



# Aviat Networks(NASDAQ: AVNW) 16th Annual Needham

Virtual Technology & Media Conference  
May 2021

# 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 2021 third quarter and nine-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 most recent 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.

# Aviat Networks Company Profile

## OVERVIEW

- Aviat Networks is a leading pureplay wireless microwave transport equipment, software and services provider
  - US Headquarters (Austin, TX)
  - Global Customer Base (3000+ customers)
  - Global Manufacturing Capabilities
  - Leading Technology (200+ patents)
  - Strong Position with Global Service Providers and Private Network Operators

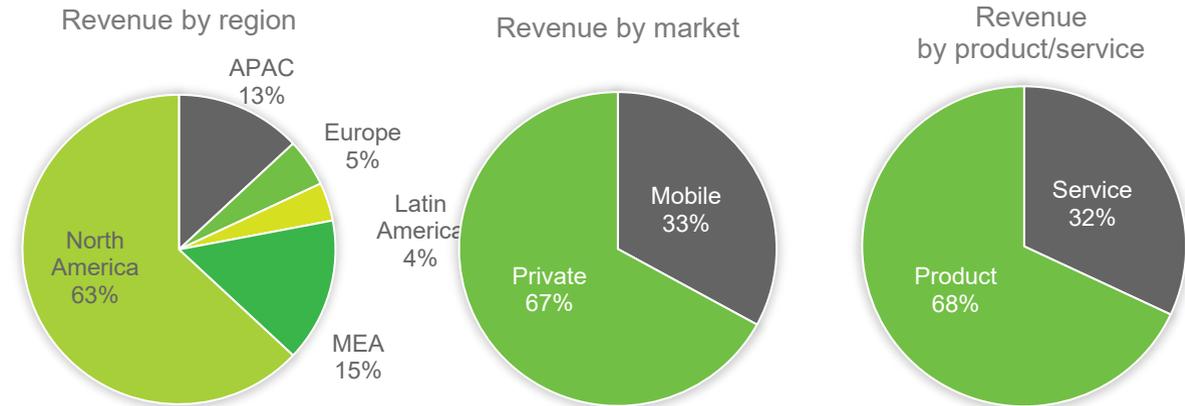
- End-to-End Wireless Transport Solutions Portfolio



