



## Cambium Networks Reports Second Quarter 2024 Financial Results

August 8, 2024 at 4:01 PM EDT

- Revenues of \$45.9 million increased 9% sequentially
- Gross margin of 31.4%, non-GAAP<sup>(1)</sup> gross margin of 33.5%
- Operating loss of \$12.1 million, non-GAAP<sup>(1)</sup> operating loss of \$7.9 million
- Net loss of \$9.1 million or a loss of \$0.33 per diluted share, non-GAAP<sup>(1)</sup> net loss of \$7.1 million or a loss of \$0.25 per diluted share
- Net cash provided by operating activities of \$2.4 million; \$42.6 million cash on the balance sheet
- Adjusted EBITDA<sup>(1)</sup> loss of \$6.7 million or (14.5)% of revenues, an improvement of 57% sequentially

HOFFMAN ESTATES, Ill., Aug. 8, 2024 /PRNewswire/ -- [Cambium Networks Corporation](#) ("Cambium Networks") (NASDAQ: CMBM), a leading provider of wireless and wired networking infrastructure solutions, today announced financial results for the second quarter 2024 ended June 30, 2024.



(in millions, except percentages)	GAAP			Non-GAAP <sup>(1)</sup>		
	Q2 2024	Q1 2024	Q2 2023	Q2 2024	Q1 2024	Q2 2023
Revenues	\$ 45.9	\$ 42.3	\$ 59.5	\$ 45.9	\$ 42.3	\$ 59.5
Gross margin	31.4 %	20.5 %	49.1 %	33.5 %	22.7 %	50.3 %
Operating margin	(26.3) %	(49.6) %	(4.5) %	(17.3) %	(39.5) %	2.8 %
Net (loss) income	\$ (9.1)	\$ (26.4)	\$ (2.6)	\$ (7.1)	\$ (12.7)	\$ 0.9
Adjusted EBITDA margin				(14.5) %	(36.7) %	4.7 %

<sup>1</sup> Refer to Supplemental Financial Information accompanying this press release for a reconciliation of GAAP to non-GAAP numbers and for reconciliation of adjusted EBITDA for the second quarter 2024 ended June 30, 2024.

"We delivered 9% sequential growth during the second quarter, margins improved, and we delivered positive cash from operations. Cambium's product sales out of the distribution channel remain higher than reported revenues, and channel inventories declined, as reported by our distributors. The Enterprise business continued to strengthen, as did our Point-to-Multi-Point business," said Morgan Kurk, president and CEO.

Kurk continued, "Cambium expects to continue to improve its financial performance for the remainder of calendar 2024 as we control costs and improve our operating efficiency."

Revenues of \$45.9 million for the second quarter 2024 increased by \$3.6 million compared to \$42.3 million for the first quarter 2024, primarily due to higher Enterprise revenues and higher Point-to-Multi-Point revenues.

GAAP gross margin for the second quarter 2024 was 31.4%, compared to 20.5% for the first quarter 2024. GAAP operating loss for the second quarter 2024 was \$12.1 million, compared to an operating loss of \$21.0 million for the first quarter 2024. GAAP net loss for the second quarter 2024 was \$9.1 million, or a net loss of \$0.33 per diluted share, compared to a net loss of \$26.4 million, or net loss of \$0.95 per diluted share for the first quarter 2024.

Non-GAAP gross margin for the second quarter 2024 was 33.5%, which included \$7.0 million in inventory reserve charges and loss on supplier commitments, an improvement from 22.7%, for the first quarter 2024, which also included \$7.0 million in inventory reserve charges and loss on supplier commitments. Non-GAAP operating loss for the second quarter 2024 was \$7.9 million, an improvement from a non-GAAP operating loss of \$16.7 million for the first quarter 2024. Non-GAAP net loss for the second quarter 2024 was \$7.1 million, or a net loss of \$0.25 per diluted share, compared to non-GAAP net loss of \$12.7 million, or net loss of \$0.46 per diluted share for the first quarter 2024. For the second quarter 2024, adjusted EBITDA was a loss of \$6.7 million or (14.5)% of revenues, an improvement from an adjusted EBITDA loss of \$15.5 million or (36.7)% of revenues for the first quarter 2024. Adjusted EBITDA loss for the second quarter 2024 improved by 57% sequentially.

