Extreme Networks
Investor Presentation

November 2017

Extreme

Cautionary Statement on Financial Measures

Non GAAP Measures:

In preparing the accompanying information, the Company has excluded, where applicable, the impact of certain Non GAAP costs. The Company believes these Non GAAP measures provide both management and investors with additional insight into its current operations, the trends affecting the Company and the Company's marketplace performance. Management believes presenting non GAAP items allow readers to better correlate the Company's operating activities with the Company's ability to generate cash from operations. Accordingly, management uses Non GAAP measures along with comparable GAAP information when evaluating the Company's historical performance and future business activities. The Company's Non GAAP measures may be different than those used by other companies and should be considered in conjunction with, and not as a substitute for, the Company's financial information presented in accordance with GAAP. Please refer to our most recent earnings press release, which is posted on the "Investor Relations" section of our website for the required reconciliation to the most comparable GAAP financial measures. Reconciliation of non-GAAP to corresponding GAAP measures with respect to our business outlook is not possible at this time due to the fact that amortization, stock compensation expense and the impact of the mark-up of inventory to fair value for purchase accounting can only be determined in connection with the post-closing valuation of the assets we acquired in connection with the closing of our transactions with Zebra Technologies Corporation, Avaya Inc. and other post-closing activities of the Company.

Forward Looking Statements:

This presentation contains forward-looking statements that involve risks and uncertainties, including statements regarding the Company's financial performance including its revenue and margin targets, acceptance of the Company's newer products in the market and its expectations regarding its general business prospects. Actual results could differ materially from those projected in the forward-looking statements as a result of certain risk factors. The Company undertakes no obligation to update the forward-looking information in this presentation. More information about potential factors that could affect the Company's business and financial results is included in its filings with the Securities and Exchange Commission, including, without limitation, under the captions: "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Risk Factors".

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Overview

Software-driven, end-to-end networking solutions for enterprise customers worldwide

- **Revenue Run Rate:** Approx. $1.1 billion
- **Market capitalization:** ~$1.2 billion
- **Fiscal year-end:** June 30
- **Shares outstanding:** 113.4 million
- **Average daily volume:** 1,601,000 shares
- **Nasdaq:** EXTR

ExtremeWireless™ ExtremeManagement™ ExtremeAnalytics™ ExtremeControl™ ExtremeCloud™ ExtremeSwitching™

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Investment Highlights

- Expanding global market for enterprise networking
- Poised to take market share from larger competitors
- End to end enterprise class product solutions
- Executing on accretive acquisition strategy
- Expanded portfolio of new products and acquired technologies
- Growing profitability and stronger balance sheet
- Recognized by Gartner “Visionary”

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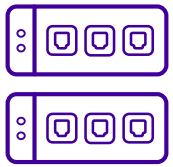
Enterprise-Class Product Portfolio Breadth

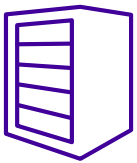
End-to-End Solution

Software, Support, and Services
Insights, Efficiency

Access
Intelligence
Mobility



Campus
Secure
Flexible



Data Center
Agile
Adaptable

Places in the Network

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Enterprise IP Networking – Strong Technology Heritage

Extreme™
Connect Beyond the Network

- "Market Consolidation" execution of company strategy
- Builds upon #3 position in Enterprise Networking
- Further entrenchment and expansion in target vertical markets
- Strengthens Team with experienced pool of talented networking professionals
- Strong technology heritage complements existing secure networking concepts
- Addition of 4000+ Avaya Networking & 6600 Brocade Networking Customers & Partners

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The “New” Extreme

The only pure play, end-to-end enterprise IP networking company in the world

- Provider of high quality, software-driven, secure networking solutions and the industry’s #1 customer support organization
- SW Suite enables customers to simplify and secure complex networking environments
- Only multi-vendor network management with “single pane of glass”
- Delivering new releases of next generation portfolio organically and through acquisition
- Differentiation through hyper focus on enterprise networking

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Introducing the Automated Campus

Combining leading networking, software and services into an integrated solution.

Fabric Connect / Fabric Attach

Network automation, simplicity and enhanced security.

Proven Results

- **11x** faster time to service
- **7x** faster mean time to repair
- **100%** improvement in outage due to human error
- **28x** higher multicast scaling
- **1500** deployments

Extreme Management Center

Visibility, control and management through a single pane-of-glass.