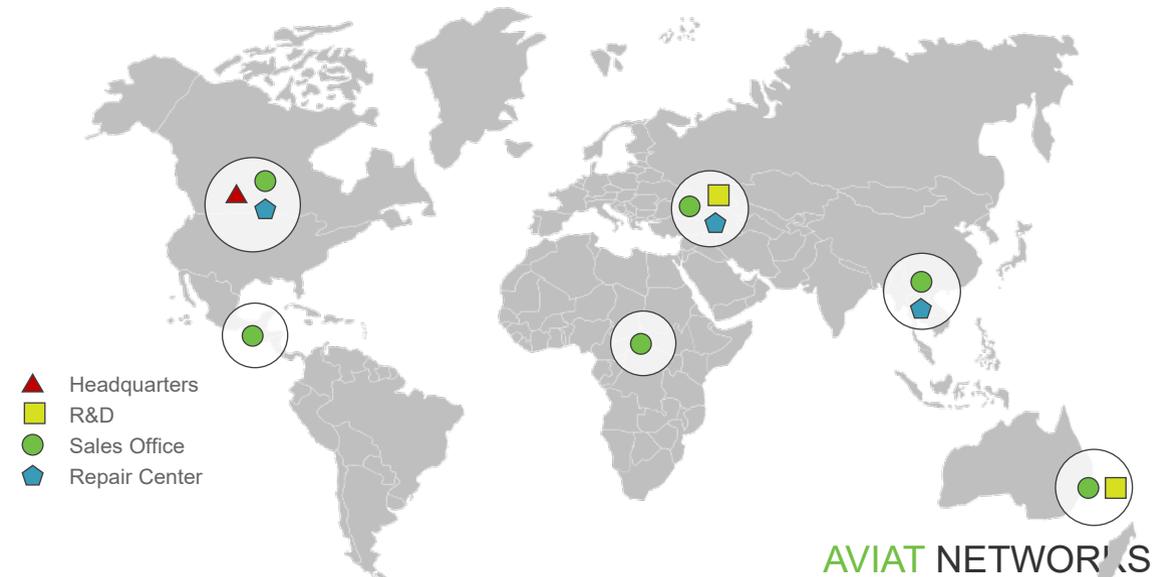
Radios, Routers, Software, Services

- Points of excellence
  - Lowest Total Cost of Ownership
  - Mission Critical Solutions Leader
  - Unrivaled Microwave Expertise
  - Unique and Compelling Innovations

## GLOBAL BUSINESS Q3 FY21



## GLOBAL PRESENCE, SERVICE & SUPPORT



# Business Financial Summary

## KEY STATISTICS

Trading Symbol	AVNW
Shares outstanding	~11.2 million
Stock Price	\$32.78*
Market Cap	~\$365.9 million*
Headquarters	Austin, Texas
# of Employees	~660
52 Week High/Low	\$43.76 / \$4.53**

