



Aviat
NETWORKS

Fiscal 2019 First Quarter Investor Presentation

AVNW (NASDAQ)

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 the results for the fiscal first quarter 2019 and cash flow in fiscal 2019, and our anticipated results for fiscal 2019. 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.

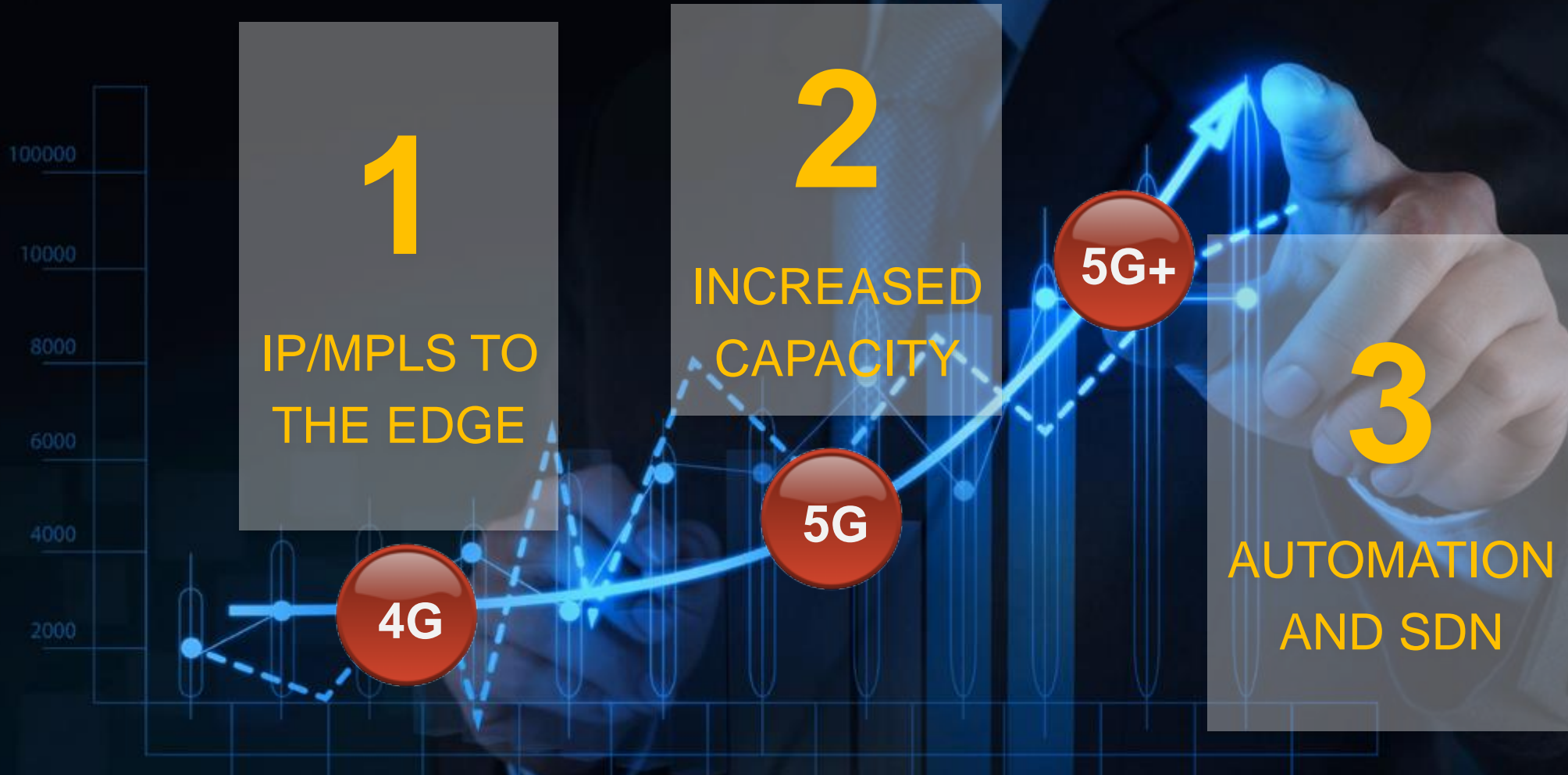
For more information regarding the risks and uncertainties for our business, see "Risk Factors" in our Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC") on August 28, 2018, as well as other reports filed by Aviat Networks, Inc. with the SEC from time to time. Aviat Networks, Inc. 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.



