



Aviat
NETWORKS

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 second quarter 2017 and cash flow in fiscal 2017, and our anticipated results for fiscal 2017. 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") on September 8, 2016 as well as other reports filed by Aviat Networks, Inc. with the SEC from time to time. Aviat Networks 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.

ABOUT US

Aviat is the trusted expert in microwave networking

Best in class TCO and proven mission-critical microwave networking solutions

HIGH PERFORMANCE PRODUCTS

Global Microwave Portfolio
Highest Performance
Integrated IP/MPLS
Proven Reliability

SIMPLER OPERATIONS

Planning Automation
Software delivered Functions
Ease of Network Migration

CUSTOMER SERVICE

Cloud-Enabled Services
Professional Services for Planning,
Deployment, Network Operations
and Customer Care

Leading Player in
Delivering Mission-
Critical Networks for
Public Safety, Utility and
Government Agencies

Sustained Presence
in Global Tier 1
Service Provider
Customer Base

History of Innovating
Solutions for Wireless
Networks

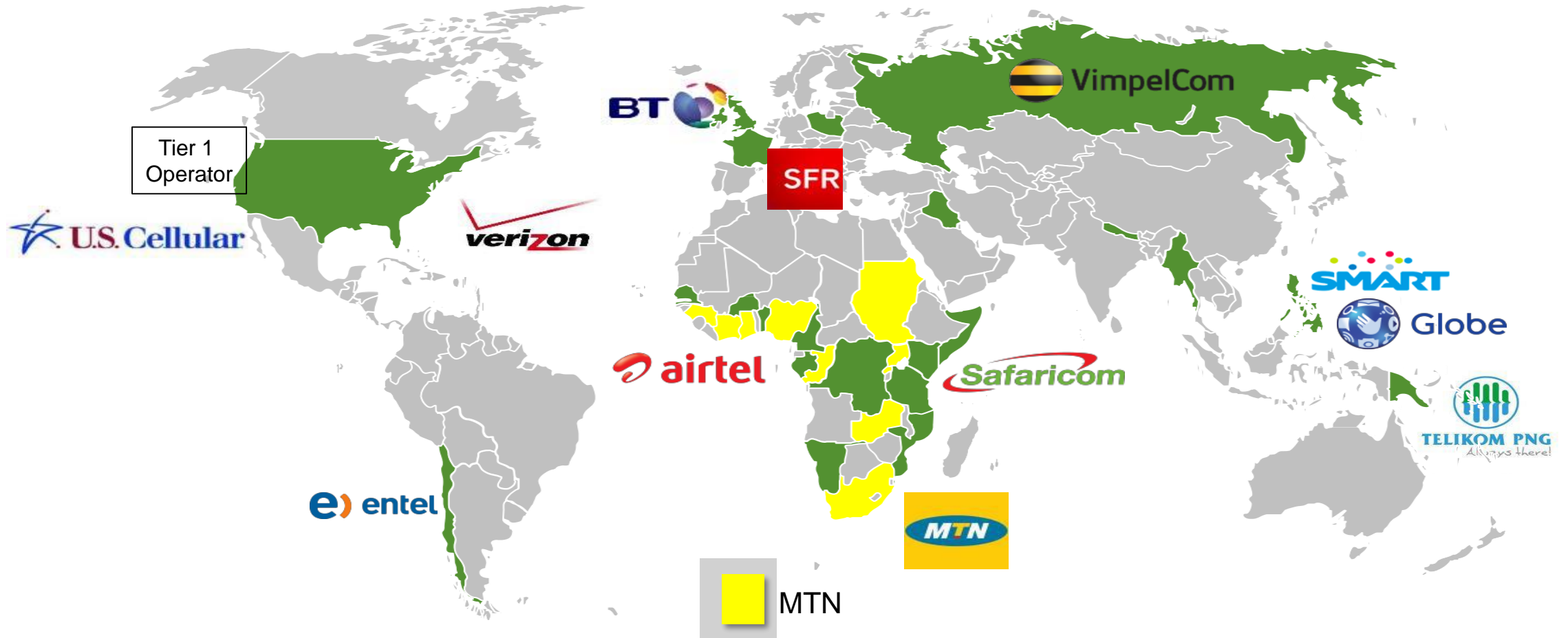
Headquartered in Silicon
Valley; Global footprint
aligned with our Key
Customers' Networks

WHY WE WIN

- Strong Brand: Recognized as a Microwave Networking Specialist
- Trusted Provider of Mission-Critical Networks
- Comprehensive Solutions & Services Portfolio
- Local Presence and Focused Expertise
- Outstanding Customer Service and Support
- Innovative Technology & TCO Focused Solutions

MARQUEE SERVICE PROVIDER CUSTOMER BASE

Leading Provider in Key Markets Served



Strong global brand with a targeted sales approach (focus on profitability and cash generation)

