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to take you further*

Q2 2021 Financial Review

August 2021

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This presentation contains statements that constitute “forward-looking statements” within the meaning of the Securities Act of 1933, as amended and the Securities Exchange Act of 1934, as amended, and the safe-harbor provisions of 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 about Ceragon’s business, financial condition, results of operations, micro and macro market trends and other issues addressed or reflected therein. Examples of forward-looking statements include: projections of demand, revenues, net income, gross margin, capital expenditures and liquidity, competitive pressures, order timing, growth prospects, product development, financial resources, cost savings and other financial and market 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, although not all forward-looking statements contain these identifying words.

Although we believe that the projections reflected in such forward-looking statements are based upon reasonable assumptions, we can give no assurance that our expectations will be obtained or that any deviations therefrom will not be material. Such statements involve risks and uncertainties that may cause future results to differ materially from those anticipated. These risks and uncertainties include, but are not limited to, the risks relating to the effects of general economic conditions; the effect of the COVID-19 pandemic on the global markets and on the markets in which we operate, including the continued disruption to our and our customers’, providers’, business partners and contractors’ business and operations which results with an adverse effect on our and our customers’ financial performance created thereby; the continuing impact of components shortage due to the global shortage in semiconductors, chipsets and other electronic components, which continue to cause delays in deliveries of our products and delays in the deployment of wireless communication networks by our customers, slowdowns, increase of supply chain costs, disruption to production lines, loss of creditability and other adverse effects on our Company and on our industry; the concentration of a significant portion of Ceragon’s expected business in certain countries and particularly in India; failure to meet our product development timetable, including delay in the tape-out of our new chipset; 5G rollout taking longer or be performed differently than anticipated and such other risks, uncertainties and other factors that could affect our results, as further detailed in Ceragon’s most recent Annual Report on Form 20-F and in Ceragon’s other filings with the Securities and Exchange Commission.

Such forward-looking statements, including the risks, uncertainties and other factors that could affect our results, 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. Such forward-looking statements do not purport to be predictions of future events or results and there can be no assurance that it will prove to be accurate. Ceragon may elect to update these forward-looking statements at some point in the future but the company specifically disclaims any obligation to do so except as may be required by law.

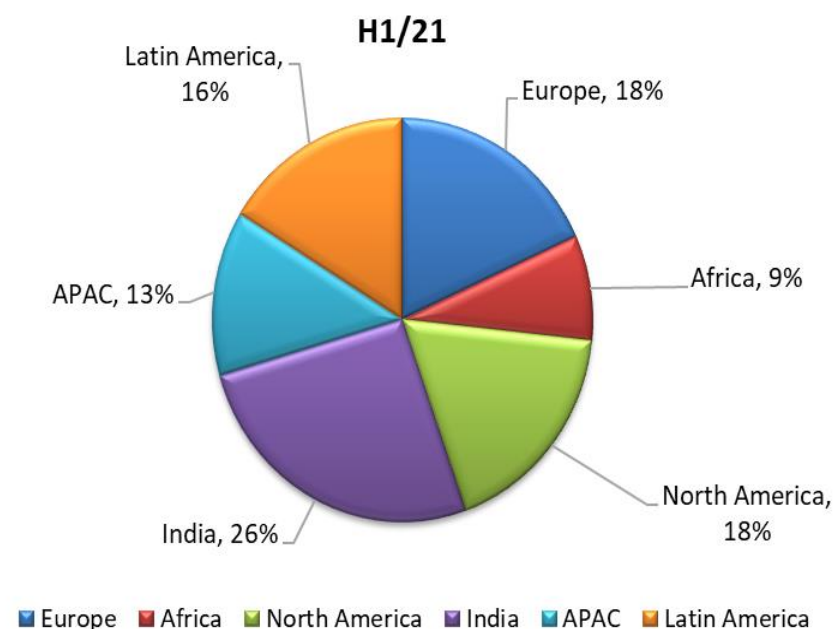
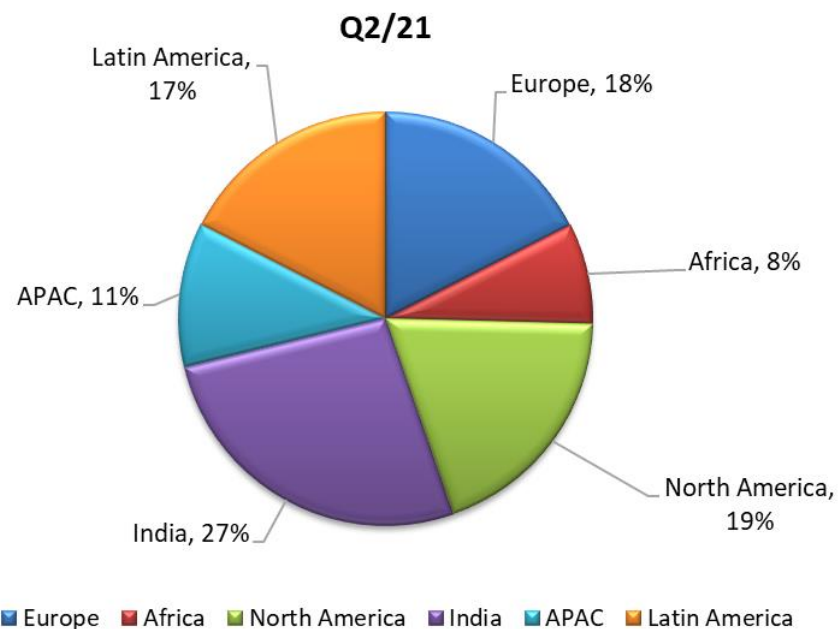
Ceragon’s public filings are available on the Securities and Exchange Commission’s website at www.sec.gov and may also be obtained from Ceragon’s website at www.ceragon.com.

