

Quantenna

is

Wi-Fi Perfected



Semiconductors

System
Software

Cloud
Analytics

Investor Presentation
Q2 2018

Safe Harbor and Non-GAAP Financial Measures

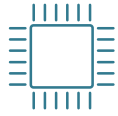


This presentation contains “forward-looking” statements that are based on our beliefs and assumptions and on information currently available to us. Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies, product development plans, competitive position, potential growth opportunities, use of proceeds and the effects of competition. Forward-looking statements include all statements that are not historical facts and can be identified by terms such as “anticipate,” “believe,” “could,” “seek,” “estimate,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “will,” “would” or similar expressions and the negatives of those terms.

Forward-looking statements involve known and unknown risks, uncertainties and other 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. These risks, uncertainties and other factors include, but are not limited to, the risk factors listed in our 10-K filed on February 28, 2018 and subsequent 10-Q filings. Forward-looking statements represent our beliefs and assumptions only as of the date of this presentation. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

This presentation includes certain non-GAAP financial measures as defined by the SEC rules. We have provided a reconciliation of those measures to the most directly comparable GAAP measures, which is available in the appendix to this presentation.

At a Glance



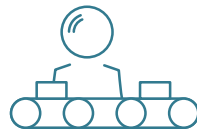
150 million+
chips shipped



60+
products with
Quantenna inside



50+
service providers



40+
OEMs / ODMs



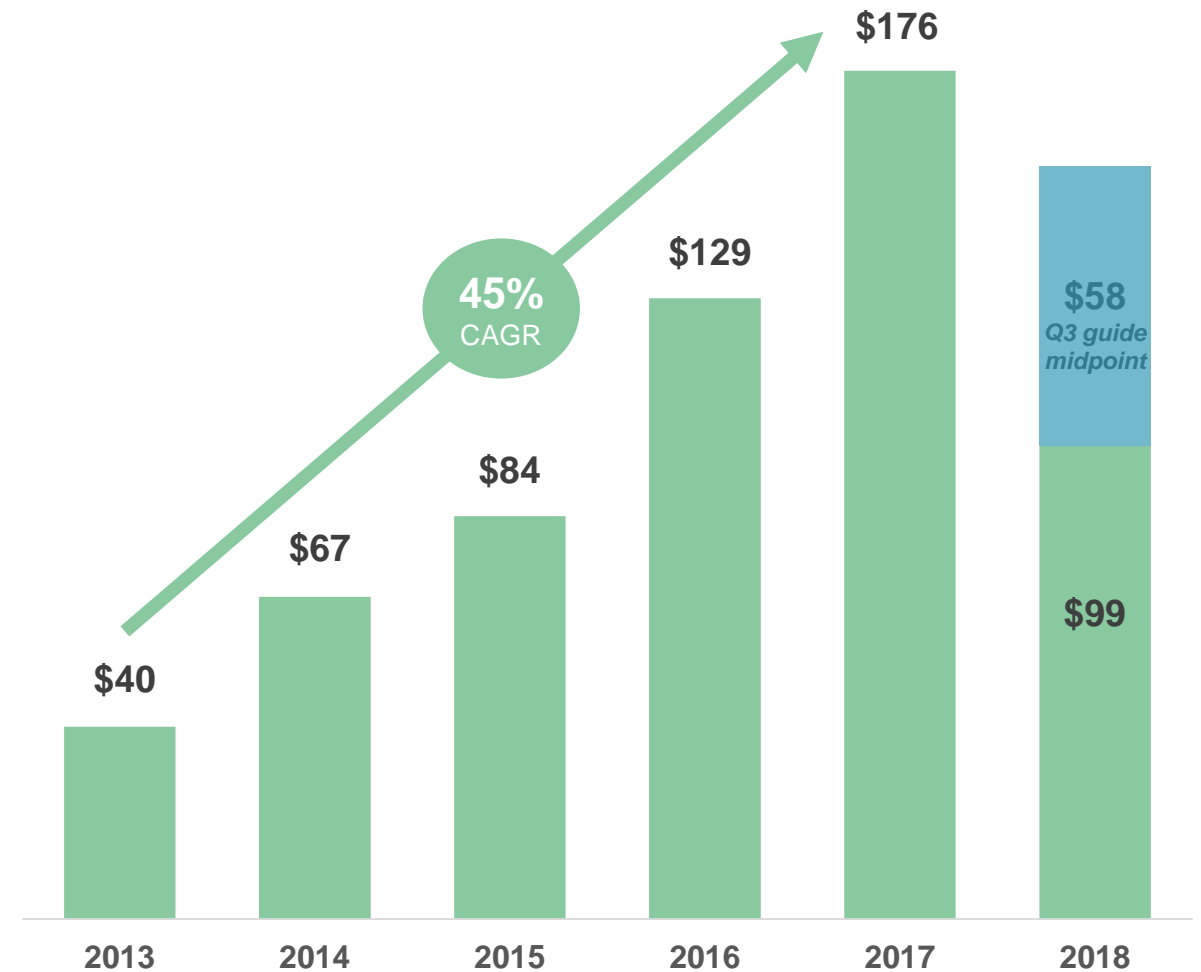
~400
employees



85+
patents

Strong Revenue Growth Profile

\$MM



Company Highlights



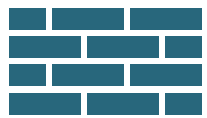
High-performance Wi-Fi leader

Pioneer in both 8x8 and 4x4 advanced MIMO technology
Trendsetter and influencer within IEEE 802.11 standards body



Proven execution & innovation
across four generations of solutions

Land and expand within each product generation yields rapid
revenue growth with less incremental selling expense



Sustainable advantage & multiple
barriers to entry

Over 1,400 man years of R&D and IP development
Demonstrated leadership in 8x8 10G Wave 3, with nationwide
deployment underway at scale