\*As of 5/4/2021

\*\* Reflects 2 for 1 Stock split effected April 2021

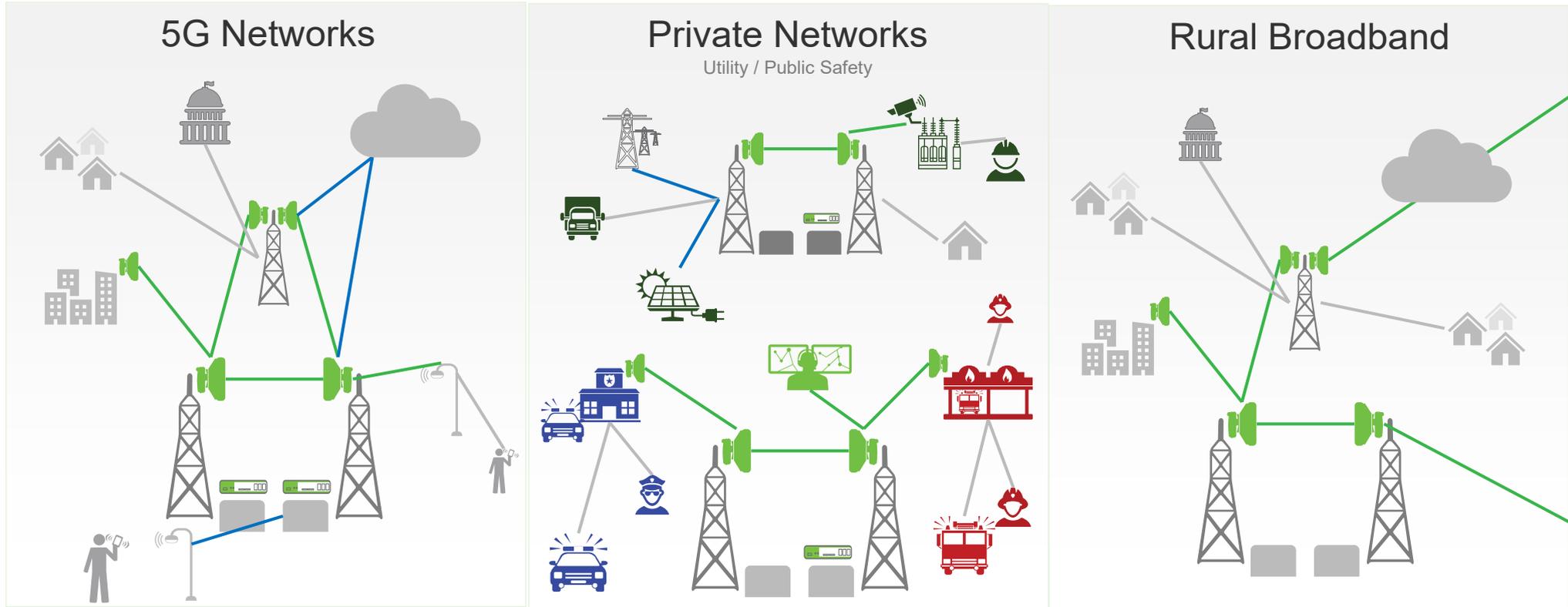
## KEY FINANCIAL METRICS LTM

<b>REVENUE</b>	<b>\$265.9M</b>
<b>Adjusted EBITDA*</b>	<b>\$31.3M</b>
<b>Cash</b>	<b>\$45.8M</b>
<b>Debt</b>	<b>\$0.0M</b>
<b>Operating Cash Flow</b>	<b>\$17.1M</b>

\*Adjusted EBITDA is defined as GAAP net income before interest, taxes, depreciation, amortization and non-GAAP items (e.g., share-based compensation, restructuring charges, etc.).

***Continued Strong Operational Performance Improves Balance Sheet***

# Aviat – Pureplay Microwave Transport Solutions



**Aviat**  
 Differentiation

**Best in Class**  
 Wireless Transport Products

**Unique**  
 Software and Services

**Disruptive**  
 Supply Chain and Ecommerce

AVIAT EQUIPMENT     
 MICROWAVE     
 RADIO ACCESS / CELLULAR     
 FIBER

Other applications »

- OIL/GAS/OFFSHORE
- TRANSPORTATION
- SCHOOL/ENTERPRISE
- ISP
- HIGH FREQUENCY TRADING

**Microwave Market is Evolving to Intelligent Networking Solutions**

# Recent Wins

5G Networks		Private Networks	
<p>Dish Network Corporation</p> <p>High capacity 5G wireless transport</p> 	<p>Safaricom</p> <p>5G backhaul</p> 	<p>Globe</p> <p>Extension of contract » 2024</p> 	<p>Virginia State Police</p> <p>NEW customer! Complete network</p> 
Rural Broadband			
<p>Nextlink Internet</p> <p>High-speed wireless backhaul</p> 	<p>LTD Broadband</p> <p>Middle mile &amp; fiber redundancy</p> 	<p>Union Wireless</p> <p>High-speed wireless backhaul</p> 	<p>100+ new rural broadband accounts via Aviat Store since FY20</p>

**Key Customer Wins Continue to Validate Aviat's Differentiated Wireless Backhaul Solutions**

# Aviat's Investment Thesis

## Tremendous Market Opportunity

- 5G, Critical Communications, Rural Broadband, Emerging Economies Underpin Demand
- 6% Share in a \$3B Market, Significant Opportunity for Growth

## Well Positioned to Capture Growth

- Strong Incumbency to Grow with Installed Base
- Compelling Value Proposition to Capture New Accounts (Tier 2 / ISP) and expand reach with reseller arrangement

## Highly Differentiated Solutions

- Innovative products and Services for Lower Total Cost of Ownership
- Software & Services to Simplify Microwave Lifecycle
- Expanding E-commerce and Supply Chain Capabilities to Disrupt Go-to-Market Models

# Well Positioned in Growing Wireless Transport Market

## GROWTH DRIVERS

- 5G Networks
  - Higher capacity, new services
- Public Safety and Security Related Communications
  - Long term trend drives demand for Aviat's end to end solutions
  - CAGR 13.2%, \$799B in communications by 2027 (Inkwood Research)
- Rural Broadband
  - Strong segment growth today
  - >\$30B US investment will drive further growth
  - Initiatives to connect the unconnected in emerging economies
- Simplifying Complex Transport Business
  - Opportunity for new software and services offerings
  - New business by removing cost from the transport lifecycle

