



Cambium Networks

First Quarter 2020



Safe harbor/forward looking statements

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Cambium – a Leader in Wireless Network Fabric

Scalable

Global, next-gen wireless infrastructure leader

Differentiated

Purpose-built wireless technology for mid-sized service providers and mid-market enterprises

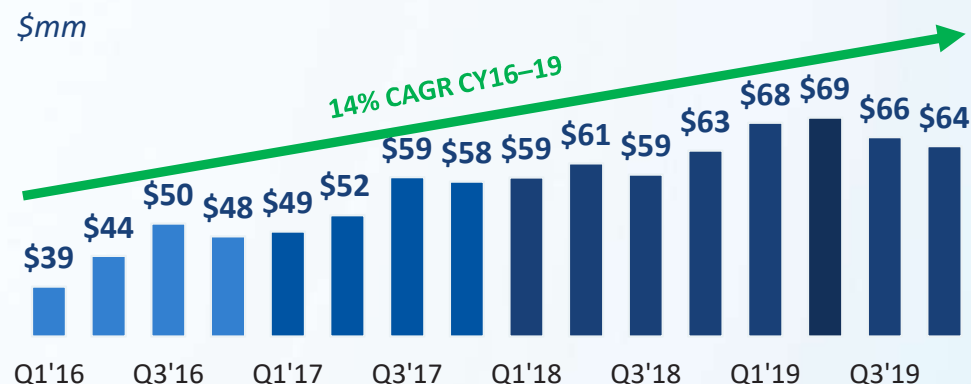
Capital Efficient Growth

6,800+ channel partners worldwide¹;
8% Adj. EBITDA margin (+100 bps y/y)

Note: Please refer to appendix for reconciliation of non-GAAP metrics

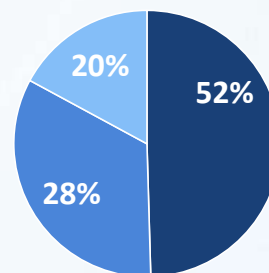
¹ As of 12/31/2019

Consistent YoY Quarterly Revenue Growth



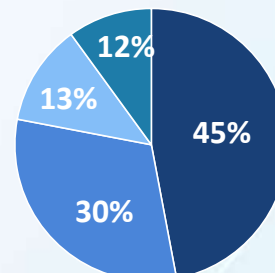
Q4
2019

Revenue by Product



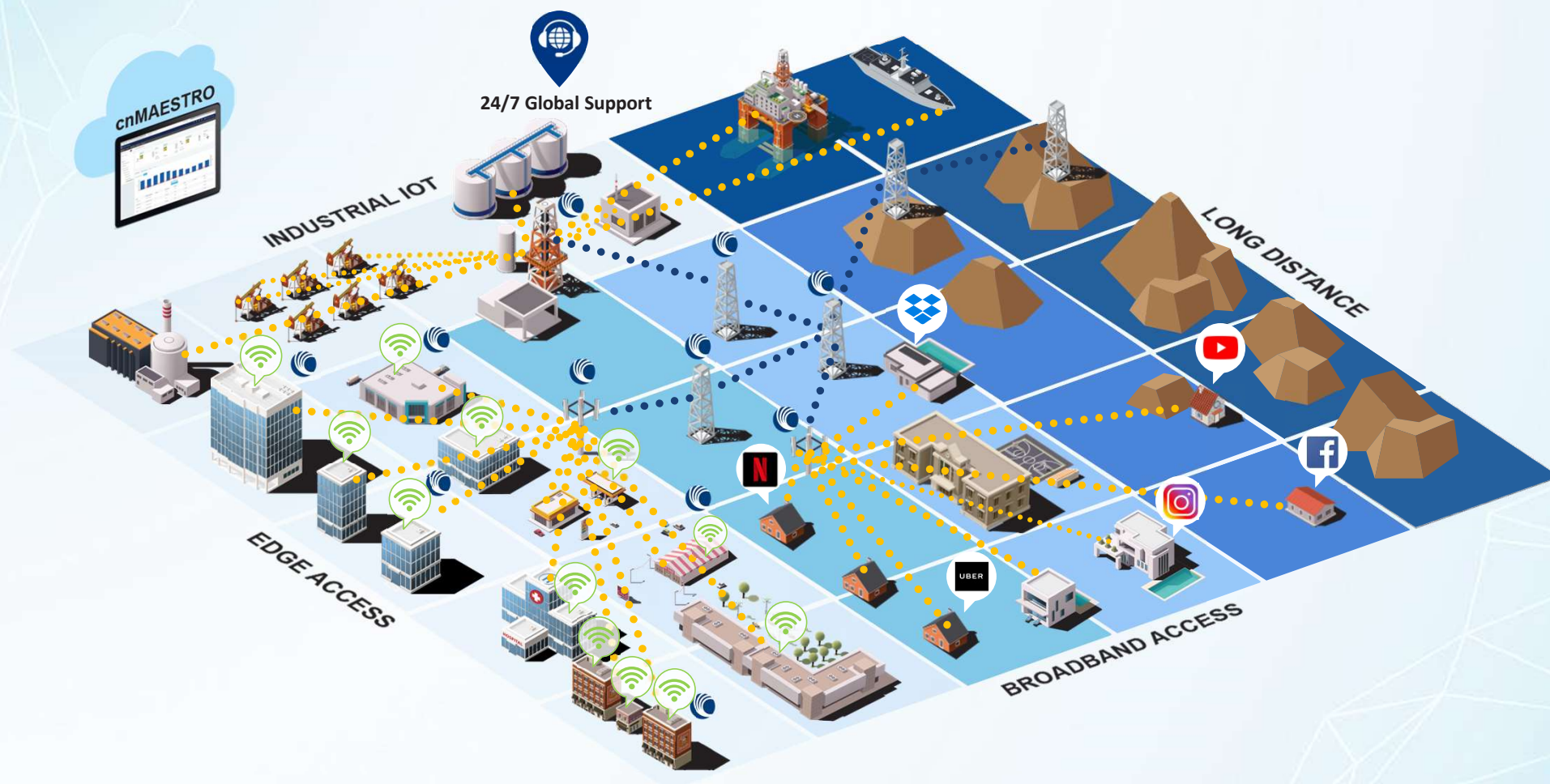
■ Point-to-Multipoint ■ Point-to-Point
■ Wi-Fi & other