Long product lifecycles and sticky
design wins

Service provider positioning in Wi-Fi is unmatched
Over 90% follow-on design success with existing sockets



Demonstrated initial success with
multiple growth drivers

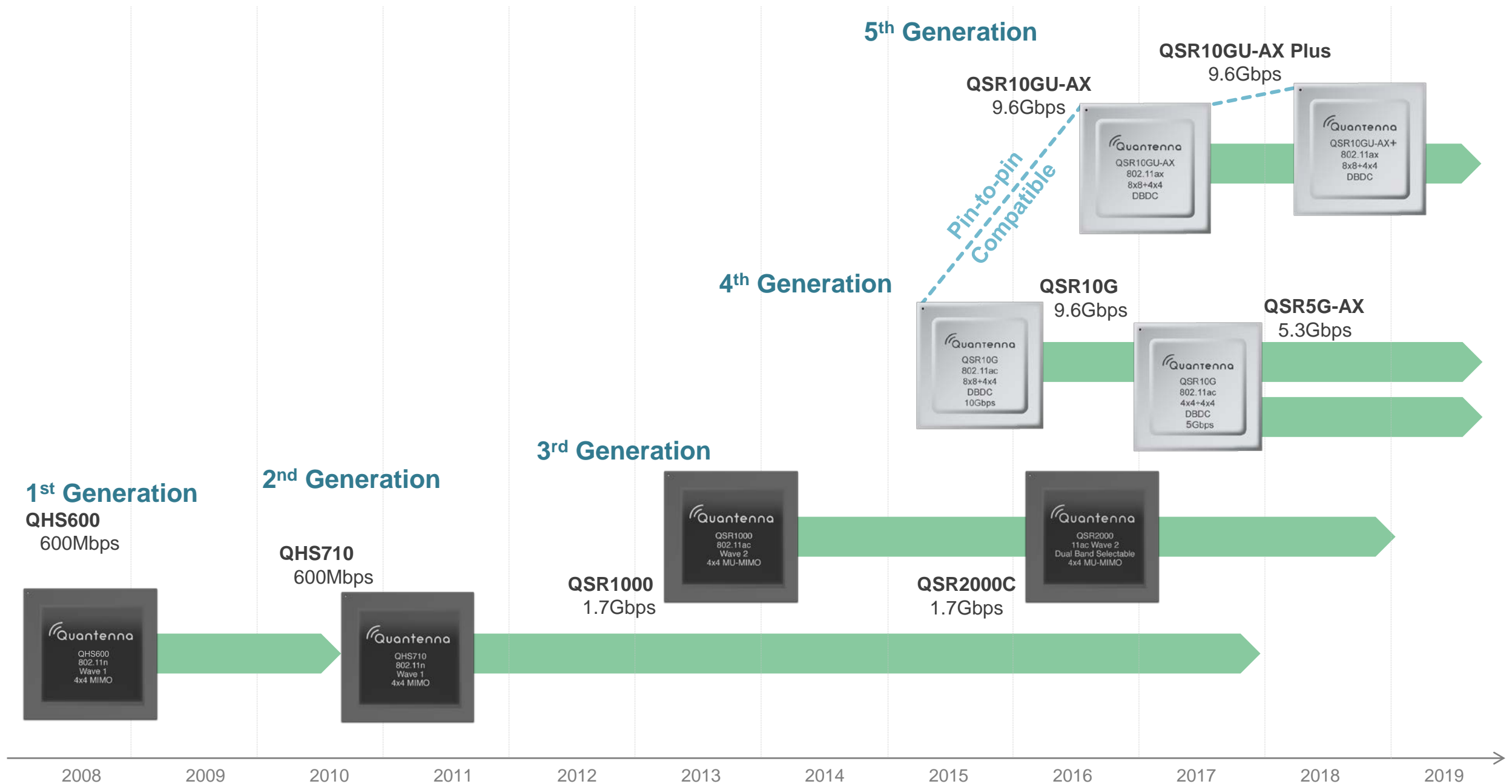
Service provider telco opened up satellite opportunity >> current
opportunity is cable MSO >> future is retail and enterprise



