities Exchange Act and Section 27A of the Securities Act, including expectations regarding our results for the fiscal 2020 second quarter and six-month periods. All statements, trend analyses and other information contained herein about the markets for the services and products of Aviat Networks, Inc. and trends in revenue, as well as other statements identified by the use of forward-looking terminology, including "anticipate," "believe," "plan," "estimate," "expect," "goal," "will," "see," "continue," "delivering," "view," and "intend," or the negative of these terms or other similar expressions, constitute forward-looking statements. These forward-looking statements are based on estimates reflecting the current beliefs of the senior management of Aviat Networks, Inc. These forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements.

For more information regarding the risks and uncertainties for our business, see "Risk Factors" in our Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC"), as well as other reports filed by Aviat Networks, Inc. with the SEC from time to time. Aviat Networks, Inc. undertakes no obligation to update publicly any forward-looking statement for any reason, except as required by law, even as new information becomes available or other events occur in the future.

Exploding Demand for Data

+79%

Mobile data traffic grew close to 79 percent year-on-year in Q3 2018, the highest growth rate since 2013. (Ericsson Mobility Report, 2018)

77.5 Exabytes/month

Globally, mobile data traffic will increase sevenfold between 2017 and 2022. Mobile data traffic will grow at a CAGR of 46 percent between 2017 and 2022, reaching 77.5 exabytes per month by 2022. (Cisco VNI, Feb 2019)

Demand cannot be met by fiber alone, wireless is essential

The Leading Experts in Wireless Transport Solutions



We provide wireless transport solutions to Communications Service Providers and Private Network Operators



We help our customers lower their total cost of ownership (TCO), simplify their networks and improve their customer value proposition



We have long-standing customer relationships across our global footprint, selling into 170 countries worldwide



We have a proven track record driven by operational excellence and innovation – 2 years of growth, 3 years of profitability and well-positioned to drive bottom-line improvements in FY20

Exchange	NASDAQ Global Select
Ticker	AVNW
Shares outstanding	~5.4 million
Stock Price	\$13.95*
Market Cap	~\$75.3 million*
FY19 Revenue	\$243.9 million
FY19 EBITDA	\$8.8 million

** as of Oct 11, 2019*

What Makes Aviat an Attractive Investment Opportunity?



Valuation
relative to
performance
and peers

1

Compelling Market Opportunity

Favorable Industry Dynamics – Major market trends create significant opportunities for near and long-term growth

2

Credible & Established Leader

Global Customer Footprint, Strong Relationships, Proven Track Record – Well-positioned to grow with installed base, capture new accounts, and expand in adjacent markets

3

Innovative Solutions

Differentiated Transport Solutions – Unmatched offering for 5G deployments and mission-critical networks

4

Accelerating Digital Transformation

Operational excellence for enhanced profitability; leveraging software, automation and AI to grow services

5

Profitable & Investing in Growth

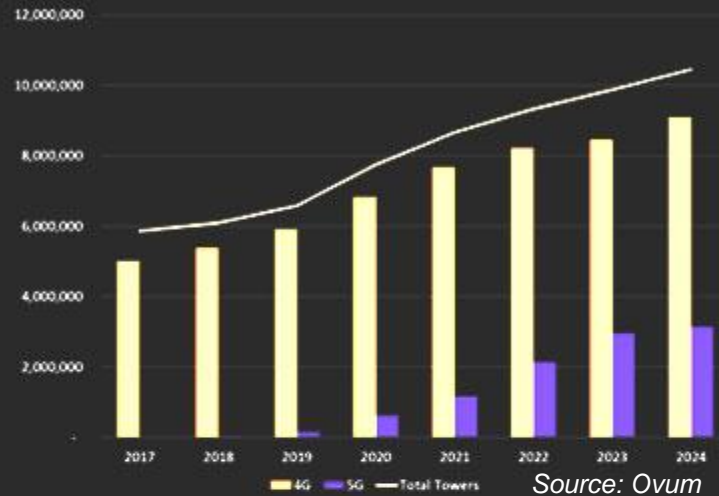
Financial Strength – Strong momentum in North America; improving margin profile and bottom line performance

An aerial photograph of a city, likely New York City, with a network of glowing white lines connecting various points across the skyline, symbolizing a global or regional network. The lines are curved and connect several prominent skyscrapers. The city is situated along a body of water, with a large park area visible in the foreground.