Revenue by Geography



■ NA ■ EMEA ■ CALA ■ APAC

Cambium Provides Mission-Critical Wireless Fabric



Cambium's End-to-End Wireless Fabric Solution

Point-to-Multipoint



PMP 450m



Force 300

Point-to-Point



PTP 670/700



PTP 550

Wi-Fi



cnPilot e4/5/6xx



cnMatrix EX2028

cnPilotXirrus™

IIoT



cnReach

Cloud Software and Wireless Fabric Management: Design, Commission, Manage

LINKPlanner

Network design tool

Optimizes RF performance



cnMaestro & XMS

Cloud management

Enables secure, end-to-end network control



cnArcher

Intelligent edge app

Allows field techs to configure PMP networks



cnHeat

Network planning

Site Identification & placement



Investment Highlights

Leading next-gen wireless products differentiated by RF algorithms and software

Focused on growing markets of mid-sized service providers and enterprises that are traditionally underserved

Competitive advantages driven by scalability, unit costs, quality and 24/7 support

Pursuing a growing \$22bn TAM¹ driven by increased demand for bandwidth

Double-digit revenue growth across product categories and geographies

Operating leverage is expected to create annual Adjusted EBITDA growth of 30%+ over the next several years

¹ Includes \$6.2bn enterprise WLAN market (IDC), \$3.3bn PTP microwave market (Sky Light), \$12.4bn Ethernet switching market for 1GB and 100MB (IDC), and \$0.6bn PMP market (QYResearch), each, in 2018

Leading Next-Gen Wireless Infrastructure Differentiated by RF Algorithms and Software

**Leading
spectral
efficiency**



**Embedded
network
intelligence**



Reliability



Scalability

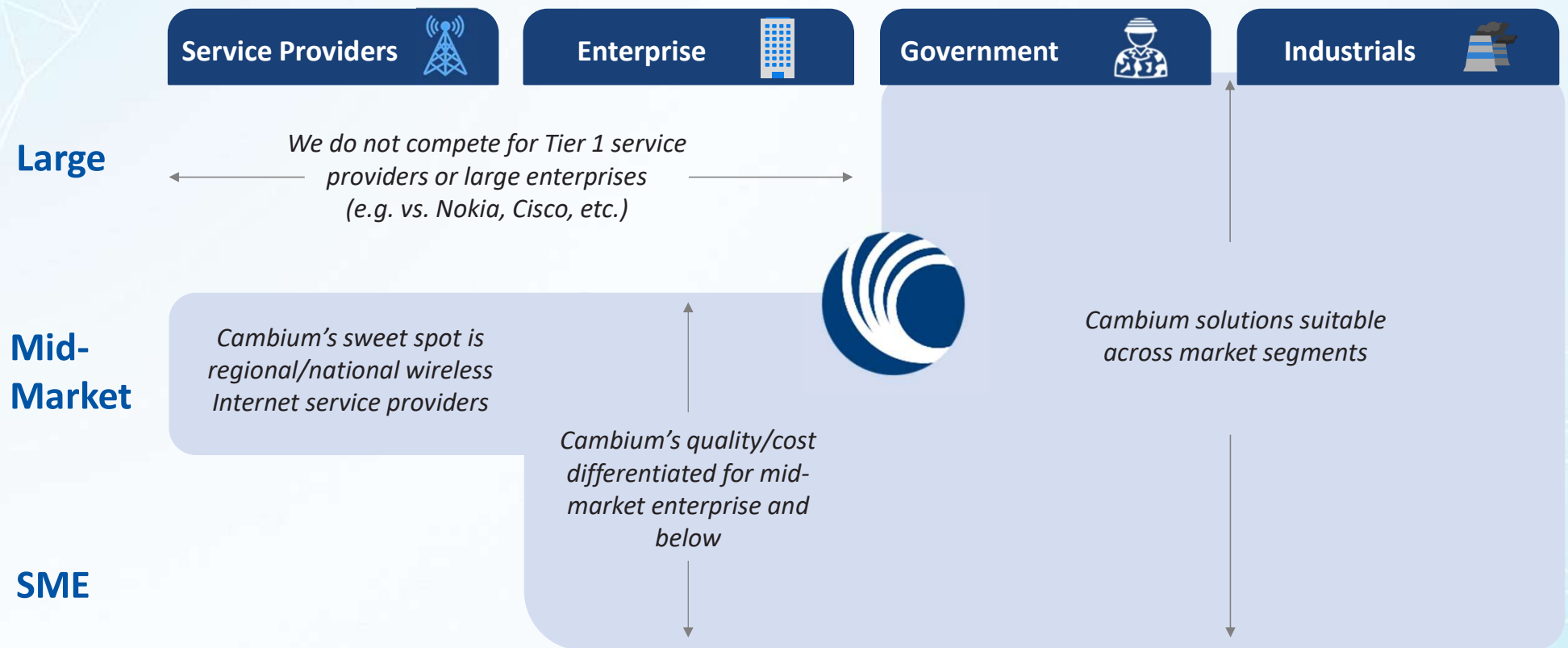


**Attractive
economics**





Focused on Growing Markets of Mid-Sized Service Providers and Enterprises That Are Traditionally Underserved



