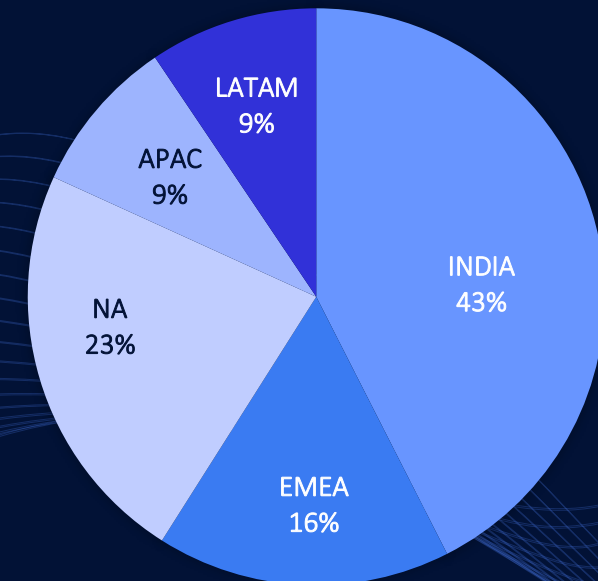# FROM STRATEGY TO M&A

DORON ARAZI | JULY 2025

CERAGON AT A GLANCE

DEVELOPING, MANUFACTURING & SELLING RADIO TECHNOLOGY EQUIPMENT, SOFTWARE AND SERVICES TO THE TELECOMMUNICATION SPACE FOR CONNECTIVITY

▶▶ Established -1996

▶▶ NASDAQ listed (CRNT) since 2000

▶▶ ~1,000 employees (~300 in Israel)

▶▶ 2024 - Revenue $394M; Net Profit $24M

▶▶ Designing and developing our own critical chips since 1998

TOP-TIER GLOBAL CUSTOMER BASE

2024 REVENUE

- INDIA 43%
- EMEA 16%
- NA 23%
- APAC 9%
- LATAM 9%

MARKET DYNAMICS

CUSTOMERS
Mainly Tier-1

TECHNOLOGY
High investment

Jio
T· · Telefonica OPTUS
bharti MTN Claro

HUAWEI
SM
NOKIA ERICSSON
Aviat NETWORKS

CHIP

Many product variations

$3.5B MARKET
Growth Moderate

mmW
All Outdoor

MICROWAVE
All Outdoor

COMPETITORS
Mainly Giants

SEGMENTS
mmW growing

Moderately growing market (CAGR '23-'28: $=4%, units=6%)

Little leverage vs. customers (portfolio & services)

Fierce competition (mainly generalists)

Requires continuous and high technology investment

CERAGON'S PREVIOUS STRATEGY & MAIN DRIVERS FOR A CHANGE

Previous Strategy – Best most powerful Radios focusing on Tier-1 & Tier-2 public network operators – mainly "Box Moving Business"