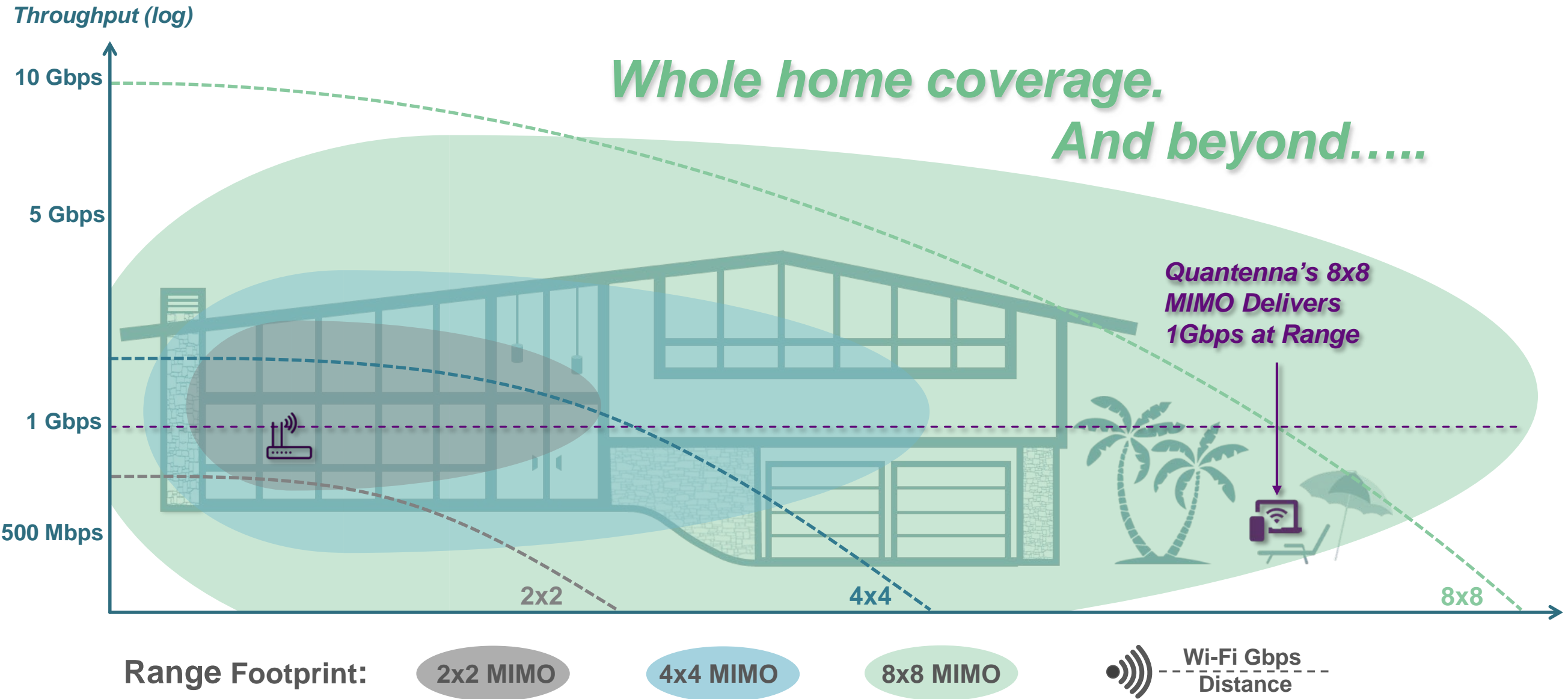
Attractive financial model with
significant operating leverage

Drove a 45% CAGR in revenue over last five years
Generated cash from operations for the last two fiscal years
Strong gross margin profile of ~50%

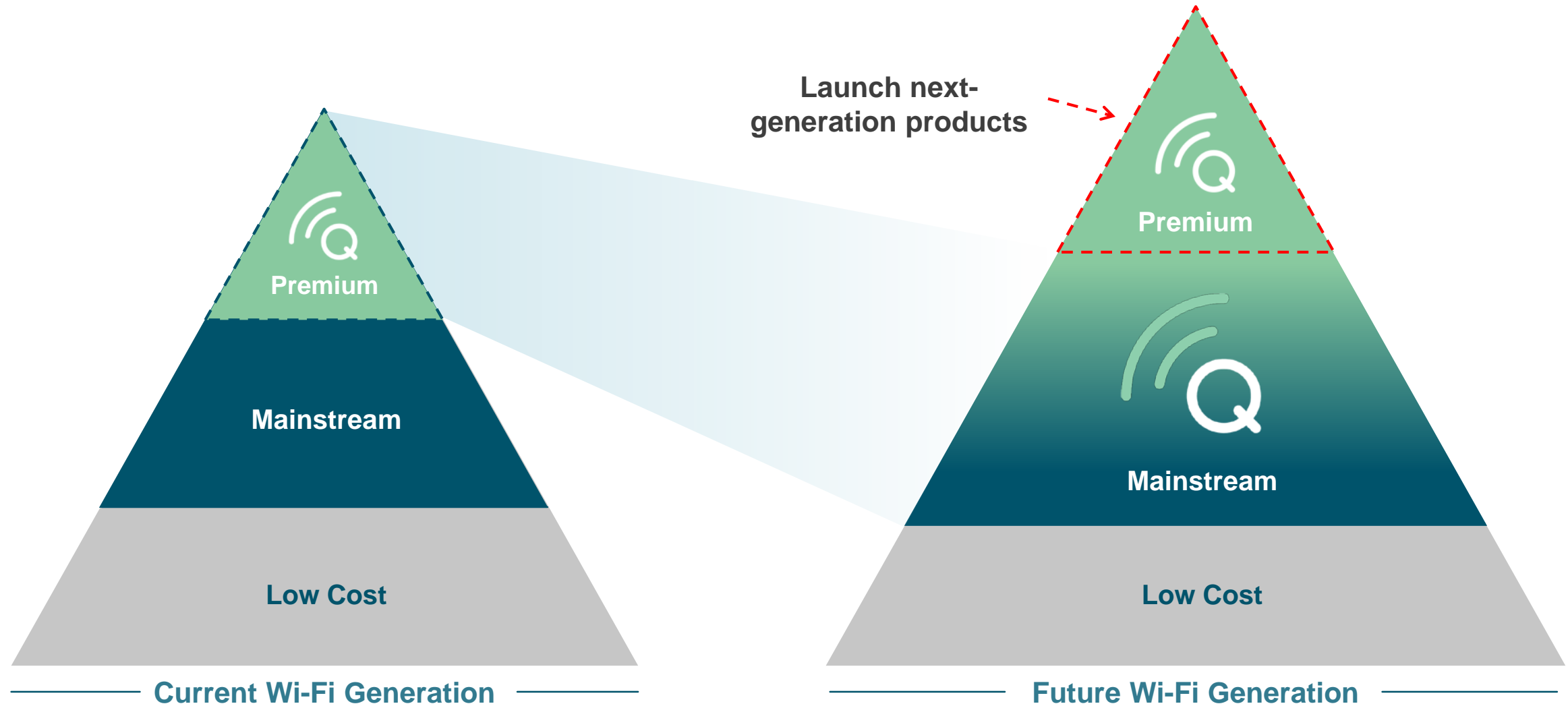
Product Family History and R&D Roadmap



Our Value Proposition with 8x8 MIMO



Premium Strategy Drives Share Gains Each Tech Cycle



✓ Continue leadership in the premium market with new products

✓ Extend the previous generation to mainstream with cost-optimized products and introduce new products