STRONG & DIVERSE PRIVATE NETWORK BUSINESS

Segment Leader The Clear Choice

Public Safety

Presence in all 50 States
With 25 U.S. Statewide
Networks

Energy

More than 50% of Largest
U.S. Utilities

USA Federal Departments

Multiple Agencies

Global Partners in Security & Defense



A Leading Supplier

Financial

18,000 Low Latency Microwave
Miles Worldwide for Trading
Networks

Market Leader

National Security Networks

France, Middle East, North
Africa, Asia Pacific

Oil & Gas

West Africa, Asia, Europe

Regional Governments

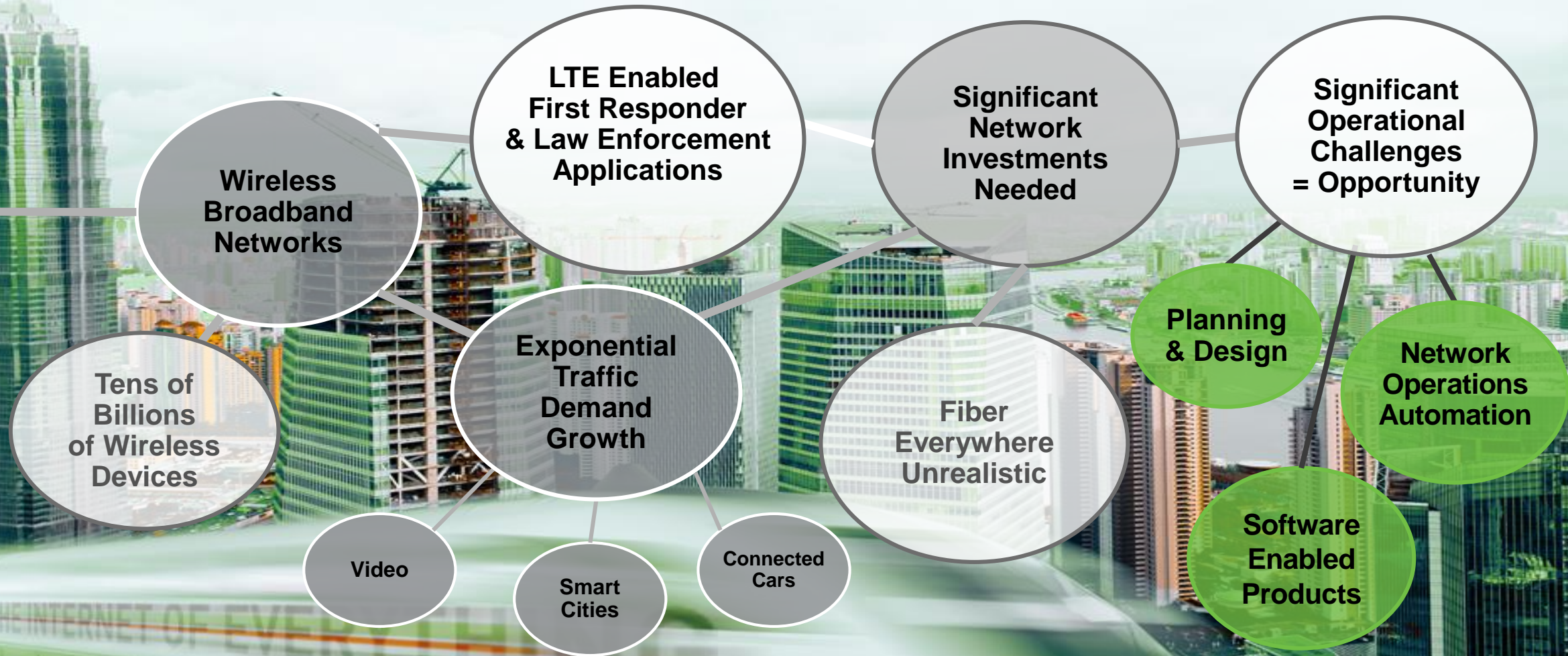
Latin America

Strong position to capture growth in a diverse private networks environment

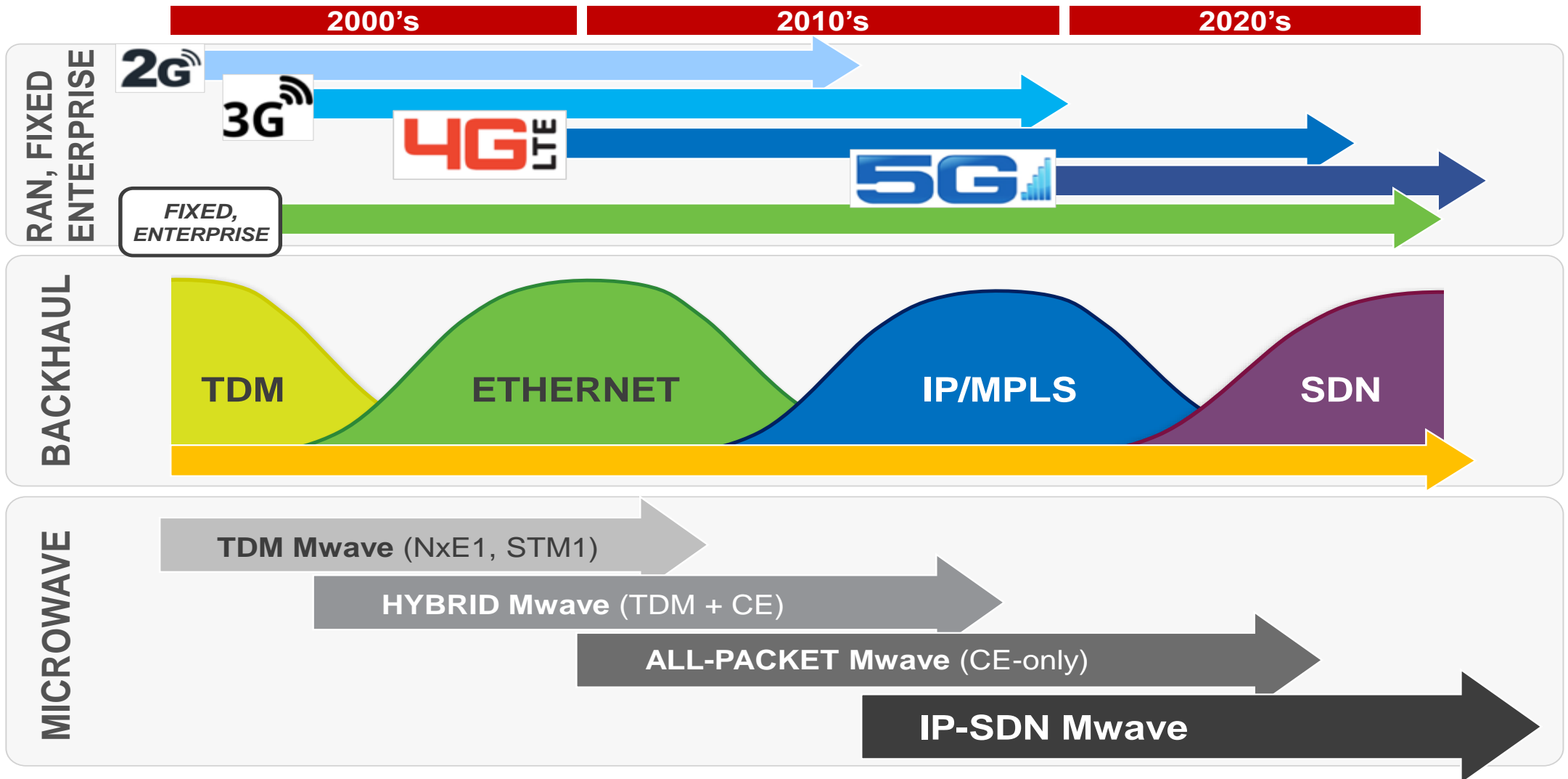
SAMPLE OF AVIAT'S PRIVATE NETWORKS CUSTOMER BASE



COMPELLING MARKET DEMAND DRIVERS



NETWORK TECHNOLOGY EVOLUTION



COMPETITIVE ADVANTAGE DRIVEN BY OUR HIGHLY DIFFERENTATED PORTFOLIO

