
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (date of earliest event reported): February 4, 2019

**QUANTENNA COMMUNICATIONS, INC.
(Exact name of registrant as specified in its charter)**

**Delaware
(State or other jurisdiction
of incorporation)**

**001-37927
(Commission
File No.)**

**33-1127317
(IRS Employer
Identification Number)**

**1704 Automation Parkway
San Jose, California 95131
(Address of principal executive offices)**

**(669) 209-5500
(Registrant's telephone number, including area code)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On February 4, 2019, Quantenna Communications, Inc. (the “Company”) issued a press release announcing its financial results for the fourth quarter and fiscal year ended December 30, 2018. In the press release, the Company also announced that it would be holding a conference call on February 4, 2019 to discuss its financial results for the fourth quarter and fiscal year ended December 30, 2018. The full text of the press release is attached hereto as Exhibit 99.1, and a copy of the supplemental financial commentary and supplemental earnings presentation is attached hereto as Exhibit 99.2 and 99.3, respectively. The press release, supplementary financial commentary and supplemental earnings presentation are incorporated herein by reference.

This information is intended to be furnished under Item 2.02 and Item 9.01 of Form 8-K, “Results of Operations and Financial Condition” and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, nor shall be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
<u>99.1</u>	Press Release issued by Quantenna Communications, Inc., dated February 4, 2019.
<u>99.2</u>	Supplemental Financial Commentary, dated February 4, 2019.
<u>99.3</u>	Supplemental Earnings Presentation, dated February 4, 2019.

EXHIBIT INDEX

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 4, 2019

QUANTENNA COMMUNICATIONS, INC.

By: /s/ Tom MacMitchell

Tom MacMitchell

General Counsel



News Release

Quantenna Announces Fourth Quarter and Fiscal 2018 Financial Results

Record Quarterly Revenue Grew 52% Annually Driven by Quantenna's Product Strategy

San Jose, CA – February 4, 2019 – Quantenna Communications, Inc. (NASDAQ:QTNA), a global leader and innovator of leading-edge performance Wi-Fi solutions, today announced preliminary unaudited financial results for the fourth quarter and fiscal year 2018 ended December 30, 2018.

"Our strong fourth quarter and annual operating results showcase the success of our broad product portfolio as both our premium Wave 3 10G product and high-performance mainstream Wave 2 product experienced record revenue. We continue to experience strong customer engagement with our products, including our family of Wi-Fi 6 product offerings," commented Dr. Sam Heidari, Chairman and Chief Executive Officer.

Financial Summary

	Three Months Ended			Twelve Months Ended		
	December 30, 2018	December 31, 2017	% Change	December 30, 2018	December 31, 2017	% Change
<i>(in thousands except per share data, unaudited)</i>						
Revenue	\$ 62,567	\$ 41,275	51.6%	\$ 220,460	\$ 176,359	25.0%
Gross Profit	31,283	21,279	47.0%	109,402	88,151	24.1%
Gross Margin	50.0%	51.6%	(160) bps	49.6%	50.0%	(40) bps
Net income:						
GAAP	\$ 1,419	\$ 32,325		\$ 3,083	\$ 34,412	
Non-GAAP	7,619	455		20,371	9,989	
Net income per share - diluted:						
GAAP	\$ 0.04	\$ 0.84		\$ 0.08	\$ 0.89	
Non-GAAP	0.19	0.01		0.51	0.26	

Commentary on the fourth quarter and fiscal year 2018 financial results by Company management is available at <http://ir.quantenna.com/>.

Please see the note below regarding the use of non-GAAP financial measures, including a detailed reconciliation between GAAP and non-GAAP information in the tables included herein.

Fourth Quarter and Fiscal Year 2018 Company Highlights

- Record revenue of \$220.5 million in fiscal year 2018 represented year over year growth of 25% compared to fiscal year 2017. Record revenue of \$62.6 million in the fourth quarter represented year over year growth of 52% over the fourth quarter of 2017.
- Fiscal year 2018 GAAP diluted EPS of \$0.08 compared to \$0.89 in fiscal year 2017. Fourth quarter GAAP diluted EPS of \$0.04 compared to \$0.84 in the fourth quarter of 2017.
- Record fiscal year 2018 non-GAAP diluted EPS of \$0.51 compared to \$0.26 in fiscal year 2017. Record fourth quarter of 2018 non-GAAP diluted EPS of \$0.19 compared to \$0.01 in the fourth quarter of 2017.
- GAAP operating income of \$2.8 million and non-GAAP operating income of \$20.1 million in fiscal year 2018, compared to GAAP operating loss of \$(0.9) million and non-GAAP operating income of \$9.9 million in fiscal year 2017.
- Cash from operations totaled \$24.8 million in fiscal year 2018, compared to \$6.6 million in fiscal year 2017, representing annual growth of 274%. Fourth quarter cash from operations totaled \$5.1 million compared to \$(7.6) million in the fourth quarter of 2017.
- Record revenue from both our Wave 3 10G and Wave 2 product segments.
- Reinforced our strategic partnership with Telefónica, a leading global service provider, with the development of new product offerings utilizing our Wi-Fi 6 solutions.
- Starry Inc., a next generation service provider using 5G millimeter wave technology, will use our Wi-Fi 6 chipsets in their base station technology.
- Delivered Wi-Fi 6 reference designs for next generation GPON gateways and routers with Cortina Access, Inc.
- Introduced Spartan Essential, a turn-key design targeting multiple consumer Wi-Fi applications such as mesh, access point for wired extenders and boosters for upgrading existing gateways.
- Orange S.A., the largest broadband provider in France, is using our Wave 2 technology for its latest generation of repeaters and set-top boxes.

Business Outlook

	First Quarter 2019 Guidance Range
Revenue	\$56M to \$59M
Gross Margin	
GAAP	50.4% +/- 50bps
Non-GAAP	50.5% +/- 50bps
Operating Expenses	
GAAP	\$27.4M to \$28.4M
Non-GAAP	\$23.0M to \$24.0M
Net income per share-diluted	
GAAP	\$0.02 to \$0.04
Non-GAAP	\$0.13 to \$0.15

Gross margin, operating expense and net income GAAP to Non-GAAP reconciliation relates to stock-based compensation expense and change in deferred tax assets.

Webcast and Conference Call

Quantenna management will host a conference call discussing the quarterly results and business outlook following this press release at 1:30 p.m. Pacific Time today. Individuals interested in listening to the conference call may do so by dialing (877) 239-5585 for domestic callers or (661) 378-9806 for international callers. Please reference Conference ID: 5966507. An audio webcast and replay will be available on the "Investor Relations" section of Quantenna's website at <http://ir.quantenna.com/events.cfm>.