Competitive Advantages Driven by Scalability, Unit Costs, Quality and 24/7 Support

Mid-Sized Service Providers¹



- ✓ 2x spectral efficiency
- ✓ 24/7 enterprise-class support
- ✓ Scalable networks

SME / Mid-Mkt Enterprises



- ✓ 24/7 enterprise-class support
- ✓ Durability and reliability
- ✓ Cloud performance and functionality

Government



- ✓ Highly ruggedized
- ✓ Unparalleled quality
- ✓ Purpose-built products

Industrials



- ✓ Cloud-based network mgmt platform
- ✓ Integrated wireless fabric portfolio
- ✓ Durability and reliability

Results in attractive economics for our customers

¹ 5K–200K subscribers



Serving a Broad and Diverse Customer Base

Mid-Sized Service Providers¹



**SME / Mid-Mkt
Enterprises**



Government



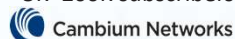
Industrials



10,000+ network operators

6,800+ channel partners

Note: Metrics shown as of 12/31/2019

¹ 5K–200K subscribers

Pursuing a Growing \$22bn TAM

\$12.4bn

Switching

\$0.6bn

Point-to-Multipoint

\$3.3bn

Point-to-Point

\$6.2bn

Enterprise WLAN

\$22.5bn
TAM in 2018

Wireless mobile data traffic expected to grow at a 46% CAGR from 2017–2022¹

- Continued migration to cloud applications
- Increased video streaming and video surveillance
- Enterprises deploying wireless broadband networks on edge
- IIoT demand for real-time monitoring

Source: \$6.2bn enterprise WLAN market (IDC), \$3.3bn PTP microwave market (Sky Light), \$12.4bn Ethernet switching market for 1GB and 100MB (IDC), and \$0.6bn PMP market (QYResearch), each, for 2018

¹ Cisco Visual Networking Index Global Mobile Data Traffic Forecast, 2017-2022, February 2019

Deep and Experienced Leadership Team



ATUL BHATNAGAR

President and CEO

- ✓ Atul has 11 years of CEO experience at networking companies
- ✓ Previous role: CEO of public company Ixia



STEPHEN CUMMING

CFO

- ✓ Stephen has 11 years of CFO experience at technology companies
- ✓ Previous roles: CFO of Kenandy and CFO of public company Atmel



SCOTT IMHOFF

SVP of Product Mgmt
28 years experience



RON RYAN

SVP Global Channel Mgmt
32 years experience



SALLY RAU

General Counsel
35 years experience



VIBHU VIVEK

SVP of Products
28 years experience



BRYAN SHEPPECK

SVP of Global Sales
23 years experience



RAYMOND DE GRAAF

SVP of Ops
26 years experience



Financial Highlights

Historical double-digit annual revenue growth

Diversification across products and geographies

Entrenched customer base drives reoccurring revenue

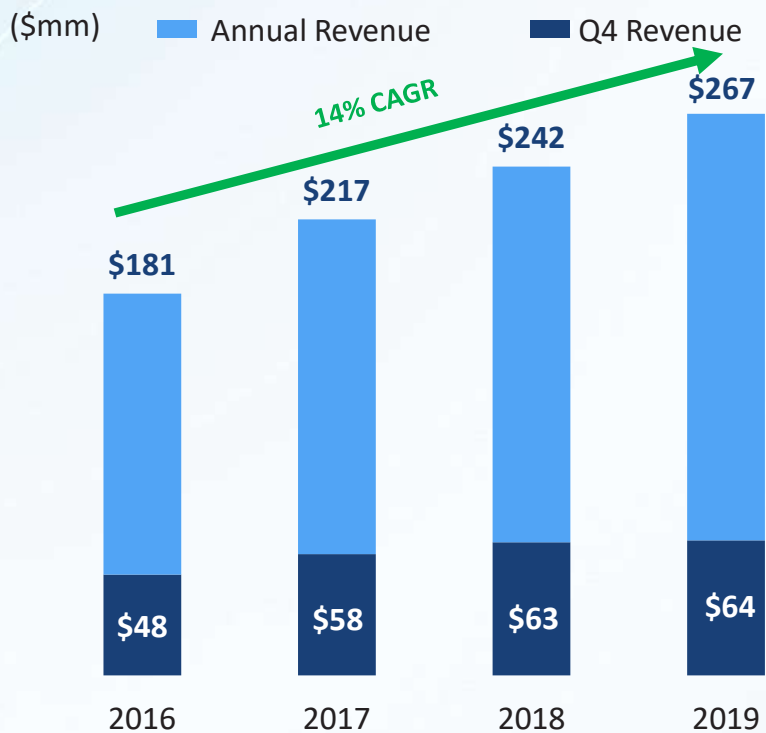
Strong visibility from order backlog built each quarter

Operating leverage in business model via: (i) stable gross margin, (ii) opex discipline, (iii) benefits from recent R&D investment