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Revenues- Geographic Split

	Q2/18	Q3/18	Q4/18	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21
Europe	11%	9%	13%	17%	13%	15%	15%	15%	21%	14%	19%	19%	18%
Africa	4%	10%	12%	13%	11%	6%	7%	6%	4%	14%	10%	9%	8%
North America	10%	13%	15%	15%	20%	11%	13%	13%	15%	14%	16%	17%	19%
India	47%	34%	25%	15%	10%	29%	16%	25%	22%	24%	23%	26%	27%
APAC	11%	13%	15%	18%	18%	22%	18%	21%	19%	20%	14%	14%	11%
Latin America	17%	21%	20%	22%	28%	17%	31%	20%	19%	14%	18%	15%	17%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%



NON-GAAP Profit & Loss



	Actual (Unaudited)												
	Q2/18	Q3/18	Q4/18	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21
Revenues	88,328	86,529	85,742	69,163	73,001	72,163	71,256	55,871	62,427	70,581	74,002	68,270	68,621
Cost of Revenues	59,566	56,219	55,961	44,495	46,615	48,907	48,980	41,833	45,891	46,970	52,631	48,087	47,005
Gross profit	28,762	30,310	29,781	24,668	26,386	23,256	22,276	14,038	16,536	23,611	21,371	20,183	21,616
Gross margin	32.6%	35.0%	34.7%	35.7%	36.1%	32.2%	31.3%	25.1%	26.5%	33.5%	28.9%	29.6%	31.5%
Research & Development	6,754	7,353	6,606	6,061	6,156	6,652	7,558	7,201	6,760	7,299	7,694	7,358	7,494
% R&D	7.6%	8.5%	7.7%	8.8%	8.4%	9.2%	10.6%	12.9%	10.8%	10.3%	10.4%	10.8%	10.9%
Sales & Marketing	10,227	10,349	11,327	9,287	9,914	9,585	9,975	8,173	8,032	7,819	8,452	8,186	8,266
%S&M	11.6%	12.0%	13.2%	13.4%	13.6%	13.3%	14.0%	14.6%	12.9%	11.1%	11.4%	12.0%	12.0%
General & Administration	4,721	4,247	5,074	5,600	5,478	4,456	6,836	4,246	4,755	4,754	4,680	3,934	5,247
%G&A	5.3%	4.9%	5.9%	8.1%	7.5%	6.2%	9.6%	7.6%	7.6%	6.7%	6.3%	5.8%	7.6%
Total operating expenses	21,702	21,949	23,007	20,948	21,548	20,693	24,369	19,620	19,547	19,872	20,826	19,478	21,007
Operating profit (loss)	7,060	8,361	6,774	3,720	4,838	2,563	(2,093)	(5,582)	(3,011)	3,739	545	705	609
Operating margin	8.0%	9.7%	7.9%	5.4%	6.6%	3.6%	-2.9%	-10.0%	-4.8%	5.3%	0.7%	1.0%	0.9%
Non-GAAP EBITDA	9,050	10,455	8,937	5,840	7,156	5,105	587	(2,878)	(331)	6,467	3,494	3,591	3,552
Financial expenses and others, net	(2,646)	(1,766)	(872)	(1,135)	(1,612)	(1,469)	(2,071)	(758)	(1,354)	(1,238)	(2,527)	(1,237)	(1,367)
Income Tax	(593)	(894)	(904)	(516)	(744)	(597)	(801)	(365)	(487)	(201)	(1,559)	(347)	(420)
Non GAAP Net income (loss)	3,821	5,701	4,998	2,069	2,482	497	(4,965)	(6,705)	(4,852)	2,300	(3,541)	(879)	(1,178)
Non GAAP EPS	0.05	0.07	0.06	0.03	0.03	0.01	(0.06)	(0.08)	(0.06)	0.03	(0.04)	(0.01)	(0.01)
# of Shares for diluted EPS ('000)	81,157	81,546	82,369	82,702	82,250	81,814	80,575	80,765	81,013	82,244	81,536	82,584	83,424

