



Fiscal 2019 Fourth Quarter and Year-End 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"), 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.



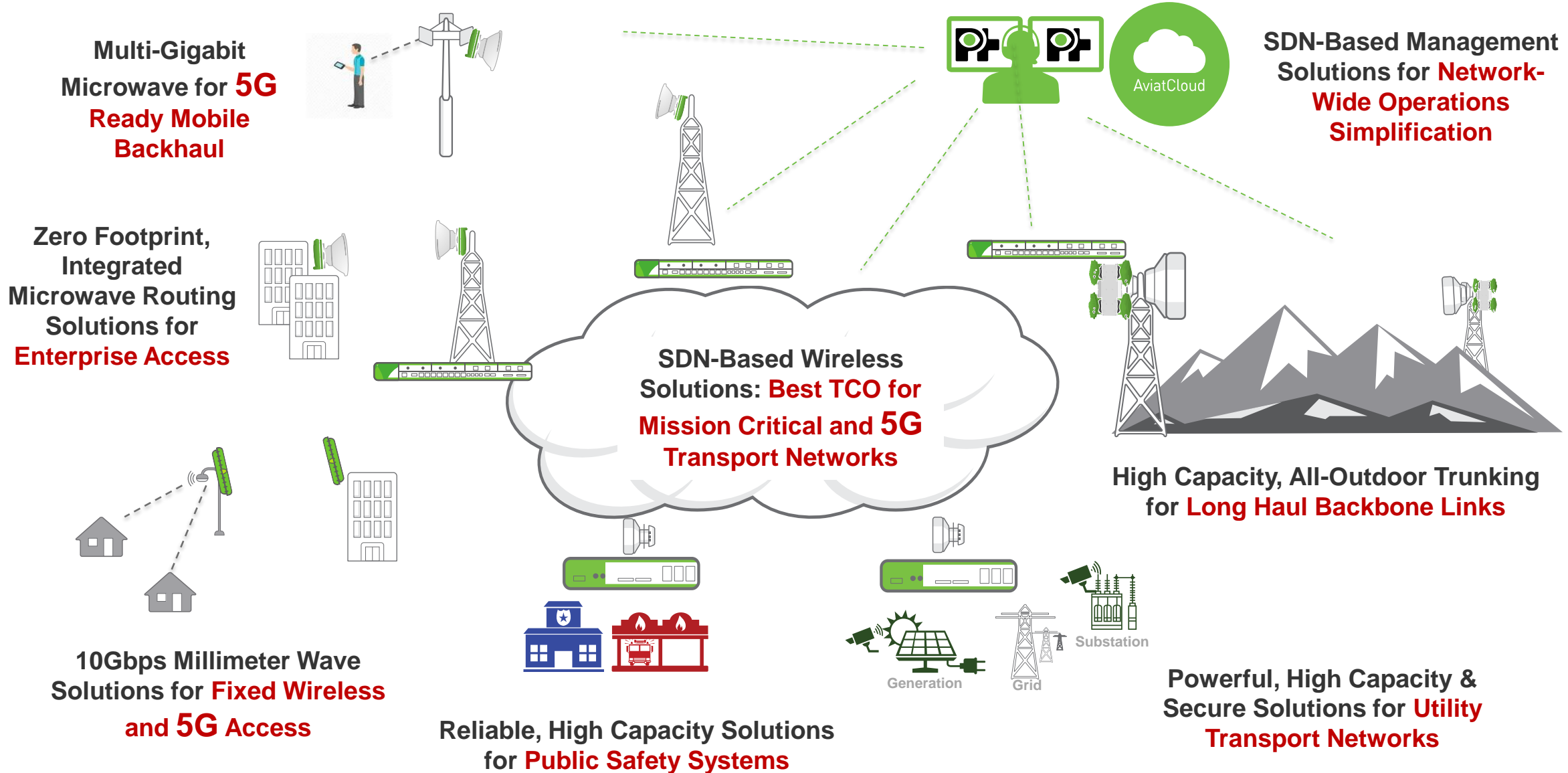
Our Value Proposition

TECHNOLOGY FOCUS



EVOLVING INTELLIGENT WIRELESS CONNECTIVITY

UNIQUE ABILITY TO ADDRESS MULTIPLE VERTICAL MARKETS



INDUSTRY LEADING PRODUCTS

MOST SECURE, HYBRID MISSION-CRITICAL PLATFORM



ECLIPSE

SPLIT-MOUNT OUTDOOR RADIO UNIT



6-42 GHz

ODU 600

ALL-OUTDOOR ETHERNET



6-42 GHz

WTM 4000

NETWORK MANAGEMENT



PROVISION

MICROWAVE ROUTERS



CTR 8000

