

Casa Systems

*Transforming
Broadband Networks*

March 2020

Safe Harbor

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Transforming Broadband Networks

Who we are

The *only end-to-end enabler of converged broadband solutions* for all networks: fixed, wireless & cable

What we enable

Network capacity to meet increasing demand for bandwidth

Broadband network *convergence, densification & virtualization*

End-to-end solutions from network core to far edge/UE

Increased revenue and *lower TCO* for communications service providers

Our products

Cable core and access:

CCAP/vCCAP, DAA

Wireless core and access:

4G/5G Core, 4G/5G RAN, 4G/5G FWA

Fixed edge & access:

MSR, NG PON, DPU/NCD for g.fast

Casa Systems: Investment Highlights

Return to Growth

Benefit from network transformation in broadband communications networks for all access technologies

Stable Installed Base

Steady-state cable business delivers ongoing revenue stream from quarterly capacity additions

Competitive Differentiation

Axyom™ converged core + vBNG converged user plane
FPGA: fast to market with easy upgrade
Integrated product groups for truly converged solutions on a common OS
End-to-end wireless solutions: 4G/5G converged core, 4G/5G radios, FWA, management systems

Global Scale with 475+ Broadband Customers



70
Countries

1000+
Employees

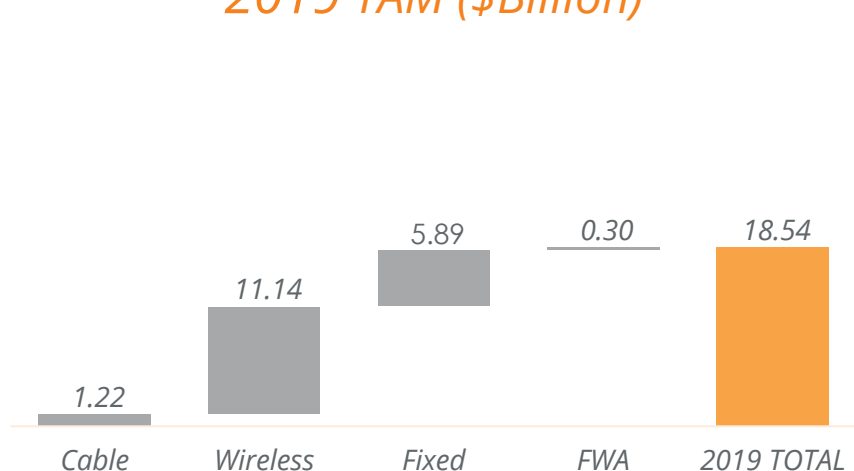
>60%
Engineers /
R&D

2003
Founded

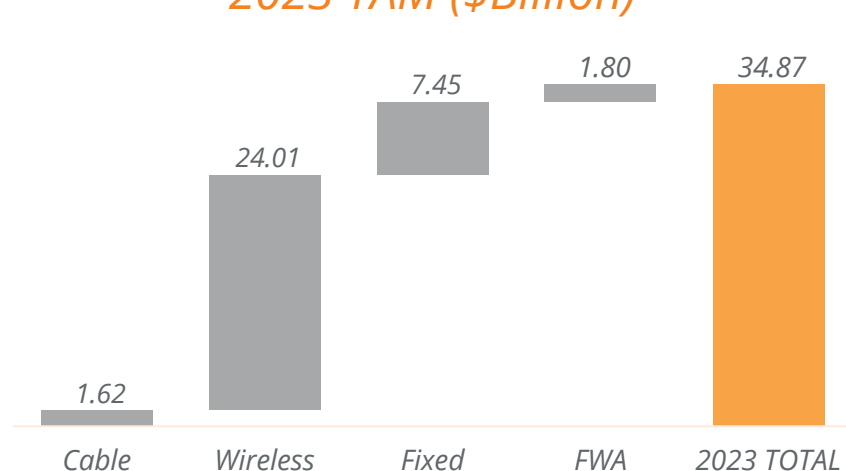
2017
IPO

Large and Growing Target Markets

2019 TAM (\$Billion)



2023 TAM (\$Billion)

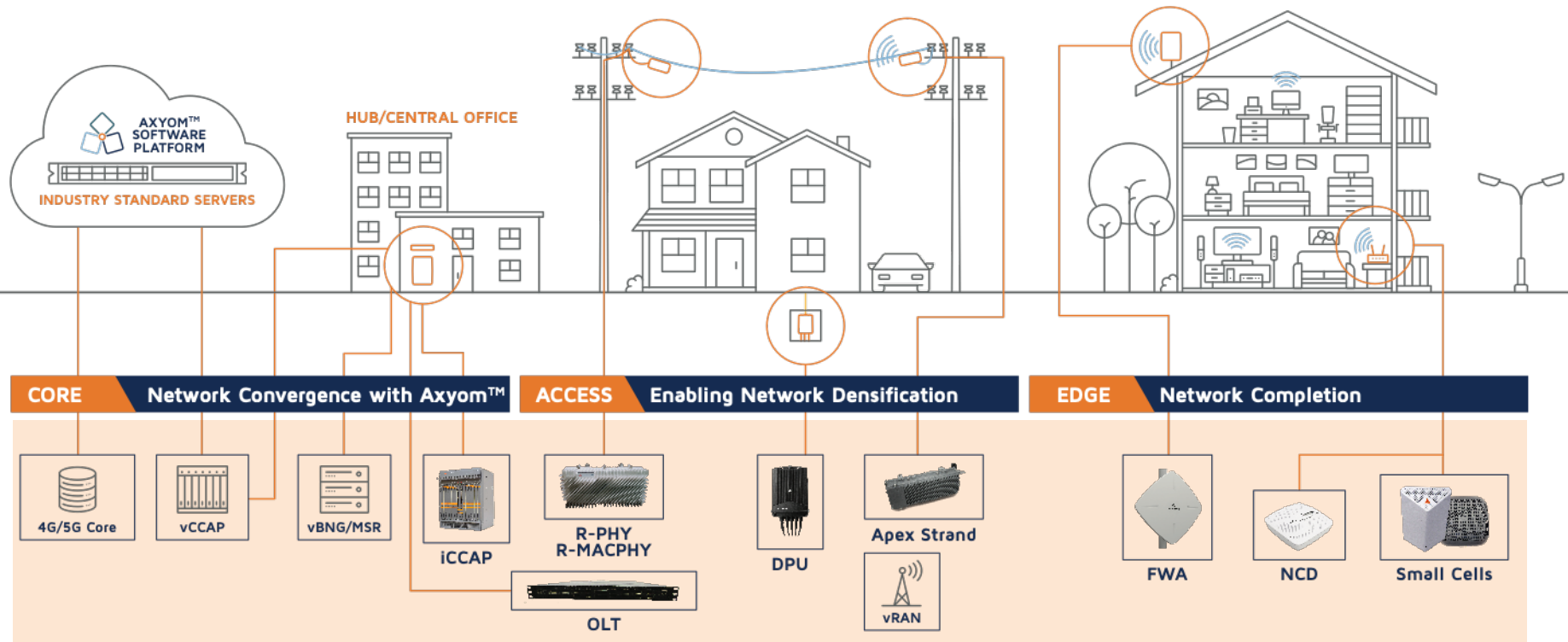


Notes

1. Gartner, *Communications Service Provider Operational Technology* (2018); ABI Research, *Mobile Packet Core VNFs and PNFs Market Data*; and Dell' Orro Group: *Broadband Access Five Year Forecast* report (2019)
2. SNS Research, *5G for FWA 2017-2030*

Our Products: End-to-End Solutions

For all broadband networks



Our Growth Opportunity: Network Transformation

Convergence, Virtualization, Edge Computing

CABLE – Holding Pattern



- Completed 7-year continuous investment in D3.0/D.31/CCAP
- Current focus: maintenance capacity
- Next investment phase:
 - DAA: physical and/or virtual
 - DOCSIS 4.0
 - Mobile

FIXED – Edge Computing



- Continuing to build fiber deep (FTTX) to compete with cable peak speeds
- Network disaggregation
- Moving toward off-the-shelf hardware
- Planning for convergence and edge computing