INDUSTRY'S FIRST
INTEGRATED
MICROWAVE ROUTER



INDUSTRY'S LOWEST
LATENCY MWAVE



INDUSTRY'S
MOST
RELIABLE
INDOOR
TRUNKING



INDUSTRY'S
LEADING
AUTOMATION
PLATFORM FOR
MICROWAVE
NETWORK
SERVICES

HIGHEST POWER
MWAVE RADIO EVER
BUILT



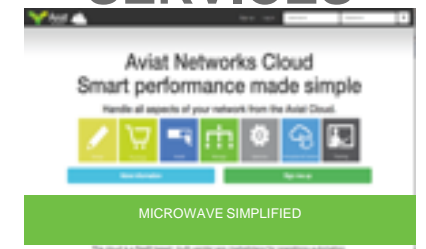
MOST SECURE,
HYBRID MISSION
CRITICAL PLATFORM



INTEGRATED
ANTENNAS FOR
URBAN
DEPLOYMENTS



INDUSTRY'S
SMALLEST,
LIGHTEST
SPLIT
MOUNT
TRUNKING



AVIAT'S MOMENTUM CONTINUES WITH KEY CUSTOMER WINS

Aviat Selected By US Federal Agencies for Microwave Solutions

- Awarded two Indefinite Delivery / Indefinite Quantity (ID/IQ) contracts from separate US federal government agencies with a total value up to \$11 million for microwave products and services
- These agencies will utilize Aviat's Eclipse IRU 600 all-indoor, high-power radios operating in the federal 4.7GHz and 7.8GHz bands to support mission critical operations