Non-GAAP Financial Measures

In addition to GAAP reporting, Quantenna provides information regarding net income, gross profit, gross margin, and operating expenses on a non-GAAP basis. This non-GAAP information excludes stock-based compensation expense and changes to deferred tax balances. These non-GAAP measures are used by the Company's management for the purposes of evaluating the underlying operating performance of the Company, establishing internal budgets, comparing performance with internal forecasts and goals, strategic planning, benchmarking against other companies, to provide a more consistent basis of comparison and to enable more meaningful period to period comparisons. These non-GAAP measures are provided in addition to, and not as a substitute for, measures of financial performance prepared in accordance with GAAP. A reconciliation between GAAP and non-GAAP financial data is included in the supplemental financial tables included in this press release.

Forward-Looking Statements

This press release contains forward-looking statements based on Quantenna's current expectations, including statements regarding Quantenna's preliminary financial results for the fourth quarter and fiscal year 2018 ended December 30, 2018, forecasted financial results for the first quarter of fiscal 2019, expected future business and financial performance, growth opportunities, product technologies and customer relationships. The words "believe," "estimate," "expect," "intend," "anticipate," "plan," "project," "will" and similar phrases as they relate to Quantenna are intended to identify such forward-looking statements. These forward-looking statements reflect the current views and assumptions of Quantenna and

are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Among the factors that could cause actual results to differ materially from those in the forward-looking statements are the following: challenges developing new and leading edge products on a timely basis that achieve market acceptance; quarterly fluctuations in revenues and operating results; risks and uncertainties related to international operations, including the impact of increased tariffs and escalating trade tensions with China directly and indirectly impacting Quantenna and its customers, end customers, vendors and partners; potential cancellation, delay or volatility of customer orders; intense market competition, including competition from other companies that are larger and have greater resources and broader product ecosystem offerings; ability to accurately predict future revenue and expenses; risks that Quantenna may not be able to maintain its historical growth or achieve similar levels of success with respect to new products; ability to attract and retain customers and service providers; dependence on a limited number of products and customers; the complexity of the products, including integration requirements with components from other third parties that are outside of Quantenna's control; intellectual property litigation risks; industry consolidation and risks associated with acquisitions, divestitures and strategic partnerships with respect to Quantenna as well as third parties; product liability risks; dependence of Quantenna's customers on components from other third parties; risks that Quantenna may not be able to manage strains associated with its growth; dependence on key personnel; stock price volatility; the cyclical nature of the semiconductor industry; changes in tax and other laws affecting Quantenna's business and operations; cyberattacks; adjustments to the preliminary financial results reported in this press release and related earnings call announcement and materials for the fourth quarter of 2018 in connection with completion of the final closing process and procedures and preparation of our preparation of our Annual Report on Form 10-K; and other factors that are detailed in the Securities and Exchange ("SEC") filings of Quantenna, which you may obtain for free at the SEC's website at <http://www.sec.gov>. Quantenna disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

About Quantenna Communications

[Quantenna](#) (Nasdaq:QTNA) is the global leader and innovator of high performance Wi-Fi solutions. Founded in 2006, Quantenna has demonstrated its leadership in Wi-Fi technologies with many industry firsts. Quantenna continues to innovate with the mission to perfect Wi-Fi by establishing benchmarks for speed, range, efficiency and reliability. Quantenna takes a multidimensional approach, from silicon and system to software, and provides total Wi-Fi solutions. For more information, visit www.quantenna.com.

Quantenna Communications, Inc.
Condensed Consolidated Statements of Operations
(in thousands except per share data, unaudited)

	Three Months Ended		Twelve Months Ended	
	December 30, 2018	December 31, 2017	December 30, 2018	December 31, 2017
Revenue	\$ 62,567	\$ 41,275	\$ 220,460	\$ 176,359
Cost of revenue	31,284	19,996	111,058	88,208
Gross profit	31,283	21,279	109,402	88,151
Operating expenses:				
Research and development	19,054	16,048	71,522	59,747
Sales and marketing	3,996	4,487	16,303	14,040
General and administrative	5,165	4,069	18,767	15,299
Total operating expenses	28,215	24,604	106,592	89,086
Income (loss) from operations	3,068	(3,325)	2,810	(935)
Interest expense	—	(272)	—	(713)
Other income, net	432	509	1,239	1,118
Income (loss) before income taxes	3,500	(3,088)	4,049	(530)
Benefit (provision) for income taxes	(2,081)	35,413	(966)	34,942
Net income	\$ 1,419	\$ 32,325	\$ 3,083	\$ 34,412
Net income per share - basic	\$ 0.04	\$ 0.92	\$ 0.08	\$ 1.00
Net income per share - diluted	\$ 0.04	\$ 0.84	\$ 0.08	\$ 0.89
Shares used in computing net income per share:				
Basic	37,527	35,316	36,744	34,259
Diluted	40,027	38,281	39,663	38,484

Quantenna Communications, Inc.
Condensed Consolidated Balance Sheets
(in thousands, unaudited)

	December 30, 2018	December 31, 2017
	<u> </u>	<u> </u>
Assets		
Current assets		
Cash and cash equivalents	\$ 38,881	\$ 24,432
Marketable securities	97,268	94,195
Accounts receivable	28,326	26,786
Inventory	20,218	12,662
Prepaid expenses and other current assets	5,325	2,744
Total current assets	<u>190,018</u>	<u>160,819</u>
Deferred tax assets, net	35,563	35,422
Property and equipment, net	13,691	12,511
Intangible and other assets, net	6,384	3,952
Total assets	<u><u>\$ 245,656</u></u>	<u><u>\$ 212,704</u></u>
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 9,852	\$ 3,754
Accrued liabilities and other current liabilities	25,946	21,065
Long-term debt, current portion	—	3,943
Total current liabilities	<u>35,798</u>	<u>28,762</u>
Other long-term liabilities	<u>3,371</u>	<u>3,339</u>
Total liabilities	<u>39,169</u>	<u>32,101</u>
Stockholders' equity		
Common stock	4	3
Additional paid-in capital	331,551	308,023
Accumulated other comprehensive loss	(935)	(207)
Accumulated deficit	<u>(124,133)</u>	<u>(127,216)</u>
Total stockholders' equity	<u>206,487</u>	<u>180,603</u>
Total liabilities and stockholders' equity	<u><u>\$ 245,656</u></u>	<u><u>\$ 212,704</u></u>

Quantenna Communications, Inc.
Condensed Consolidated Cash Flows
(in thousands, unaudited)