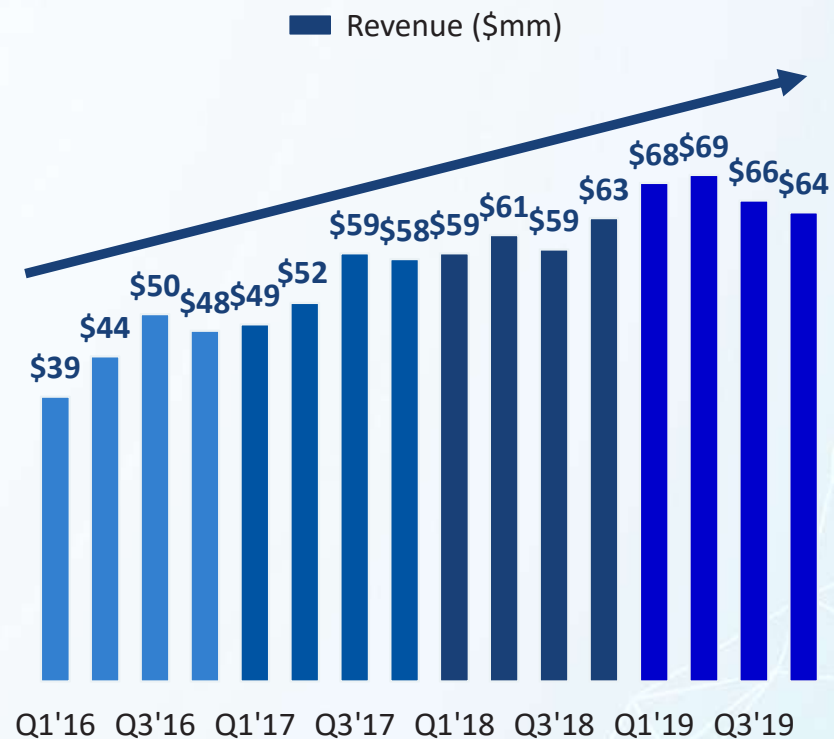
Attractive long-term model with 200bps of annual Adjusted EBITDA margin expansion over the next several years

Consistent Double-Digit Annual Revenue Growth

Continued Top-Line Momentum



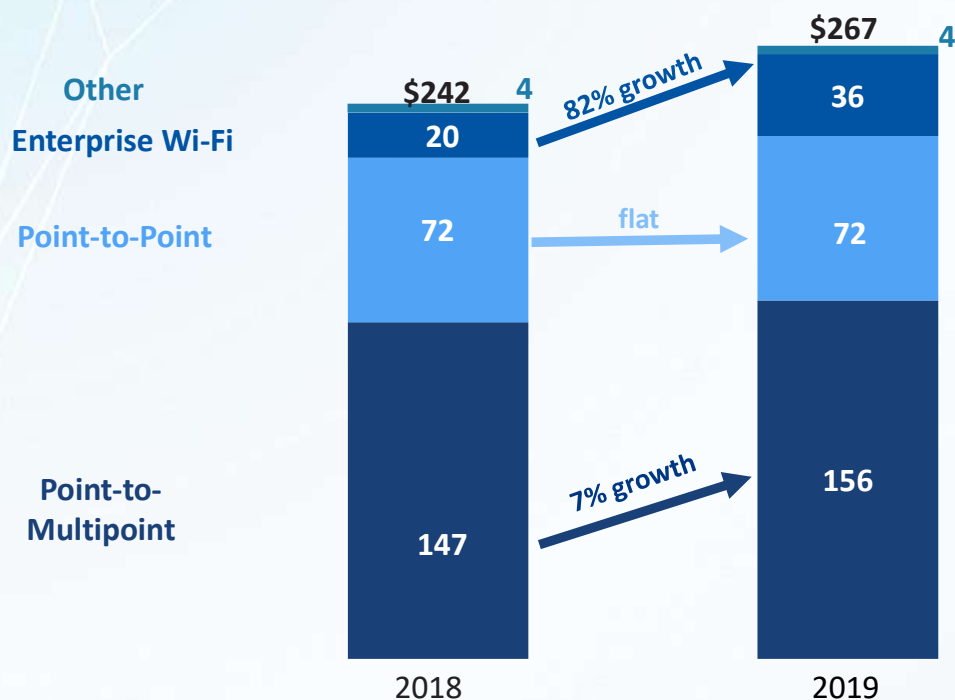
Consistent Track Record of Growth



Diversification Across Products and Geographies

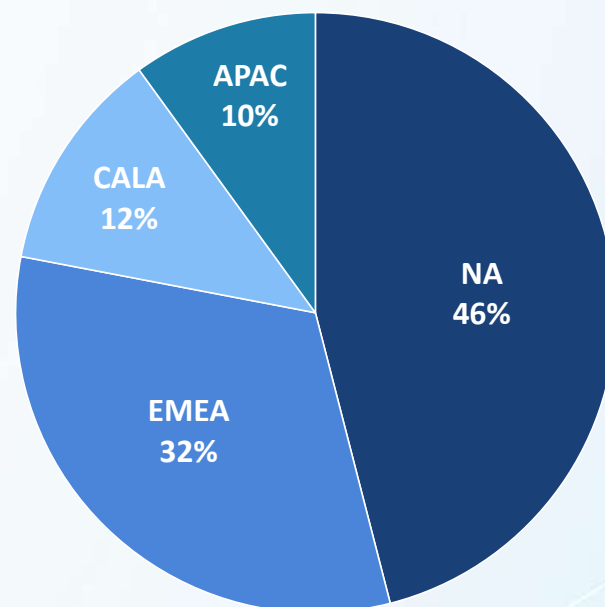
Diversified Growth Across Products¹

(\$mm)



Balanced Base Across Geographies¹

(% Revenue)