Aviat Partners with Airtel Nigeria for Enterprise Access

- Selected as the countrywide managed service partner (MSP) for enterprise access
- Aviat will deliver CTR microwave routers and point-to-point and point-to-multipoint radios and applications such as network monitoring and proactive and corrective maintenance

Digicel Selects Aviat Networks' Transmission Solution

- Part of its ongoing strategy to bring high-speed broadband to as many remote locations in the Pacific as possible
- Commissioned a 189km microwave link that connects the main island of Tonga (Tongatapu) with two of its outer islands of Vava'u and Ha'apai
- Uses Aviat's CTR microwave router platform and advanced engineering capabilities

Aviat Awarded IP/MPLS Microwave Business for a Government Network in Latin America

- Multi-agency, private data network for police, security personnel and correctional facilities
- Network to support surveillance, mobile comm., data traffic and mission-critical apps for gov't employees and first responders
- Aviat to provide IP/MPLS-based VPN services, CTR microwave routers

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 Wins \$28M Project with the State of Colorado

- Colorado to support all mission-critical communications for public safety, first responders and various state agencies
- 3-year contract to implement a network using Aviat's microwave, IP/MPLS routers, management software and full turnkey services
- New customer for Aviat – highly competitive deal

Aviat Receives \$5M Multi-Year Deal from a Texas Electrical Utility

- Aviat to supply its Eclipse hybrid microwave networking platform, IRU 600 HER and ODU 600 radios and ProVizion management software
- Utility to migrate backhaul network to full-IP with Aviat solutions
- Contract includes multi-year maintenance and support

Aviat Wins \$2.6M Turnkey Project with Western U.S. City

- Large public safety agency in Western US
- Aviat to provide its Eclipse IRU 600 radios, ProVizion management system and services
- Equipment and services to be provided under NASPO ValuePoint – a cooperative purchasing program that leverages the buying power of all 50 states

Aviat Wins \$2.4M Turnkey Project with Department of Interior – National Park Service

- Federal agency selects Aviat for its hybrid radios, NTIA frequency band support and Federal certifications
- Aviat to provide its Eclipse IRU 600 radios, ProVizion management system and services, including network and transmission engineering, factory integration and testing and civil construction

Aviat Closes \$2.9M Deal with Leading Utility in Northeast USA

- Leading electric and gas utility
- Turnkey installation featuring Aviat's Eclipse IRU 600 EHP radio, along with design, engineering and deployment services
- Microwave solution to stretch across the entire state, providing up to 1 Gbps wireless broadband-grade connectivity

Aviat Wins Contract with a Midwestern U.S. State for Public Safety

- Statewide network to deploy Aviat's IP/MPLS routers and microwave radios; also includes Aviat's ProVizion management system for end-to-end product/service management
- 2-year contract agreement for existing customer account
- Further convergence of microwave radio business with integrated IP/MPLS solutions

Aviat Secures \$6M Deal with Leading U.S. Utility

- Services and equipment contract includes hybrid TDM/IP microwave radios enabling seamless migration to IP-based Teleprotection
- TDM radio upgrade to IRU 600 EHP radio in TDM/IP configuration
- Also includes turnkey solutions -- network engineering, path planning, radio configuration, and system integration and testing

Note: Select customer announcements issued in CY16.



Fiscal 2017 Second Quarter Financial Update

Please see our earnings press release dated February 8, 2017 for our GAAP to Non-GAAP reconciliation

FY17 SECOND QUARTER FINANCIAL HIGHLIGHTS

(SEQUENTIAL COMPARISONS – Q2 FY17 VS. Q1 FY17 – NON-GAAP)

- **Revenue of \$68.5 million – Book to Bill ratio < 1**
 - Revenue increased 17.7%, driven by strength in North America and Private Network business, coupled with increased volume in Africa and Latin America
- **Gross margin of 31.3%, up 140 basis points**
 - Increase driven primarily to revenue mix, lower supply chain costs and improved services margins
- **Operating expenses of \$18.1 million, an improvement of \$1.6 million**
 - One-time benefits of approximately \$1M related to bad debt recovery and timing; additional improvements driven by continued cost controls
- **Adjusted EBITDA of \$4.8 million, an improvement of \$5.4 million**
 - Higher revenue, better gross margins and lower overhead (opex) drove significant bottom-line improvement
- **Cash/cash equivalents of \$35.0 million, an increase of \$3.2 million**
 - Improvements in collections cycles and higher concentration of North America business led to sequential cash increase