	Year Ended	
	December 30, 2018	December 31, 2017
Cash flows from operating activities		
Net income	\$ 3,083	\$ 34,412
Adjustments to reconcile net income to net cash provided by operating activities:		
Stock based compensation	17,289	10,683
Depreciation and amortization	4,861	2,669
Deferred income taxes	53	(35,333)
Other	1,067	635
Changes in assets and liabilities:		
Accounts receivable	(1,540)	(12,306)
Inventory	(7,556)	3,158
Prepaid expenses and other current assets	(2,581)	(335)
Deferred rent and other assets	313	(467)
Accounts payable	5,791	(5,752)
Accrued liabilities and other current liabilities	4,040	9,265
Net cash provided by operating activities	<u>24,820</u>	<u>6,629</u>
Cash flows from investing activities		
Purchase of property and equipment	(5,100)	(8,970)
Purchase of long-term investment	(590)	—
Purchase of intangible asset	(1,732)	—
Purchase of marketable securities	(69,716)	(131,790)
Proceeds from sales of marketable securities	—	10,684
Maturities of marketable securities	66,173	26,440
Net cash used in investing activities	<u>(10,965)</u>	<u>(103,636)</u>
Cash flows from financing activities		
Proceeds from issuance of common stock	8,418	7,675
Payment of taxes withheld for vested stock awards	(2,501)	(626)
Proceeds from initial public offering, net of issuance costs	—	(96)
Payments related to intangible asset purchase	(1,086)	(266)
Repayments of long-term debt	(3,943)	(2,406)
Net cash provided by financing activities	<u>888</u>	<u>4,281</u>
Effect of exchange rate changes on cash and cash equivalents	(294)	113
Net increase (decrease) in cash and cash equivalents	14,449	(92,613)
Cash and cash equivalents		
Beginning of year	24,432	117,045
End of year	<u>\$ 38,881</u>	<u>\$ 24,432</u>

Quantenna Communications, Inc.
Unaudited reconciliation of GAAP to Non-GAAP Financial Measures
(in thousands, except per share data)

Non-GAAP Income Statement Items	Three Months Ended December 30, 2018				Three Months Ended December 31, 2017				
	GAAP Measure	Stock-based Compensation Expense	Income Taxes*	Non-GAAP Measure	GAAP Measure	Stock-based Compensation Expense	Non-Recurring Items**	Income Taxes*	Non-GAAP Measure
Revenue	\$ 62,567			\$ 62,567	\$ 41,275				\$ 41,275
Gross profit	31,283	53		31,336	21,279	42			21,321
Gross margin	50.0%	0.1%		50.1%	51.6%	0.1%			51.7%
Research and development	19,054	2,506		16,548	16,048	1,630			14,418
Sales and marketing	3,996	578		3,418	4,487	584	199		3,704
General and administrative	5,165	1,229		3,936	4,069	980			3,089
Income (loss) from operations	3,068	4,366	—	7,434	(3,325)	3,236	199	—	110
Benefit (provision) for income taxes	(2,081)	—	1,834	(247)	35,413	—	—	(35,305)	108
Net income (loss)	\$ 1,419	\$ 4,366	\$ 1,834	\$ 7,619	\$ 32,325	\$ 3,236	\$ 199	\$ (35,305)	\$ 455
Basic shares outstanding	37,527			37,527	35,316				35,316
Basic earnings per share	\$ 0.04			\$ 0.20	\$ 0.92				\$ 0.01
Diluted shares outstanding	40,027			40,027	38,281				38,281
Diluted earnings per share	\$ 0.04			\$ 0.19	\$ 0.84				\$ 0.01

Non-GAAP Income Statement Items	Twelve months ended December 30, 2018				Twelve months ended December 31, 2017				
	GAAP Measure	Stock-based Compensation Expense	Income Taxes*	Non-GAAP Measure	GAAP Measure	Stock-based Compensation Expense	Non-Recurring Items**	Income Taxes*	Non-GAAP Measure
Revenue	\$ 220,460			\$ 220,460	\$ 176,359				\$ 176,359
Gross profit	109,402	199		109,601	88,151	165			88,316
Gross margin	49.6%	0.1%		49.7%	50.0%	0.1%			50.1%
Research and development	71,522	9,676		61,846	59,747	5,616			54,131
Sales and marketing	16,303	2,696		13,607	14,040	1,763	199		12,078
General and administrative	18,767	4,718		14,049	15,299	3,139			12,160
Income (loss) from operations	2,810	17,289	—	20,099	(935)	10,683	199	—	9,947
Benefit (provision) for income taxes	(966)	—	(1)	(967)	34,942	—	—	(35,305)	(363)
Net income (loss)	\$ 3,083	\$ 17,289	\$ (1)	\$ 20,371	\$ 34,412	\$ 10,683	\$ 199	\$ (35,305)	\$ 9,989
Basic shares outstanding	36,744			36,744	34,259				34,259
Basic earnings per share	\$ 0.08			\$ 0.55	\$ 1.00				\$ 0.29
Diluted shares outstanding	39,663			39,663	38,484				38,484
Diluted earnings per share	\$ 0.08			\$ 0.51	\$ 0.89				\$ 0.26

*Income tax adjustment relating to change in US Federal and State deferred tax assets.

**Non-recurring items comprised of executive severance.

Quantenna Communications, Inc.
Unaudited Forward-Looking Statements Regarding Business Outlook

Business Outlook	Three Months Ended March 31, 2019			
	Low		High	
Estimated GAAP diluted earnings per share	\$	0.02	\$	0.04
Estimated stock compensation expense		(0.11)		(0.11)
Estimated Non-GAAP diluted earnings per share	\$	0.13	\$	0.15

Quantenna Communications, Inc.
Vernon Essi, Jr.
669-209-5647
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Quantenna Communications

Fourth Quarter Fiscal 2018

Financial Commentary

February 4, 2019

Key Financial Metrics from the Quarter

- Revenue of \$62.6 million vs:
 - \$41.3 million in Q4'FY17 grew 52% Y/Y
 - \$59.3 million in Q3'FY18 grew 5% Q/Q
- GAAP gross margin of 50.0%
- Non-GAAP gross margin of 50.1% vs:
 - 51.7% in Q4'FY17 decreased 160bps Y/Y
 - 49.8% in Q3'FY18 increased 30bps Q/Q
- Operating margin in Q4'FY18:
 - 4.9% GAAP
 - 11.9% Non-GAAP
- GAAP diluted EPS \$0.04 in Q4'FY18 vs:
 - \$0.84 in Q4'FY17
 - \$0.10 in Q3'FY18
- Non-GAAP diluted EPS \$0.19 in Q4'FY18 vs:
 - \$0.01 in Q4'FY17
 - \$0.17 in Q3'FY18
- Operating cash flow of \$5.1 million
 - \$(7.6) million in Q4'FY17
 - \$15.8 million in Q3'FY18
- Cash, cash equivalents & marketable securities \$136.1 million
- DSO 41 days, up 11 days Q/Q
- Annualized inventory turns 6.2x, up from 5.5x Q/Q