Entrenched Customer Base Drives Reoccurring Revenue

Repeat Purchases from Top 25 North America Network Operators

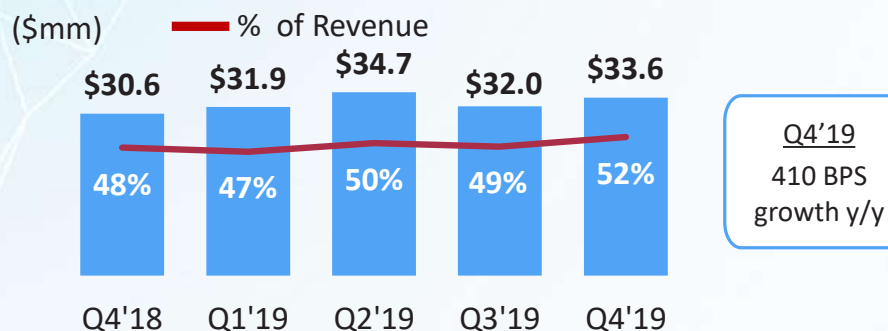
Customer	2014				2015				2016				2017				2018				2019			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
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Top 25 network operators purchased 91% of quarters since active; existing customers comprise 70% of revenue¹

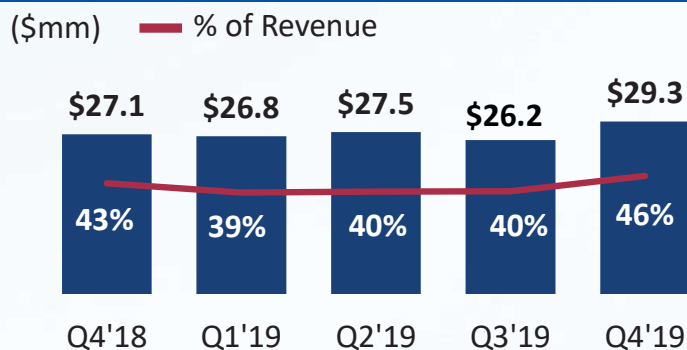
¹ During 2018

Stable Gross Margin and Opex Discipline Driving EBITDA Growth

Gross Profit



Opex



Adjusted EBITDA



Note: Please refer to appendix for reconciliation of non-GAAP metrics

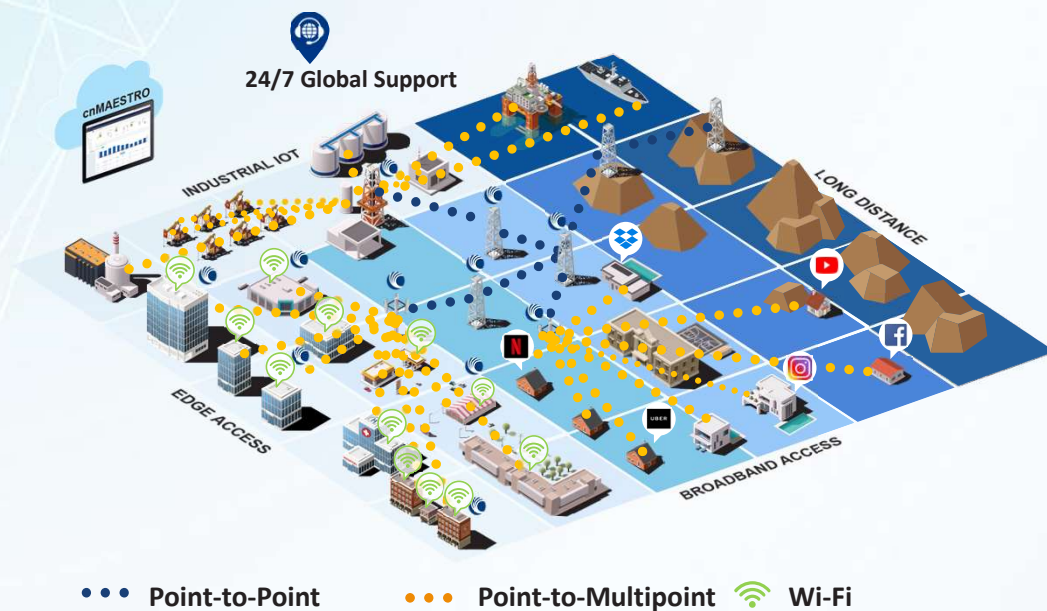
Long-Term Target Model

Key Metrics	2017	2018	2019	Q4'19	Long-Term Target ¹
Revenue growth (y/y)	19%	12%	10%	1%	15-17%
Gross margin	51%	48%	50%	52%	51-52%
R&D (% of revenue)	15%	16%	16%	18%	14-16%
S&M (% of revenue)	17%	18%	16%	17%	13-14%
G&A (% of revenue)	8%	8%	8%	9%	4-5%
Adj. EBITDA margin	12%	6%	10%	8%	18-19%
Annual margin expansion (bps)	34	(556)	350	100	200
Tax rate	26%	13%	15%	11%	17%

Note: Please refer to appendix for reconciliation of non-GAAP metrics

¹ Based on estimates and assumptions

Key Drivers for Cambium Networks Growth



- LAN/WAN convergence Wi-Fi 6 and 60 GHz & 28GHz and CBRS
- Tier II & Tier III Service Providers adopting fixed wireless broadband
- Cambium adoption in small & medium enterprises

Investment Highlights

Leading next-gen wireless products differentiated by RF algorithms and software

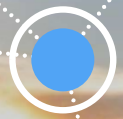
Focused on growing markets of mid-sized service providers and enterprises that are traditionally underserved

Competitive advantages driven by scalability, unit costs, quality and 24/7 support

Pursuing a growing \$22bn TAM¹ driven by increased demand for bandwidth

Operating leverage is expected to create annual Adjusted EBITDA growth of 30%+ over the next several years