WIRELESS – 5G Upgrade



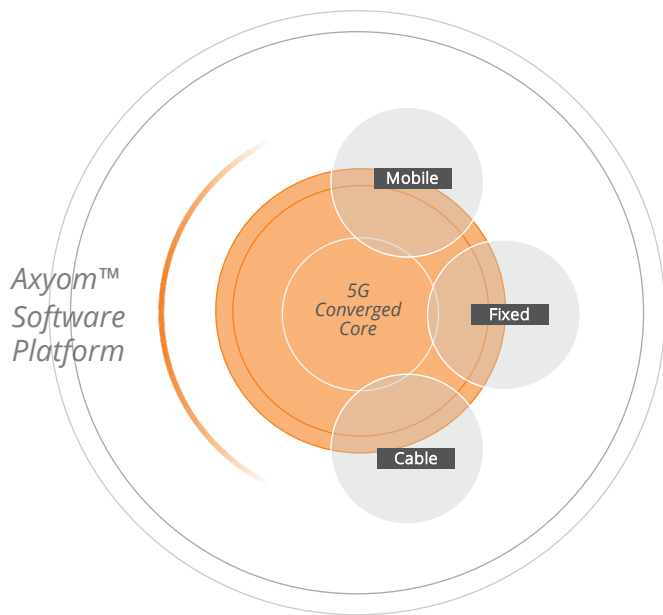
- Virtual LTE core (vEPC)
- 5G upgrade: NSA 2019 & 5G SA 2020+
- Densifying the network with small cell deployment
- FWA: no longer a niche product

Better with NetComm: 5G FWA Example

Casa Multi-Service Core & Radios + NetComm FWA

- 5G mmWave for gigabit speeds
- 5G mmW small cells are going to be ubiquitous.
- mmW mainstream in 2020

Casa Multiservice Core



2019 Financial Results & 2020 Outlook

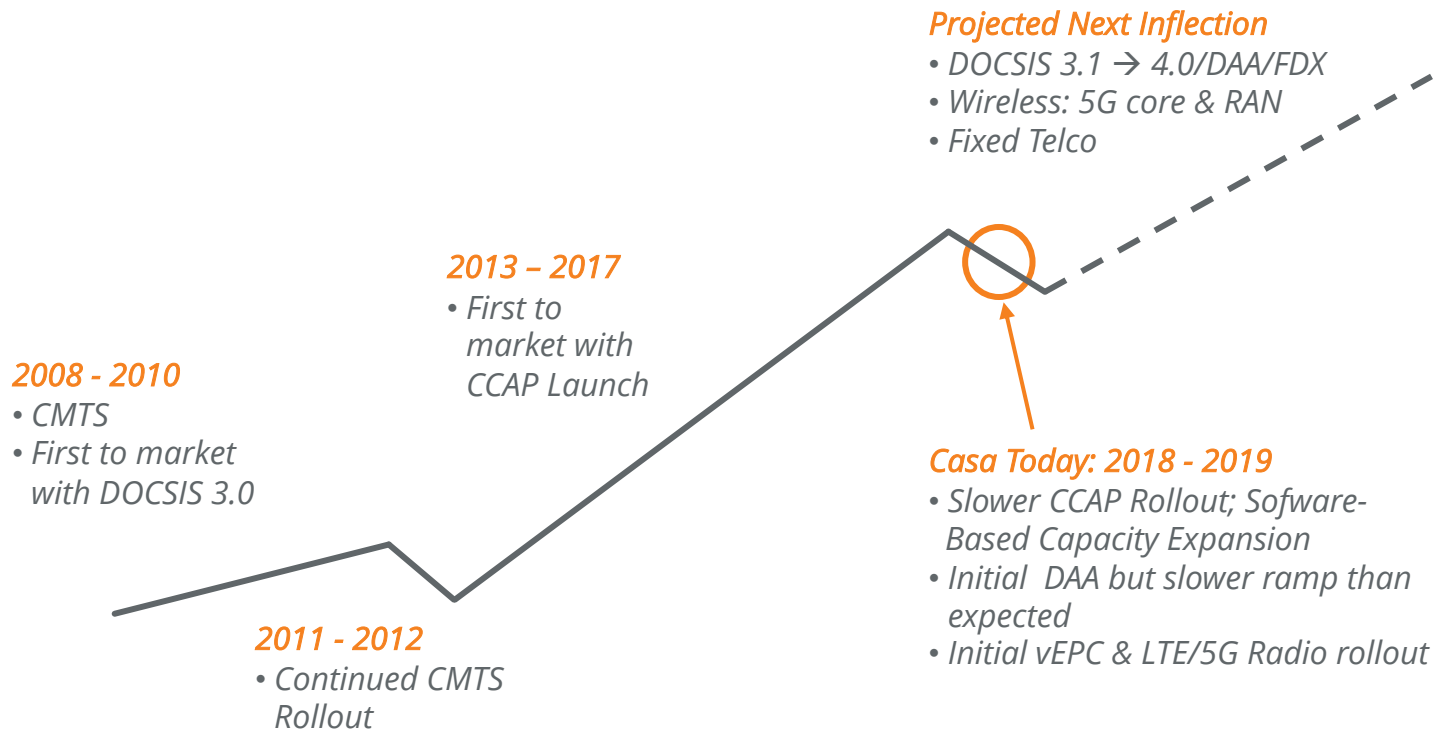
- *Q4 and FY 2019 results above expectations*
 - Increased wireless revenue recognition & improved MSO spend
 - Improved product & customer diversification
 - Gross margin lower due to increased hardware & NetComm products (the “new normal”)
 - GAAP loss driven by tax valuation allowance
- *Outlook for 2020*
 - More stable year
 - Wireless is growth driver
 - Remain cautious on cable
 - New opportunities for virtual router products