Net cash provided by operating activities was \$2.4 million for the second quarter 2024, compared to net cash used in operating activities of \$15.6 million for the first quarter 2024. Cash totaled \$42.6 million as of June 30, 2024.

Cambium Networks' financial outlook does not include the potential impact of any possible future financial transactions, acquisitions, pending legal

matters, or other transactions. Accordingly, Cambium Networks only includes such items in the company's financial outlook to the extent they are reasonably foreseeable; however, actual results may differ materially from the outlook.

### **Third Quarter 2024 Financial Outlook**

Taking into account our current visibility, the financial outlook as of August 8, 2024, for the third quarter ending September 30, 2024, is as follows:

- Revenues between \$43.0-\$48.0 million
- GAAP gross margin between 39.5%-41.5%; and non-GAAP gross margin between 41.5%-43.5%
- GAAP operating expenses between \$26.6-\$27.6 million; and non-GAAP operating expenses between \$23.4-\$24.4 million
- GAAP operating loss between \$7.7-\$9.7 million; and non-GAAP operating loss between \$3.6-\$5.6 million
- Interest expense, net, of approximately \$1.6 million
- GAAP net loss between \$8.0-\$9.7 million or a net loss between \$0.28 and \$0.34 per diluted share; and non-GAAP net loss between \$3.8-\$5.4 million or a net loss between \$0.14 and \$0.19 per diluted share
- Adjusted EBITDA loss between \$2.4-\$4.4 million; and adjusted EBITDA margin between (4.9)%-(10.2%)
- GAAP effective tax rate not meaningful; and a non-GAAP effective tax benefit of approximately 25%
- Approximately 28.2 million weighted average diluted shares outstanding

### **Cash requirements are expected to be as follows:**

- Paydown of debt: \$0.7 million; Cash interest expense: approximately \$1.5 million
- Capital expenditures: \$2.0-\$3.0 million

### **Full Year 2024 Financial Outlook**

- Revenues between \$180.0-\$190.0 million
- GAAP gross margin approximately 35.0%; and non-GAAP gross margin approximately 37.0%
- GAAP net loss between \$49.1-\$55.3 million or a net loss between \$1.74 and \$1.96 per diluted share; and non-GAAP net loss between \$24.6-\$29.4 million or between a net loss between \$0.87 and \$1.04 per diluted share
- Adjusted EBITDA margin between (12.0)%-(16.2)%

### **Conference Call and Webcast**

Cambium Networks will host a live webcast and conference call to discuss its financial results at 4:30 p.m. ET today, August 8, 2024. To join the financial results live webcast and view additional materials which will be posted to the investor website, listeners should access the investor page of Cambium Networks website <https://investors.cambiumnetworks.com/>. Following the live webcast, a replay will be available in the event archives at the same web address for a period of one year.

To access the live conference call by phone, listeners should register in advance at <https://register.vevent.com/register/B17601d604141f430eb155a19fa0f819cd>. Upon registration, telephone participants will receive a confirmation email detailing how to join the conference call, including the dial-in number and a unique passcode.

In addition, Cambium Networks president & CEO, Morgan Kurk, and CFO, Jacob Sayer, will hold one-on-one meetings with investors on Tuesday, August 27, 2024, at the Jefferies Technology, Media, & Consumer Conference in Chicago.

### **About Cambium Networks**

[Cambium Networks](#) enables service providers, enterprises, industrial organizations, and governments to deliver exceptional digital experiences and device connectivity with compelling economics. Our ONE Network platform simplifies management of Cambium's wired and wireless broadband and network edge technologies, allowing customers to focus more on managing their business rather than the network. We make connectivity that just works.