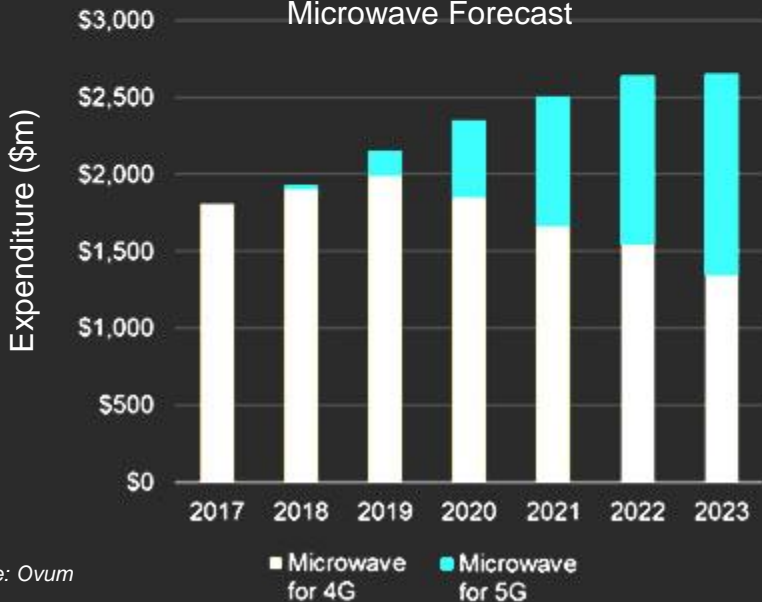
Compelling Market Opportunity

Major Trend: The 5G Future

5G Tower Trends



Microwave Forecast



“5G use cases will require network performance to increase 10-fold over current levels across all network parameters. To get there, mobile operators must invest in all network domains, including spectrum, radio access network (RAN) infrastructure, transmission, and core networks.”

McKinsey & Company



Major Trend: More Critical Communications



Industrial IoT

\$500B Industrial IoT market by 2020 (Accenture)
Driving more critical bandwidth in vertical markets



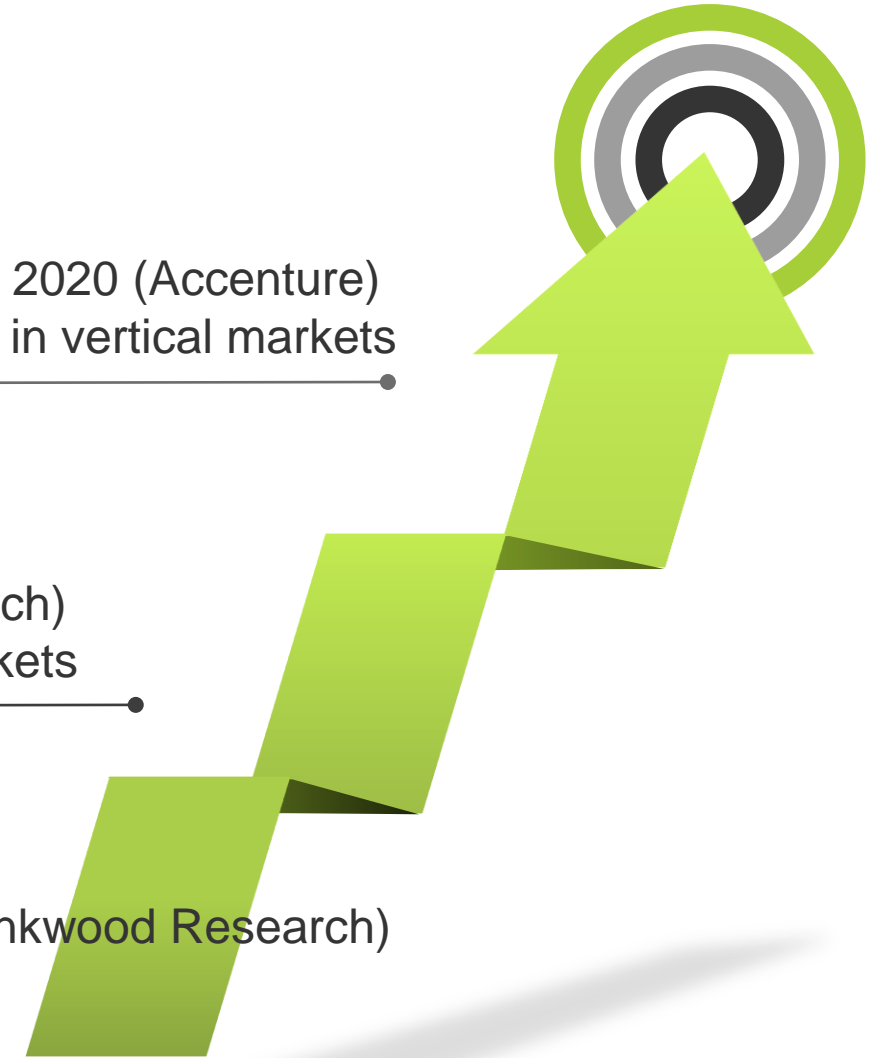
Private LTE

\$16B for Private LTE by 2025 (ABI Research)
Paving way for 5G services in vertical markets