2019 Q4 and FY Financial Results / 2020 Guidance

	Q3 2019	Q4 2019	FY 2019	FY 2020 Guidance
GAAP Revenue*	\$81,816	\$112,893	\$282,297	\$340 M - \$360 M
Gross Profit*	\$39,214	\$59,515	\$162,532	
Gross Margin %	47.9%	52.7%	56.6%	50% - 60%
Adjusted EBITDA*	\$3,981	\$18,205	\$23,978	\$33 M - \$43 M
Adj EBITDA Margin %	4.9%	16.1%	8.5%	
GAAP Net Income*	\$(8,498)	\$(25,660)	\$(48,206)	
Non-GAAP Net Income*	\$(2,940)	\$13,134	\$2,615	
GAAP EPS	\$(0.10)	\$(0.31)	\$(0.57)	\$(0.04) - \$(0.16)
Non-GAAP EPS	\$(0.03)	\$0.15	\$0.04	\$0.00 - \$0.12

*in thousands

Casa's Growth Trajectory: Awaiting the Inflection Point



Increased Customer Diversification

Q4 2019

<u>Customer:</u>		<u>%</u>	
Customer A	\$ 20,716	18%	} 4 at 53%
Customer B	14,251	13%	
Customer C	13,620	12%	
Customer D	10,769	10%	
Remaining Top 10	26,689	6%	
Total Top 10 Customers	\$ 86,045	76%	

Q4 2018

<u>Customer:</u>		<u>%</u>	
Customer D	\$ 13,002	19%	} 5 at 76%
Customer B	12,988	19%	
Customer E	10,577	16%	
Customer F	8,316	12%	
Customer G	7,110	10%	
Remaining Top 10	6,834	9%	
Total Top 10 Customers	\$ 58,837	87%	

FY 2019

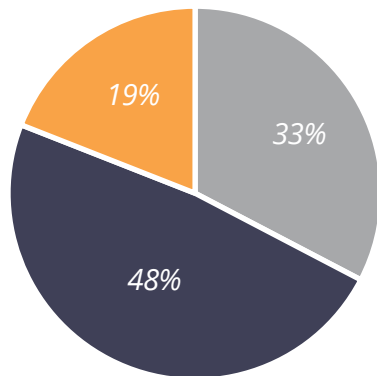
<u>Customer:</u>		<u>%</u>	
Customer B	\$ 40,235	14%	} 2 at 27%
Customer A	37,691	13%	
Remaining Top 10	114,194	41%	
Total Top 10 Customers	\$ 192,120	68%	