Proven Results

- **100% application visibility** on any wired / wireless network
- Massive and customizable signature set with more than **7000 applications**
- Centralized policies for as many as **200K users / devices**

Services and Support

First person resolution to issues for increased customer satisfaction.

Proven Results

- **No. 1** in the Industry *(Gartner Peer Review)*
- **100%** in house support
- Average tenure of support staff is over **10 years**
- **Over 90%** first person resolution

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Evolution of Enterprise Strategy

Strategy: End-to-End Wired/Wireless software driven networking solutions

	SOHO	SMB	Campus Enterprise	Large Enterprise	Service Provider	Cloud
TAM	$34B	$2.0B*	**$16.1B**	$8.1B	$7.1B	
GTM	BEST BUY, Circuit City, Fry's Electronics	CDW, PCMall, PC Connection	POMEROY, Carousel Industries, PRESIDIO, Tech Data	CSC, IBM > accenture, dimension data	Direct Sale OEM	Direct Sale OEM/ODM
Product	Netgear Linksys (Cisco) D-Link TP-Link	Cisco HP Dell Ubiquiti	**Extreme** Cisco HP **Avaya**	Cisco HP **Brocade** Juniper	Cisco HP Arista Brocade Juniper	Arista Cisco White-box
Customer	Home	Small Office		ExxonMobil, citi, GE, DUPONT	verizon, at&t, COMCAST, CenturyLink	amazon, Google, Microsoft Azure, facebook

*Only includes wireless – do not report consumer wired

AVAYA ZEBRA BROCADE

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Target Market

Market	Total Market	Extreme TAM 2017	Extreme Only	Brocade & Avaya & Zebra add	CAGR (2017-2021)
Software (Management, Controls, Fabric & Cloud)	$2.1B	$1.9B	$1.0B	$0.9B	20.1%
Wireless LAN	$5.8B	$3.2B	$2.1B	$1.1B	5.9%
Data Center	$11.8B	$5.7B	$2.7B	$3.0B	(5.9%)
Ethernet Switching & Campus LAN	$14.3B	$5.3B	$2.3B	$3.0B	(3.9%)
Total	$34.0B	$16.1B	$8.1B	$8.0B	2.0%

Notes:
- Based on Extreme estimates utilizing Gartner, IDC, Dell'Oro Group and publicly available information
- Zebra brings incremental verticals: Retail, Logistics and Transportation
- Avaya adds to Campus addressable market and SW market with Fabric
- Brocade adds to Data Center addressable market, Government vertical market and Service Providers

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Play to Strength

Enterprise Networking

Management Software Analytics Fabric Cloud Management Controls

High-End Data Center

Edge

- Wired + Wireless
- 1G centric
- Wave 2 - 2.5G/5G

Core/Data Center

- 10G/25G/40G/100G
- Fixed Form Factor
- VMware – to OpenStack
- L3 Scalable
- VxLAN options

Switching, Routing & Analytics

- VDX/MLX Switching & Routing
- SLX Next Gen Platform
- Network Visibility
- Automation & Orchestration

Vertical Markets

Healthcare

Government

Education

Hospitality/
Public Venues

Manufacturing

Transportation
& Logistics

Retail

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Trusted by Over 50% of the Fortune 50

Healthcare

- Henry Ford Health System
- Charité
- Sydney Adventist Hospital
- Kansas City
- IU Health

Government

- Marines: The Few. The Proud.
- DART
- City of Oakland
- Fire Department City of New York
- City of Troy

Education

- Aldine School District
- University of North Carolina
- Miami-Dade County
- Boston College
- Universität Bern
- University of San Diego

Hospitality

- Wynn Las Vegas
- Hilton
- Caesars Entertainment
- Marriott
- NFL
- Montreal Canadiens

Manufacturing

- Coca-Cola
- SAP
- Fujitsu
- Siemens
- Colgate
- Samsung

Transportation and Logistics

- FedEx
- UPS
- Amtrak
- DHL Express
- jetBlue

Retail

- Walmart
- Kohl's
- Bed Bath & Beyond
- Macy's
- Lowe's
- CVS pharmacy

Service Provider

- Verizon
- Dell Services
- AMS-IX
- Canal+
- SoundCloud
- i3D.net Performance Hosting