Sizing Up the Premium Wi-Fi Market

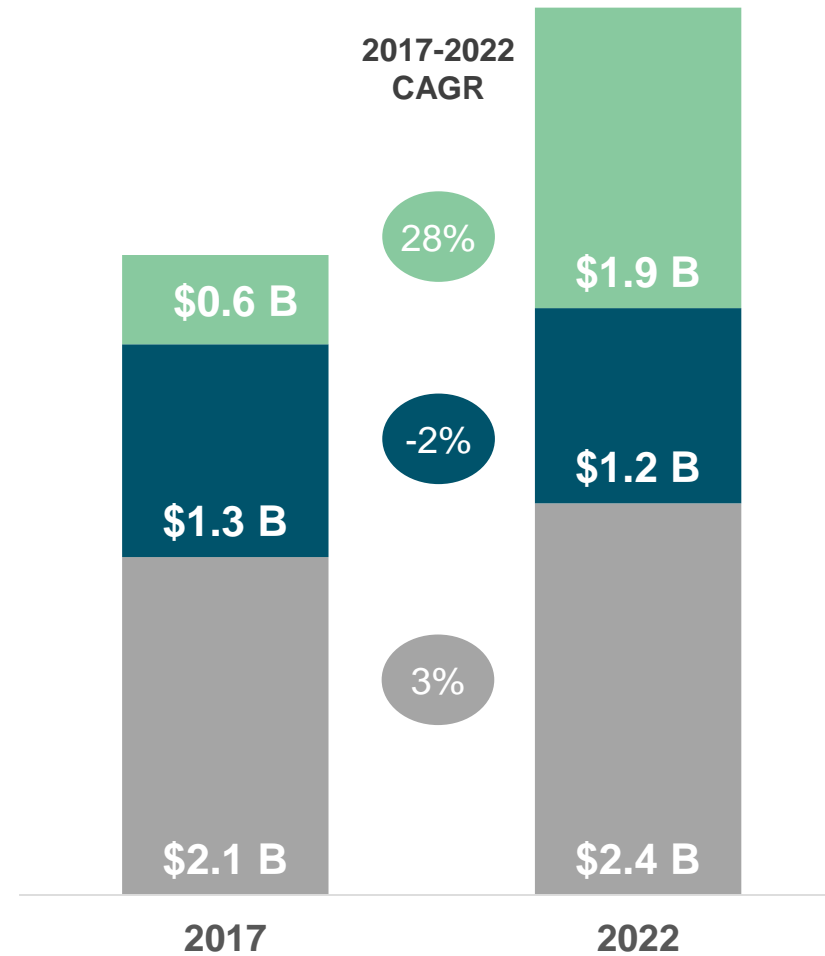


Quantenna's premium Wi-Fi technology leads the high performance, fixed-point device market.

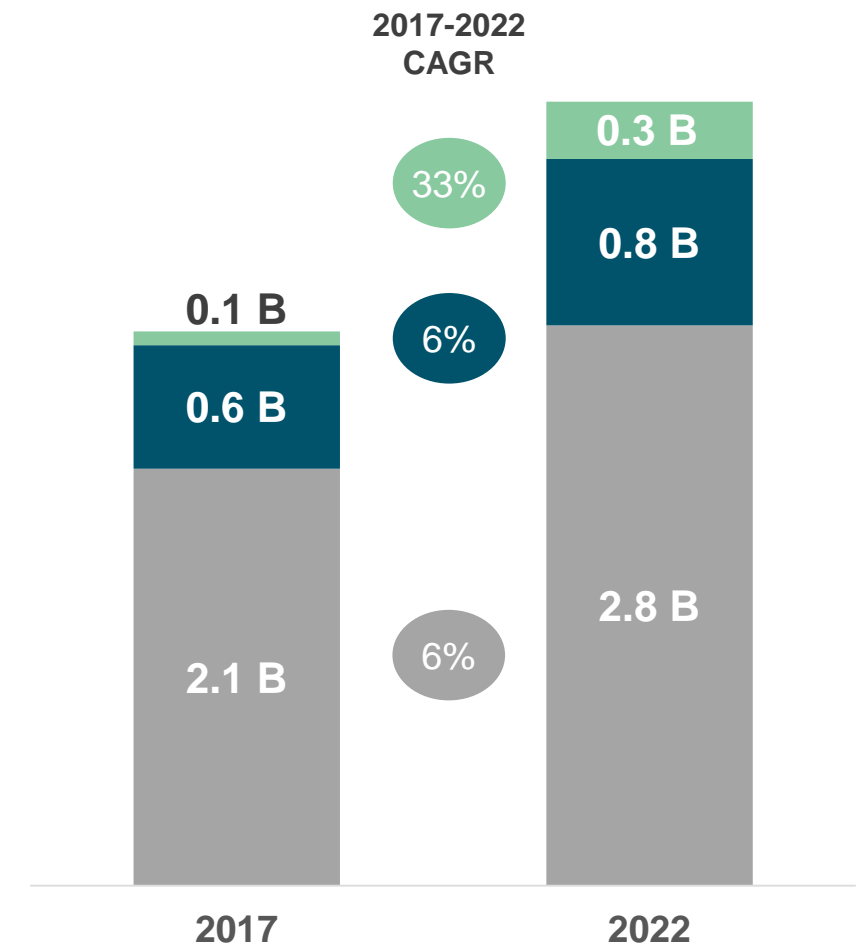
- Premium Wi-Fi* in Fixed-Point Devices
- Mainstream Wi-Fi in Fixed-Point Devices
- Wi-Fi in Portable Devices

* Premium Wi-Fi chipsets are defined by 4x4 MIMO or higher performance.