First Quarter FY 2019 Guidance

- Revenue: \$56.0 to \$59.0 million
- GAAP gross margin: 50.4% +/- 50bps
- Non-GAAP gross margin: 50.5% +/- 50bps
- GAAP OPEX: \$27.4M to \$28.4M
- Non-GAAP OPEX: \$23.0M to \$24.0M
- Non-GAAP Tax Exp: Approximately \$300,000
- GAAP earnings per share: \$0.02 to \$0.04
- Non-GAAP earnings per share: \$0.13 to \$0.15

Key Highlights from the Quarter

- Record revenue of \$220.5 million in FY18 represented 25% Y/Y growth compared to fiscal year 2017. Record revenue of \$62.6 million in Q4 represented 52% Y/Y growth over Q4'FY17.
- Cash from operations totaled \$24.8 million in FY18, compared to \$6.6 million in FY17, representing Y/Y growth of 274%. Q4 cash from operations totaled \$5.1 million compared to \$(7.6) million in Q4'FY17.
- Record revenue from both our Wave 3 10G and Wave 2 product segments.
- Reinforced our strategic partnership with Telefónica, a leading global service provider, with the development of new product offerings utilizing our Wi-Fi 6 solutions.
- Starry Inc., a next generation service provider using 5G millimeter wave technology, will use our Wi-Fi 6 chipsets in their base station technology.
- Delivered Wi-Fi 6 reference designs for next generation GPON gateways and routers with Cortina Access, Inc.
- Introduced Spartan Essential, a turn-key design targeting multiple consumer Wi-Fi applications such as mesh, access point for wired extenders and boosters for upgrading existing gateways.
- Orange S.A., the largest broadband provider in France, is using our Wave 2 technology for its latest generation of repeaters and set-top boxes.

Financial Results Call and Webcast

Our Q4 financial results webcast and call will commence on February 4, 2019 at 1:30 p.m. PT (4:30 p.m. ET). The webcast may be accessed at <http://ir.quantenna.com/>. An archive of the webcast will be available for 90 days from the date of this release.

Quantenna Communications, Inc.								
Revenue Segmentation by WiFi Technology								
<i>(in percentage of revenue, unaudited)</i>								
Period Ending	Q1 2017 Apr 02 '17	Q2 2017 Jul 02 '17	Q3 2017 Oct 01 '17	Q4 2017 Dec 31 '17	Q1 2018 Apr 01 '18	Q2 2018 Jul 01 '18	Q3 2018 Sep 30 '18	Q4 2018 Dec 30 '18
802.11n	18%	17%	15%	9%	4%	3%	2%	3%
802.11ac Wave 2	79%	79%	72%	83%	83%	71%	68%	66%
802.11ac Wave 3 (10G)	3%	4%	13%	6%	13%	26%	30%	31%
Total Semi Revenue	100%	100%	100%	98%	100%	100%	100%	100%
Other	0%	0%	0%	2%	0%	0%	0%	0%
Total Revenue	100%	100%	100%	100%	100%	100%	100%	100%

Quantenna Communications, Inc.								
Consolidated Statements of Operations (GAAP)								
<i>(in thousands, unaudited)</i>								
Period Ending	Q1 2017 Apr 02 '17	Q2 2017 Jul 02 '17	Q3 2017 Oct 01 '17	Q4 2017 Dec 31 '17	Q1 2018 Apr 01 '18	Q2 2018 Jul 01 '18	Q3 2018 Sep 30 '18	Q4 2018 Dec 30 '18
Revenue	\$ 37,891	\$ 47,085	\$ 50,108	\$ 41,275	\$ 45,117	\$ 53,427	\$ 59,349	\$ 62,567
COGS	19,307	23,314	25,591	19,996	22,352	27,563	29,859	31,284
Gross Margin	18,584	23,771	24,517	21,279	22,765	25,864	29,490	31,283
GM % of revenue	49.0%	50.5%	48.9%	51.6%	50.5%	48.4%	49.7%	50.0%
R&D	12,633	16,055	15,011	16,048	17,601	17,084	17,783	19,054
S&M	2,914	3,276	3,363	4,487	4,495	3,979	3,833	3,996
G&A	3,389	4,106	3,735	4,069	4,198	4,518	4,886	5,165
OPEX	18,936	23,437	22,109	24,604	26,294	25,581	26,502	28,215
OPEX % of revenue	50.0%	49.8%	44.1%	59.6%	58.3%	47.9%	44.7%	45.1%
Operating Income (loss)	\$ (352)	\$ 334	\$ 2,408	\$ (3,325)	\$ (3,529)	\$ 283	\$ 2,988	\$ 3,068
Op Inc % of revenue	-0.9%	0.7%	4.8%	-8.1%	-7.8%	0.5%	5.0%	4.9%
Interest & Other Income	3	45	120	237	334	230	243	432
Pretax Income (loss)	(349)	379	2,528	(3,088)	(3,195)	513	3,231	3,500
Taxes	535	210	(274)	(35,413)	52	(519)	(648)	2,081
Tax Rate	-153%	55%	-11%	1147%	-2%	-101%	-20%	59%
Net Income (loss)	\$ (884)	\$ 169	\$ 2,802	\$ 32,325	\$ (3,247)	\$ 1,032	\$ 3,879	\$ 1,419