Public Safety & Security

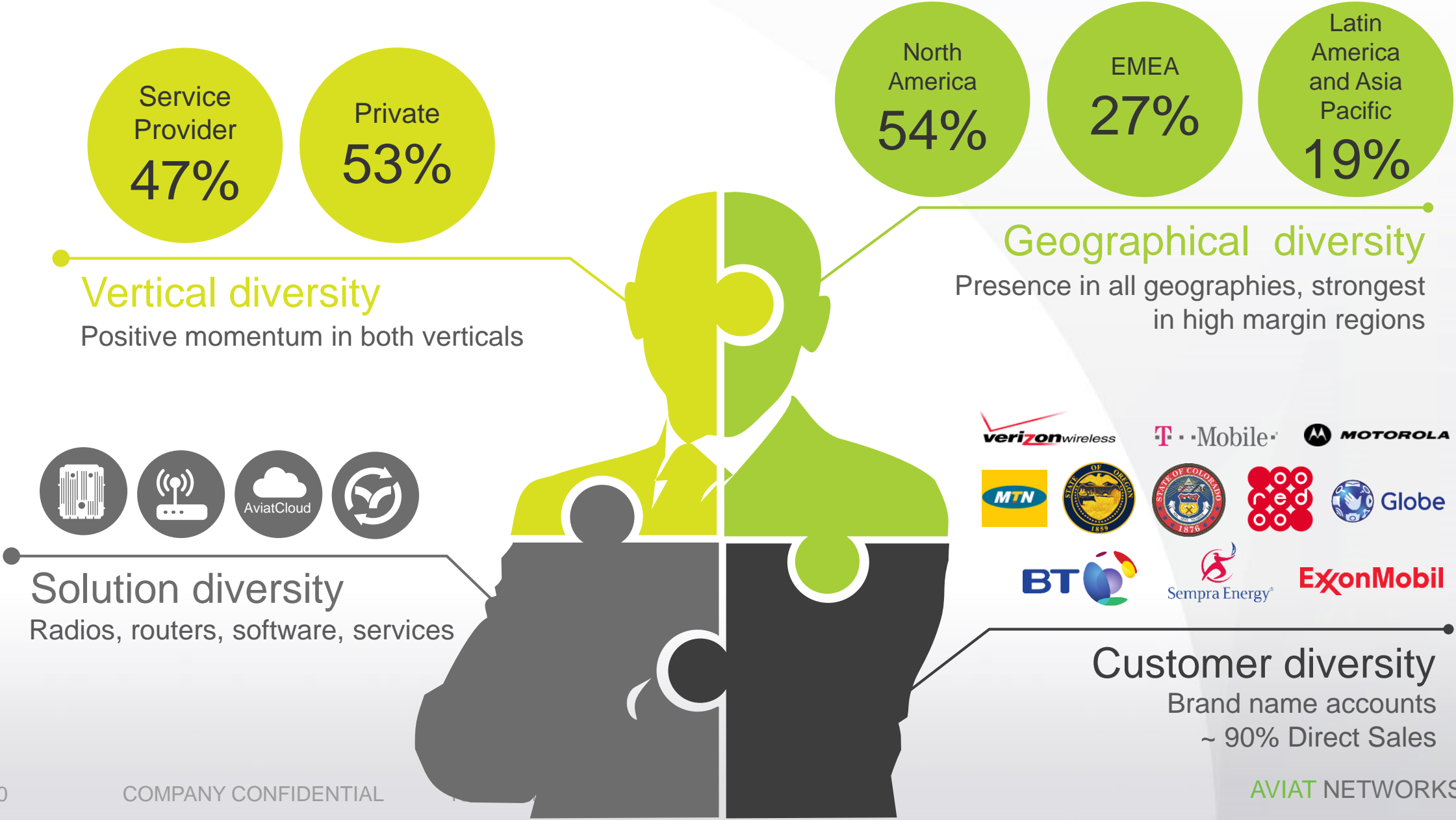
CAGR 13.2%, \$799B in communications by 2027 (Inkwood Research)
Robust and reliable transport solutions needed



An aerial photograph of a city, likely New York City, with a network of glowing white lines connecting various points across the skyline, symbolizing a global or regional network. The lines are curved and intersect, creating a web-like pattern over the city's buildings and water bodies.