Aviat
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Our Value Proposition

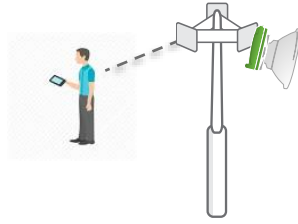
TECHNOLOGY FOCUS



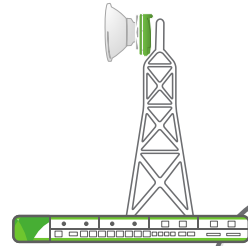
EVOLVING INTELLIGENT WIRELESS CONNECTIVITY

UNIQUE ABILITY TO ADDRESS MULTIPLE VERTICAL MARKETS

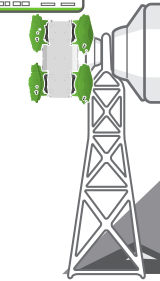
Multi-Gigabit
Microwave for **5G**
Ready Mobile
Backhaul



Zero Footprint,
Integrated
Microwave Routing
Solutions for
Enterprise Access



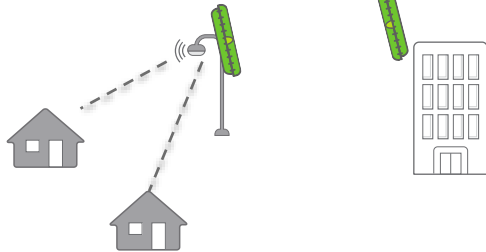
SDN-Based Management
Solutions for **Network-
Wide Operations
Simplification**



High Capacity, All-Outdoor Trunking
for **Long Haul Backbone Links**



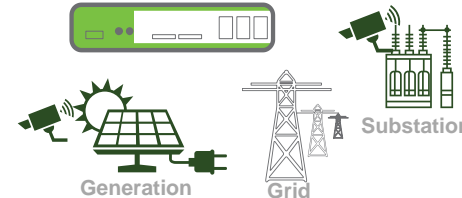
10Gbps Millimeter Wave
Solutions for **Fixed Wireless
and 5G Access**



Reliable, High Capacity Solutions
for **Public Safety Systems**



Powerful, High Capacity &
Secure Solutions for **Utility
Transport Networks**



INDUSTRY LEADING PRODUCTS

**MOST SECURE, HYBRID
MISSION-CRITICAL PLATFORM**



UPGRADED (Capacity)

ECLIPSE

**SPLIT-MOUNT
OUTDOOR RADIO UNIT**



UPGRADED (Capacity)

ODU 600

**INDUSTRY'S
HIGHEST
CAPACITY
MICROWAVE**



**ALL NEW
PLATFORM**

WTM 4000

**NETWORK
MANAGEMENT**



PROVISION

MICROWAVE ROUTERS



UPGRADED (IP/MPLS)

CTR 8000

**HIGHEST POWER
MICROWAVE RADIO**



UPGRADED (Capacity)