Consolidated Statements of Operations (Non-GAAP)								
<i>(in thousands, unaudited)</i>								
Period Ending	Q1 2017 Apr 02 '17	Q2 2017 Jul 02 '17	Q3 2017 Oct 01 '17	Q4 2017 Dec 31 '17	Q1 2018 Apr 01 '18	Q2 2018 Jul 01 '18	Q3 2018 Sep 30 '18	Q4 2018 Dec 30 '18
Revenue	\$ 37,891	\$ 47,085	\$ 50,108	\$ 41,275	\$ 45,117	\$ 53,427	\$ 59,349	\$ 62,567
COGS	19,264	23,272	25,553	19,954	22,318	27,501	29,809	31,231
Gross Margin	18,627	23,813	24,555	21,321	22,799	25,926	29,540	31,336
GM % of revenue	49.2%	50.6%	49.0%	51.7%	50.5%	48.5%	49.8%	50.1%
R&D	11,428	14,641	13,644	14,418	15,208	14,555	15,535	16,548
S&M	2,561	2,866	2,947	3,704	3,511	3,386	3,292	3,418
G&A	2,886	3,398	2,787	3,089	3,017	3,373	3,723	3,936
OPEX	16,875	20,905	19,378	21,211	21,736	21,314	22,550	23,902
OPEX % of revenue	44.5%	44.4%	38.7%	51.4%	48.2%	39.9%	38.0%	38.2%
Operating Income	\$ 1,752	\$ 2,908	\$ 5,177	\$ 110	\$ 1,063	\$ 4,612	\$ 6,990	\$ 7,434
Op Inc % of revenue	4.6%	6.2%	10.3%	0.3%	2.4%	8.6%	11.8%	11.9%
Interest & Other Income	3	45	120	237	334	230	243	432
Pretax Income	1,755	2,953	5,297	347	1,397	4,842	7,233	7,866
Taxes	535	210	(274)	(108)	237	218	265	247
Tax Rate	30%	7%	-5%	-31%	17%	5%	4%	3%
Net Income	\$ 1,220	\$ 2,743	\$ 5,571	\$ 455	\$ 1,160	\$ 4,624	\$ 6,968	\$ 7,619

GAAP to Non-GAAP Reconciling Items								
<i>(in thousands, unaudited)</i>								
Period Ending	Q1 2017 Apr 02 '17	Q2 2017 Jul 02 '17	Q3 2017 Oct 01 '17	Q4 2017 Dec 31 '17	Q1 2018 Apr 01 '18	Q2 2018 Jul 01 '18	Q3 2018 Sep 30 '18	Q4 2018 Dec 30 '18
Stock Based Compensation								
COGS	\$ 43	\$ 42	\$ 38	\$ 42	\$ 34	\$ 62	\$ 50	\$ 53
R&D	1,205	1,414	1,367	1,630	2,393	2,529	2,248	2,506
S&M	353	410	416	584	984	593	541	578
G&A	503	708	948	980	1,181	1,145	1,163	1,229
Total	\$ 2,104	\$ 2,574	\$ 2,769	\$ 3,236	\$ 4,592	\$ 4,329	\$ 4,002	\$ 4,366
Non-Recurring Items								
S&M				\$ 199				
Income Taxes				\$ (35,305)	\$ 185	\$ 737	\$ 913	\$ (1,834)

Quantenna Communications, Inc.

Condensed Consolidated Balance Sheet

(in thousands, unaudited)

Period Ending	Q1 2017 Apr 02 '17	Q2 2017 Jul 02 '17	Q3 2017 Oct 01 '17	Q4 2017 Dec 31 '17	Q1 2018 Apr 01 '18	Q2 2018 Jul 01 '18	Q3 2018 Sep 30 '18	Q4 2018 Dec 30 '18
Assets								
Current assets								
Cash, cash equivalents & marketable securities	\$ 114,401	\$ 124,389	\$ 126,866	\$ 118,627	\$ 120,143	\$ 120,082	\$ 132,030	\$ 136,149
Accounts receivable	17,812	17,696	22,820	26,786	26,310	29,700	20,081	28,326
Inventory	13,361	20,985	23,700	12,662	18,420	21,391	21,578	20,218
Prepaid expenses and other current assets	3,745	4,332	2,444	2,744	2,949	2,369	6,512	5,325
Total current assets	149,319	167,402	175,830	160,819	167,822	173,542	180,201	190,018
Deferred tax assets	-	-	-	35,422	35,602	36,482	37,443	35,563
Property and equipment, net	6,025	6,380	11,215	12,511	12,415	12,838	13,418	13,691
Intangible and other assets, net	743	769	4,296	3,952	4,215	3,901	3,571	6,384
Total assets	\$ 156,087	\$ 174,551	\$ 191,341	\$ 212,704	\$ 220,054	\$ 226,763	\$ 234,633	\$ 245,656
Liabilities and Stockholders' Equity								
Current liabilities								
Accounts payable	\$ 4,658	\$ 13,401	\$ 13,805	\$ 3,754	\$ 11,833	\$ 8,904	\$ 10,255	\$ 9,852
Accrued liabilities and other current liabilities	15,401	19,147	27,054	21,065	22,394	23,155	23,220	25,946
Long-term debt, current portion	2,288	2,563	2,487	3,943	-	-	-	-
Total current liabilities	22,347	35,111	43,346	28,762	34,227	32,059	33,475	35,798
Long-term debt	3,539	2,445	1,900	-	-	-	-	-
Other long term liabilities	-	425	3,413	3,339	3,222	3,214	2,670	3,371
Total liabilities	25,886	37,981	48,659	32,101	37,449	35,273	36,145	39,169
Stockholders' equity								
Common stock	3	3	3	3	3	3	3	4
Additional paid-in capital	292,710	298,943	302,240	308,023	313,503	321,669	324,931	331,551
Accumulated deficit and other accumulated loss	(162,512)	(162,376)	(159,561)	(127,423)	(130,901)	(130,182)	(126,446)	(125,068)
Total stockholders' equity	130,201	136,570	142,682	180,603	182,605	191,490	198,488	206,487
Total liabilities and stockholders' equity	\$ 156,087	\$ 174,551	\$ 191,341	\$ 212,704	\$ 220,054	\$ 226,763	\$ 234,633	\$ 245,656

Condensed Consolidated Cash Flows

(in thousands, unaudited)