## AVIAT SOLUTIONS

- Best in Class Wireless Transport Products
  - Industry's highest capacity, highest power radios
  - First to integrate microwave and IP/MPLS routing
  - Unique multi-band solution for 5G
- Unique Software and Services
  - Industry's only interference monitoring software for microwave
  - Full turnkey services including network operations center (NOC)
  - Network operations automation with ProVision Plus, Aviat Design
- Disruptive Delivery and Supply Chain Offerings
  - E-commerce go to market model with Aviat Store
  - US and Intl. manufacturing, industry best lead times



***Aviat is Highly Differentiated in 5G, Public Safety, and Rural Broadband Applications***

# Aviat – A Highly Differentiated Offering

## Innovations in Products, Software & Services, & Supply Chain

	<b>WIRELESS TRANSPORT PRODUCTS</b> Ex: MULTI-BAND	<b>SOFTWARE &amp; SERVICES</b> Ex: FREQUENCY ASSURANCE SOFTWARE (FAS)	<b>SUPPLY CHAIN &amp; DELIVERY</b> Ex: AVIAT STORE
<b>Unique Attribute</b>	Industry's only single box multi-band solution, integrated design solution	Industry's only expert system for interference monitoring and analysis	Disintermediation of complex distribution / channel market
<b>Demand Driver</b>	Global 5G rollouts	WiFi 6e in USA; lax spectrum regulation worldwide	5G; rural broadband
<b>Customers / Market</b>	5G networks globally; countries with high spectrum costs	Mobile operators and private networks in US; customers globally with interference concerns	Mobile operators and private networks; customers that buy from channel today
<b>Competitor Offering</b>	3 boxes, complex design solution	More network downtime	Channel / distribution
<b>Customer Benefit</b>	Lowest OPEX	More reliability / uptime	Lower cost, simpler experience

***Innovations Solve Customers' Economic, Reliability and Supply Chain Challenges***

# Aviat Cloud

## Innovative Cloud-Based Platform to Simplify Microwave for 5G, Public Safety, and Rural Broadband

### AVIATCLOUD

Secure Hosted Software and Services ([www.aviatcloud.com](http://www.aviatcloud.com))

	AVIAT DESIGN	AVIAT STORE	AVIAT SW LICENSING	AVIAT CARE	HOSTED EXPERT SERVICES	
					MANAGE	FAS
<b>Capability</b>	Cloud-based path design application	E-commerce	Automated software license management	Cloud-based support, repair/return, documentation, training, e-learning, certification	Network monitoring and managed services	Interference monitoring and resolution software and service
<b>Customer Benefit</b>	Simple, easy design	Simplified purchasing, fast deliveries	Simple operations, pay as you grow software	Portals to Aviat's industry leading service and support	Lower TCO network operations. Self-service management tools	More reliability / uptime without any software to manage. Insights to optimize the network
<b>Competitor Offering</b>	None - use 3rd party tools	Channel / direct sales	Complex tools	Inferior service and support	None	None