HIGHEST POWER MICROWAVE RADIO



6-11 GHz

IRU 600

ALL-OUTDOOR EBAND/MULTI-BAND



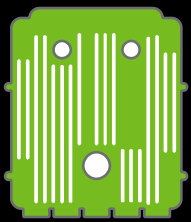
ALL NEW
PLATFORM

80 GHz

WTM 4800



AVIATCLOUD



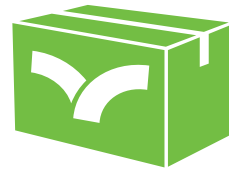
WTM 4800 EBAND &
MULTI-BAND RADIO

MULTI-BAND WITH WTM 4800

IT'S A NO BRAINER

NEW
in 2019

WITH AVIAT'S SINGLE- BOX



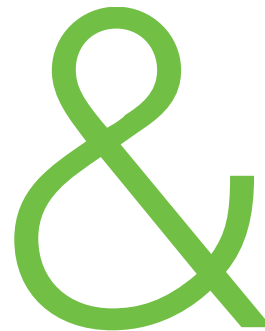
MULTI-BAND SOLUTION

YOU CAN
SIGNIFICANTLY
IMPROVE CAPACITY BY UP TO

20X



(compare to traditional microwave)



VIRTUALLY
ELIMINATE
OUTAGES

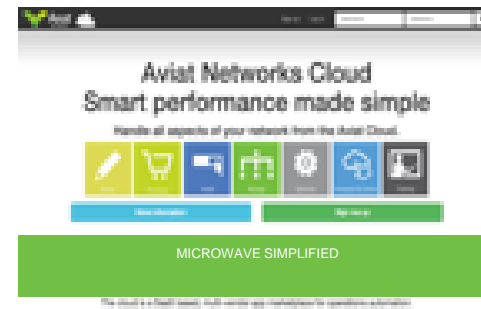


(compare to E-Band)