Period Ending	Q1 2017 Apr 02 '17	Q2 2017 Jul 02 '17	Q3 2017 Oct 01 '17	Q4 2017 Dec 31 '17	Q1 2018 Apr 01 '18	Q2 2018 Jul 01 '18	Q3 2018 Sep 30 '18	Q4 2018 Dec 30 '18
Cash flows from operating activities								
Net income (loss)	\$ (884)	\$ 169	\$ 2,802	\$ 32,325	\$ (3,247)	\$ 1,032	\$ 3,879	\$ 1,419
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities								
Depreciation and amortization	479	545	542	1,103	1,125	1,138	1,204	1,394
Stock-based compensation expense	2,104	2,574	2,769	3,236	4,592	4,329	4,002	4,366
Deferred income taxes	-	-	-	(35,333)	-	(733)	(908)	1,874
Other	135	62	150	288	(50)	117	458	362
Changes in assets and liabilities								
Accounts receivable	(3,332)	116	(5,124)	(3,966)	476	(3,390)	9,619	(8,245)
Inventory	2,459	(7,624)	(2,715)	11,038	(5,758)	(2,971)	(187)	1,360
Prepaid expenses and other current assets	(1,324)	(574)	1,876	(313)	(205)	580	(4,143)	1,187
Other assets	(511)	(27)	(252)	323	58	43	58	154
Accounts payable	(4,268)	10,236	2,194	(10,354)	8,185	(3,213)	1,526	(707)
Accrued liabilities	4,707	1,890	5,020	(5,912)	1,593	150	332	1,985
Net cash provided by (used in) operating activities	(435)	7,367	7,262	(7,565)	6,769	(2,918)	15,840	5,129
Cash flows from investing activities								
Purchase of property and equipment	(1,700)	(746)	(4,515)	(2,009)	(924)	(454)	(2,584)	(1,138)
Purchase of intangible asset	-	-	-	-	-	-	-	(1,732)
Purchase of long-term investments & marketable securities	-	(71,169)	(32,875)	(27,746)	(13,801)	(25,787)	(8,919)	(21,799)
Proceeds from sale and maturities of marketable securities	-	4,994	10,915	21,215	11,515	24,605	8,139	21,914
Net cash provided by (used in) investing activities	(1,700)	(66,921)	(26,475)	(8,540)	(3,210)	(1,636)	(3,364)	(2,755)
Cash flows from financing activities								
Proceeds from issuance of common stock, net of issuance cost	194	3,882	477	3,122	1,438	3,874	779	2,327
Principal payments on debt	(672)	(433)	(651)	(650)	(3,943)	-	-	-
Other	(31)	(65)	-	(892)	(873)	(360)	(2,010)	(344)
Net cash provided by (used in) financing activities	(509)	3,384	(174)	1,580	(3,378)	3,514	(1,231)	1,983
Effect of exchange rate changes on cash & cash equivalents	-	-	-	113	-	(152)	(107)	(35)
Net increase (decrease) in cash and cash equivalents	(2,644)	(56,170)	(19,387)	(14,412)	181	(1,192)	11,138	4,322
Cash and cash equivalents								
Beginning of period	117,045	114,401	58,231	38,844	24,432	24,613	23,421	34,559
End of period	114,401	58,231	38,844	24,432	24,613	23,421	34,559	38,881

Non-GAAP Financial Measures

In addition to GAAP reporting, Quantenna provides information regarding net income, gross profit, gross margin, and operating expenses on a non-GAAP basis. This non-GAAP information excludes stock-based compensation expense and changes to deferred tax balances. These non-GAAP measures are used by the Company's management for the purposes of evaluating the underlying operating performance of the Company, establishing internal budgets, comparing performance with internal forecasts and goals, strategic planning, benchmarking against other companies, to provide a more consistent basis of comparison and to enable more meaningful period to period comparisons. These non-GAAP measures are provided in addition to, and not as a substitute for, measures of financial performance prepared in accordance with GAAP. A reconciliation between GAAP and non-GAAP financial data is included in the supplemental financial tables included in this financial commentary.

Forward-Looking Statements

This financial commentary contains forward-looking statements based on Quantenna's current expectations, including statements regarding Quantenna's preliminary financial results for the fourth quarter and fiscal year 2018 ended December 30, 2018, forecasted financial results for the first quarter of fiscal 2019, expected future business and financial performance, growth opportunities, product technologies and customer relationships. The words "believe," "estimate," "expect," "intend," "anticipate," "plan," "project," "will" and similar phrases as they relate to Quantenna are intended to identify such forward-looking statements. These forward-looking statements reflect the current views and assumptions of Quantenna and are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Among the factors that could cause actual results to differ materially from those in the forward-looking statements are the following: challenges developing new and leading edge products on a timely basis that achieve market acceptance; quarterly fluctuations in revenues and operating results; risks and uncertainties related to international operations, including the impact of increased tariffs and escalating trade tensions with China directly and indirectly impacting Quantenna and its customers, end customers, vendors and partners; potential cancellation, delay or volatility of customer orders; intense market competition, including competition from other companies that are larger and have greater resources and broader product ecosystem offerings; ability to accurately predict future revenue and expenses; risks that Quantenna may not be able to maintain its historical growth or achieve similar levels of success with respect to new products; ability to attract and retain customers and service providers; dependence on a limited number of products and customers; the complexity of the products, including integration requirements with components from other third parties that are outside of Quantenna's control; intellectual property litigation risks; industry consolidation and risks associated with acquisitions, divestitures and strategic partnerships with respect to Quantenna as well as third parties; product liability risks; dependence of Quantenna's customers on components from other third parties; risks that Quantenna may not be able to manage strains associated with its growth; dependence on key personnel; stock price volatility; the cyclical nature of the semiconductor industry; changes in tax and other laws affecting Quantenna's business and operations; cyberattacks; adjustments to the preliminary financial results reported in this financial commentary and related earnings call announcement and materials for the fourth quarter of 2018 in connection with completion of the final closing process and procedures and preparation of our preparation of our Annual Report on Form 10-K; and other factors that are detailed in the Securities and Exchange ("SEC") filings of Quantenna, which you may obtain for free at the SEC's website at <http://www.sec.gov>. Quantenna disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

About Quantenna Communications

Quantenna (Nasdaq:QTNA) is the global leader and innovator of high performance Wi-Fi solutions. Founded in 2006, Quantenna has demonstrated its leadership in Wi-Fi technologies with many industry firsts. Quantenna continues to innovate with the mission to perfect Wi-Fi by establishing benchmarks for speed, range, efficiency and reliability. Quantenna takes a multidimensional approach, from silicon and system to software, and provides total Wi-Fi solutions. For more information, visit www.quantenna.com.

 **Quantenna**

is

Wi-Fi Perfected



Semiconductors

System
Software

Cloud
Analytics

Supplementary Earnings Presentation
Q4 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.



Company Highlights



High-performance Wi-Fi leader

Pioneer in 8x8, 5x5, 4x4 and 2x4 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 1,700 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 41% CAGR in revenue over last six years
Generated cash from operations for the last three fiscal years
Strong gross margin profile of ~50%