Total Wi-Fi Chipset Revenue

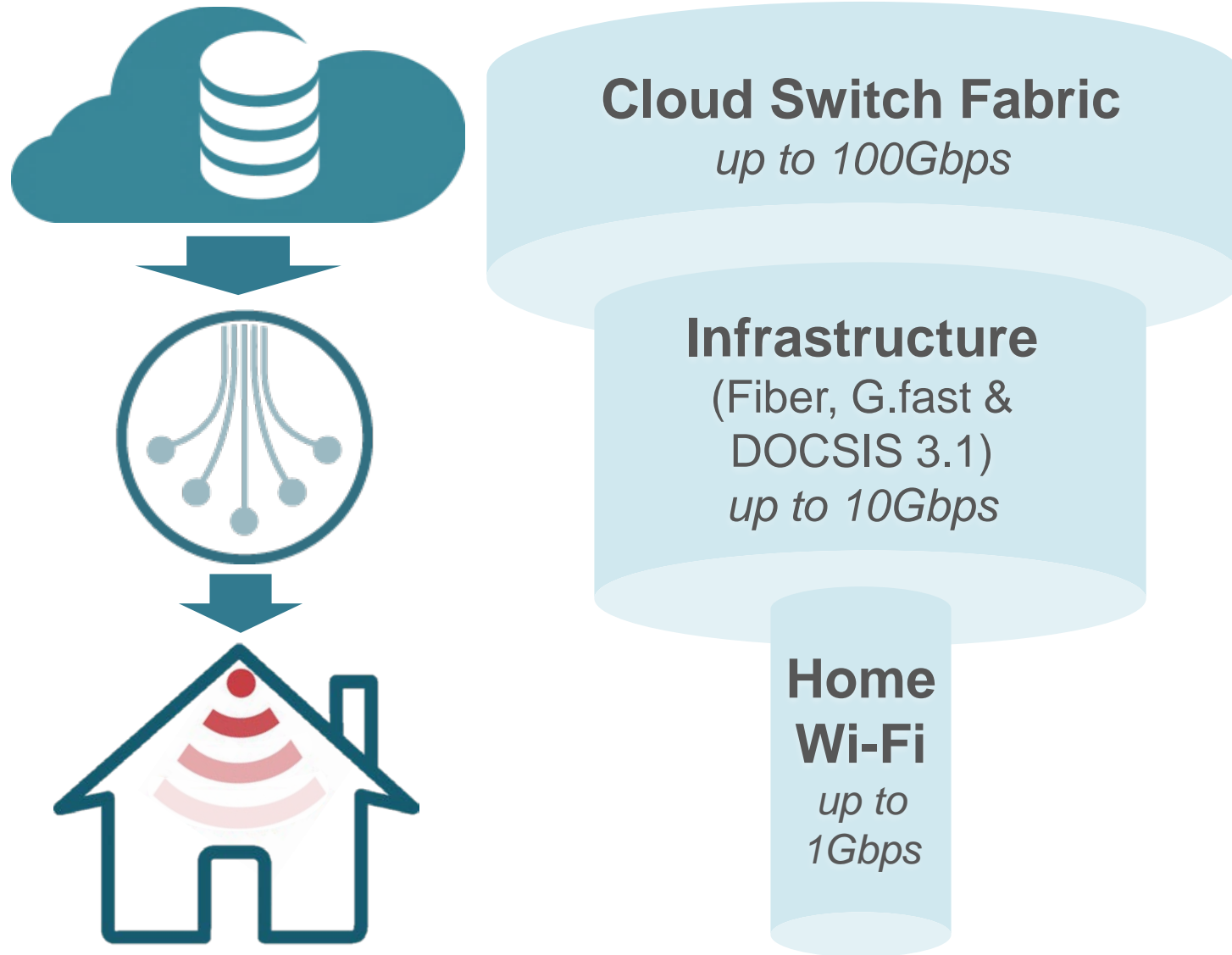


Total Wi-Fi Enabled Device Shipments

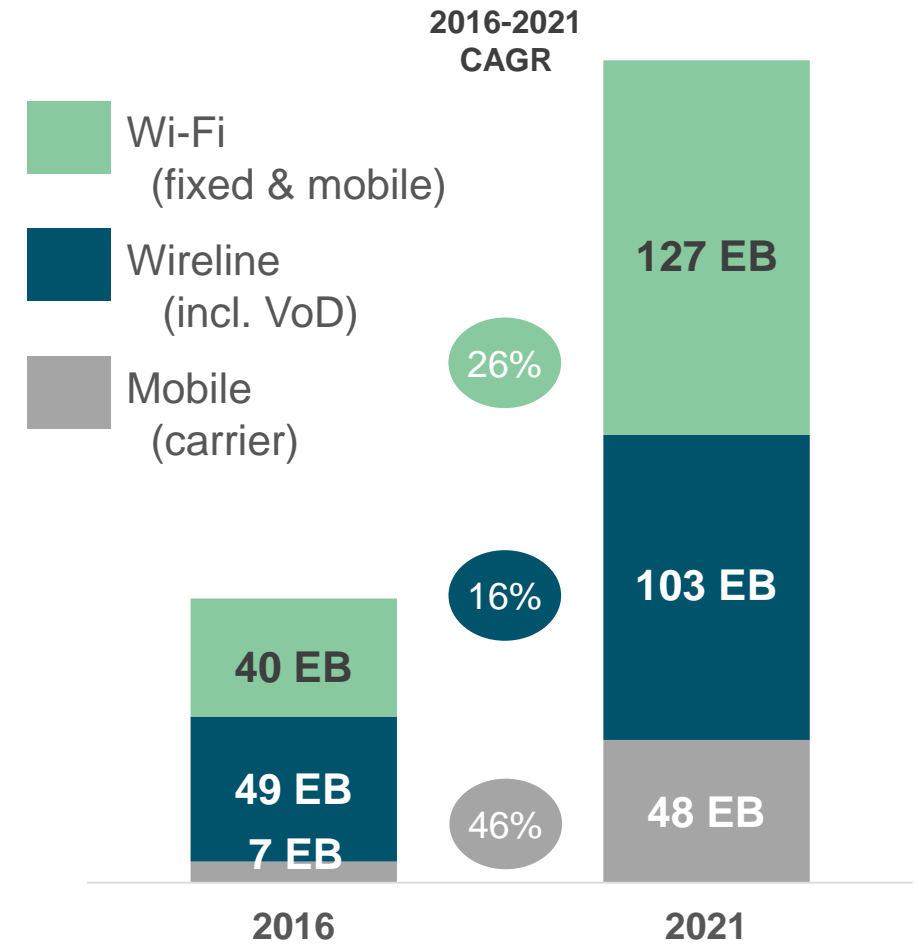


Source: ABI Research Wi-Fi Device Report 2Q 2018 and Quantenna assumptions
 Portable Devices include smartphones, feature phones, mobile device accessories, portable PCs, tablets, PC accessories, portable consumer electronics, smart home nodes and wearables.
 Non-Portable Devices include networking, connected home devices, gateways, set-top boxes, televisions, gaming consoles, desktop PCs, automotive, industrial, IoT, and others.