***Growing Software & Services Business Through Simplification & Lowering Customer TCO***

# Aviat - Large and Growing 5G Opportunity

## 5G is Driving Demand

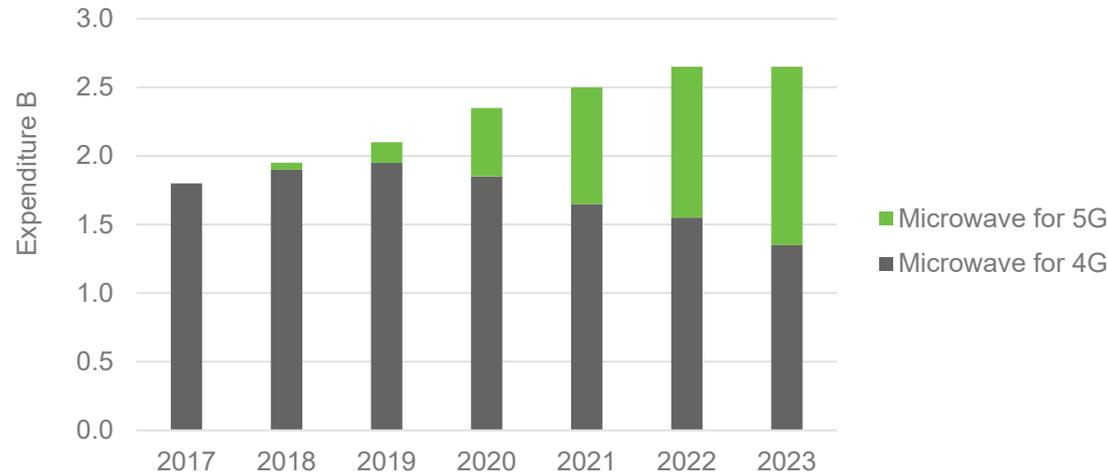
- 5G wireless transport will have a 5-year CAGR of 41% and will reach to over \$1.5B worldwide by 2024
  - New cell site builds, means more backhaul demand
  - Increased backhaul throughput for existing cell sites (10x capacity requirement vs 4G) means installed base upgrades
  - Mobile 5G today and private network 5G on the horizon



## Aviat has a Compelling 5G Solution

- 10+Gbps radios especially all-outdoor, multi-band, and integrated MPLS solutions for 5G
- Highest power radios for lowest TCO
- Software solutions like SDN and automation
- Supply chain for fast deliveries / E-commerce to support 5G rollouts

5G is fueling Aviat's growth now (proven differentiation)



Source: Omdia

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

**Aviat has a Differentiated TCO Value Proposition for 5G Networks Worldwide**

# Aviat: The Leader in Private Networks Microwave



Why we win

## Growth Drivers

Increased Demand for Critical Communications  
(CAGR 13.2%)

Growth in Private LTE and Industrial IoT  
(\$16B for Private LTE by 2025)

Growing Complexity, Vendor Outsourcing  
Share of Wallet Opportunity

## Segments We Address

Gas  
Water  
Electric Utilities



National / Regional Government



Public Safety and Security



## Aviat Leadership

Mission Critical Product Differentiation

- Highest Power Radios
- IP/MPLS Integration
- Software Innovations

Strong Global Partners In Security & Defense



Differentiated Services Offering:  
Design, Install, Support, Managed Services incl. NOC

Sources: Inkwood Research, ABI Research

**Aviat - A Differentiated TCO Value Proposition for Private Networks**



# Competitive Positioning: Why We Will Win Versus...

## Specialists »

## Aviat Advantage

## Competitor Implication

<b>Products</b>	Modular radio platform. Full portfolio of radios and routers. Better RF performance, Multi-Band	Highly leveraged in chipsets, products designed for cost – difficult to create new product variants quickly, and unable to invest in routing and other products. Higher TCO
<b>Software and services</b>	Turnkey services portfolio. Software innovations targeted at lowering microwave TCO like AviatCloud, FAS, MPLS	Product only. Makes it difficult to compete in private networks. Lack of investment in software
<b>Supply chain</b>	Aviat has core competence vs specialists. Fast deliveries, disruptive models like Aviat Store	Lack of modularity limits supply chain flexibility. Unable to create new business models or react to Aviat innovations. Longer lead times

## Generalists »

## Aviat Advantage

## Competitor Implication

<b>Products</b>	Differentiated radio products. Better RF performance, Multi-Band	Microwave not a core competence / focus. Less responsive and agile in bringing radio solutions to market
<b>Software and services</b>	Software innovations targeted at lowering microwave TCO like AviatCloud, FAS	Lack a focus on dedicated software solutions for transport networks
<b>Supply chain</b>	Aviat has core competence vs generalists. Fast deliveries, disruptive models like Aviat Store	Microwave supply chain not a priority vs RAN. Cannot react to Aviat innovations. Longer lead times