### **Cautionary Note Regarding Forward-Looking Statements**

*This release contains certain forward-looking statements within the meaning of the federal securities laws, including statements concerning our expected next quarter revenues, net income and cash. All statements other than statements of historical fact contained in this document, including statements regarding our future results of operations and financial position, business strategy and plans and objectives of management for future operations, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.*

*We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. These forward-looking statements speak only as of the date of this document and are subject to a number of risks, uncertainties and assumptions including those described in the "Risk factors" section of our 2023 Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 15, 2024, and Form 10-Q filed on May 10, 2024. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Some of the key factors that could cause actual results to differ from our expectations include: the unpredictability of our operating results; our ability to meet the financial and other covenants under our secured credit facilities; our ability to predict and respond to emerging technological trends and network operators' changing needs; our ability to successfully comply with or obtain a waiver of compliance with the financial covenants under our credit facilities and therefore continue as a going concern; the sufficiency of our cash resources and needs for additional financing; our ability to forecast future demand or the level of inventory in our; our ability to manage inventory and the risk of excess or obsolete inventory in our channel; the impact of competitive pressures on the development of new products and our success against competitors in our markets; risks caused by political tensions around the world; the strength of the United States dollar and the impact on the cost of our products globally; current or future unfavorable economic conditions, both domestically and in our foreign*

markets, including the risk of a global or localized recessions; our reliance on limited or sole source suppliers; our reliance on third-party manufacturers, which subjects us to risks of product delivery delays and reduced control over product costs and quality; our reliance on distributors and value-added resellers for the substantial majority of our sales; the ability of our third-party logistics and warehousing providers to deliver products to our channel partners and network operators in a timely manner; the technological complexity of our products, which may contain undetected hardware defects or software bugs or subject our products to the risks of ransomware or malware or other cyber-attacks; the impact of any material weaknesses in and our ability to maintain an effective system of internal controls, produce timely and accurate financial statements or comply with applicable regulations; the impact of actual or threatened health epidemics and other outbreaks; our reliance on the availability of third-party licenses; and our inability to obtain intellectual property protections for our products. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events or otherwise.

**CAMBIUM NETWORKS CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except share and per share amounts)  
(Unaudited)

	Three months ended		
	June 30, 2024	March 31, 2024	June 30, 2023
Revenues	\$ 45,946	\$ 42,337	\$ 59,542
Cost of revenues	31,536	33,652	30,300
<b>Gross profit</b>	14,410	8,685	29,242
<i>Gross margin</i>	31.4 %	20.5 %	49.1 %
<b>Operating expenses</b>			
Research and development	9,149	10,799	13,008
Sales and marketing	9,706	9,721	11,528
General and administrative	5,988	7,510	5,836
Depreciation and amortization	1,669	1,633	1,573
<b>Total operating expenses</b>	26,512	29,663	31,945
<b>Operating loss</b>	(12,102)	(20,978)	(2,703)
<i>Operating margin</i>	(26.3) %	(49.6) %	(4.5) %
Interest expense, net	1,304	881	579
Other expense, net	3	59	64
<b>Loss before income taxes</b>	(13,409)	(21,918)	(3,346)
Provision (benefit) for income taxes	(4,266)	4,529	(704)
<b>Net loss</b>	<b>\$ (9,143)</b>	<b>\$ (26,447)</b>	<b>\$ (2,642)</b>
<b>Loss per share</b>			
Basic	\$ (0.33)	\$ (0.95)	\$ (0.10)
Diluted	\$ (0.33)	\$ (0.95)	\$ (0.10)
<b>Weighted-average number of shares outstanding to compute loss per share</b>			
Basic	27,902,956	27,849,604	27,432,705
Diluted	27,902,956	27,849,604	27,432,705
<b>Share-based compensation included in costs and expenses:</b>			
Cost of revenues	\$ 51	\$ 33	\$ 59
Research and development	920	945	1,388
Sales and marketing	486	508	728
General and administrative	1,104	1,100	887
Total share-based compensation expense	\$ 2,561	\$ 2,586	\$ 3,062

**CAMBIUM NETWORKS CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In thousands, except share information)  
(Unaudited)

	June 30, 2024	December 31, 2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 42,574	\$ 18,710
Accounts receivable, net of credit losses of \$564 and \$283	56,680	64,103
Inventories, net	49,969	66,878
Income taxes receivable	4,651	222
Prepaid expenses	12,057	6,589