▶▶ **MATURE MARKET YET VERY VIBRANT TECHNOLOGY WISE**

Little growth; price pressure; significant investment in R&D

▶▶ **TIER1/2 SEGMENT**

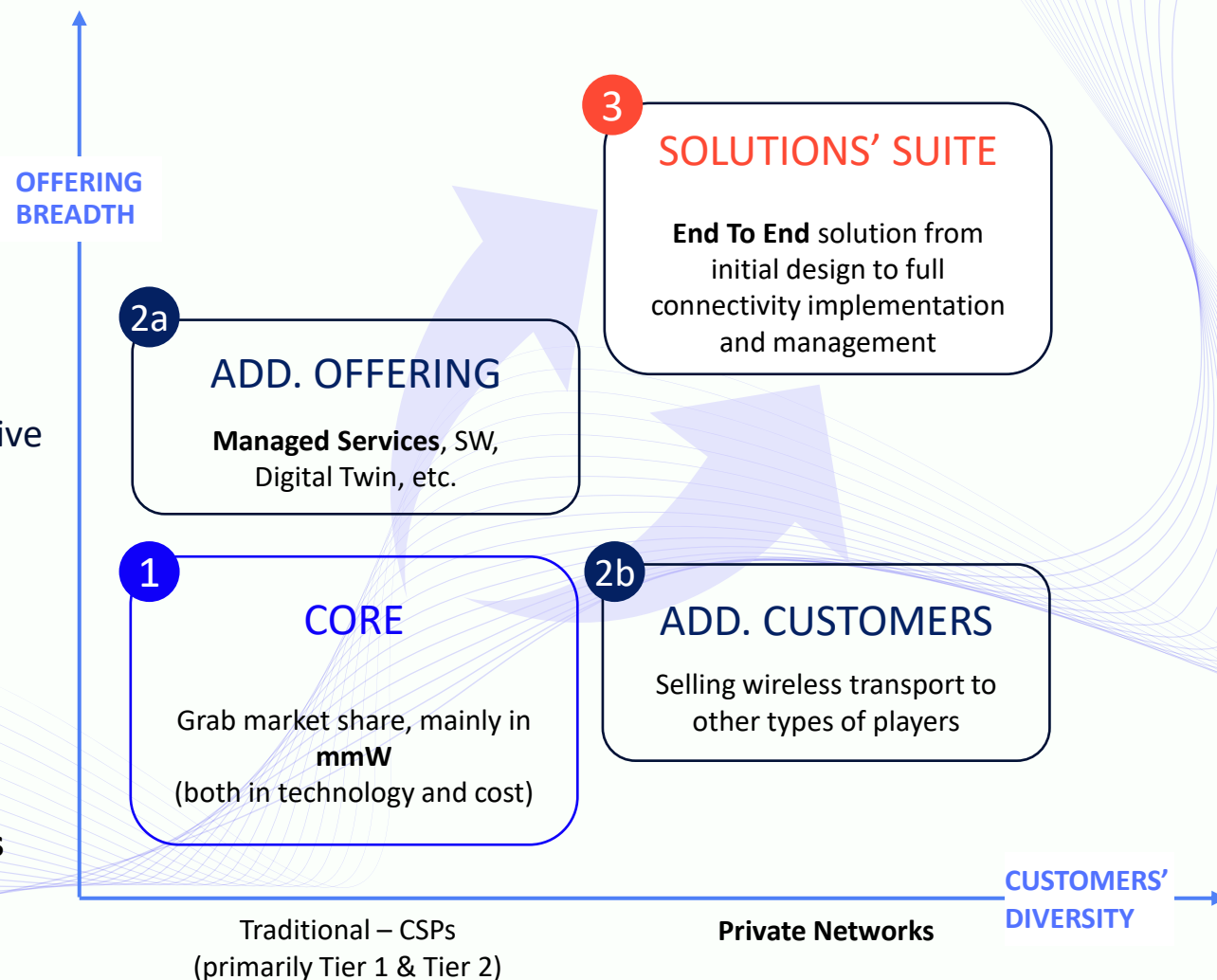Very high competition from giants; high price pressure

Cyclical investment pattern – changes in demand drive revenue instability

Box moving is the dominant business – low visibility & profitability

High customer concentration for a company at Ceragon's current size

OUR STRATEGIC GROWTH FRAMEWORK

1 CORE
Wireless Transport for Telcos has some **growth potential in mmW segment**

2a ADD. OFFERING
As networks are getting more complex to maintain, offering **SW-led-services** to support the operation drive **growth profitability and recurring revenue**

2b ADD. CUSTOMERS
Focus on additional customers segments can **increase profitability** and **reduce customer concentration**

3 SOLUTION SUITE
Access to **larger share of wallet** and **higher stickiness (End-to-End)** leading to **sustainable growth**

OFFERING BREADTH

2a ADD. OFFERING
Managed Services, SW, Digital Twin, etc.