Credible and Established Leader

Diverse, Stable Business, with Growth Potential

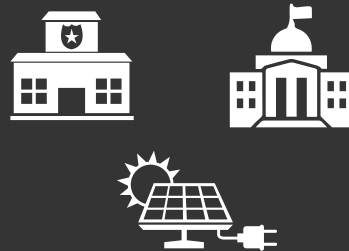




Capitalizing on Critical Communications Trends

Specialization and
reach to drive
growth
within private
networks vertical

The clear choice:
Segment leader



Global Partners
in Security &
Defense



Expanding
Reach – Recent
breakthrough



National Security
Networks

France
Middle East
North Africa
Asia Pacific

Oil & Gas

West Africa
Asia
Europe

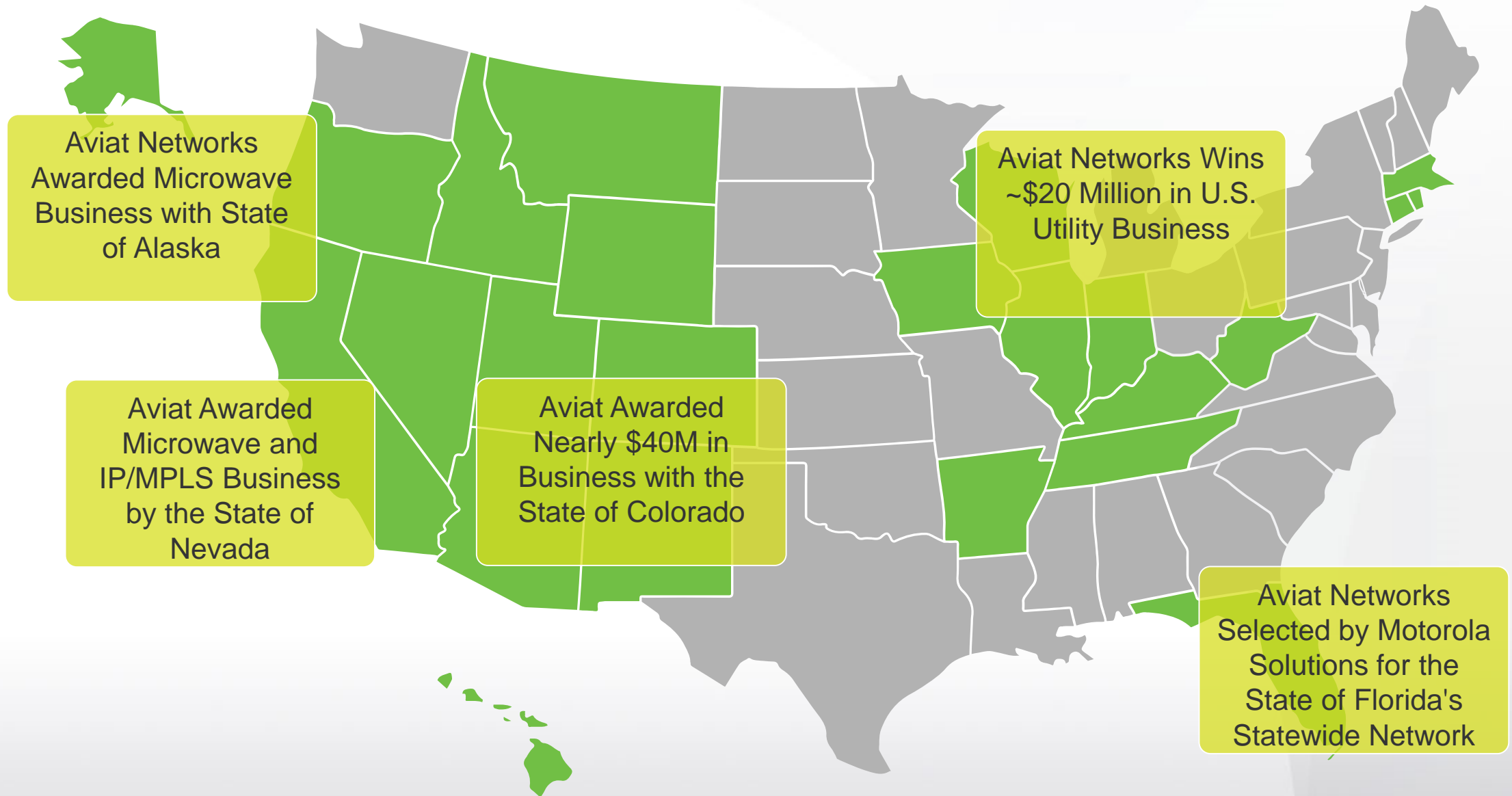
Regional
Governments

Across all regions:
NA, LATAM, EMEA,
and APAC

Trusted Expert:

Sales and Services: Direct engagement and deep
relationships with end-customer

Some Recent Momentum in Private Networks



Capitalizing on the 5G Trend: Transport Deployments Started Across Customer Footprint

Aviat Receives Orders from a
Top-5 U.S. Wireless Carrier for
5G Transport

Globe Telecom Selects Aviat's
WTM 4800 Multi-Band Solution
to Support 5G Deployments



Aviat Networks Signs Global
Frame Agreement with Ooredoo
Group

An aerial photograph of a city skyline, likely New York City, with a network diagram overlay. The diagram consists of glowing white nodes connected by curved white lines, representing a network topology. The nodes are positioned at various points across the city, including the financial district and the midtown area. The background shows the city's dense urban landscape, with numerous skyscrapers and buildings. The water of the harbor is visible on the left side of the image.

Innovative Solutions

Industry-Leading Transport Solutions

For High-Capacity, Lifecycle Automation, & Recurring Revenue Models



Wireless
Solutions



Routing
Solutions



AviatCloud

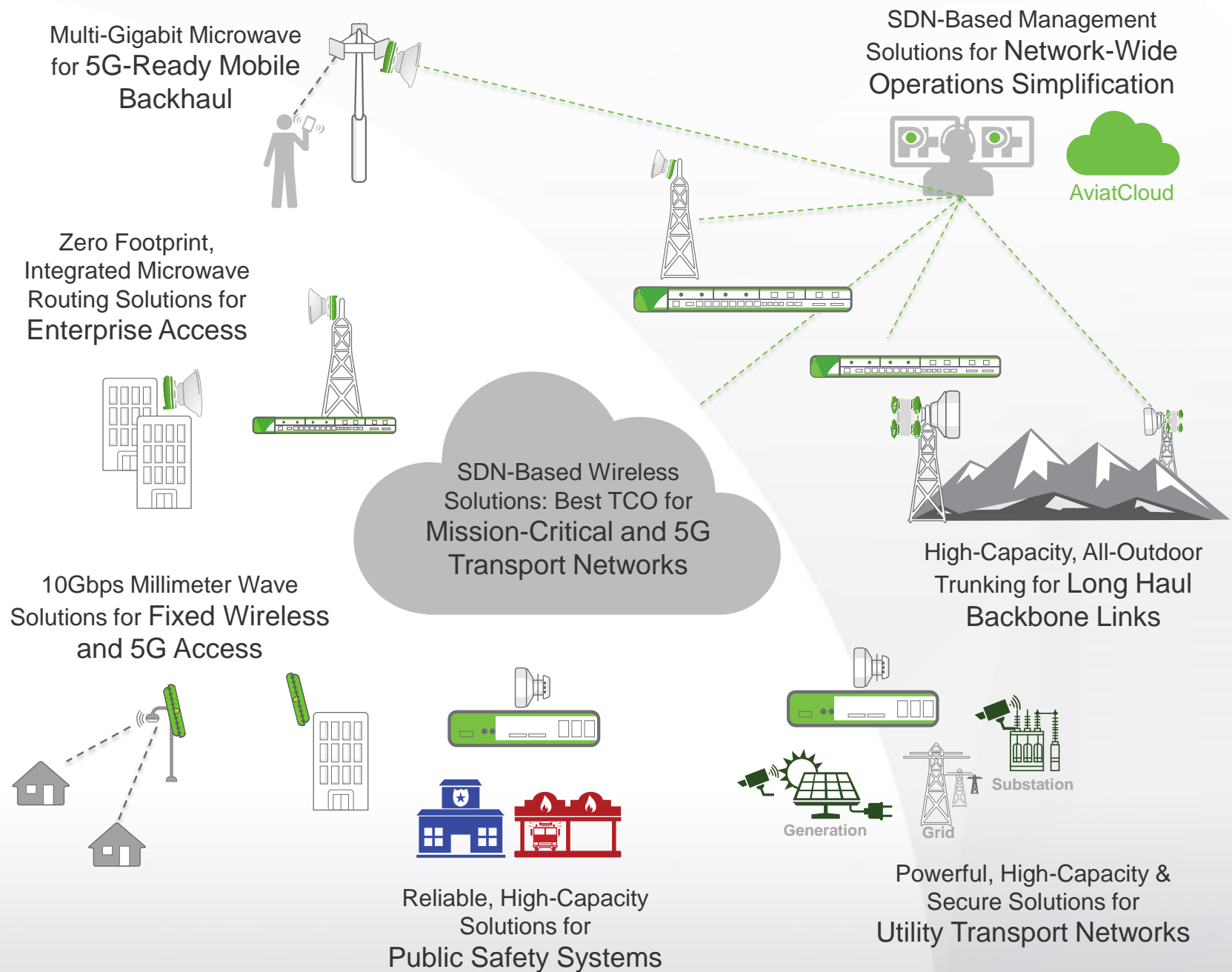
Automation and
SDN Solutions



Professional Services &
Multi-Year Subscription
Based Offerings

Unique Ability to Address Multiple Vertical Markets

5G-Ready Mobile Backhaul
Enterprise Access
Fixed & Mobile 5G Access
Public Safety Systems
Utility Transport Networks
Long Haul Backbone
Network-wide Operations



An aerial photograph of a city, likely New York City, with a network of glowing white lines connecting various points across the skyline, symbolizing digital connectivity. The lines form a complex web over the city's buildings and parks.

Accelerating Digital Transformation

Opportunity: Automation and AI



Services & Support

Enhanced services profitability

New recurring revenue offerings

Leverage data to anticipate customer needs and enhance their experience

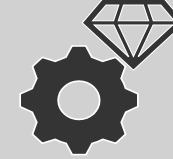


Innovation

Understand market opportunities faster: rapid deployment of differentiated solutions

Improved software vs. hardware investment profile

Automation tools to simplify customers' operations



Operational Excellence

Rapid deployment of Continuous Improvement solutions and tools to improve return on capital

Supply chain innovations (incl. Aviat Store, rapid fulfillment)