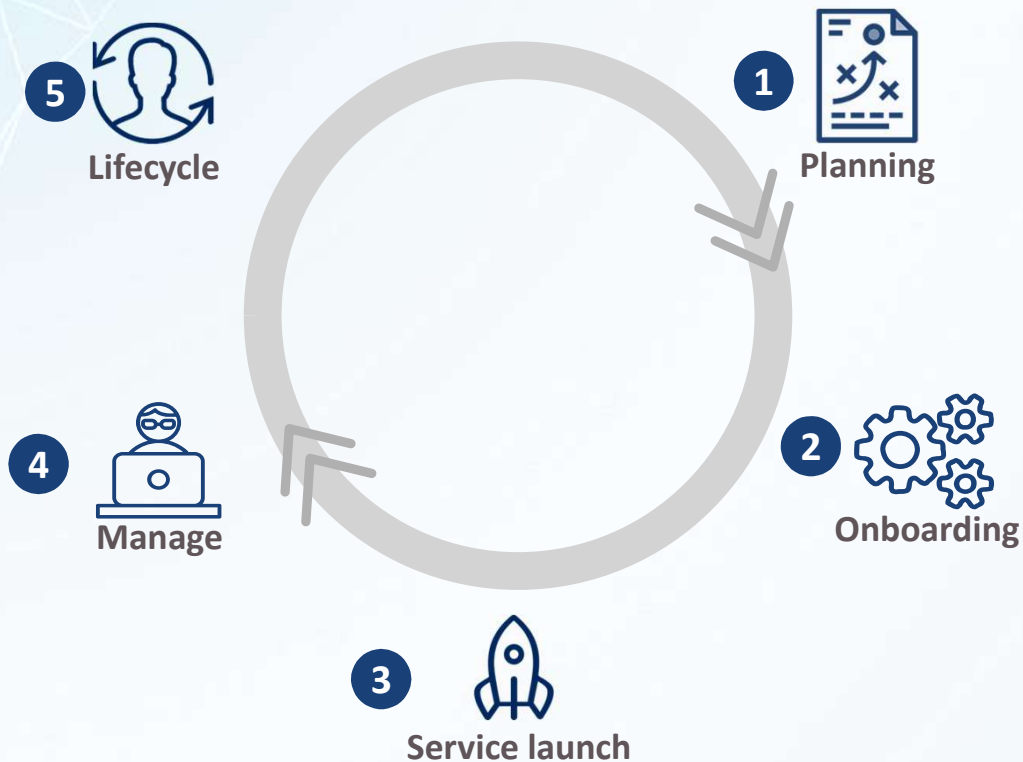
¹ Includes \$6.2bn enterprise WLAN market (IDC), \$3.3bn PTP microwave market (Sky Light), \$12.4bn Ethernet switching market for 1GB and 100MB (IDC), and \$0.6bn PMP market (QYResearch), each, in 2018



Appendix



cnMaestro – Orchestrating Network's Lifecycle Management Through a Single Pane of Glass



cnMaestro Gaining Significant Scale

9,900+ network operators

144 countries

18,400+ unique administrators

>374,000 total devices

Note: Metrics shown as of 12/31/2019

Illustrative Network Build-Out Cycle

Mid-Sized Internet Service Providers

Phase 1: Core buildout

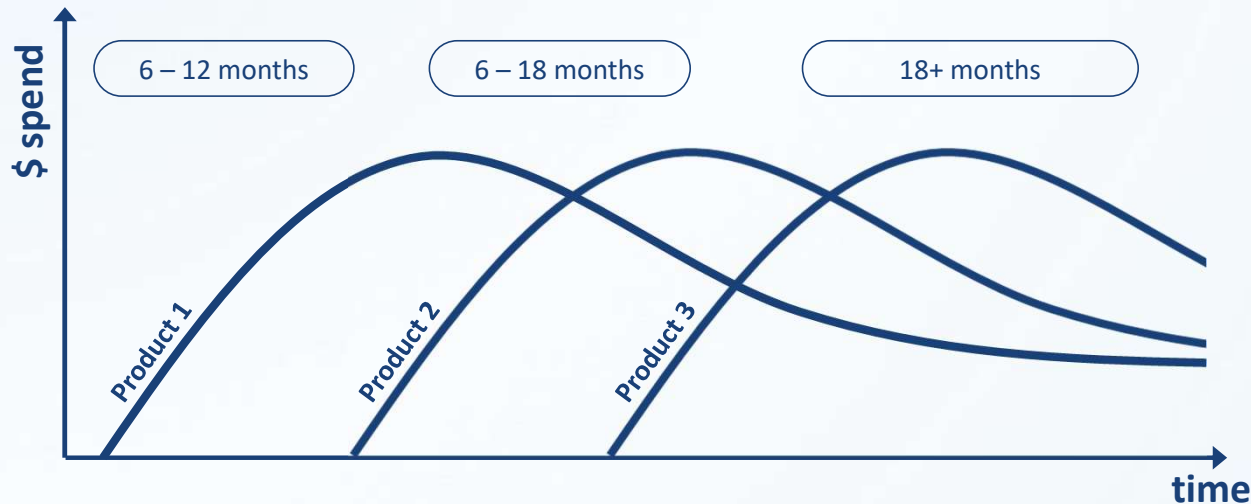
- PTP infrastructure for Backhaul
- PMP AP infrastructure for launch geography
- Initial subscriber rollouts
- cnMaestro Basic

Phase 2: Geographic expansion

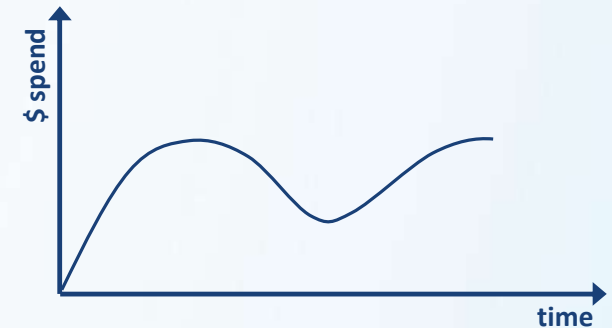
- PTP as required to support new sites
- PMP infrastructure paced to geographic expansion
- cnMaestro Pro
- Accelerating software demand