3 SOLUTIONS' SUITE
End To End solution from initial design to full connectivity implementation and management

1 CORE
Grab market share, mainly in **mmW** (both in technology and cost)

2b ADD. CUSTOMERS
Selling wireless transport to other types of players

CUSTOMERS' DIVERSITY

Traditional – CSPs (primarily Tier 1 & Tier 2)

Private Networks

M&A AS A TOOL FOR EXECUTION ON OUR STRATEGY

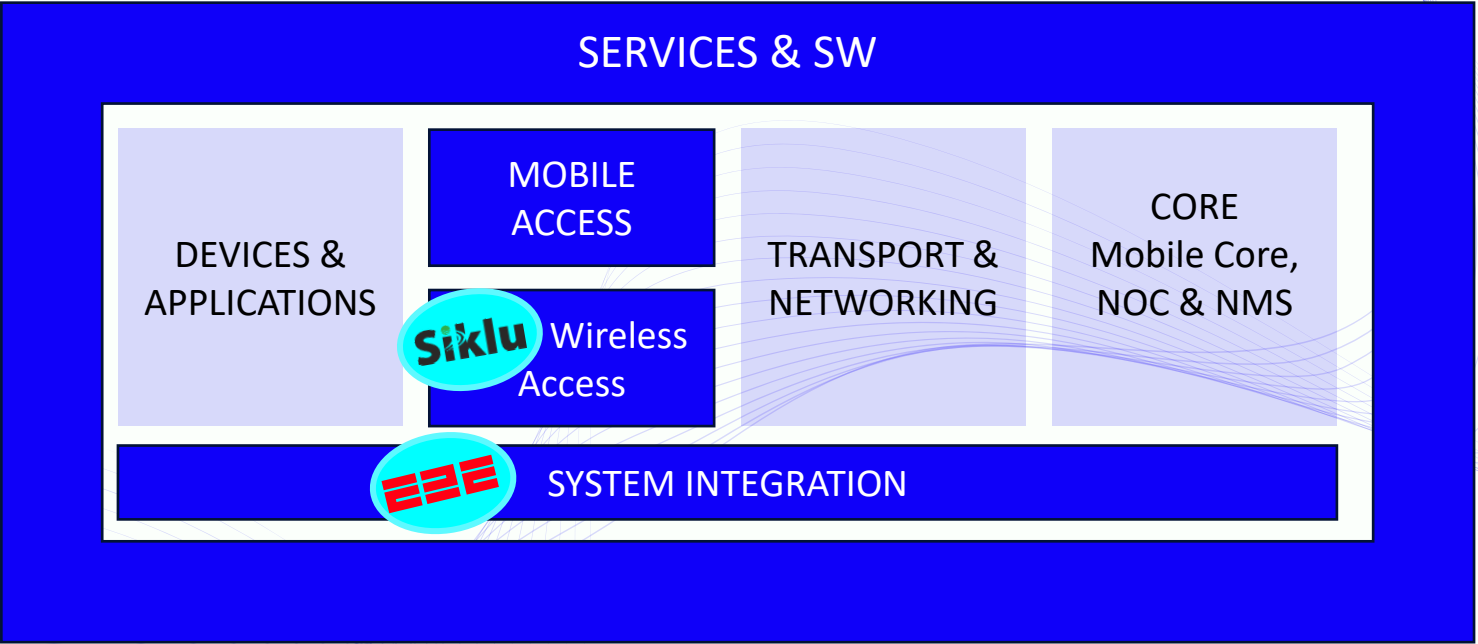# ACCELERATION OF OUR STRATEGY VIA M&A

SYSTEM INTEGRATION

Critical expertise to design, provide and manage diverse End-To-End network solution projects