Selected Cash Flow Data

(U.S. dollars in thousands)													
	Q2/18	Q3/18	Q4/18	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21
Total cash & cash equivalents	29,398	41,322	35,581	29,754	29,041	20,524	23,939	44,120	35,167	29,155	27,101	33,011	28,670
Cash flow from operations	4,179	15,521	(1,579)	(620)	(6,487)	(14,431)	8,607	3,127	6,666	(3,225)	10,677	(1,654)	(2,958)
Capital expenditures	(908)	(3,764)	(6,238)	(5,240)	(3,339)	(2,658)	(2,627)	(1,202)	(2,715)	(1,230)	(1,342)	(2,003)	(1,728)
Options Exercise	274	189	2,048	66	190	135	211	246	308	293	390	3,689	269
Proceeds (repayment) of short-term bank credits and loans, net	-	-	-	-	8,900	8,500	(2,800)	18,255	(13,176)	(1,800)	(11,900)	6,000	-
Other	(103)	(22)	28	(33)	23	(63)	24	(245)	(36)	(50)	121	(122)	76
Net Change in Cash	3,442	11,924	(5,741)	(5,827)	(713)	(8,517)	3,415	20,181	(8,953)	(6,012)	(2,054)	5,910	(4,341)

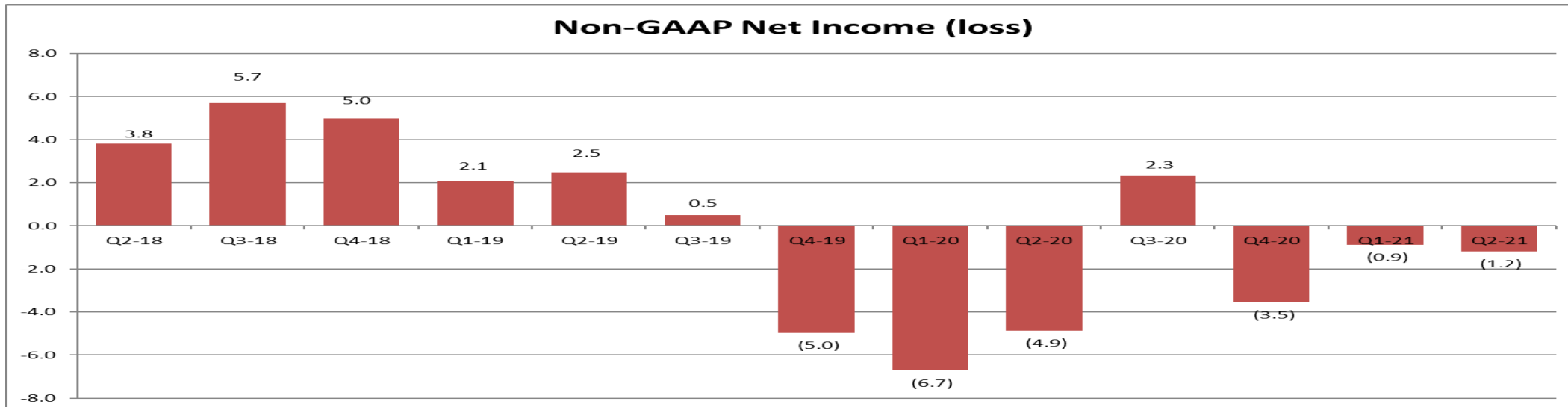
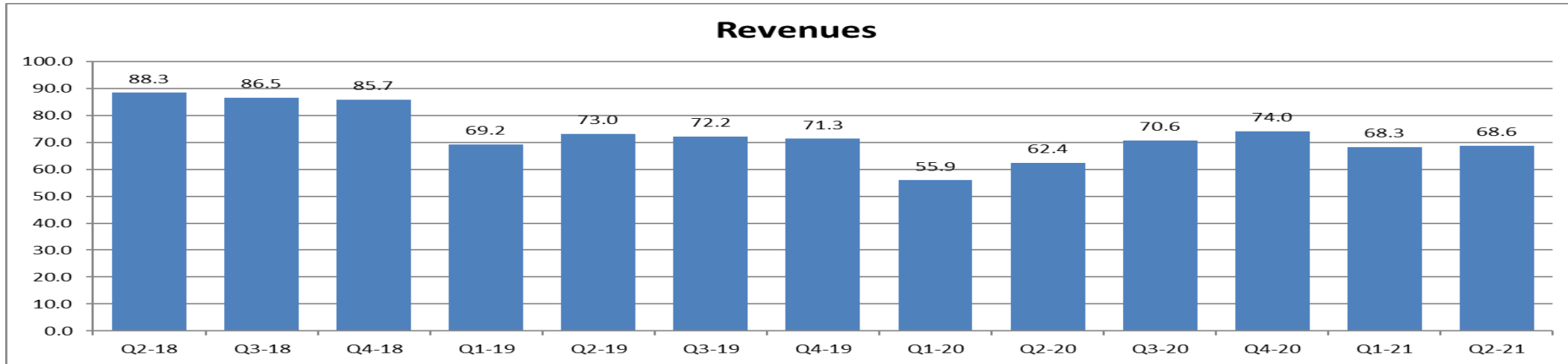
Selected Balance Sheet Data