INDUSTRY-LEADING SERVICES CAPABILITIES



INDUSTRY'S
LEADING
AUTOMATION
PLATFORM FOR
MICROWAVE
NETWORK
SERVICES

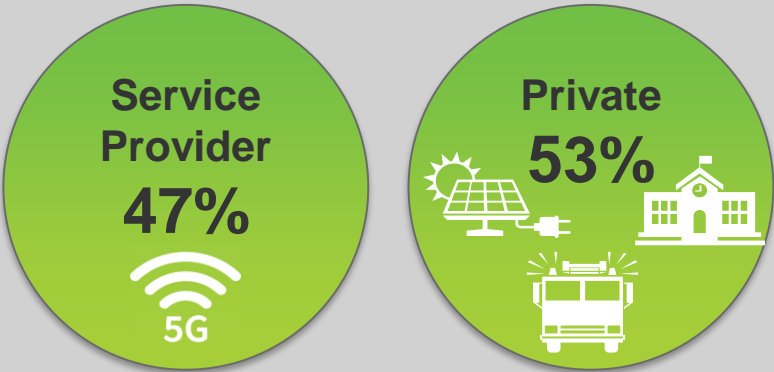


**New Multi-Year
Subscription
Based Upgrade
Offerings**

Strong Recurring Revenue with Growth Potential

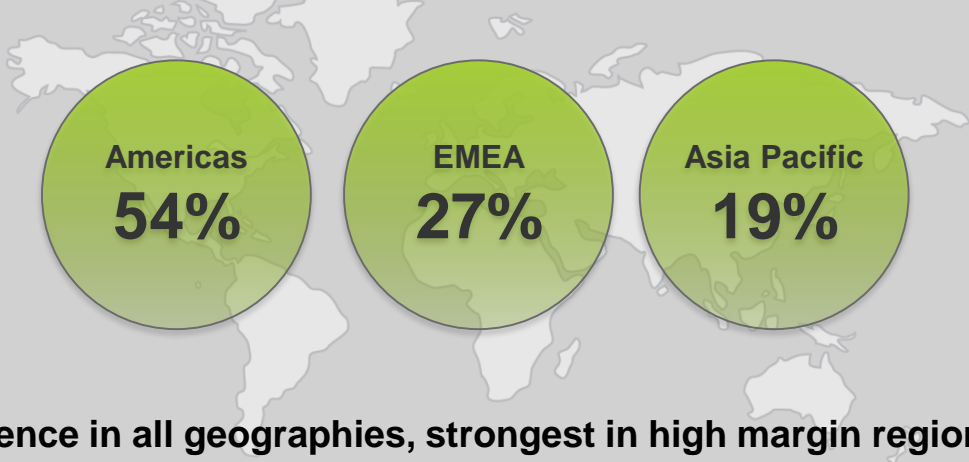
DIVERSE, STABLE BUSINESS WITH GROWTH POTENTIAL

VERTICALS DIVERSITY (FY19)



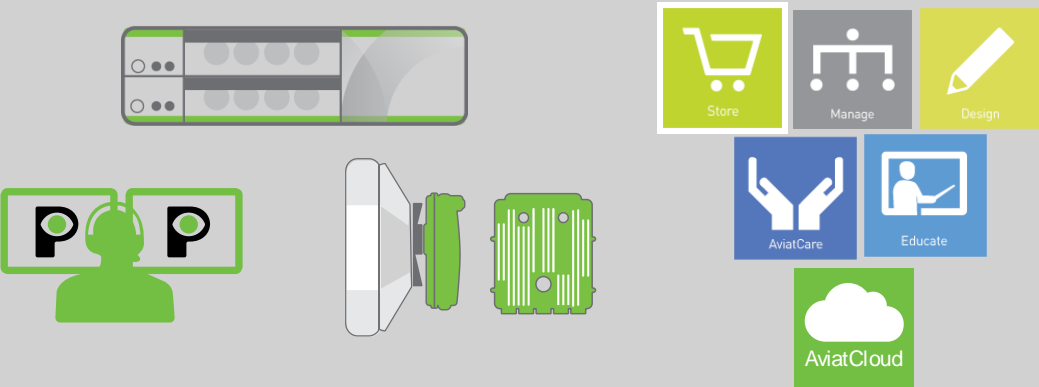
Positive Momentum in service provider and private networks

GEOGRAPHICAL DIVERSITY (FY19)



Presence in all geographies, strongest in high margin regions

SOLUTIONS DIVERSITY



Differentiated total solution offering – hardware, software, services, on-line B2B capability.

CUSTOMER DIVERSITY



Brand name accounts; ~ 90% Direct Sales

SPECIALIZATION AND REACH TO DRIVE GROWTH WITHIN PRIVATE NETWORKS VERTICAL

Segment Leader The Clear Choice

Public Safety

Presence in all 50 States,
With 27 U.S. Statewide
Networks

Energy

More than 50% of Largest
U.S. Utilities

USA Federal Departments

Multiple Agencies

Global Partners in Security & Defense



MOTOROLA
#1 Supplier



AIRBUS
DEFENCE & SPACE

A Leading Supplier

Expanding Reach

Recent breaking through into
transportation vertical

National Security Networks

France, Middle East, North
Africa, Asia Pacific

Oil & Gas

West Africa, Asia, Europe

Regional Governments

Latin America

Sales and Services Strength

Direct engagement and deep
relationships with end customer

Trusted Expert

Strengthening Position in a Diverse Private Networks Environment

GAINING MOMENTUM AND MARKET SHARE ACROSS PRIVATE NETWORK VERTICALS

Aviat Awarded Microwave and IP/MPLS Business by the State of Nevada

- Awarded a \$10M network upgrade project, which includes hardware, software and services
- Aviat to provide its IRU 600 EHP radio, CTR microwave routers and AviatCloud automation platform
- Includes multi-year outsourced managed services, including engineering, installation and support to design and build network