Other current assets	6,236	6,069
<b>Total current assets</b>	<u>172,167</u>	<u>162,571</u>
<b>Noncurrent assets</b>		
Property and equipment, net	14,978	12,879
Software, net	12,989	11,985
Operating lease assets	6,931	7,894
Intangible assets, net	6,926	7,675
Goodwill	9,842	9,842
Deferred tax assets, net	—	3,694
Other noncurrent assets	1,258	1,335
<b>TOTAL ASSETS</b>	<u>\$ 225,091</u>	<u>\$ 217,875</u>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 16,986	\$ 19,120
Accrued liabilities	46,455	47,069
Employee compensation	4,303	5,071
Current portion of long-term debt, net	3,173	3,186
Deferred revenues	8,261	8,765
Other current liabilities	10,114	13,117
<b>Total current liabilities</b>	<u>89,292</u>	<u>96,328</u>
<b>Noncurrent liabilities</b>		
Long-term debt, net	65,685	21,926
Deferred revenues	10,338	10,473
Noncurrent operating lease liabilities	7,046	6,595
Other noncurrent liabilities	1,766	1,619
<b>Total liabilities</b>	<u>174,127</u>	<u>136,941</u>
<b>Shareholders' equity</b>		
Share capital; \$0.0001 par value; 500,000,000 shares authorized at June 30, 2024 and December 31, 2023; 28,208,596 outstanding at June 30, 2024 and 27,834,908 outstanding at December 31, 2023	3	3
Additional paid in capital	158,578	152,768
Treasury shares, at cost, 269,613 shares at June 30, 2024 and 260,236 shares at December 31, 2023	(5,660)	(5,624)
Accumulated deficit	(100,188)	(64,598)
Accumulated other comprehensive loss	(1,769)	(1,615)
<b>Total shareholders' equity</b>	<u>50,964</u>	<u>80,934</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 225,091</u>	<u>\$ 217,875</u>

**CAMBIUM NETWORKS CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)  
(Unaudited)

	<b>Three Months Ended</b>		
	<u>June 30, 2024</u>	<u>March 31, 2024</u>	<u>June 30, 2023</u>
Cash flows from operating activities:			
Net loss	\$ (9,143)	\$ (26,447)	\$ (2,642)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation and amortization of software and intangible assets	2,584	2,536	2,222
Amortization of debt issuance costs	78	77	79
Share-based compensation	2,561	2,586	3,062
Deferred income taxes	—	3,694	(1,805)
Provision for inventory excess and obsolescence	2,384	6,175	(276)
Other	(243)	687	69
Change in assets and liabilities:			
Receivables	1,674	2,385	9,165
Inventories	3,240	5,110	(13,739)
Prepaid expenses	684	(6,161)	2,734
Income taxes receivable	(4,353)	(78)	27
Accounts payable	(298)	(2,434)	134
Accrued employee compensation	387	(1,018)	(931)
Other assets and liabilities	2,846	(2,759)	(2,620)

Net cash provided by (used in) operating activities	2,401	(15,647)	(4,521)
Cash flows from investing activities:			
Purchases of property and equipment	(2,314)	(1,767)	(667)
Purchases of software	(1,856)	(1,250)	(1,796)
Net cash used in investing activities	(4,170)	(3,017)	(2,463)
Cash flows from financing activities:			
Proceeds from issuance of revolver debt	5,000	40,000	—
Repayment of term loan	—	(1,313)	(657)
Issuance of ordinary shares under ESPP	663	—	1,102
Taxes paid related to net share settlement of equity awards	(17)	(15)	(285)
Proceeds from share option exercises	—	—	105
Net cash provided by financing activities	5,646	38,672	265
Effect of exchange rate on cash	(14)	(7)	1
Net increase (decrease) in cash	3,863	20,001	(6,718)
Cash, beginning of period	38,711	18,710	38,696
Cash, end of period	<u>\$ 42,574</u>	<u>\$ 38,711</u>	<u>\$ 31,978</u>
Supplemental disclosure of cash flow information:			
Income taxes paid	\$ 2,231	\$ 116	\$ 2,639
Interest paid	\$ 922	\$ 1,030	\$ 468
Significant non-cash activities:			
Increase in property, equipment and software unpaid in accounts payable or accrued in liabilities	\$ 46	\$ 244	\$ 389
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	\$ —	\$ —	\$ 674
Deferred issuance costs incurred but not yet paid	\$ 275	\$ —	\$ —