Income Statement Summary (Non-GAAP)			
(\$'s in millions)	Q2 FY17 Actual	Q1 FY17 Actual	Sequential Variance
Revenue	\$68.5	\$58.2	\$10.3
Gross Margin	\$21.5	\$17.4	\$4.1
Gross Margin %	31.3%	29.9%	1.4%
Operating Expenses	\$18.1	\$19.7	\$1.6
Operating Income (Loss)	\$3.4	(\$2.3)	\$5.7
Adj. EBITDA	\$4.8	(\$0.6)	\$5.4
Cash & Equivalents	\$35.0	\$31.8	\$3.2

Profitability achieved on both a GAAP and Non-GAAP basis

FY17 SIX MONTH COMPARISONS – FINANCIAL HIGHLIGHTS

(1H FY17 VS. 1H & 2H FY16 – NON-GAAP)

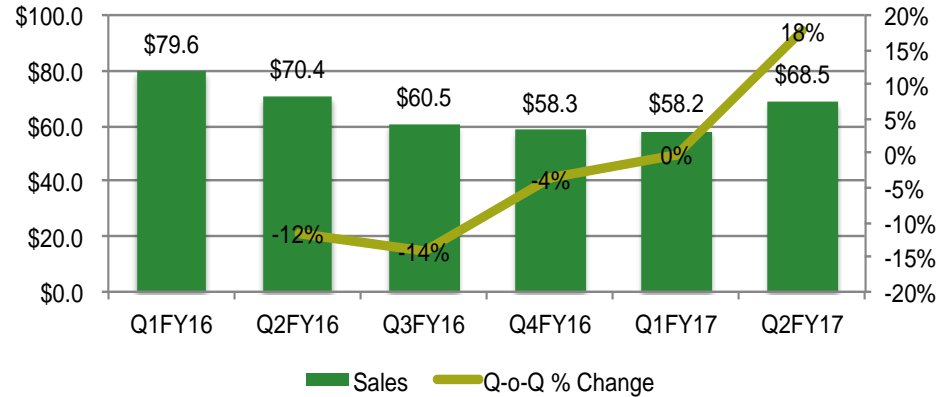
Income Statement Summary (Non-GAAP)							
(\$'s in millions)	1H FY17 Actual	2H FY16 Actual	Variance		1H FY17 Actual	1H FY16 Actual	Variance
Revenue	\$126.7	\$118.7	\$8.0		\$126.7	\$150.0	(\$23.3)
Gross Margin	\$38.9	\$29.5	\$9.4		\$38.9	\$37.5	\$1.4
Gross Margin %	30.7%	24.9%	5.8%		30.7%	25.0%	5.7%
Operating Expenses	\$37.8	\$41.9	\$4.1		\$37.8	\$43.1	\$5.3
Operating Income (Loss)	\$1.0	(\$12.4)	\$13.4		\$1.0	(\$5.6)	\$6.6
Adj. EBITDA	\$4.1	(\$9.2)	\$13.3		\$4.1	(\$2.4)	\$6.5
Cash & Equivalents	\$35.0	\$30.5	\$4.5		\$35.0	\$39.5	(\$4.5)

Significant improvements in profitability despite top-line decline

TRENDING 6 QUARTER FINANCIALS

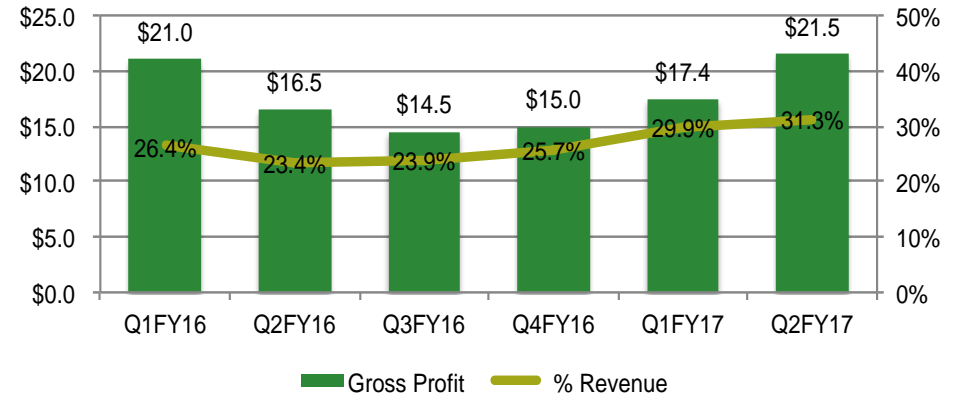
Sales and Growth

(\$ in millions)