Phase 3: Subscriber density

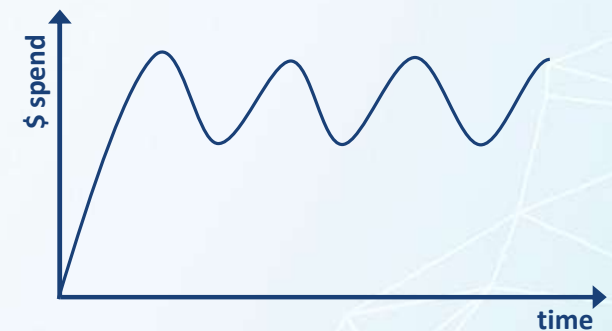
- Infrastructure limited to support density
- Ongoing subscriber demand



Industrial

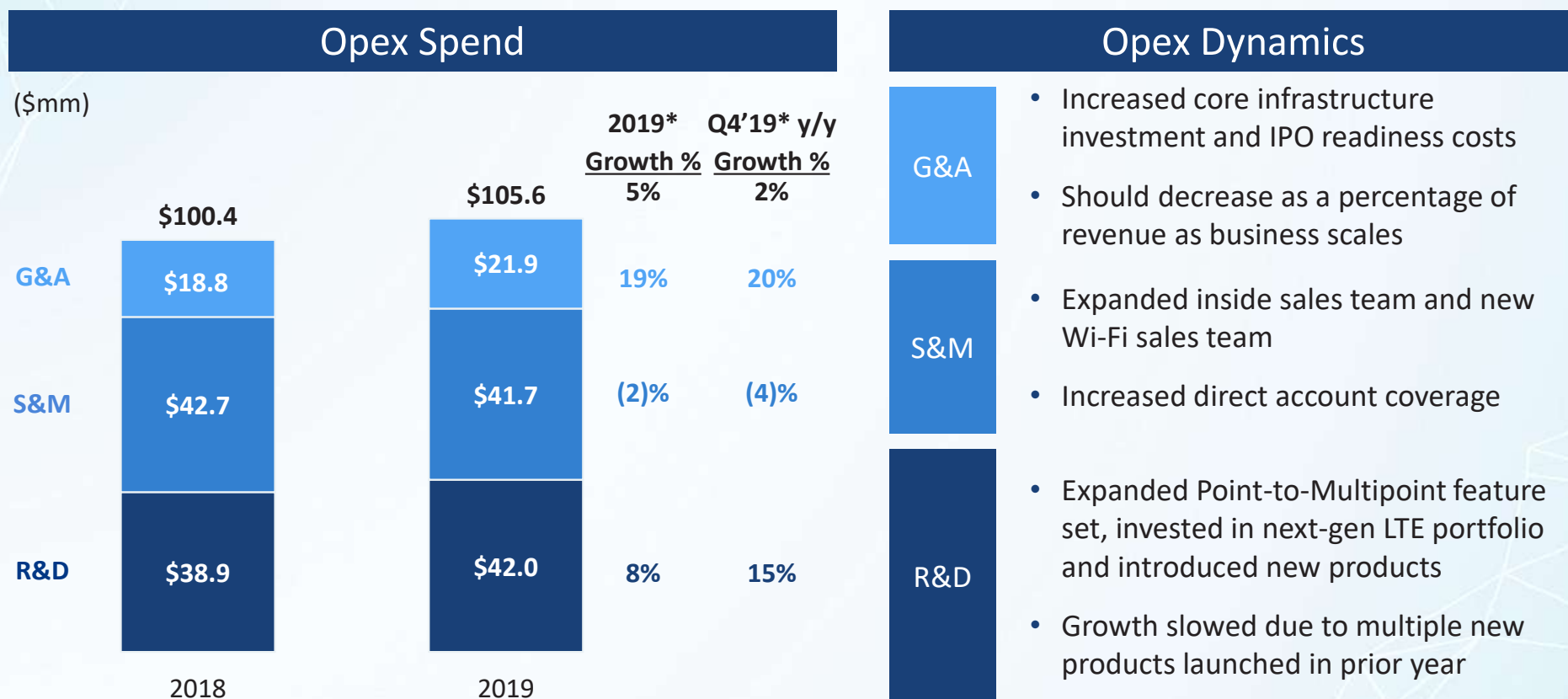


Wi-Fi / Enterprises



Note: Tables represent illustrative network build-out cycle for representative network operators in various sample end-markets

Operating Expense Investments Setting Stage for Future Leverage



Adjusted EBITDA Reconciliation

<i>\$mm</i>	2017	2018	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2019
Revenue	\$216.7	\$241.8	\$63.3	\$68.1	\$69.2	\$65.7	\$64.1	\$267.0
GAAP net income (loss)	9.8	(1.5)	0.7	1.9	(20.4)	2.0	(1.0)	(17.6)
Non-GAAP Adjustments								
Net interest expense	5.0	8.1	2.2	2.3	2.3	2.1	1.4	8.1
Income tax provision (benefit)	(0.4)	(0.8)	(0.2)	0.4	8.6	0.0	1.2	10.3
Depreciation and amortization expense ¹	8.9	9.0	1.7	1.4	1.4	1.6	2.1	6.4
Sponsor fees, share based expenses, one-time acq. & restructuring exp.	2.5	0.5	0.1	0.1	16.2	1.1	1.6	19.1
Total Non-GAAP Adjustments	16.0	16.8	3.8	4.2	28.5	4.8	6.3	43.9
Adjusted EBITDA	\$25.8	\$15.3	\$4.5	\$6.0	\$8.1	\$6.8	\$5.3	\$26.2
Adjusted EBITDA margin²	11.9%	6.3%	7.2%	8.9%	11.8%	10.3%	8.2%	9.8%