**CAMBIUM NETWORKS CORPORATION**  
**SUPPLEMENTAL FINANCIAL INFORMATION**  
(In thousands)  
(Unaudited)

**REVENUES BY PRODUCT CATEGORY**

	Three Months Ended		
	June 30, 2024	March 31, 2024	June 30, 2023
Point-to-Multi-Point	\$ 19,647	\$ 19,421	\$ 26,734
Point-to-Point	13,656	14,411	25,074
Enterprise	11,310	7,163	6,420
Other	1,333	1,342	1,314
Total Revenues	<u>\$ 45,946</u>	<u>\$ 42,337</u>	<u>\$ 59,542</u>

**REVENUES BY REGION**

	Three Months Ended		
	June 30, 2024	March 31, 2024	June 30, 2023
North America	\$ 20,647	\$ 25,049	\$ 39,526
Europe, Middle East and Africa	15,003	8,410	6,769
Caribbean and Latin America	5,306	4,892	6,015
Asia Pacific	4,990	3,986	7,232
Total Revenues	<u>\$ 45,946</u>	<u>\$ 42,337</u>	<u>\$ 59,542</u>

**Use of non-GAAP (Adjusted) Financial Measures**

In addition to providing financial measurements based on generally accepted accounting principles in the United States (GAAP), we provide additional financial metrics that are not prepared in accordance with GAAP (non-GAAP), including Adjusted EBITDA, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income and non-GAAP operating margin, non-GAAP pre-tax income, non-GAAP provision for income taxes, non-GAAP net income, and non-GAAP fully weighted basic and diluted shares. Management uses these non-GAAP financial measures, in addition to GAAP financial measures, to understand and compare operating results across accounting periods, for financial and operational decision making, for planning and forecasting purposes, to measure executive compensation and to evaluate our financial performance. We believe that these non-GAAP financial measures help us to identify underlying trends in our business that could otherwise be masked by the effect of the expenses that we exclude in the calculations of the non-GAAP financial measures.

We believe that these financial measures reflect our ongoing business in a manner that allows for meaningful comparisons and analysis of trends in the business and provides information to investors and others in understanding and evaluating our operating results, enhancing the overall understanding of our past performance and future prospects. Although the calculation of non-GAAP financial measures may vary from company to company, our detailed presentation may facilitate analysis and comparison of our operating results by management and investors with other peer companies, many of which

use similar non-GAAP financial measures to supplement their GAAP results in their public disclosures. These non-GAAP financial measures are discussed below.

Adjusted EBITDA is defined as net (loss) income as reported in our consolidated statements of operations excluding the impact of (i) interest expense (income), net; (ii) income tax provision (benefit); (iii) depreciation and amortization expense; (iv) nonrecurring expenses, (v) share-based compensation expense, and (vi) restructuring expenses. EBITDA is widely used by securities analysts, investors and other interested parties to evaluate the profitability of companies. EBITDA eliminates potential differences in performance caused by variations in capital structures (affecting net finance costs), tax positions (such as the availability of net operating losses against which to relieve taxable profits), the cost and age of tangible assets (affecting relative depreciation expense) and the extent to which intangible assets are identifiable (affecting relative amortization expense). We adjust EBITDA to also exclude nonrecurring expenses since this is one-time in nature and does not reflect our ongoing operations. We adjust EBITDA for share-based compensation expense which is a non-cash expense that varies in amount from period to period and is dependent on market forces that are often beyond Cambium Networks' control. As a result, management excludes this item from Cambium Networks' internal operating forecasts and models. We also adjust EBITDA to exclude nonrecurring expenses and restructuring expenses as these relate to events outside of the ordinary course of continuing operations and to provide a more accurate comparison of our ongoing business results.

Non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income and non-GAAP operating margin, non-GAAP effective tax rate and non-GAAP net income are used as a supplement to our unaudited condensed consolidated financial statements presented in accordance with GAAP. We believe these non-GAAP measures are the most meaningful for period-to-period comparisons because they exclude the impact of share-based compensation expense, restructuring expenses, nonrecurring legal expenses, amortization of acquired intangibles, and amortization of capitalized software costs as we do not consider these costs and expenses to be indicative of our ongoing operations.

Share-based compensation expenses are excluded. Management may issue different types of awards, including share options, and restricted share units, and excludes the associated expense in this non-GAAP measure. Share-based compensation expense is a non-cash expense that varies in amount from period to period and is dependent on market forces that are often beyond Cambium Networks control.