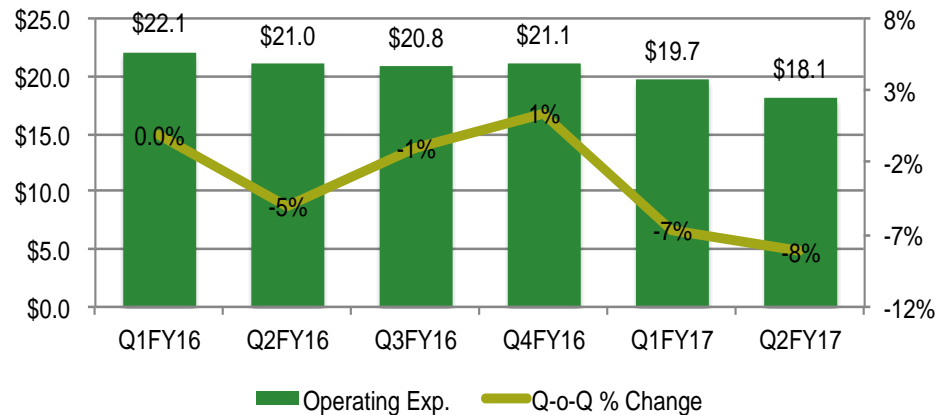
Gross Profit

(\$ in millions)



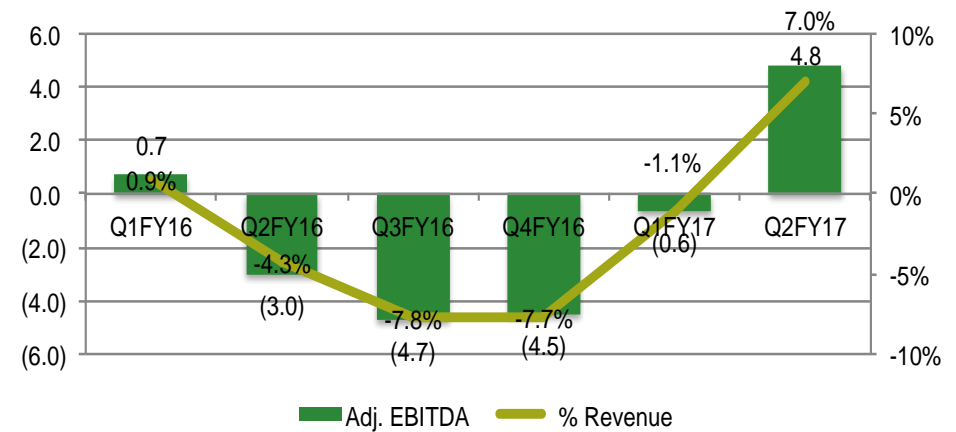
Operating Expenses and Trend

(\$ in millions)



Adjusted EBITDA

(\$ in millions)



Non-GAAP

FY17 Q2 BALANCE SHEET KEY INDICATORS

(FAVORABLE TRENDS WHEN COMPARING PRIOR TWO QUARTERS)

(\$'s in millions)

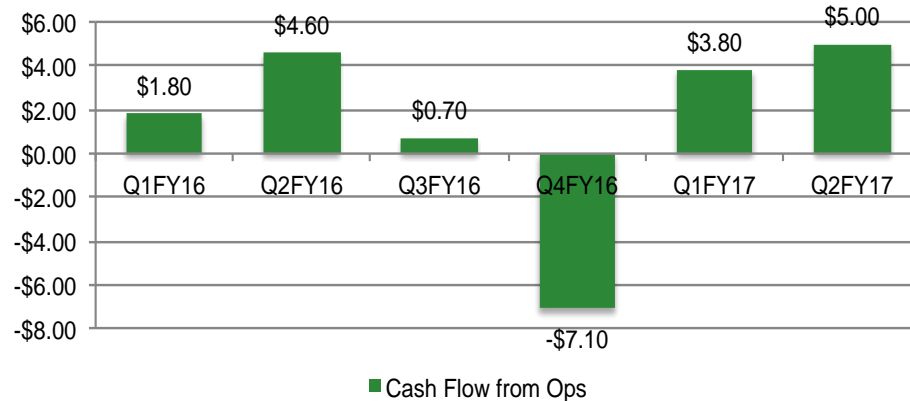
	Q2 FY17	Q1 FY17	Q4 FY16
Cash and Equivalents	\$35.0	\$31.8M	\$30.5M
Accounts Receivable	\$56.2	\$49.7M	\$63.4M
DSO's	75 Days	78 Days	99 Days
Inventory	\$23.1	\$26.9M	\$30.4M
Turns	8.2	6.1	6.4
Third-Party Debt	\$8.0	\$8.0M	\$9.0M
Accounts Payable	\$32.0	\$29.3M	\$33.2M
DPO's	62 Days	65 Days	63 Days

- Sequential cash increase driven by higher profitability and better controls and processes in cash collection cycle; also favorably impacted by higher concentration of North America business
- Cash from operations of \$5.0 million in FY17 2Q; through the first six-months of FY17, cash from operations of \$8.8 million.
- DSO's continue to improve -- better collections from international customers, and higher revenue concentration in North America
- Trade inventory continues to decline; turn rate is now above 2x per quarter.
- Expect further cash improvements in second half of FY17.

