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to take you further*

Q3 2021 Financial Review

November 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.

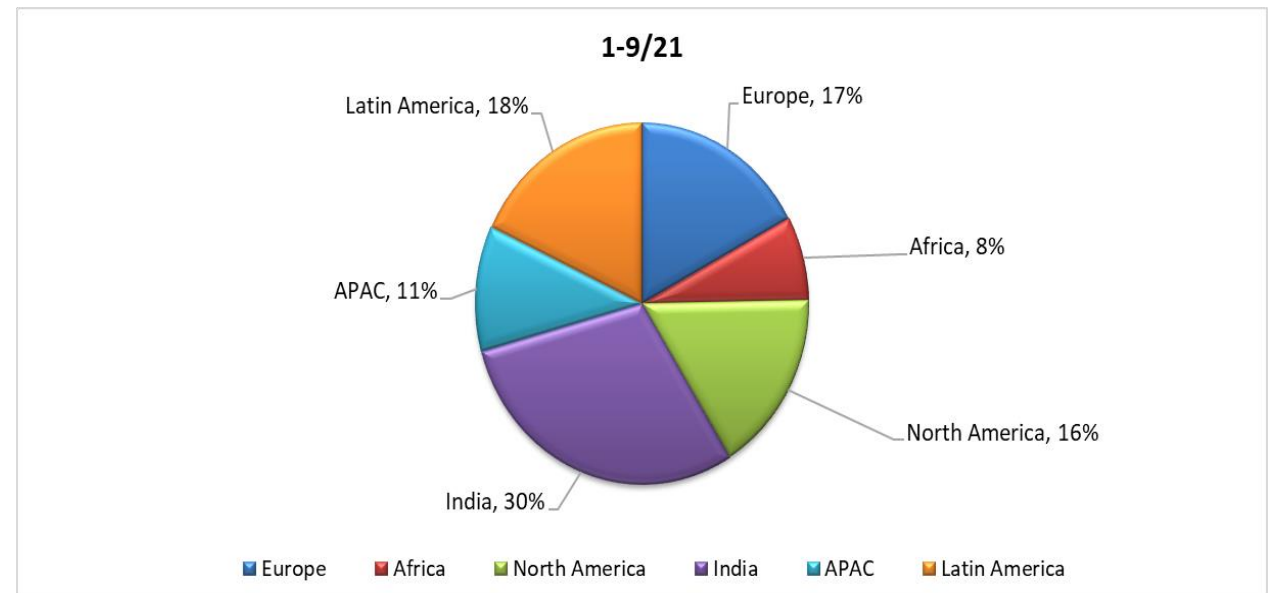
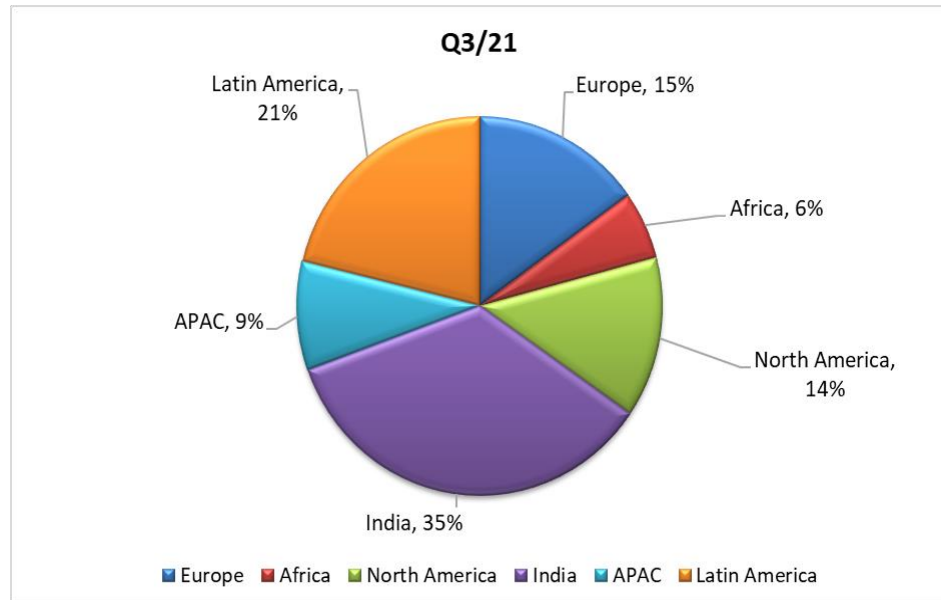
Although we believe that the projections reflected in such forward-looking statements are based upon reasonable assumptions, we can give no assurance that our expectations will be obtained or that any deviations therefrom will not be material. Such statements involve risks and uncertainties that may cause future results to differ materially from those anticipated. These risks and uncertainties include, but are not limited to, the effects of general economic conditions, the continued effect of the COVID-19 pandemic on the global markets and on the markets in which we operate, including the risk of a continued disruption to our and our customers’, providers’, business partners and contractors’ business and operations; the continued effect of the uprise in shipping costs and decrease in shipping slots availability (which is partially associated to the COVID-19 effects) on the global markets and on the markets in which we operate, including price erosion, late deliveries and the risk of damages and orders cancellation created thereby; the continuing impact of components shortage due to the global shortage in semiconductors and chipsets, which could continue to cause delays in deliveries of our products and delays in the deployment of wireless communication networks by our customers, slowdowns and other adverse effects on our industry and the risk of damages and orders cancellation created thereby, as well as price erosion due to constant price increase, payment of expedite fees and inventory pre-ordering and procurement acceleration; the risks relating to the concentration of a significant portion of Ceragon’s expected business in certain countries and particularly in India, where a small number of customers are expected to represent a significant portion of our revenues; risks associated with any failure to meet our product development timetable, including delay in the tape-out of our new chipset; the risk that the rollout of 5G services could take 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.