**Bottom line: Aviat Provides More Innovation, Lower TCO, Better Value Than our Competitors**

# Third Fiscal Quarter 2021

Financial Highlights and Historical Performance

# Third Fiscal Quarter 2021 & LTM Non-GAAP Financial Highlights

Continued to Demonstrate Consistency and Improvements in Performance

Laser Focused on: Increasing Revenue, Capturing Aviat's Differentiation, Driving Out Costs, and Increasing Overall Shareholder Value

<i>Year-Over-Year Comparison</i>		
<i>(\$'s in millions)</i>	Q3 FY21 Actual	Q3 FY20 Actual
Revenue	<b>\$66.4</b>	<b>\$61.4</b>
Gross Margin %	<b>38.7%</b>	<b>35.9%</b>
Operating Expenses	<b>\$19.7</b>	<b>\$19.7</b>
Operating Income	<b>\$6.0</b>	<b>\$2.4</b>
Adjusted EBITDA	<b>\$7.3</b>	<b>\$3.5</b>
Adjusted EBITDA Margin	<b>11.0%</b>	<b>5.7%</b>

<i>Fiscal Year Comparison</i>		
<i>(\$'s in millions)</i>	LTM Actual	FY20 Actual
Revenue	<b>\$265.9</b>	<b>\$238.6</b>
Gross Margin %	<b>37.2%</b>	<b>35.6%</b>
Operating Expenses	<b>\$72.8</b>	<b>\$75.8</b>
Operating Income	<b>\$26.2</b>	<b>\$9.1</b>
Adjusted EBITDA	<b>\$31.3</b>	<b>\$13.5</b>
Adjusted EBITDA Margin	<b>11.8%</b>	<b>5.7%</b>

- Total Q3 Fiscal 2021 Revenue of \$66.4 Million, Up 8% Year-Over-Year.
- Q3 Fiscal 2021 Adjusted EBITDA of \$7.3 Million, Up \$3.8M Year-Over-Year.
- Q3 Fiscal 2021 Adjusted EBITDA Margin of 11.0%
- Recognized Continued Benefits from Cost Savings and Restructuring Initiatives while Reinvesting in Growth Related Activities