Amortization of acquired intangibles includes customer relationships and is excluded since these are not indicative of continuing operations.

Amortization of capitalized software costs include capitalized research and development activities amortized over their useful life and included in cost of revenues and are excluded since these are not indicative of continuing operations.

Restructuring expenses consist primarily of severance costs for employees which are not related to future operating expenses. Cambium Networks excludes these expenses since they result from an event that is outside the ordinary course of continuing operations. Excluding these charges permits more accurate comparisons of Cambium Networks' ongoing business results.

Our non-GAAP tax adjustments include the tax impacts from share-based compensation expense including excess or decremental tax benefits available to the company that are recorded when incurred. Non-GAAP results exclude the effect of a valuation allowance recorded against tax assets for the cumulative loss related to our UK and U.S. operations. Cambium Networks excludes these amounts to more closely approximate the company's ongoing effective tax rate after adjusting for one-time or unique non-recurring items. The associated non-GAAP effective tax rate is also applied to the gross amount of non-GAAP adjustments for the purpose of calculating non-GAAP net income in total and on a per-share basis. This approach is designed to enhance the ability of investors to understand the company's tax expense on its current operations, provide improved modeling accuracy, and substantially reduce fluctuations caused by GAAP adjustments which may not reflect actual cash tax expense.

Non-GAAP fully weighted basic and diluted shares are shown as outstanding during the entire period presented and include dilutive shares if their effect on earnings per share is dilutive. We also use non-GAAP fully weighted basic and diluted shares to provide more comparable per-share results across periods.

These non-GAAP financial measures do not replace the presentation of our GAAP financial results and should only be used as a supplement to, not as a substitute for, our financial results presented in accordance with GAAP. There are limitations in the use of non-GAAP measures because they do not include all the expenses that must be included under GAAP and because they involve the exercise of judgment concerning exclusions of items from the comparable non-GAAP financial measure. In addition, other companies may use other measures to evaluate their performance, or may calculate non-GAAP measures differently, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. We present a "Reconciliation of GAAP Financial Measures to Non-GAAP Financial Measures" in the tables below.

The following table reconciles net income to Adjusted EBITDA, the most directly comparable financial measure, calculated and presented in accordance with GAAP (in thousands):

**CAMBIUM NETWORKS CORPORATION**  
**SUPPLEMENTAL SCHEDULE OF NON-GAAP ADJUSTED EBITDA**  
(In thousands)  
(Unaudited)

	Three months ended		
	June 30, 2024	March 31, 2024	June 30, 2023
Net loss	\$ (9,143)	\$ (26,447)	\$ (2,642)
Interest expense, net	1,304	881	579
(Benefit) provision for income taxes	(4,266)	4,529	(704)
Depreciation and amortization of software and intangible assets	2,584	2,536	2,222
EBITDA	(9,521)	(18,501)	(545)
Share-based compensation	2,561	2,586	3,062
Restructuring and other nonrecurring expenses	310	377	256
Adjusted EBITDA	<u>\$ (6,650)</u>	<u>\$ (15,538)</u>	<u>\$ 2,773</u>
Adjusted EBITDA Margin	(14.5) %	(36.7) %	4.7 %

The following table reconciles all other GAAP to non-GAAP financial measures (in thousands):

**CAMBIUM NETWORKS CORPORATION**  
**RECONCILIATION OF GAAP FINANCIAL MEASURES TO NON-GAAP FINANCIAL MEASURES**  
(In thousands, except per share data)  
(Unaudited)