TRENDING 6 QUARTERS - BALANCE SHEET KEY INDICATORS

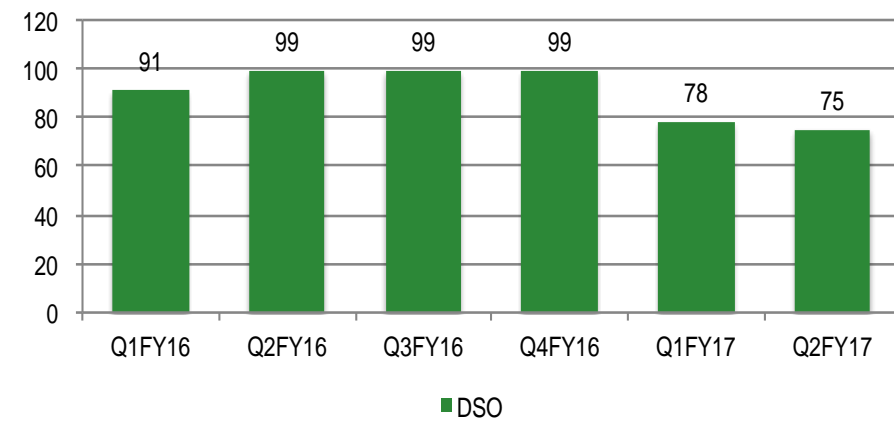
Cashflow from Operations

(\$ in millions)

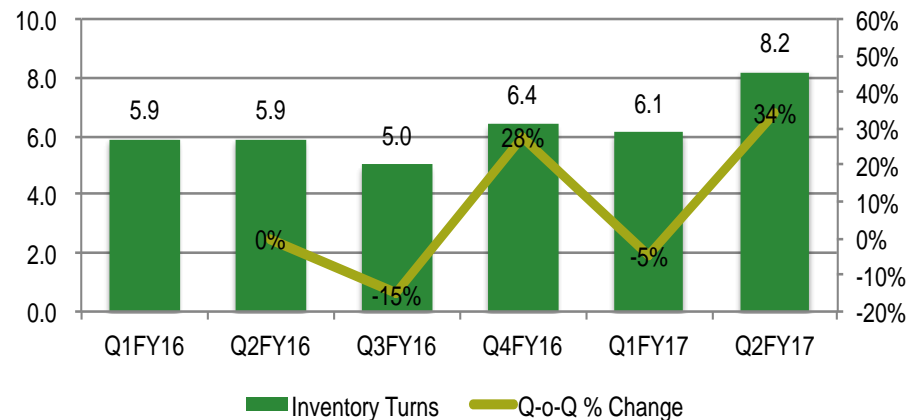


Days Sales Outstanding (DSO)

(in Days)