Explosive IP Traffic Growth Stresses Wi-Fi Bottleneck



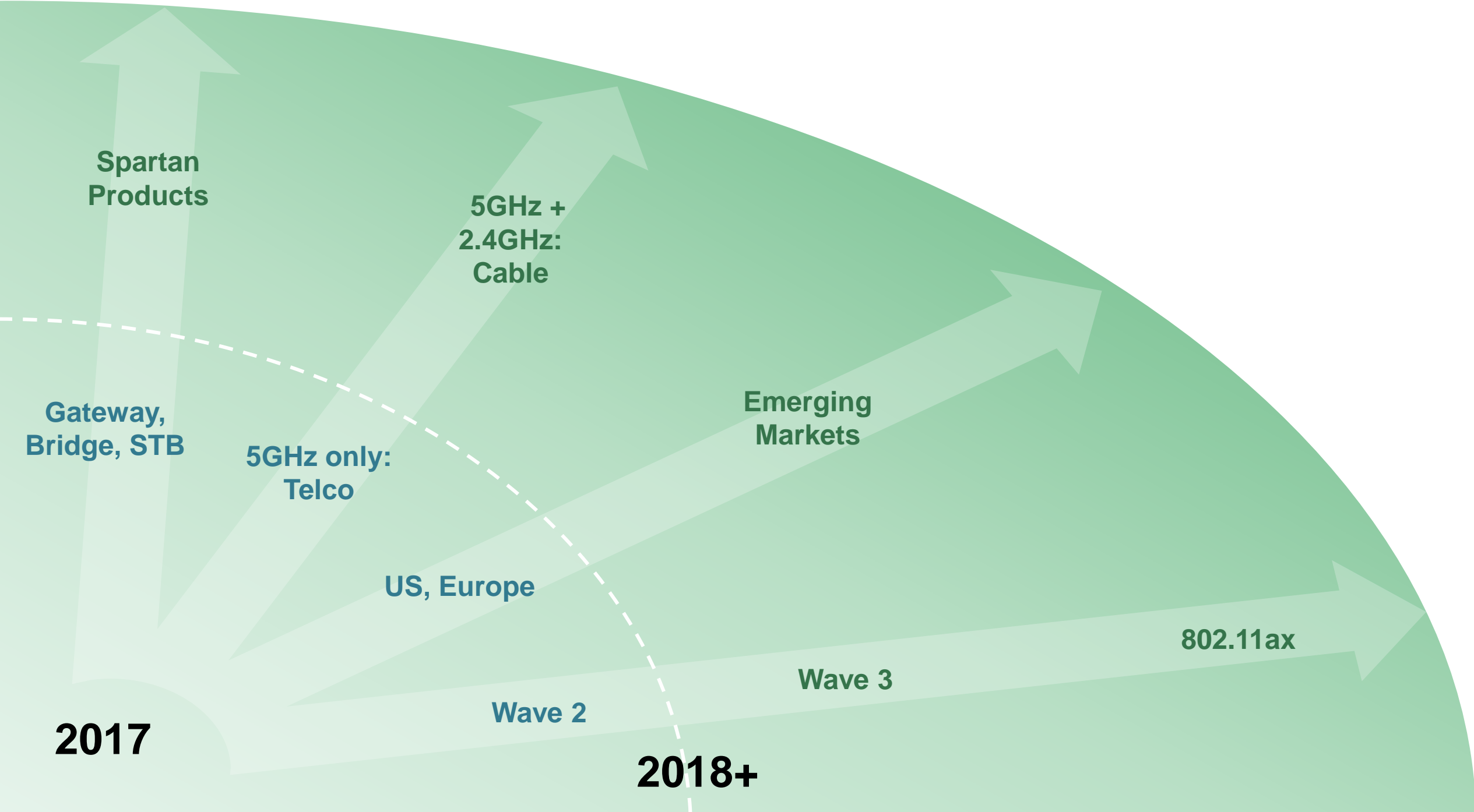
Worldwide IP Traffic in Exabytes per Month



Wi-Fi will deliver 48% of WW IP traffic growth from 2016-2021

Source: Cisco Visual Networking Index: Forecast and Methodology for Consumer & Business IP Traffic, 2016-2021; updated June 6, 2017

New Initiatives Expanding Served Markets



Q2 2018 Financial Highlights



Record quarterly revenue of \$53.4 million

- 13% Y/Y growth vs Q2 2017
- 18% Q/Q growth vs Q1 2018
- 21% Y/Y growth TTM 2018