Aviat Awarded Nearly \$40M in Business with the State of Colorado

- The state to support all mission-critical communications for public safety, first responders and various state agencies
- 3-year contract for ~\$28M to implement a network using Aviat's microwave, IP/MPLS routers, management software and full turnkey services
- Additional \$9.5M received since initial order (January 2018)
- New customer for Aviat – highly competitive deal



Aviat Networks Wins ~\$20 Million in U.S. Utility Business

- Represents orders received in FY19 YTD from U.S.-based gas, water and electric utilities
- \$5 million with sustainable energy company with operations in 24 states; \$3.5 million with a leading west-coast water utility
- The remainder from over 25 utility accounts indicating scope of market penetration and reach in this vertical



Aviat Networks Selected by Motorola Solutions for the State of Florida's Statewide Network

- Aviat selected to provide wireless transport products and services
- Supported Motorola Solutions throughout selection and award process including systems engineering and design and contract phase of the project



Aviat Networks Awarded Microwave Business with State of Alaska

- Aviat selected to provide microwave hardware and software required to upgrade police, fire and emergency communications
- The State of Alaska will deploy Aviat's IRU 600 EHP all-indoor radio
- Aviat will also deliver CTR 8500 transport routers to support Ethernet-based services and ensure the State is prepared for future networking enhancements



GAINING MOMENTUM WITH SERVICE PROVIDERS GLOBALLY

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

- Received 5G related orders from a top-5 U.S. wireless carrier to provide wireless transport solutions in preparation for launch of their commercial 5G services in the second half of 2019
- The operator will deploy Aviat's wireless transport solutions, and will get support from Aviat for a range of design, deployment and support services
- Aviat is proud to support this operator, one of our key customers, as they rollout 5G services across their footprint



Aviat Networks Signs Global Frame Agreement with Ooredoo Group

- 5-year global supplier frame agreement with Ooredoo
- This agreement enables all Ooredoo operating entities around the world to purchase Aviat's complete portfolio of wireless transport solutions
- Ooredoo is leveraging Aviat's solutions to lower overall capital expenditures and operating expenses, while also ensuring high availability and very high bandwidth connectivity for mobile backhaul and fixed internet connectivity.





Fiscal 2019 Fourth Quarter and Year-End Financial Results

EXECUTIVE COMMENTARY

“While our fiscal 2019 fourth quarter results came in below prior expectations, much of it was due to the current spending environment in Africa and a few deals in North America that moved into our fiscal 2020 first quarter. Notwithstanding Africa, we had a strong quarter and full year, and executed on our plan. Our business in North America has continued to strengthen, as we have expanded both our client and partner base and are coming off one of the strongest booking quarters in North America in our Company’s history. Further, on a consolidated basis and despite weakness in Africa, we had the best bookings year since fiscal 2016 and we are well positioned in fiscal 2020, expecting significant year-over-year improvements in both operating income and Adjusted EBITDA. Additionally, even with softness in Africa, revenue increased year-over-year in both the fiscal fourth quarter and full year, and we continue to generate profitability both on a GAAP and non-GAAP basis.”

“Internationally on a full year basis, the APAC region was exceptionally strong, and we have other global opportunities on the horizon that could further strengthen our performance in the years ahead. Our position is improving in several of the markets we operate in and we believe this will continue based on new products brought to market and others that are in development. Our confidence moving into fiscal 2020 is strong based on our bookings’ performance, new partnerships secured and opportunities to expand with our client base. As investors will see from our fiscal 2020 first half guidance, based on booked business and projects underway, we believe we will generate Adjusted EBITDA of approximately \$8.0 million in the first half of fiscal 2020. Enhancing shareholder value remains a key priority and we believe we are on the right path to unlock value and improve our competitive position.”