Revenues- Geographic Split

	Q3/18	Q4/18	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21
Europe	9%	13%	17%	13%	15%	15%	15%	21%	14%	19%	19%	18%	15%
Africa	10%	12%	13%	11%	6%	7%	6%	4%	14%	10%	9%	8%	6%
North America	13%	15%	15%	20%	11%	13%	13%	15%	14%	16%	17%	19%	14%
India	34%	25%	15%	10%	29%	16%	25%	22%	24%	23%	26%	27%	35%
APAC	13%	15%	18%	18%	22%	18%	21%	19%	20%	14%	14%	11%	9%
Latin America	21%	20%	22%	28%	17%	31%	20%	19%	14%	18%	15%	17%	21%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%



NON-GAAP Profit & Loss



	Actual (Unaudited)												
	Q3/18	Q4/18	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21
Revenues	86,529	85,742	69,163	73,001	72,163	71,256	55,871	62,427	70,581	74,002	68,270	68,621	76,115
Cost of Revenues	56,219	55,961	44,495	46,615	48,907	48,980	41,833	45,891	46,970	52,631	48,087	47,005	52,509
Gross profit	30,310	29,781	24,668	26,386	23,256	22,276	14,038	16,536	23,611	21,371	20,183	21,616	23,606
Gross margin	35.0%	34.7%	35.7%	36.1%	32.2%	31.3%	25.1%	26.5%	33.5%	28.9%	29.6%	31.5%	31.0%
Research & Development	7,353	6,606	6,061	6,156	6,652	7,558	7,201	6,760	7,299	7,694	7,358	7,494	6,640
% R&D	8.5%	7.7%	8.8%	8.4%	9.2%	10.6%	12.9%	10.8%	10.3%	10.4%	10.8%	10.9%	8.7%
Sales & Marketing	10,349	11,327	9,287	9,914	9,585	9,975	8,173	8,032	7,819	8,452	8,186	8,266	8,349
%S&M	12.0%	13.2%	13.4%	13.6%	13.3%	14.0%	14.6%	12.9%	11.1%	11.4%	12.0%	12.0%	11.0%
General & Administration	4,247	5,074	5,600	5,478	4,456	6,836	4,246	4,755	4,754	4,680	3,934	5,247	4,645
%G&A	4.9%	5.9%	8.1%	7.5%	6.2%	9.6%	7.6%	7.6%	6.7%	6.3%	5.8%	7.6%	6.1%
Total operating expenses	21,949	23,007	20,948	21,548	20,693	24,369	19,620	19,547	19,872	20,826	19,478	21,007	19,634
Operating profit (loss)	8,361	6,774	3,720	4,838	2,563	(2,093)	(5,582)	(3,011)	3,739	545	705	609	3,972
Operating margin	9.7%	7.9%	5.4%	6.6%	3.6%	-2.9%	-10.0%	-4.8%	5.3%	0.7%	1.0%	0.9%	5.2%
Non-GAAP EBITDA	10,455	8,937	5,840	7,156	5,105	587	(2,878)	(331)	6,467	3,494	3,591	3,552	6,931
Financial expenses and others, net	(1,766)	(872)	(1,135)	(1,612)	(1,469)	(2,071)	(758)	(1,354)	(1,238)	(2,527)	(1,237)	(1,367)	(2,273)
Income Tax	(894)	(904)	(516)	(744)	(597)	(801)	(365)	(487)	(201)	(1,559)	(347)	(420)	(348)
Non GAAP Net income (loss)	5,701	4,998	2,069	2,482	497	(4,965)	(6,705)	(4,852)	2,300	(3,541)	(879)	(1,178)	1,351
Non GAAP EPS	0.07	0.06	0.03	0.03	0.01	(0.06)	(0.08)	(0.06)	0.03	(0.04)	(0.01)	(0.01)	0.02
# of Shares for diluted EPS ('000)	81,546	82,369	82,702	82,250	81,814	80,575	80,765	81,013	82,244	81,536	82,584	83,424	85,271