	Three Months Ended		
	June 30, 2024	March 31, 2024	June 30, 2023
<b>GAAP gross profit</b>	\$ 14,410	\$ 8,685	\$ 29,242
Share-based compensation expense	51	33	59
Amortization of capitalized software costs	916	903	648
Restructuring and nonrecurring expense	26	3	—
<b>Non-GAAP gross profit</b>	<u>\$ 15,403</u>	<u>\$ 9,624</u>	<u>\$ 29,949</u>
<b>Non-GAAP gross margin</b>	33.5 %	22.7 %	50.3 %
<b>GAAP research and development expense</b>	\$ 9,149	\$ 10,799	\$ 13,008
Share-based compensation expense	920	945	1,388
Restructuring and other nonrecurring expense	26	285	256
<b>Non-GAAP research and development expense</b>	<u>\$ 8,203</u>	<u>\$ 9,569</u>	<u>\$ 11,364</u>
<b>GAAP sales and marketing expense</b>	\$ 9,706	\$ 9,721	\$ 11,528
Share-based compensation expense	486	508	728
Restructuring and other nonrecurring expenses	196	18	—
<b>Non-GAAP sales and marketing expense</b>	<u>\$ 9,024</u>	<u>\$ 9,195</u>	<u>\$ 10,800</u>
<b>GAAP general and administrative expense</b>	\$ 5,988	\$ 7,510	\$ 5,836
Share-based compensation expense	1,104	1,100	887
Restructuring and other nonrecurring expenses	62	71	—
<b>Non-GAAP general and administrative expense</b>	<u>\$ 4,822</u>	<u>\$ 6,339</u>	<u>\$ 4,949</u>
<b>GAAP depreciation and amortization</b>	\$ 1,669	\$ 1,633	\$ 1,573
Amortization of acquired intangibles	374	375	375
<b>Non-GAAP depreciation and amortization</b>	<u>\$ 1,295</u>	<u>\$ 1,258</u>	<u>\$ 1,198</u>
<b>GAAP operating loss</b>	\$ (12,102)	\$ (20,978)	\$ (2,703)
Share-based compensation expense	2,561	2,586	3,062
Amortization of capitalized software costs	916	903	648
Amortization of acquired intangibles	374	375	375
Restructuring and other nonrecurring expenses	310	377	256
<b>Non-GAAP operating (loss) income</b>	<u>\$ (7,941)</u>	<u>\$ (16,737)</u>	<u>\$ 1,638</u>
<b>GAAP pre-tax loss</b>	\$ (13,409)	\$ (21,918)	\$ (3,346)
Share-based compensation expense	2,561	2,586	3,062
Amortization of capitalized software costs	916	903	648
Amortization of acquired intangibles	374	375	375
Restructuring and other nonrecurring expenses	310	377	256
<b>Non-GAAP pre-tax (loss) income</b>	<u>\$ (9,248)</u>	<u>\$ (17,677)</u>	<u>\$ 995</u>
<b>GAAP (benefit) provision for income taxes</b>	\$ (4,266)	\$ 4,529	\$ (704)
Valuation allowance impacts	(4,955)	11,194	—
Tax rate change	—	—	(147)
Tax impacts of share vesting	487	58	18
Tax effect of Non-GAAP adjustments	(1,040)	(1,060)	(868)
All other discrete items	3,368	(687)	200
<b>Non-GAAP (benefit) provision for income taxes</b>	<u>\$ (2,126)</u>	<u>\$ (4,976)</u>	<u>\$ 93</u>
<b>Non-GAAP ETR</b>	23.0 %	28.1 %	9.4 %
<b>GAAP net loss</b>	\$ (9,143)	\$ (26,447)	\$ (2,642)
Share-based compensation expense	2,561	2,586	3,062

Amortization of capitalized software costs	916	903	648
Amortization of acquired intangibles	374	375	375
Restructuring and other nonrecurring expenses	310	377	256
Non-GAAP adjustments to tax	(1,100)	10,565	71
Tax effect of Non-GAAP adjustments	(1,040)	(1,060)	(868)
<b>Non-GAAP net (loss) income</b>	<u>\$ (7,122)</u>	<u>\$ (12,701)</u>	<u>\$ 902</u>
<b>Non-GAAP fully weighted basic shares</b>	<u>28,209</u>	<u>27,893</u>	<u>27,603</u>
<b>Non-GAAP fully weighted diluted shares</b>	<u>28,211</u>	<u>27,908</u>	<u>28,279</u>
<b>Non-GAAP net (loss) income per Non-GAAP basic share</b>	<u>\$ (0.25)</u>	<u>\$ (0.46)</u>	<u>\$ 0.03</u>
<b>Non-GAAP net (loss) income per Non-GAAP diluted share</b>	<u>\$ (0.25)</u>	<u>\$ (0.46)</u>	<u>\$ 0.03</u>

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