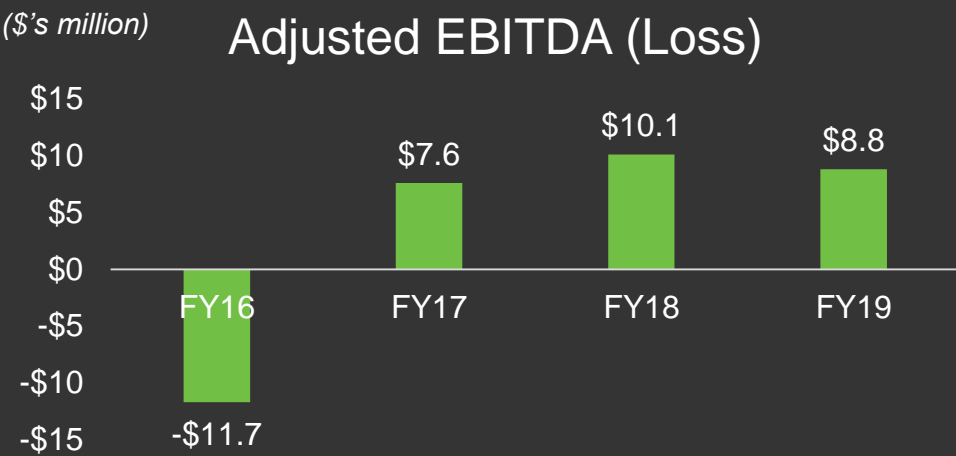
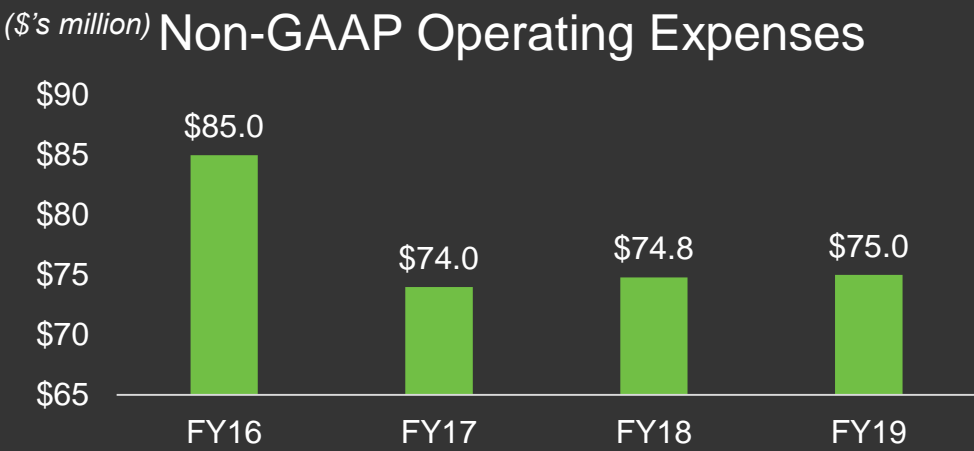
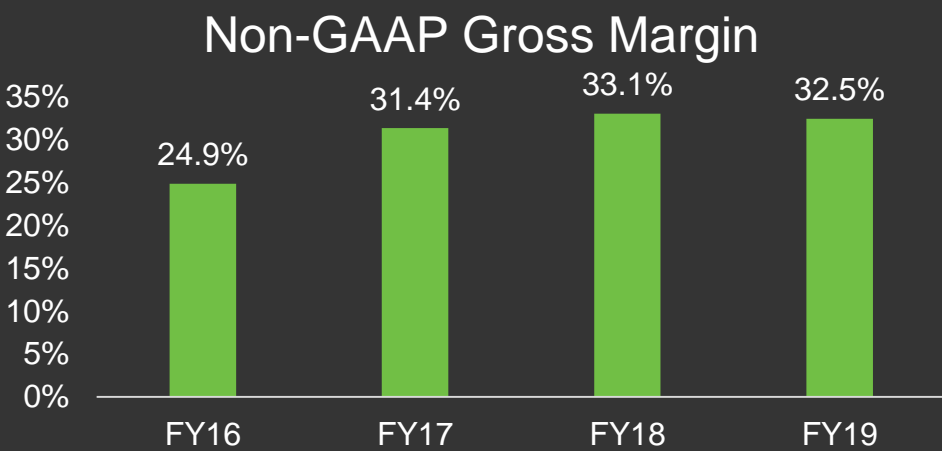
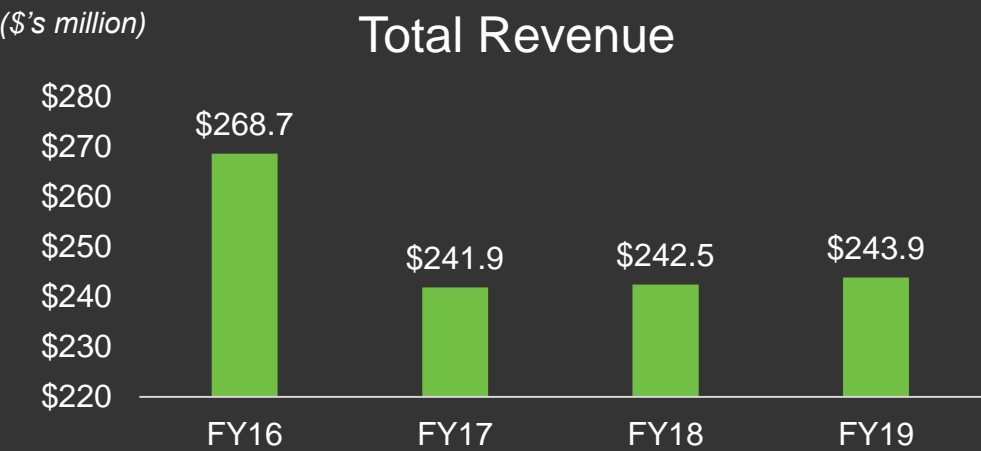
Augment balance sheet to fuel growth