Selected Cash Flow Data

(U.S. dollars in thousands)													
	Q3/18	Q4/18	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21
Total cash & cash equivalents	41,322	35,581	29,754	29,041	20,524	23,939	44,120	35,167	29,155	27,101	33,011	28,670	27,235
Cash flow from operations	15,521	(1,579)	(620)	(6,487)	(14,431)	8,607	3,127	6,666	(3,225)	10,677	(1,654)	(2,958)	(667)
Capital expenditures	(3,764)	(6,238)	(5,240)	(3,339)	(2,658)	(2,627)	(1,202)	(2,715)	(1,230)	(1,342)	(2,003)	(1,728)	(2,336)
Options Exercise	189	2,048	66	190	135	211	246	308	293	390	3,689	269	730
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	-	900
Other	(22)	28	(33)	23	(63)	24	(245)	(36)	(50)	121	(122)	76	(62)
Net Change in Cash	11,924	(5,741)	(5,827)	(713)	(8,517)	3,415	20,181	(8,953)	(6,012)	(2,054)	5,910	(4,341)	(1,435)

Selected Balance Sheet Data

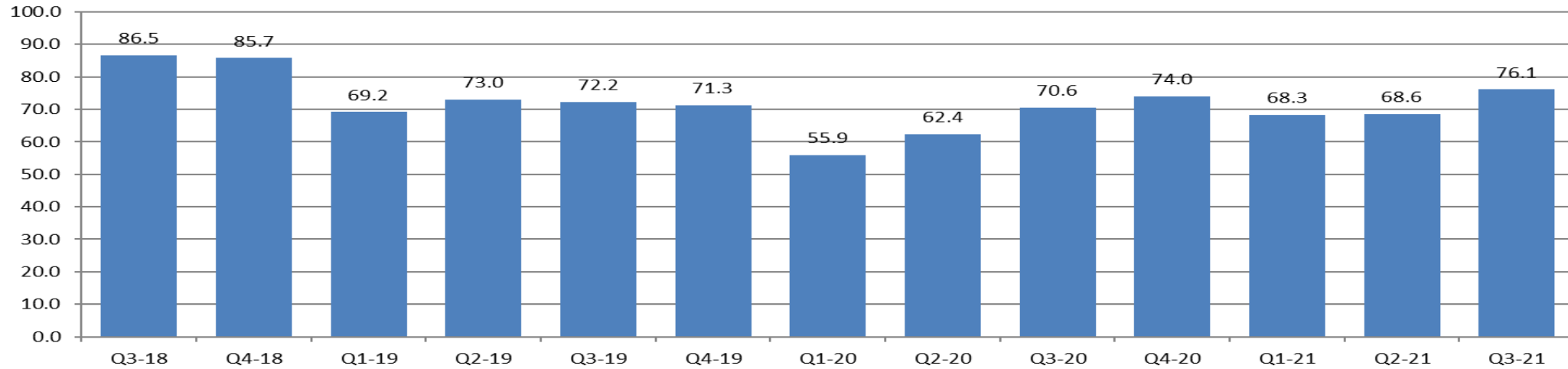
(U.S. dollars in thousands)													
	Q3/18	Q4/18	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21
Cash and Cash Equivalents	35,581	29,754	29,041	20,524	20,524	23,939	44,120	35,167	29,155	27,101	33,011	28,670	27,235
Trade Receivables	113,193	123,451	119,548	121,449	126,196	118,531	104,185	97,547	108,394	107,388	106,712	107,404	109,863
DSOs	120	131	132	141	154	151	140	136	152	149	141	139	140
Inventory	47,435	53,509	67,370	73,900	67,717	62,132	59,659	53,593	51,869	50,627	48,542	52,316	53,203
Inventory Days	76	86	114	132	126	120	117	106	103	99	92	98	97
Working capital	113,817	115,170	112,855	119,687	118,925	111,267	102,830	98,206	102,067	99,446	98,954	99,864	101,615
Short-term loans	-	-	-	8,900	17,400	14,600	32,855	19,679	17,879	5,979	11,979	11,000	11,900
Shareholders' Equity	145,543	159,568	161,833	163,759	163,878	160,421	151,414	147,329	149,662	146,126	146,397	146,310	147,663
% - Shareholders' Equity/ Total assets	56%	56%	54%	53%	54%	55%	52%	54%	55%	54%	50%	50%	50%
Total Balance Sheet	258,948	283,000	297,517	308,513	302,067	289,889	292,671	272,097	273,759	272,419	291,098	294,416	295,416