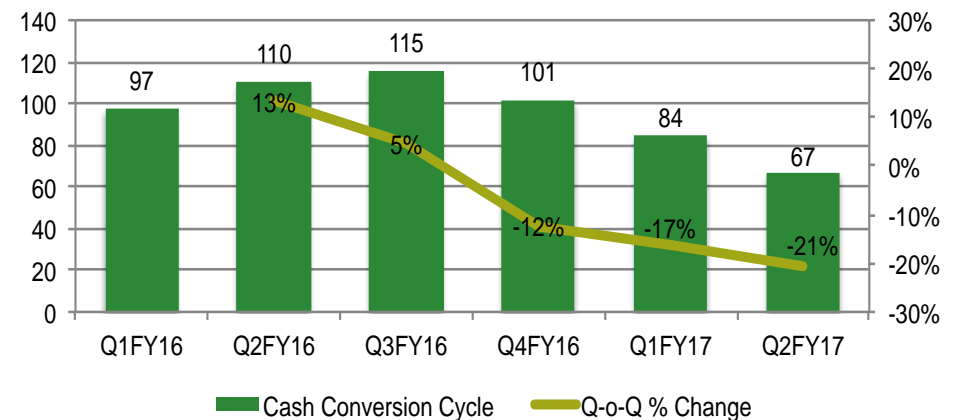
Inventory Turns



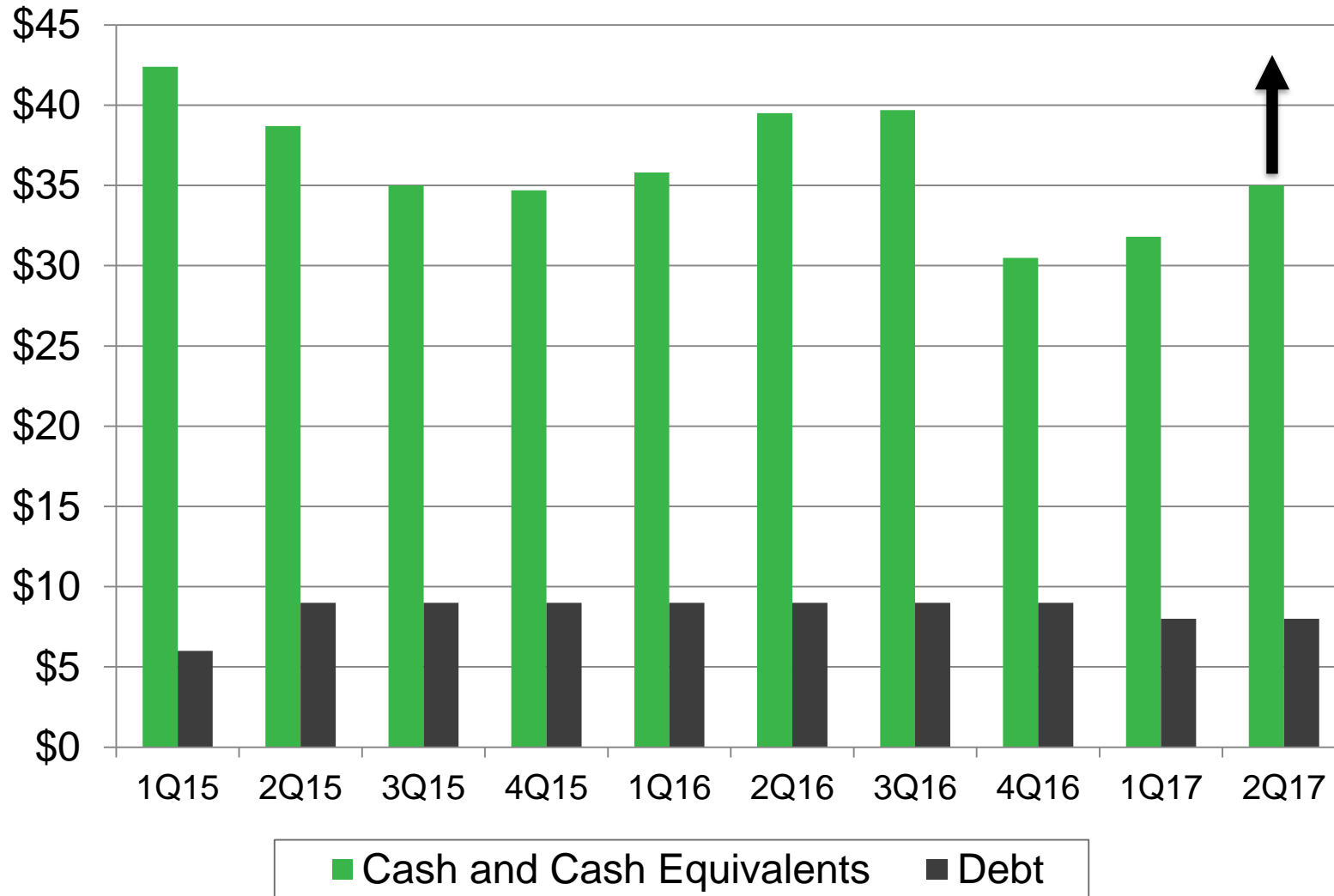
Cash Conversion Cycle* (CCC)

(in Days)

*Includes unbilled receivables



HISTORICAL CASH AND CASH EQUIVALENTS TREND



FY17 cash position anticipated to increase, with momentum building in 2H17.

(\$'s in millions)

Q4 F'16 and Q1 F'17 cash position impacted by timing related to customer collections and currency issues.

LOOKING AHEAD – FINANCIAL OUTLOOK

(\$'s in millions)

Income Statement Summary (Non-GAAP)

	FY16 2 nd Half Actual	FY17 1 st Half Actual	FY17 2 nd Half Estimates	Comments
Revenue	\$118.7	\$126.7	\$130.0 - \$140.0	Q3 revenue expected to be between \$60.0 and \$66.0 million; Q4 revenue expected to be in excess of \$70.0 million.
Operating Income (Loss)	(\$12.4)	\$1.0	Positive	Company expects to generate positive operating income in the second half of fiscal 2017 with Q3 coming in near break-even and Q4 positive.
Adj. EBITDA	(\$9.2)	\$4.1	Positive	Driven by anticipated top-line increase, strong operating margins (gross margins and operating expenses).

Positioned for Growth and Profitability

KEY TAKEAWAYS

- Top-line has stabilized and is expected to grow in the 2nd half of Fiscal 2017 (relative to 1st half and last year's 2nd half)
- 1H FY17 results show impact of process enhancements; operating on a lower cost basis and more efficiently
- Investments in R&D continue for both market segments (Service Providers and Private Networks), with next generation technology on the horizon
- Company remains well positioned with existing customers and continues to win new, targeted accounts
- Balance sheet expected to strengthen further with growing cash balance by the end of FY17
- Positioned for profitability on an Adjusted EBITDA basis in the second half of FY17; substantial improvement expected versus second half of FY16

On Track to Sustain & Grow Profitability with a Shift Towards “Profitable Growth”



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