Michael Pangia, President and Chief Executive Officer of Aviat Networks

Company Anticipating a Very Strong Start to Fiscal 2020 and Significant YOY Bottom-Line Growth

FISCAL 2019 Q4 NON-GAAP FINANCIAL HIGHLIGHTS

Income Statement Summary (Non-GAAP)							
<i>(In Millions \$)</i>	Q4 FY19 Actual	Q4 FY18 Actual	YOY Variance		Q4 FY19 Actual	Q3 FY19 Actual	Sequential Variance
Revenue	\$64.2	\$62.5	\$1.7		\$64.2	\$54.0	\$10.2
Gross Margin	\$22.6	\$23.0	\$(0.4)		\$22.6	\$16.3	\$6.3
Gross Margin %	35.1%	36.9%	(180 Bps)		35.1%	30.2%	490 Bps
Operating Expenses	\$19.8	\$20.0	\$0.3		\$19.8	\$17.9	\$(1.9)
Operating Income (loss)	\$2.8	\$3.0	\$(0.2)		\$2.8	\$(1.6)	\$4.4
Net Income Attributable to Aviat Networks (loss)	\$2.6	\$2.9	\$(0.3)		\$2.6	\$(1.8)	\$4.4
Adjusted EBITDA (loss)	\$3.9	\$4.4	\$(0.5)		\$3.9	\$(0.5)	\$4.4

Fiscal 2019 Fourth Quarter Results Impacted by Continued Spending Environment in Africa Offset By Strong Momentum in North America

FISCAL 2019 Q4 NON-GAAP FINANCIAL HIGHLIGHTS (CONT'D)

Key Highlights

- North America revenue increased by \$7.9 million or 25.2%.
- International revenue declined by \$6.2 million or 19.8%, with the majority related to Africa, offset by strong growth in the APAC region.
- Book to bill greater than 1, with Q4 of FY19 representing one of the strongest quarters in the Company's history in North America
- While non-GAAP gross margin declined YOY, Q4 represented the highest gross margin rate in FY19 with further improvements anticipated.
- Non-GAAP selling and administrative expenses declined by 4.8%, offset by a 9.2% increase in research and development expenses to bring new products to market. Higher variable expenses related to North America commissions partially offset identified and achieved savings.
- Bottom-line declined YOY, primarily due to increased investments and lower non-GAAP gross margins; Company has now delivered profitability on an Adjusted EBITDA basis in 10 of the past 11 quarters.

Market Verticals	FY19 Q4
Broadcast	1
Business Enterprise	10
Education	1
Federal Gov't/Military	3
Low Latency	2
Mobile	1
Oil & Gas	1
Public Safety	8
State/Local Gov't	2
Transportation	2
Utility	6
Wireless Broadband	14
TOTAL	50

50 New Customer Accounts Added in Q4 of FY19 – Momentum is Building

FISCAL 2019 NON-GAAP FULL YEAR FINANCIAL HIGHLIGHTS

Income Statement Summary (Non-GAAP)

<i>(In Millions \$)</i>	FY19 Actual	FY18 Actual	Variance
Revenue	\$243.9	\$242.5	\$1.4
Gross Margin	\$79.3	\$80.2	\$(0.9)
Gross Margin %	32.5%	33.1%	(60 Bps)
Operating Expenses	\$75.0	\$74.8	\$(0.2)
Operating Income	\$4.3	\$5.4	\$(1.1)
Net Income Attributable to Aviat Networks	\$3.2	\$3.8	\$(0.6)
Adjusted EBITDA	\$8.8	\$10.1	\$(1.3)