HW – ACCESS

The most essential and largest portion of the CAPEX in every network; expected high growth
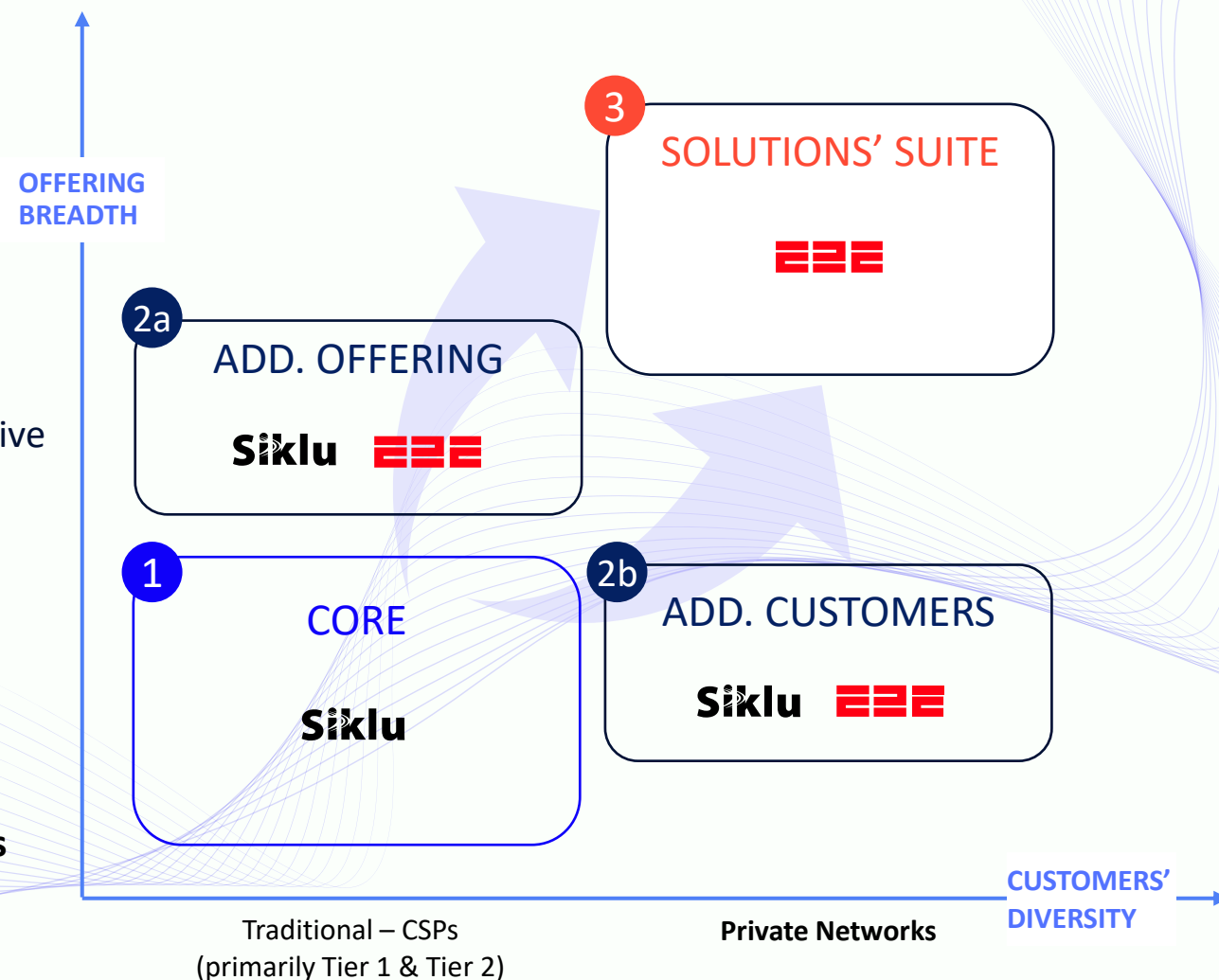
SERVICES & SW

enhance our Managed Services and SW offering, focused on recurring business

SERVICES & SW

DEVICES & APPLICATIONS

MOBILE ACCESS

Siklu Wireless Access

TRANSPORT & NETWORKING

CORE Mobile Core, NOC & NMS

E2E SYSTEM INTEGRATION

■ M&A Focus   ■ Existing offering or 3rd party

Our Strategic Growth Framework

1 **CORE**
Wireless Transport for Telcos has
some **growth potential in mmW segment**