At a Glance



200 million+
chips shipped



60+
products with
Quantenna inside



50+
service providers



40+
OEMs / ODMs



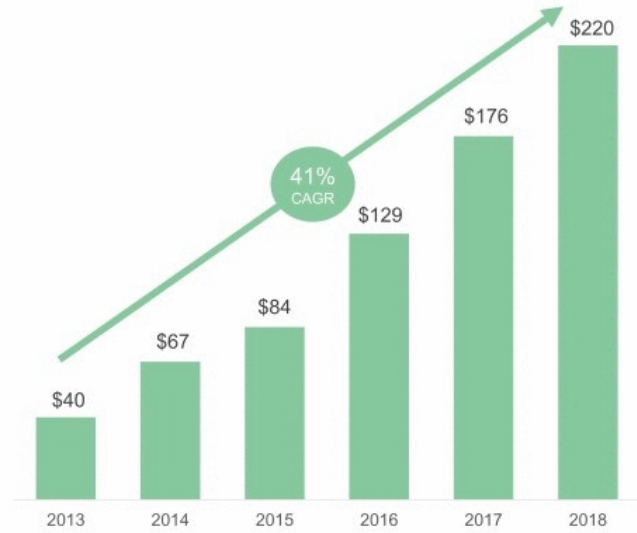
~415
employees



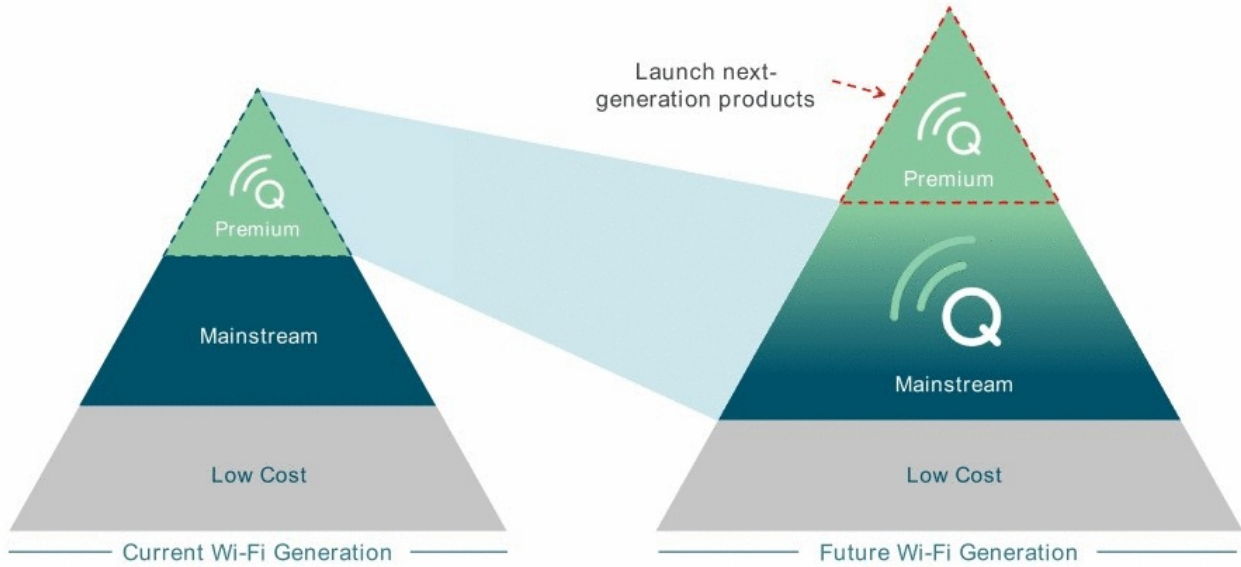
95+
Issued and pending
patents worldwide

Strong Revenue Growth Profile

\$MM



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



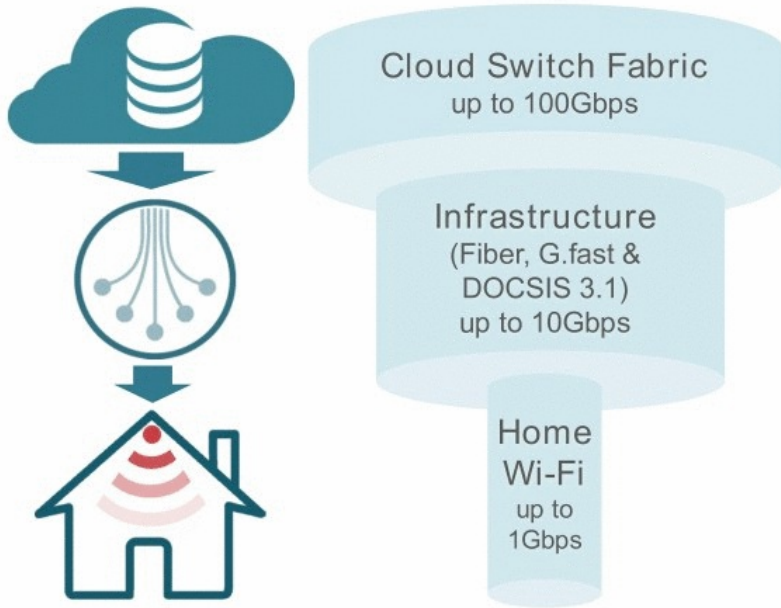
Total Wi-Fi Enabled Device Shipments



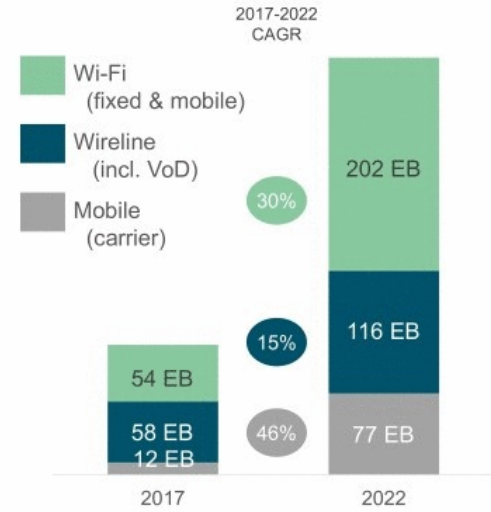
Source: ABI Research Wi-Fi Device Report 2Q 2018 and Quantenna assumptions

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 expected to deliver 54% of WW IP traffic growth from 2017-2022

Source: Cisco Visual Networking Index: Forecast and Trends, 2017-2022; published November 26, 2018



Q4 2018 Income Statement Highlights*

Record quarterly revenue of \$62.6 million

- 52% Y/Y growth vs Q4 2017
- 5% Q/Q growth vs Q3 2018

Record annual revenue of \$220.5 million

- 25% Y/Y growth vs FY2017

Gross margin of 50.1%

Record quarterly earnings performance

- \$7.6 million net income
- \$0.19 in EPS

Record annual earnings performance

- \$20.4 million net income
- \$0.51 in EPS

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.

Q4 2018 Cash Flow and Balance Sheet Highlights*



Generated \$5M in CFFO in Q4 2018

- \$0.13 per share
- Compares to (\$8M) usage in Q4 2017

Generated \$25M in CFFO in FY2018

- \$0.63 per share
- 274% Y/Y growth

Cumulatively generated \$31M in CFFO over the last two years

- \$0.80 per share

Generated \$20M in FCF in FY 2018

- \$0.50 per share

Cash, cash equivalents and investments of \$136M and no debt

- \$3.40 per share

Strong Operating Cash Flow Performance



*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. CFFO means Cash Flow From Operations and FCF means Free Cash Flow.