Automation and AI: upscaled support and services solutions, more resources to invest in our business, improved profitability

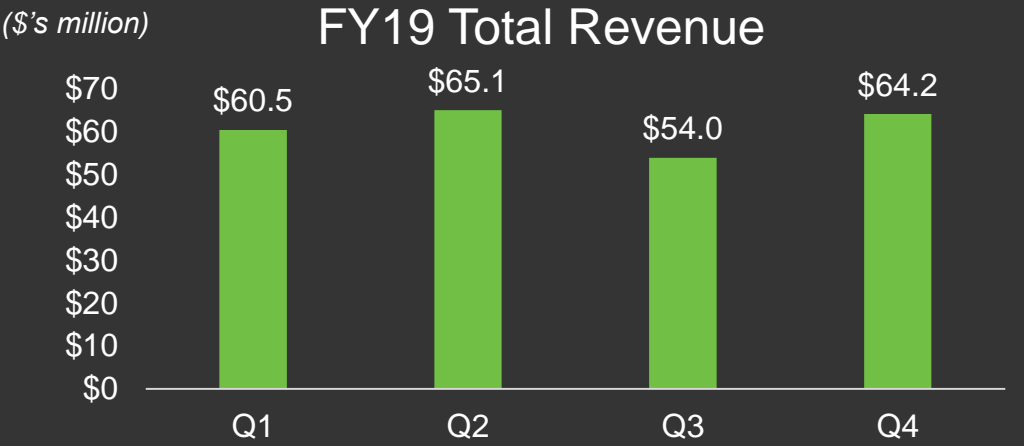
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Financials: Profitable, Investing in Growth