FY 2018

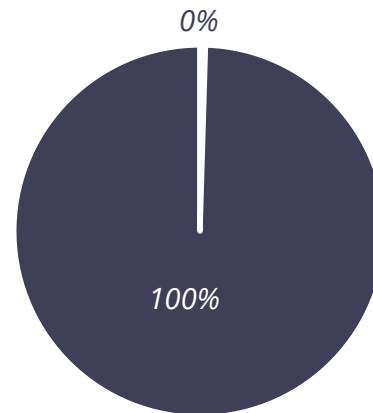
<u>Customer:</u>		<u>%</u>	
Customer B	\$ 80,168	27%	} 4 at 64%
Customer G	42,946	14%	
Customer D	34,194	12%	
Customer E	32,473	11%	
Remaining Top 10	61,485	21%	
Total Top 10 Customers	\$ 251,266	85%	

Increased Product Diversification

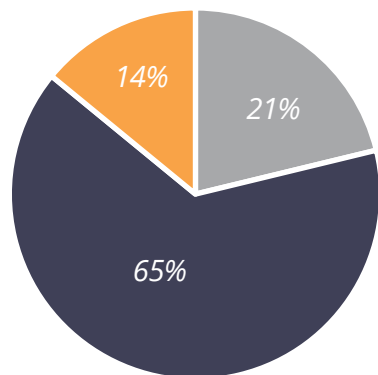
Q4
2019



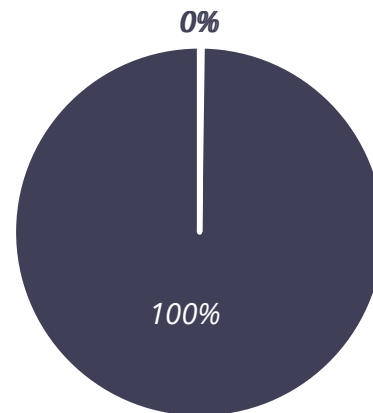
Q4
2018



FY 2019



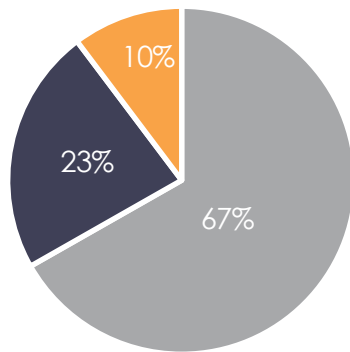
FY 2018



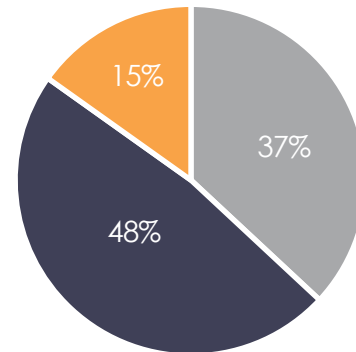
■ Cable ■ Wireless ■ Fixed Telco

Product Mix Driving Gross Margin Change

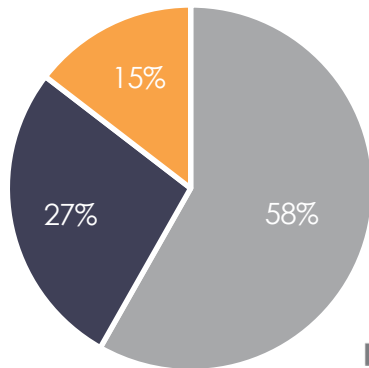
Q4 2019
GM%: 54%



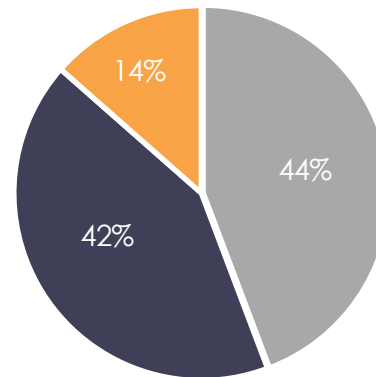
Q4 2018
GM%: 73%



FY 2019
GM%: 59%



FY 2018
GM%: 73%



■ Hardware ■ Software ■ Services

Thank You

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