Gross margin of 48.5%

- Above midpoint of 47% to 49% guidance range

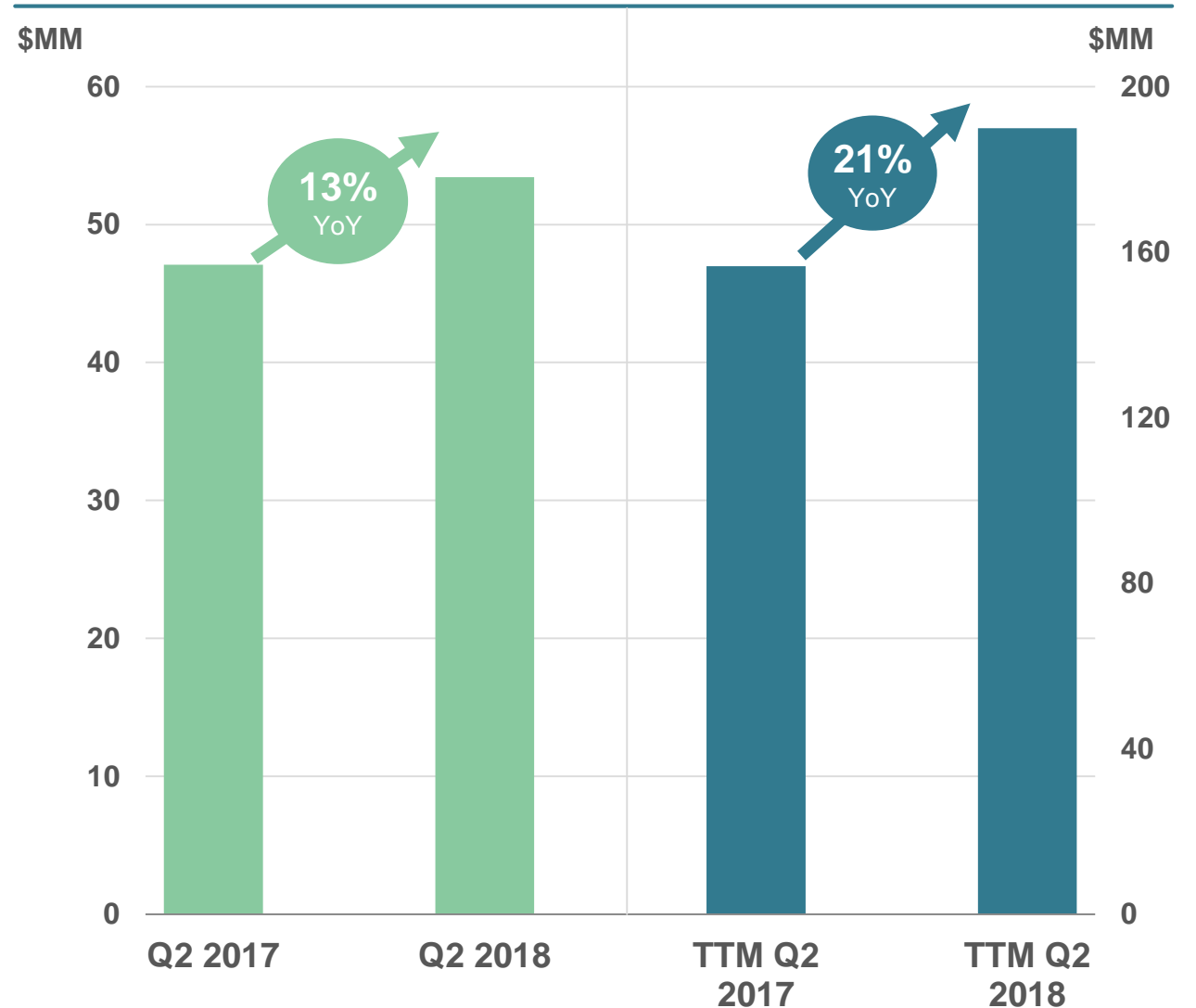
Operating cash flow positive year to date

- YTD cash from ops \$3.9 million or \$0.10/share

Strong Earnings Performance

- \$4.6 million net income
- \$0.12 in EPS
 - Exceeded \$0.07 to \$0.09 guidance range