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Competitive Position in Enterprise Market

Competitor	Enterprise Network Revenue ($M)	Market Share (%)	Comment**
Cisco	$14,299	45%	OMF/WI/IS
HPE/Aruba	$1,808	6%	OMF/IS
Extreme	$1,100	4%	
Juniper	$980	3%	OMF/WI/IS
Arris (post Brocade/Ruckus)	$750	2%	OMF/WI/IS
Dell	$339	1%	OMF/WI/IS
Alcatel-Lucent Enterprise	$195	0.6%	OMF/WI/IS
Aerohive	$151	0.5%	WI/IS
Other	$11,793	37%	OMF/LG
TOTAL	**$32,800**	**100%**	

- Based on Extreme estimates utilizing Gartner, IDC, Dell'Oro Group and publicly available information
- Other includes: Huawei, H3C, Check Point, Fortinet, Palo Alto and F5

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Gartner Peer Insights

As of November 8, 2017
Extreme Networks has an
Overall Rating
of **4.8** out of 5

in the
Data Center Networking
market
based on 65 reviews

100%
of reviewers would recommend
Extreme Networks

Extreme is one of the
highest rated
and most reviewed
vendor of the 22 vendors listed

See the reviews at: https://www.gartner.com/reviews/market/data-center-networking

Magic Quadrant for the Wired and Wireless LAN Access Infrastructure

Extreme Networks Improves Position as A Visionary in the 2017 Gartner Magic Quadrant for Wired and Wireless LAN Access Infrastructure for the Third Consecutive Year

Within the Visionaries Quadrant, Extreme Positioned the Highest for Execution and Furthest to the Right for Vision

Figure 1. Magic Quadrant for the Wired and Wireless LAN Access Infrastructure

Source: Gartner (October 2017)

Gartner Magic Quadrant for the Wired and Wireless LAN Access Infrastructure
17 October, 2017
This graphic was published by Gartner, Inc. as part of a larger research document and should be evaluated in the context of the entire document. The Gartner document is available upon request from http://extr.co/2yB90V7
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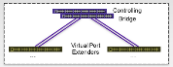
Secure Automated Campus Roadmap

Solution Convergence, NextGen Platforms

Extreme Mgmt Center v8.1
Native BOS/VOS support

NEW! Extreme Services Engine

Flexible Stacking



802.11ax WiNG 7.0
Full Wireless Convergence

EXOS v30
Application Container Framework

Nov 2017 | Dec 2017 | Jan 2018 | Feb 2018 | Mar 2018 | Apr 2018 | May 2018 | Jun 2018 | 2H 2018

ExtrMgmtCenter v8.2
(AFO, COM+ convergence)

Security Assisted Networking

NextGen Campus/Access Fixed Platform

Multiple variants for different campus/access use cases

New Access Chassis Platform

Cost-optimized closet chassis

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Agile Data Center Roadmap

Automation, Platforms

Workflow Composer

EWC 2.5, 2.7, 2.8

Cross Domain Automation

NE 1.3, 1.4, 1.5
DC Fabrics 1.4
Vis 1.0
NS 1.0

SLX-OS 18r.1

VDX NOS 7.3

MLX NI 6.3

SLX-OS 18s.1

SLX-OS 19r.1

Nov 2017 | Dec 2017 | Jan 2018 | Feb 2018 | Mar 2018 | Apr 2018 | May 2018 | Jun 2018 | 2H 2018