Note: May not foot due to rounding

¹ Includes amortization of capitalized internal costs for software to be sold or marketed externally included in cost of revenues and excludes amortization of debt issuance costs, which is included in interest expense

² Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA for a period by revenue from the same period

Non-GAAP Reconciliation

CAMBIUM NETWORKS CORPORATION
RECONCILIATION OF GAAP FINANCIAL MEASURES TO NON-GAAP FINANCIAL MEASURES
(in thousands, except per share data)
(unaudited)

	Three Months Ended			Year Ended	
	December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018
GAAP gross profit	\$ 33,295	\$ 31,832	\$ 30,471	\$ 131,229	\$ 115,495
Share-based compensation expense	15	14	—	211	—
Amortization of capitalized software costs	145	119	80	509	253
Restructuring expense	117	—	—	117	—
Non-GAAP gross profit	\$ 33,572	\$ 31,965	\$ 30,551	\$ 132,066	\$ 115,748
Non-GAAP gross margin	52.4%	48.7%	48.3%	49.5%	47.9%
GAAP research and development expense	\$ 12,126	\$ 9,895	\$ 10,034	\$ 47,692	\$ 38,917
Share-based compensation expense	426	337	—	5,626	—
Restructuring expense	131	—	—	131	—
Non-GAAP research and development expense	\$ 11,569	\$ 9,558	\$ 10,034	\$ 41,935	\$ 38,917
GAAP sales and marketing expense	\$ 11,445	\$ 10,363	\$ 11,368	\$ 46,253	\$ 42,658
Share-based compensation expense	204	374	—	4,185	—
Restructuring expense	362	—	—	362	—
Non-GAAP sales and marketing expense	\$ 10,879	\$ 9,989	\$ 11,368	\$ 41,706	\$ 42,658
GAAP general and administrative expense	\$ 5,936	\$ 5,996	\$ 4,640	\$ 30,125	\$ 18,804
Share-based compensation expense	270	241	—	7,937	—
Xirus one-time acquisition charges	74	168	—	242	—
Restructuring expense	34	—	—	34	—
Non-GAAP general and administrative expense	\$ 5,558	\$ 5,587	\$ 4,640	\$ 21,912	\$ 18,804
GAAP depreciation and amortization	\$ 1,901	\$ 1,449	\$ 1,609	\$ 5,858	\$ 8,765
Amortization of acquired intangibles	593	424	596	1,603	4,199
Non-GAAP depreciation and amortization	\$ 1,308	\$ 1,025	\$ 1,013	\$ 4,255	\$ 4,566
GAAP operating income	\$ 1,887	\$ 4,129	\$ 2,820	\$ 1,301	\$ 6,351
Share-based compensation expense	915	966	—	17,959	—
Amortization of capitalized software costs	145	119	80	509	253
Amortization of acquired intangibles	593	424	596	1,603	4,199
Xirus one-time acquisition charges	74	168	—	242	—
Restructuring expense	644	—	—	644	—
Non-GAAP operating income	\$ 4,258	\$ 5,806	\$ 3,496	\$ 22,258	\$ 10,803
GAAP pre-tax income (loss)	\$ 190	\$ 1,963	\$ 493	\$ (7,321)	\$ (2,312)
Share-based compensation expense	915	966	—	17,959	—
Amortization of capitalized software costs	145	119	80	509	253
Amortization of acquired intangibles	593	424	596	1,603	4,199
Xirus one-time acquisition charges	74	168	—	242	—
Write-down of debt issuance costs upon prepayment of debt	—	527	—	527	—
Restructuring expense	644	—	—	644	—
Non-GAAP pre-tax income	\$ 2,561	\$ 4,167	\$ 1,169	\$ 14,163	\$ 2,140
GAAP provision (benefit) for income taxes	\$ 1,239	\$ 3	\$ (251)	\$ 10,280	\$ (799)
Valuation allowance impacts	1,361	—	(112)	9,599	(112)
Tax impacts of share vesting	277	—	—	2,807	—
Tax effect of share-based compensation expense, amortization of acquired intangibles, Xirus one-time acquisition, restructuring expense using non-GAAP ETR	(688)	(531)	(137)	(4,295)	(859)
All other discrete items	—	85	(239)	85	(104)
Non-GAAP provision for income taxes	\$ 289	\$ 449	\$ 237	\$ 2,085	\$ 276
Non-GAAP ETR	11.3%	10.8%	20.3%	14.7%	12.9%
GAAP net (loss) income	\$ (1,049)	\$ 1,960	\$ 744	\$ (17,601)	\$ (1,513)
Share-based compensation expense	915	966	—	17,959	—
Amortization of capitalized software costs	145	119	80	509	253
Amortization of acquired intangibles	593	424	596	1,603	4,199
Xirus one-time acquisition charges	74	168	—	242	—
Write-down of debt issuance costs upon prepayment of debt	—	527	—	527	—
Restructuring expense	644	—	—	644	—
Non-GAAP adjustments to tax	1,638	85	(351)	12,490	(216)
Tax effect of share-based compensation expense, amortization of acquired intangibles, Xirus one-time acquisition charges, restructuring expense using non-GAAP ETR	(688)	(531)	(137)	(4,295)	(859)
Non-GAAP net income	\$ 2,272	\$ 3,718	\$ 932	\$ 12,078	\$ 1,864
Non-GAAP fully weighted basic and diluted shares	25,637	25,634	13,600	25,637	13,600
Non-GAAP net income per Non-GAAP fully weighted basic and diluted shares	\$ 0.09	\$ 0.15	\$ 0.07	\$ 0.47	\$ 0.14