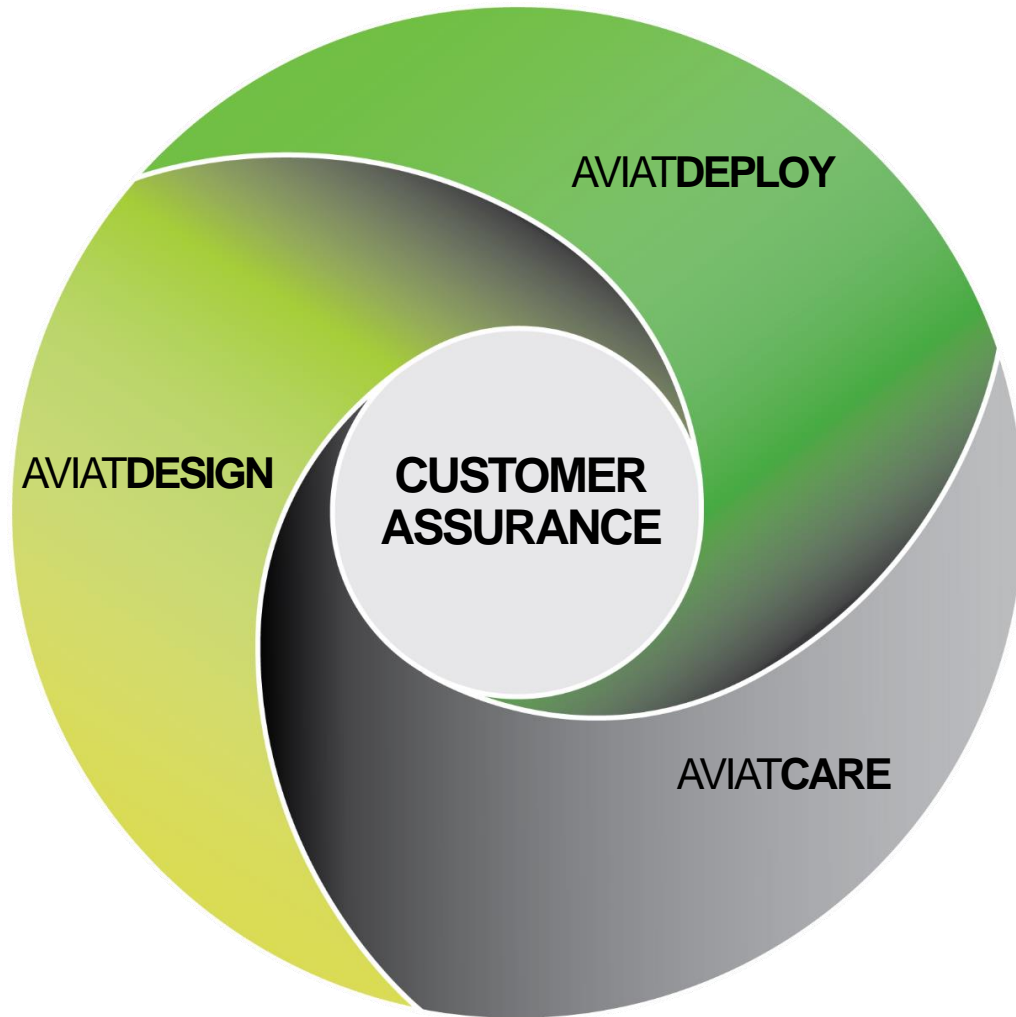
IRU 600

**Solutions for
5G Transport:
High Capacity,
Lifecycle
Automation**

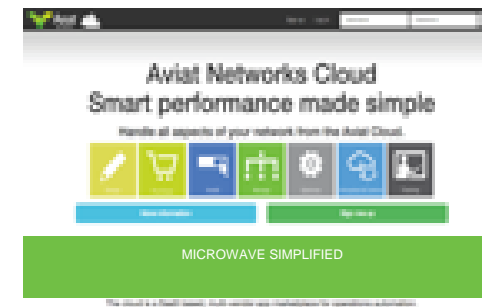


AVIATCLOUD

INDUSTRY-LEADING SERVICES CAPABILITIES



INDUSTRY'S
LEADING
AUTOMATION
PLATFORM FOR
MICROWAVE
NETWORK
SERVICES



Strong Recurring Revenue with Good Growth Potential

FISCAL 2019 Q1 EXECUTIVE COMMENTARY

“Overall, I am pleased with the direction of the company even with some challenges we encountered in the first quarter. We remain on the path of profitable growth and our global competitive position continues to strengthen. Although our overall results were not as we would have liked, we expect a strong second quarter and we maintain a positive outlook for the remainder of the fiscal year.”

“We continue to see new business opportunities across all verticals and geographies and we are progressing on several initiatives to leverage our global customer footprint. And as we continue to execute on our technology roadmap, we are actively engaging with both current and new customers on enhanced solutions and applications leveraging our unique expertise in wireless networking.”