Extreme Management Center

Full integration of the Brocade products starting with SLX Series

New SLX Platforms

SLX 9640 1RU router with Internet Scale Routing

New SLX Platforms

Multiple Variations for different DC use cases

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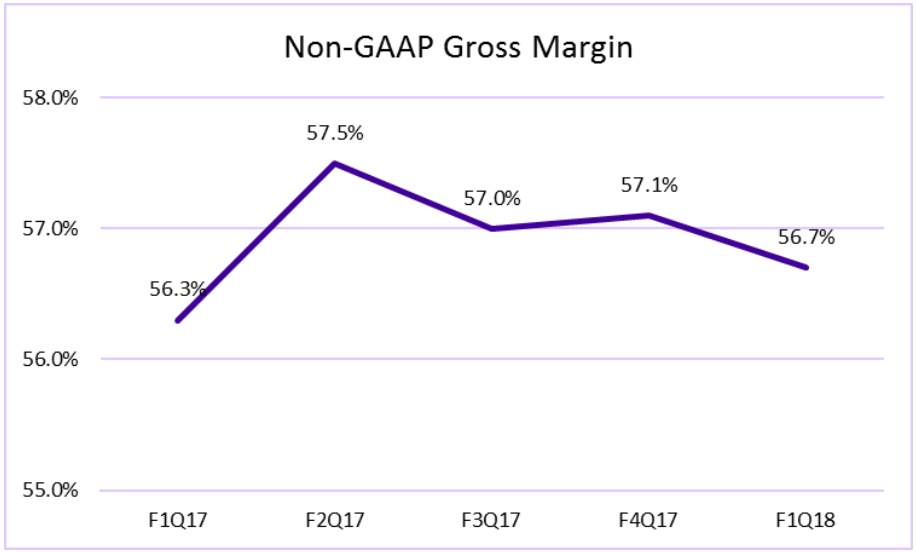
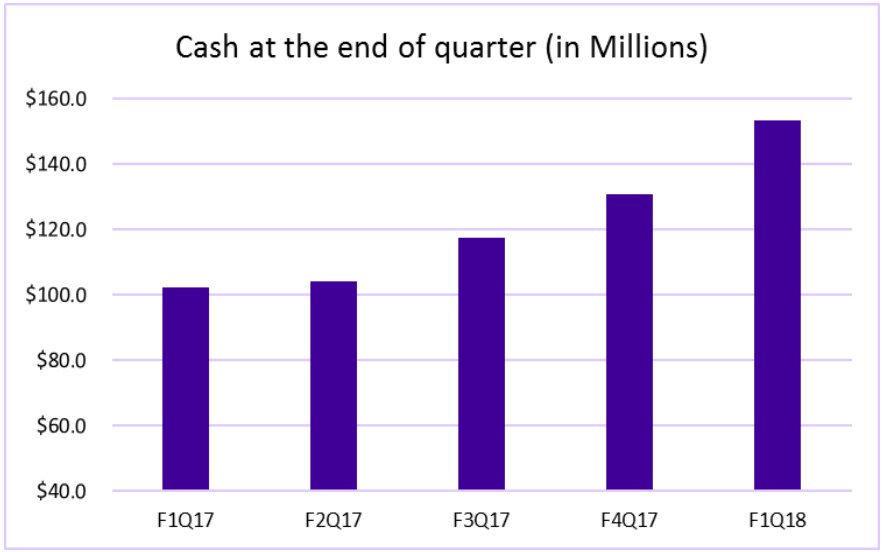
Increased Profitability and Stronger Balance Sheet





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Extreme's Transformation

Events	Actions
Execution	Nine consecutive quarters of delivering earnings that have met or exceeded guidance / Growing cash position
Products	Strong new product cycle that started in FY17
Zebra WLAN business acquisition	Wireless 25+% of total revenue – Increased TAM and added two vertical markets
Avaya Networking APA	Strengthened position as the third largest competitor in targeted enterprise markets
Brocade Data Center Networking APA	Will strengthen position in the expanding high-end data center market and go-to-market strategy in target verticals
Management team	Key strategic hires
Strategy	Refined focus on enterprise customers and targeted verticals

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New Target Operating Model

	FY16 Actual	FY17 Actual	FY18 Target	12-18 Month Target
Revenue	$530	$598	>$1,000	5% Organic Growth
Gross Profit % of Revenue	$288	$341		
	54.3%	57.0%	>59%	>60%
Total Opex	$252	$282		
Operating Income % of Revenue	$36	$59		
	6.7%	9.8%	>12%	>15%
Non-GAAP Net Income of Revenue	$29	$51		
	5.5%	8.5%		
Non-GAAP EPS	$0.28	$0.46		

$ in thousands, except per share amounts

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FQ2’18 Guidance

Non-GAAP ($ in millions except EPS)	FQ1’18 Actual	FQ2’18 Guidance
Revenue	$211.7	$236.0 - $246.0
Gross Margin %	56.7%	56.9% - 58.4%
Operating Expenses	$97.5	$117.5 - $121.5
Operating Income %	10.6%	7.2% - 9.0%
EPS	$0.16	$0.10 - $0.14
Average Shares Outstanding	118.4M	119.7M

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Thank You

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