Key Highlights

- North America revenue increased by \$1.8 million or 1.4%, driven by new customer accounts and continued momentum with existing customers; which is anticipated to contribute favorably to FY20 performance.
- International revenue declined by \$0.5 million or 0.4%. Excluding Africa and the Middle East, international revenue grew by \$9.7 million or 18.3%.
- Book to bill significantly greater than 1 overall; FY19 represented the best bookings year since FY14 in North America.
- Modest decline in non-GAAP gross margins; mostly in line with company expectations with the variance related to a few project delays in North America (which will be picked up in the 1st half of FY20).
- Non-GAAP selling and administrative expenses declined by 2.1%, offset by a 6.9% increase in research and development expenses.
- Bottom-line performance declined YOY with the variance due primarily to lower than expected contributions from Africa, increased R&D expenses, and Q4 variable expenses related to commissions.

Third Consecutive Year of Profitability / Over 200 New Customer Accounts

FISCAL 2019 Q4 BALANCE SHEET KEY INDICATORS

(\$'s in millions)	Q4 FY19	Q3 FY19	Q2 FY19	Q1 FY19
Cash/Cash Equivalents	\$31.9	\$36.1	\$31.5	\$28.4
Accounts Receivable	\$51.9	\$45.6	\$48.6	\$50.9
DSO's	74 Days	77 Days	68 Days	77 Days
Inventory	\$9.5	\$11.3	\$9.7	\$10.0
Turns	17.5	13.4	17.6	17.0
DPO's	78 Days	82 Days	74 Days	71 Days
Third-Party Debt	\$9.0	\$9.0	\$9.0	\$9.0
Accounts Payable	\$35.6	\$34.2	\$34.8	\$33.3

Key Take-Aways

- Cash balance improved by \$3.5 million from Q1; declined by \$4.2 million sequentially due to timing of customer payments with the majority collected since quarter end; \$2.3 million of cash used to repurchase shares under the authorized stock repurchase program.
- Accounts receivable increased sequentially \$6.3 million primarily due to timing of invoicing and collections.
- Inventory declined by \$1.8 million based on prior demand forecasting to support customer order flow.
- Accounts payable increased by \$1.4 million, in line with anticipated business cycles associated with year-end expenditures.
- Given strength in FY20, the Company anticipates favorable improvements in cash generation.

Strong Balance Sheet Capable of Supporting Continued Growth

FISCAL 2020 FIRST HALF

NON-GAAP FINANCIAL OUTLOOK

Income Statement Summary (Non-GAAP)

<i>(In Millions \$)</i>	1H FY19 Actuals	1H FY20 Estimates	Commentary
Revenue	\$125.6	Down modestly Y/Y	Uncertain spending environment in Africa and lower revenue in the APAC region based on strong FY19 performance, offset by significant growth in North America
Gross Margin %	32.2%	> 35%	Anticipated to be north of 35% in both the 1 st and 2 nd quarters of FY20
Operating Income (loss)	\$3.0	~\$6.0	Expected to double YOY
Adjusted EBITDA (loss)	\$5.4	~\$7.5	Up ~\$2.1 million or over 38% YOY

Significant Bottom-Line Improvements Anticipated in the 1st Half of FY20
Strong Profitability Anticipated Throughout the Full Fiscal Year

SUMMARY: WELL POSITIONED IN FY20 AND BEYOND

- North America business is growing; FY19 bookings, and new customer accounts and partnerships, anticipated to contribute to significant profitability improvements
- Competitive position continues to strengthen in North America and in select international regions
- Investments in R&D driving competitive differentiation; contributing to new customer accounts, and opening new channels for growth (focus on solutions and lowering customers TCO)
- Operational excellence programs generating savings with more to come in FY20 and FY21; realigning to improve efficiencies, lower fixed costs and better utilize automation
- Market dynamics remain favorable: international networks upgrade to LTE; U.S. networks upgrade to 5G; more First Responder and Mission Critical requirements; growth in State and Local Private Networks, etc.
- High level of confidence in achieving FY20 1H bottom-line guidance with continued profitability in the 2nd half of the year

Foundation Continues to Improve / Balance Sheet Remains Strong



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