-- Michael Pangia, President and Chief Executive Officer

FISCAL 2019 Q1 NON-GAAP FINANCIAL HIGHLIGHTS

Income Statement Summary (Non-GAAP)

<i>(In Millions \$)</i>	Q1 FY19 Actual	Q1 FY18 Actual	Variance
Revenue	\$60.5	\$56.2	Up 7.7%
Gross Margin	\$17.9	\$17.3	\$0.6
Gross Margin %	29.6%	30.8%	(120) bps
Operating Expenses	\$18.3	\$17.6	\$0.7
Operating Income (Loss)	\$(0.4)	\$(0.3)	\$(0.1)
Net Income (Loss) From Continuing Operations Attributable to Aviat Networks	\$(0.6)	\$(0.6)	--
Adjusted EBITDA	\$0.9	\$0.9	--

Key Take-Aways

- Fourth consecutive quarter of \$60 million-plus in revenue
- Revenue increased YOY driven by a 30% improvement in international business sales primarily from mobile operators in APAC and several smaller customers in Africa
- Year-to-date, approximately \$19 million of new orders from the Utility market vertical
- Margin declined YOY due to a lower proportion of North American revenue
- YOY increase in operating expenses primarily related to investments in growth-related activities in sales, marketing and R&D functions

Company Direction Remains on Track With Eighth Consecutive Quarter of Adjusted EBITDA Profitability

FISCAL 2019 Q1 BALANCE SHEET KEY INDICATORS

<i>(\$'s in millions)</i>	Q1 FY19	Q4 FY18	Q1 FY18
Cash/Cash Equivalents (and restricted cash)	\$28.4	\$37.4	\$39.6
Accounts Receivable	\$50.9	\$43.1	\$43.6
DSO's	77 Days	63 Days	71 Days
Inventory	\$10.0	\$22.8	\$24.7
Turns	17.0	6.9	6.3
DPO's	71 Days	72 Days	81 Days
Third-Party Debt	\$9.0	\$9.0	\$9.0
Accounts Payable	\$33.3	\$30.9	\$34.4

Key Take-Aways

- Cash down in Q1 FY2018 due to timing of collections in Africa and growth in unbilled in North America and APAC on larger projects.
- Accounts receivable increased directly due to timing of payment by larger customers in the Middle East and Africa regions.
- Inventory down by \$14.7 million on a YOY basis and reflects reduction of deferred inventories under ASC 606.

Strong Balance Sheet Capable of Supporting Continued Growth

Q2 FISCAL 2019 GUIDANCE

Income Statement Summary (Non-GAAP)			
<i>(\$'s in millions)</i>	Q1 FY19 Actual Results	Q2 FY19 Outlook	Commentary
Revenue	\$60.5	\$61.0 - \$65.0	Expect sequential growth
Gross Margin (%)	29.6%	Mid 30s	Higher proportion of North America revenues
Operating Expenses	\$18.3	~19M	Increased investments in growth areas
Operating Income (Loss)	\$(1.5)	\$2.5 - \$3.5	Consistent with expectations
Adjusted EBITDA	\$0.9	\$3.5 - \$4.5	

Expecting Strong Sequential Improvement

FISCAL YEAR 2019 GUIDANCE AND KEY DRIVERS

Income Statement Summary (Non-GAAP)

(\$'s in millions)	FY19 Outlook	Commentary
Revenue	\$250.0 - \$260.0	Anticipate YOY growth of ~4.0% - 7.0%
Gross Margin (%)	32.0% - 33.0%	In line with FY2019 expectations
Operating Expenses	\$75.0 - \$77.0	Increased investments in growth-related areas
Operating Income	~\$7.0	~30% increase YOY
Adjusted EBITDA	~\$12.5	~24% increase YOY

KEY DRIVERS FOR FY 2019:

- Opportunities across all private network verticals globally
- Increasing share with service provider customers preparing for 5G
- Addressable market expansion enabled by WTM product platform, Aviat store, new service offerings and enhanced partnerships

Maintaining Positive Expectations for FY19 Performance

KEY TAKE-AWAYS

- Competitive position continues to strengthen; multiple opportunities for growth
- Increasing investment in growth related activities; continue to optimize other areas
- Expecting strong second quarter and sequential improvements; maintaining positive full year guidance
- Cash performance to improve over the course of the year
- Potential for significant value appreciation based on improved profitability and increased operating leverage

Positioned for FY19 and Long-Term Success



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NOW OPEN FOR BUSINESS



Aviat
NETWORKS

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