# Balance Sheet Highlights

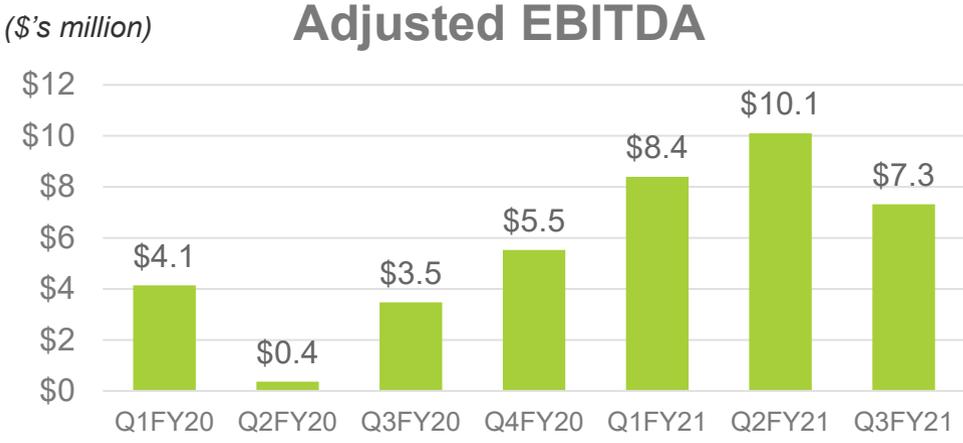
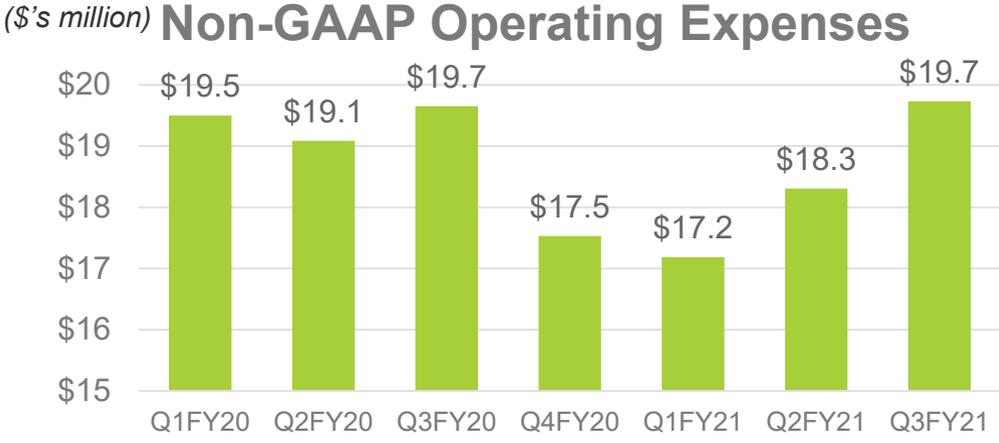
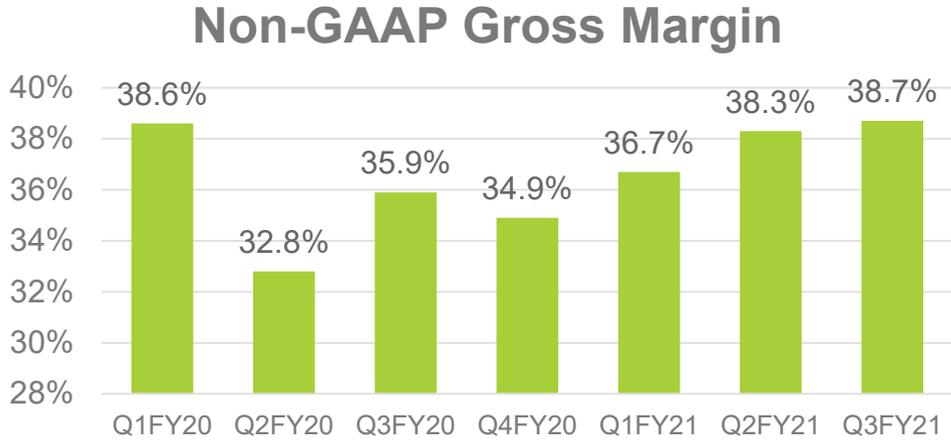
\$45.8 Million Net Cash, +\$2.8 Million from prior sequential quarter

No loan outstanding at quarter end

Increased inventory to mitigate supply chain constraints

<i>(\$'s in millions, except for DSO, DPO and Turns)</i>	Q3 FY21 Actual	Q2 FY21 Actual	Q1 FY21 Actual	Q4 FY20 Actual
Cash and Cash Equivalents	\$45.8	\$43.0	\$36.2	\$41.6
Third-Party Debt	\$0.0	\$0.0	\$0.0	\$9.0
<b>Net Cash</b>	<b>\$45.8</b>	<b>\$43.0</b>	<b>\$36.2</b>	<b>\$32.6</b>
Accounts Receivable	\$47.6	\$49.5	\$45.0	\$44.7
DSO's	65	64	62	65
DSO's with Unbilled	117	105	105	106
Accounts Payable	\$37.2	\$37.6	\$31.7	\$32.0
DPO's	83	79	69	71
Inventory	\$23.1	\$18.8	\$15.7	\$15.2
Turns	7.0	9.3	10.7	10.7

# Historical Performance





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[WWW.AVIATNETWORKS.COM](http://WWW.AVIATNETWORKS.COM)