Wi-Fi Technology Segmentation Highlights

802.11ac Wave 3 (10G) revenue

Q4 was a record at \$19.4 million

- Q/Q growth of 9% or \$1.6 million
- Y/Y growth of 683% or \$16.9 million
- Q1 revenue expected to decline approximately \$3 million Q/Q

802.11ac Wave 2 revenue

Q4 was a record at \$41.3 million

- Q/Q growth of 2% or \$0.9 million
- Y/Y growth of 21% or \$7.0 million
- Q1 revenue is expected to decline approximately \$2 million Q/Q

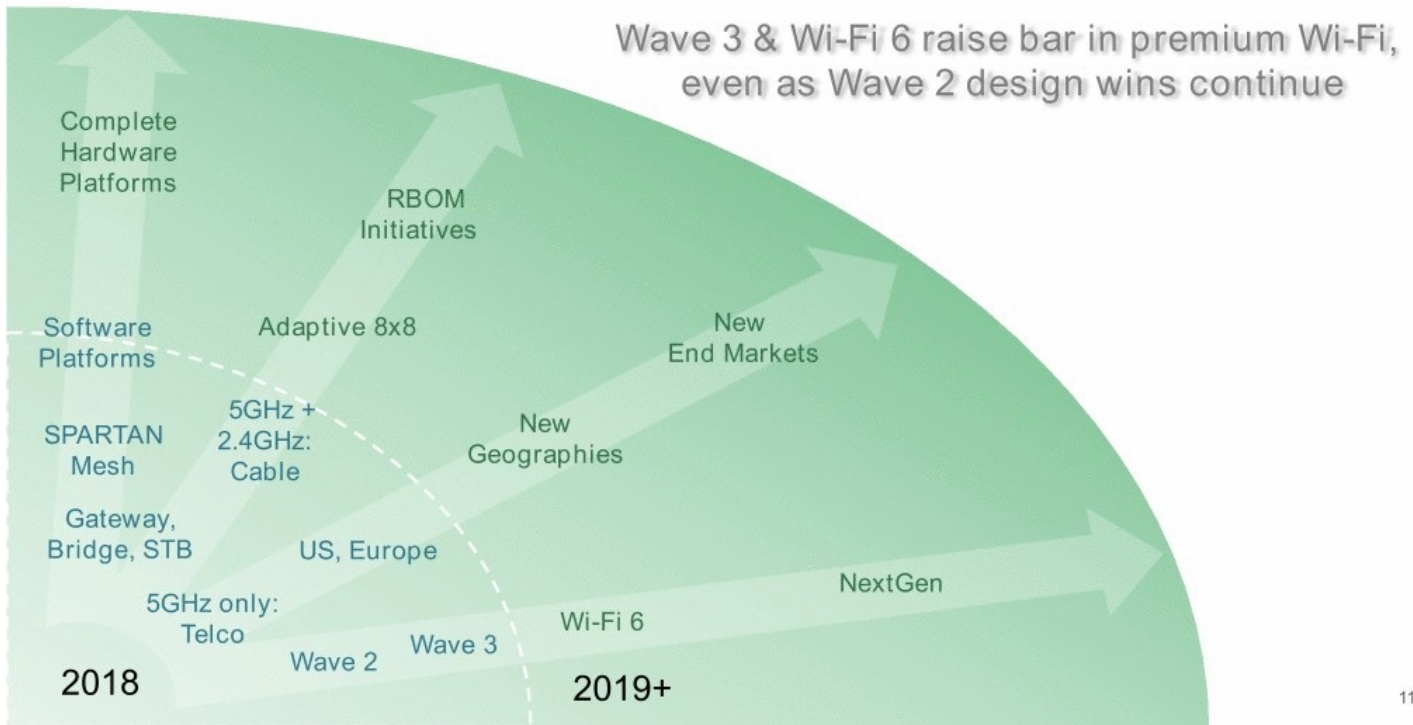
802.11n revenue

- Q4 increased 58% Q/Q or \$0.7 million
- Q4 revenue expected decline Q/Q

Technology Cycles Drive Growth



New Initiatives Expanding Served Markets



Operating Results & Guidance*



	2017	Q3 2018	Q4 2018	2018	Q1 2019 Guidance
Revenue (M)	\$176.4	\$59.3	\$62.6	\$220.5	\$56M - \$59M
Gross Margin	50%	50%	50%	50%	GAAP: 50.4% +/- 50bps Non-GAAP: 50.5% +/- 50bps
OPEX	44%	38%	38%	41%	GAAP: \$27.4M to 28.4M Non-GAAP: \$23.0M to \$24.0M
EPS	\$0.26	\$0.17	\$0.19	\$0.51	GAAP: \$0.02 – \$0.04 Non-GAAP: \$0.13 – \$0.15

*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



(in millions)	2017	Q2 2018	Q3 2018	2018
Cash, Cash Equivalents & Marketable Securities	\$118.6	\$120.1	\$132.0	\$136.1
Total Assets	\$212.7	\$226.8	\$234.6	\$245.7
Total Debt	\$3.9	\$0.0	\$0.0	\$0.0
Total Liabilities	\$32.1	\$35.3	\$36.1	\$39.2
Total Stockholders' Equity	\$180.6	\$191.5	\$198.5	\$206.5

Appendix



Non-GAAP to GAAP Operating Margin Reconciliation*



	2016	2017	Q3 2018	Q4 2018	2018
Non-GAAP Gross Margin	50%	50%	50%	50%	50%
SBC: Gross Margin	0%	0%	0%	0%	0%
GAAP Gross Margin	50%	50%	50%	50%	50%
Non-GAAP Operating Margin	2%	6%	12%	12%	9%
SBC: R&D	1%	3%	4%	4%	4%
SBC: S&M	0%	1%	1%	1%	1%
SBC: G&A	1%	2%	2%	2%	2%
Non-recurring items	0%	0%	0%	0%	0%
GAAP Operating Margin	(1%)	(1%)	5%	5%	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*



	2016	2017	Q3 2018	Q4 2018	2018
Non-GAAP Net Margin	1%	6%	12%	12%	9%
SBC: Gross Margin	0%	0%	0%	0%	0%
SBC: R&D	1%	3%	4%	4%	4%
SBC: S&M	0%	1%	1%	1%	1%
SBC: G&A	1%	2%	2%	2%	2%
Non-recurring items	0%	(20%)	(1%)	(3%)	0%
GAAP Net Margin	(1%)	20%	6%	2%	1%

*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



Wi-Fi Perfected™



Semiconductors

System
Software

Cloud
Analytics