(U.S. dollars in thousands)													
	Q2/18	Q3/18	Q4/18	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21
Cash and Cash Equivalents	41,322	35,581	29,754	29,041	20,524	20,524	23,939	44,120	35,167	29,155	27,101	33,011	28,670
Trade Receivables	118,545	113,193	123,451	119,548	121,449	126,196	118,531	104,185	97,547	108,394	107,388	106,712	107,404
DSOs	129	120	131	132	141	154	151	140	136	152	149	141	139
Inventory	46,040	47,435	53,509	67,370	73,900	67,717	62,132	59,659	53,593	51,869	50,627	48,542	52,316
Inventory Days	76	76	86	114	132	126	120	117	106	103	99	92	98
Working capital	109,134	113,817	115,170	112,855	119,687	118,925	111,267	102,830	98,206	102,067	99,446	98,954	99,864
Short-term loans	-	-	-	-	8,900	17,400	14,600	32,855	19,679	17,879	5,979	11,979	11,000
Shareholders' Equity	138,474	145,543	159,568	161,833	163,759	163,878	160,421	151,414	147,329	149,662	146,126	146,397	146,310
%- Shareholders' Equity/ Total assets	56%	56%	56%	54%	53%	54%	55%	52%	54%	55%	54%	50%	50%
Total Balance Sheet	247,212	258,948	283,000	297,517	308,513	302,067	289,889	292,671	272,097	273,759	272,419	291,098	294,416

Reported results – Reconciliation to GAAP

(U.S. dollars in thousands)													
	Q2/18	Q3/18	Q4/18	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21
Non GAAP Net income (loss)	3,821	5,701	4,998	2,069	2,482	497	(4,965)	(6,705)	(4,852)	2,300	(3,541)	(879)	(1,178)
Stock based compensation expenses	679	450	498	475	697	422	459	426	441	384	411	351	286
Amortization of intangible assets	-	-	-	-	-	-	-	-	-	-	1,800	-	-
Changes in indirect tax positions	12	11	(230)	21	9	4	(361)	1	1	1	(202)	1	2
Leases - financial expenses (income)	-	-	-	(26)	218	(91)	133	(450)	110	157	229	(186)	435
Paycheck protection program	-	-	-	-	-	-	-	-	-	-	-	-	(979)
Retired CEO compensation	-	-	-	-	-	-	-	-	-	-	-	-	810
Recovery of devaluation related expenses in Venezuela	-	(969)	-	-	-	-	-	-	-	-	-	-	-
Non-cash tax adjustments	(96)	58	(6,869)	618	654	(182)	(1,272)	15	(87)	76	2	128	(23)
Equity loss in affiliates	-	-	-	173	141	158	177	183	160	98	538	-	-
GAAP Net Income (Loss)	3,226	6,151	11,599	808	763	186	(4,101)	(6,880)	(5,477)	1,584	(6,319)	(1,173)	(1,709)
GAAP EPS	0.04	0.08	0.14	0.01	0.01	0.00	(0.05)	(0.09)	(0.07)	0.02	(0.08)	(0.01)	(0.02)
# of Shares for basic EPS ('000)	78,232	78,455	79,539	80,114	80,192	80,304	80,575	80,765	81,013	81,278	81,536	82,584	83,424
# of Shares for diluted EPS ('000)	80,850	81,172	81,988	82,334	82,051	81,652	80,575	80,765	81,013	82,000	81,536	82,584	83,424

Quarterly Revenues and Non-GAAP Net Income (Loss)





Thank You