Reported results – Reconciliation to GAAP

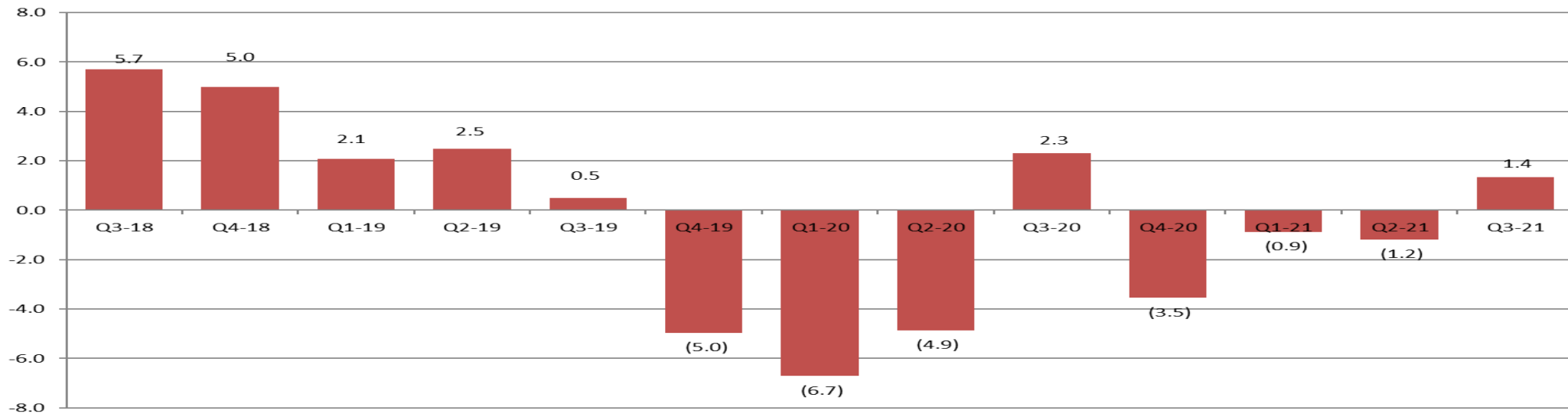
(U.S. dollars in thousands)													
	Q3/18	Q4/18	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21
Non GAAP Net income (loss)	5,701	4,998	2,069	2,482	497	(4,965)	(6,705)	(4,852)	2,300	(3,541)	(879)	(1,178)	1,351
Stock based compensation expenses	450	498	475	697	422	459	426	441	384	411	351	286	1,034
Amortization of intangible assets	-	-	-	-	-	-	-	-	-	1,800	-	-	-
Changes in indirect tax positions	11	(230)	21	9	4	(361)	1	1	1	(202)	1	2	2
Leases - financial expenses (income)	-	-	(26)	218	(91)	133	(450)	110	157	229	(186)	435	102
Paycheck protection program	-	-	-	-	-	-	-	-	-	-	-	(979)	-
Retired CEO compensation	-	-	-	-	-	-	-	-	-	-	-	810	-
Recovery of devaluation related expenses in Venezuela	(969)	-	-	-	-	-	-	-	-	-	-	-	-
Non-cash tax adjustments	58	(6,869)	618	654	(182)	(1,272)	15	(87)	76	2	128	(23)	(53)
Equity loss in affiliates	-	-	173	141	158	177	183	160	98	538	-	-	-
GAAP Net Income (Loss)	6,151	11,599	808	763	186	(4,101)	(6,880)	(5,477)	1,584	(6,319)	(1,173)	(1,709)	266
GAAP EPS	0.08	0.14	0.01	0.01	0.00	(0.05)	(0.09)	(0.07)	0.02	(0.08)	(0.01)	(0.02)	0.00
# of Shares for basic EPS ('000)	78,455	79,539	80,114	80,192	80,304	80,575	80,765	81,013	81,278	81,536	82,584	83,424	83,717
# of Shares for diluted EPS ('000)	81,172	81,988	82,334	82,051	81,652	80,575	80,765	81,013	82,000	81,536	82,584	83,424	84,637

Quarterly Revenues and Non-GAAP Net Income (Loss)

Revenues



Non-GAAP Net Income (loss)





Thank You