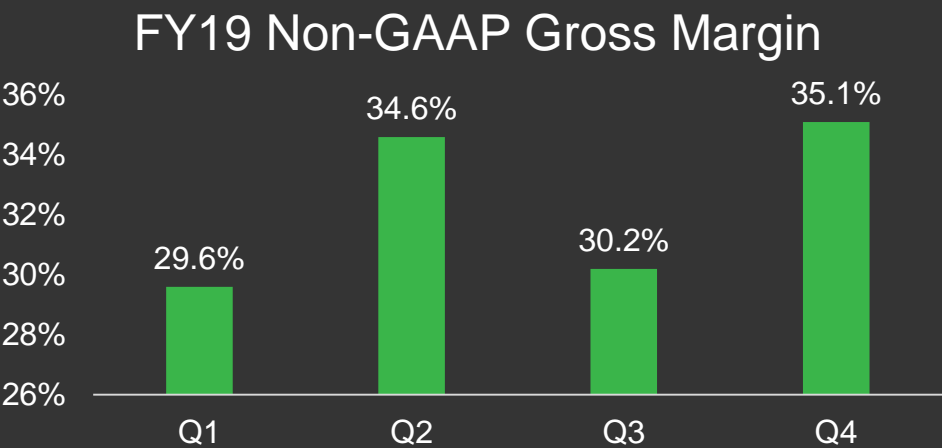
FY19 Performance and Key Drivers



Historical Financial Review – The Turnaround is Complete



- NA revenue grew by \$1.8 million, while bookings increased 27% year-over-year; strong bookings performance expected to drive significant growth in the 1st half of FY20 and lead to improved bottom-line performance based on mix
- International revenue declined by \$0.5 million, with strong growth in the APAC region offsetting unanticipated declines in Africa due to a change in customer spending



- Non-GAAP gross margin for the FY came in roughly as anticipated (32-33%); Q4 non-GAAP gross margins were the strongest quarter due to strong growth in NA
- Quarterly fluctuations were driven primarily by business mix as NA grew year-over-year in the 2nd and 4th quarters, and represented a larger percentage of the overall mix

FY19 Performance and Key Drivers

(\$'s million) Non-GAAP Operating Expenses



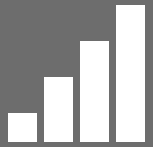
- FY19 non-GAAP operating expenses came in mostly as anticipated, though Q4 was higher due to commissions earned on strong North America bookings
- Year-over-year savings through operational excellence; the majority of which was re-invested in R&D to support growth-related initiatives and prepare for 5G (launch of WTM 4800)

(\$'s million) Adjusted EBITDA (Loss)



- Profitability on an Adjusted EBITDA basis was skewed to the quarters where North America performed well due to the higher-margin nature of projects
- Overall profitability compared to prior FY was impacted by the spending decline in Africa; higher North America projects; and higher-margin international projects in 1H FY20 to result in significant bottom-line performance improvement

FY20 1H Expected to Drive Bottom-Line Growth



Revenue Down Modestly

Strong growth in North America offset by declines in Africa as noted, but with a stronger margin profile globally



Stronger Gross Margins

Mix shift, efficiencies and higher-margin business expected to result in FY20 1H YOY improvement



Bottom-Line Improvements

Affirming prior guidance:
Non-GAAP operating income of ~\$6 million and Adjusted EBITDA of ~\$7.5 million expected in 1H

Well-positioned in FY20 and Beyond

Foundation Continues to Improve / Balance Sheet Remains Strong

77.5
Exabytes/month



North America business is growing



Competitive position continues to strengthen



Investments in R&D driving competitive differentiation; 5G opportunities ahead of us



Operational excellence programs generating savings; implementing automation and AI to drive efficiencies



Market dynamics are improving, as is our position



High level of confidence in achieving or exceeding our guidance



Aviat
NETWORKS



WWW.AVIATNETWORKS.COM



AVIAT NETWORKS (NASDAQ: AVNW)

Presentation at the MicroCap Rodeo Conference

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