Strong Revenue Growth Profile



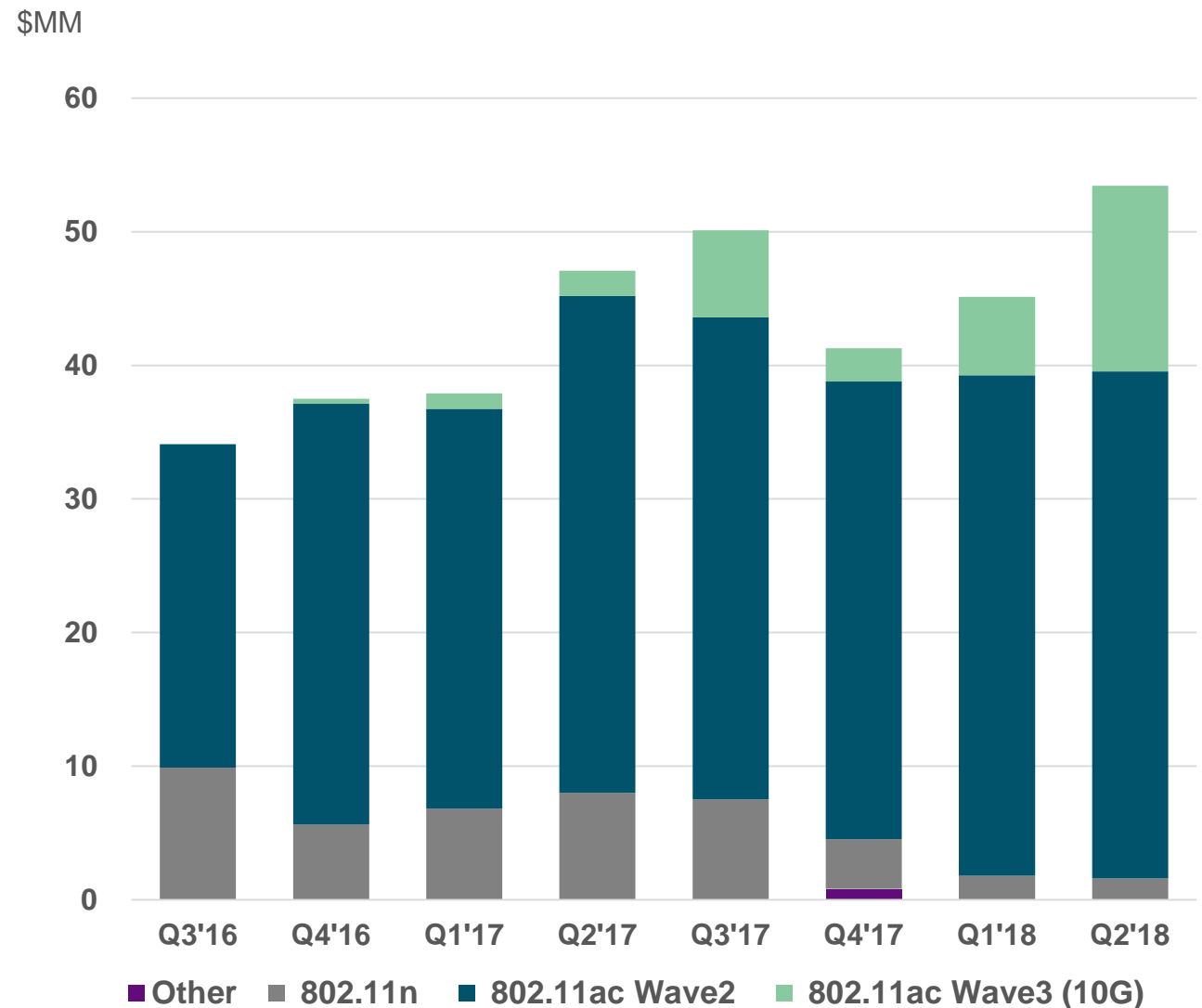
*Gross margin, income and EPS figures are fully diluted based on non-GAAP reporting which excludes stock-based compensation and other specified one-time items. See reconciliation table. TTM means trailing twelve months.

Wi-Fi Technology Segmentation Highlights



- 802.11ac Wave 3 (10G) revenue
 - Q2 grew \$8.0 million or 137% Q/Q to \$13.9 million
 - Q3 revenue expected to grow Q/Q to the range of \$16-18 million
- 802.11ac Wave 2 revenue
 - Q2 grew 1% Q/Q to \$37.9 million
 - Q3 revenue is expected to be slightly up Q/Q
- 802.11n revenue
 - Q2 declined 11% Q/Q to \$1.6 million
 - Q3 revenue is expected to decline Q/Q and for the remainder of 2018

Technology Cycles Drive Growth



Operating Results & Guidance



	2016	2017	Q1 2018	Q2 2018	Q3 2018 Guidance
Revenue	\$129.1	\$176.4	\$45.1	\$53.4	\$57mm - \$59mm
Gross Margin	50%	50%	51%	49%	GAAP: 48.64% +/- 50bps non-GAAP: 48.75% +/- 50bps
OPEX	48%	44%	48%	40%	GAAP: \$26mm to \$27mm non-GAAP: \$22mm to \$23mm
EPS	\$0.04	\$0.26	\$0.03	\$0.12	GAAP: \$0.04 – \$0.06 non-GAAP: \$0.14 – \$0.16

*Gross margin, OPEX and EPS figures are based on non-GAAP reporting which excludes stock-based compensation and other one-time items.

Balance Sheet Summary



	2016	2017	Q1 2018	Q2 2018
Cash, Cash Equivalents & Marketable Securities	\$117.0	\$118.6	\$120.1	\$120.1
Total Assets	\$154.8	\$212.7	\$220.1	\$226.8
Total Debt	\$5.9	\$3.9	\$0.0	\$0.0
Total Liabilities	\$26.0	\$32.1	\$37.4	\$35.3
Total Stockholders' Equity	\$128.7	\$180.6	\$182.6	\$191.5

Appendix



Non-GAAP to GAAP Operating Margin Reconciliation



	2015	2016	2017	Q1 2018	Q2 2018
Non-GAAP Gross Margin	49%	50%	50%	51%	49%
SBC: Gross Margin	0%	0%	0%	0%	0%
GAAP Gross Margin	49%	50%	50%	51%	48%
Non-GAAP Operating Margin	(6%)	2%	6%	2%	9%
SBC: R&D	0%	1%	3%	5%	5%
SBC: S&M	1%	0%	1%	2%	1%
SBC: G&A	1%	1%	2%	3%	2%
Non-recurring items	0%	0%	0%	0%	0%
GAAP Operating Margin	(7%)	(1%)	(1%)	(8%)	1%

SBC means stock-based compensation, non-recurring items comprised of executive severance, percentages may not total due to rounding

Non-GAAP to GAAP Net Margin Reconciliation



	2015	2016	2017	Q1 2018	Q2 2018
Non-GAAP Net Margin	(7%)	1%	6%	3%	9%
SBC: Gross Margin	0%	0%	0%	0%	0%
SBC: R&D	0%	1%	3%	5%	5%
SBC: S&M	1%	0%	1%	2%	1%
SBC: G&A	1%	1%	2%	3%	2%
Non-recurring items	0%	0%	(20%)	0%	(1%)
GAAP Net Margin	(8%)	(1%)	20%	(7%)	2%

SBC means stock-based compensation, non-recurring items comprised of executive severance and income tax adjustment relating to recognition of US Federal deferred tax asset pursuant to release of valuation allowance. Percentages may not total due to rounding



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