2a **ADD. OFFERING**
As networks are getting more complex to maintain,
offering **SW-led-services** to support the operation drive
growth profitability and recurring revenue

2b **ADD. CUSTOMERS**
Focus on additional customers segments can
increase profitability and **reduce customer
concentration**

3 **SOLUTION SUITE**
Access to **larger share of wallet** and **higher stickiness
(End-to-End)** leading to **sustainable growth**

OFFERING BREADTH

3 SOLUTIONS' SUITE
E2E

2a ADD. OFFERING
Siklu E2E

3 SOLUTIONS' SUITE

1 CORE
Siklu

2b ADD. CUSTOMERS
Siklu E2E

CUSTOMERS' DIVERSITY

Traditional – CSPs
(primarily Tier 1 & Tier 2)

Private Networks

CERAGON

SIKLU ACQUISITION AT A GLANCE

COMPANY OVERVIEW

- Founded in 2008, headquartered in Israel
- Global footprint, primary presence in NA
- Transaction closed in December 2023
- Siklu provides a suite of mmW technology solutions for a variety of verticals and applications
- Deployed over 300K outdoor antenna units across >50 countries

KEY ASSETS & CAPABILITIES ACQUIRED

PRODUCTS
- mmW Eband PtP
- mmW MutiHaul PtMP (E-Band & V-Band)
- mmW Mesh PtMP FWA Terragraph 60Ghz

CAPABILITIES
- Innovative mindset and experienced team
- Market knowledge and know-how

DEAL RATIONALE & STRATEGIC FIT

- Expands Ceragon's PtP portfolio in high-growth segment (mmW)
- Strengthen presence in NA and channel relationships
- Increase and accelerate penetration to ISPs and to Private Networks
- Opens new market opportunities in the PtMP & FWA domain
- Expands proprietary technologies for End to End offering to Private Networks

TRANSACTION FINANCIAL HIGHLIGHTS

▶▶ 2023 Revenue **$20M**

▶▶ 2025 forecasted revenue **>$30M** with synergy

▶▶ Consideration **$3M** in stock (Ceragon assumed ~$10m net liabilities)

E2E TECHNOLOGIES AT A GLANCE

COMPANY OVERVIEW

- Founded in 2013, headquartered in Minnesota, US
- Operates in NA (several states)
- Transaction closed in January 2025
- E2E is a systems integrator that provides end-to-end networking and related solutions for a variety of verticals, primarily Energy and Utilities
- Deployed dozens of projects

KEY ASSETS & CAPABILITIES ACQUIRED

PRODUCTS
- Proprietary vendor agnostic NMS SW
- Edge management SW

CAPABILITIES
- Experienced team in end-to-end private networks project execution
- Business relationships and strong positioning in the Energy market

DEAL RATIONALE & STRATEGIC FIT

- Accelerates Ceragon's system integration capabilities building
- Track record, domain expertise and business relationships in 2 of Cergon's prioritized verticals for private networks – Energy and Utilities
- Differentiation via SW offering
- Complementary offering to Ceragon's off-shore Energy expertise
- Expands partners ecosystems (e.g. in narrowband)

TRANSACTION FINANCIAL HIGHLIGHTS

▶▶ 2024 Revenue **$15M**

▶▶ 2025 forecasted revenue **$20-21M** with synergy

▶▶ Consideration **$8.5-12.8M** Cash and stock

Range depends on earnout results

SOFT ASPECTS IN CONSIDERING M&As

Culture eats the "best strategy" for breakfast
How do you change "box moving" HW company to a
"solution driven" service oriented one?

M&A as a facilitator for cultural change
The opposite approach of "not invented here does not exist"

- Nominated Siklu CEO as the CGO of Ceragon

- Nominate technological talents of Siklu in key positions in our R&D, Product and Solution teams

- Deployed certain processes and SW capabilities coming from Siklu on Ceragon products

- E2E – decided to keep them as separate organization (other than basic back-office functions) and learn from the art of "selling and deploying projects" before moving to a full integration

THANK YOU

DELIVERING CONNECTIVITY EVERYWHERE