

**PCTEL (Nasdaq: PCTI)**

**Performance Critical TELecom  
Technology Solutions for the  
Wireless Industry**



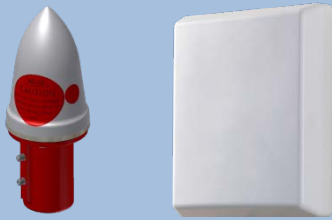
# Safe Harbor Statement

- This presentation contains “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Specifically, the statements regarding PCTEL, Inc.’s future business prospects, forecasted financial information, technology roadmap, strategy, and perceived growth opportunities are forward looking statements within the meaning of the safe harbor. These statements are based on management’s current expectations and actual results may differ materially as a result of various risks and uncertainties. These risks and uncertainties include, among others:
  - ***Demand for wireless products as wireless markets mature;***
  - ***PCTEL’s ability to develop and grow its wireless business, including in its vertical markets;***
  - ***PCTEL’s ability to develop and successfully introduce new and enhanced products that meet our customers’ needs, particularly in the mobile IoT environment; and***
  - ***PCTEL’s ability to achieve gross margin and cost reduction targets.***
- These and other risks and uncertainties are detailed in the filings of PCTEL with the SEC. The “forward-looking statements” contained in this presentation are made only as of this date, and PCTEL disclaims any obligation to update or revise them, including the financial projections.
- The Company presents Non-GAAP financial measures. See the Company’s quarterly earnings press releases for the reconciliation of GAAP to Non-GAAP financial measures.

# Who We Are

## Connected Solutions: Precision Antennas

Small Cell



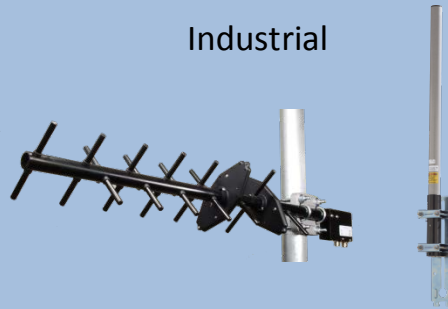
Enterprise Wi-Fi



Fleet and Transit

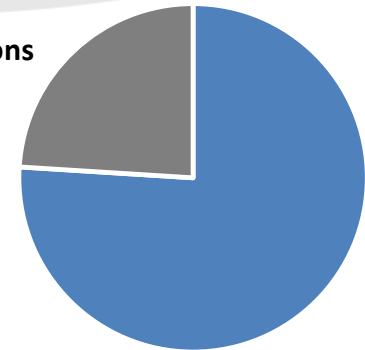


Industrial



## Product Revenue Mix

RF  
Solutions  
24%

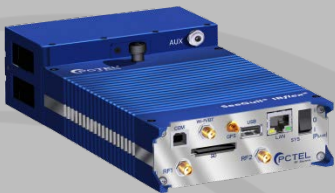


Connected  
Solutions  
76%

PCTEL (Nasdaq: PCTI)

## RF Solutions: Wireless Network Test Tools

Analyze, Design, and Optimize Wireless Networks



**Founded:** 1994

**Headquarters:** Chicago, IL

**Offices:** Maryland, North Carolina, China  
(Beijing, Tianjin)

**Employees:** ≈ 500

**Revenue:** ≈ \$85MM (2016)



# Investment Summary

- A **leading supplier** of wireless network antennas and wireless testing solutions.
- **Focus on non-commodity markets** provides longer product life cycles and greater margin/return profile.
- **Internet of Things and 5G** will drive growth in antenna and testing equipment sales.
- Strategic initiatives and growth of target markets support **targeted annual revenue growth of 8% to 12%** during the next 3 to 5 years.
- **Strong balance sheet** with no debt and \$34 million in cash.
- **Healthy Free Cash Flow** (target is 7-8%) and dividend.
- **Experienced management team**

## PCTEL (Nasdaq: PCTI)

**Recent Stock Price:** \$6.25

**Dividend  $\approx$  Yield:** \$0.22  $\approx$  3.0%

**Market Cap:** \$110MM

**Cash:** \$34MM (\$1.90 per share)

**Debt:** None

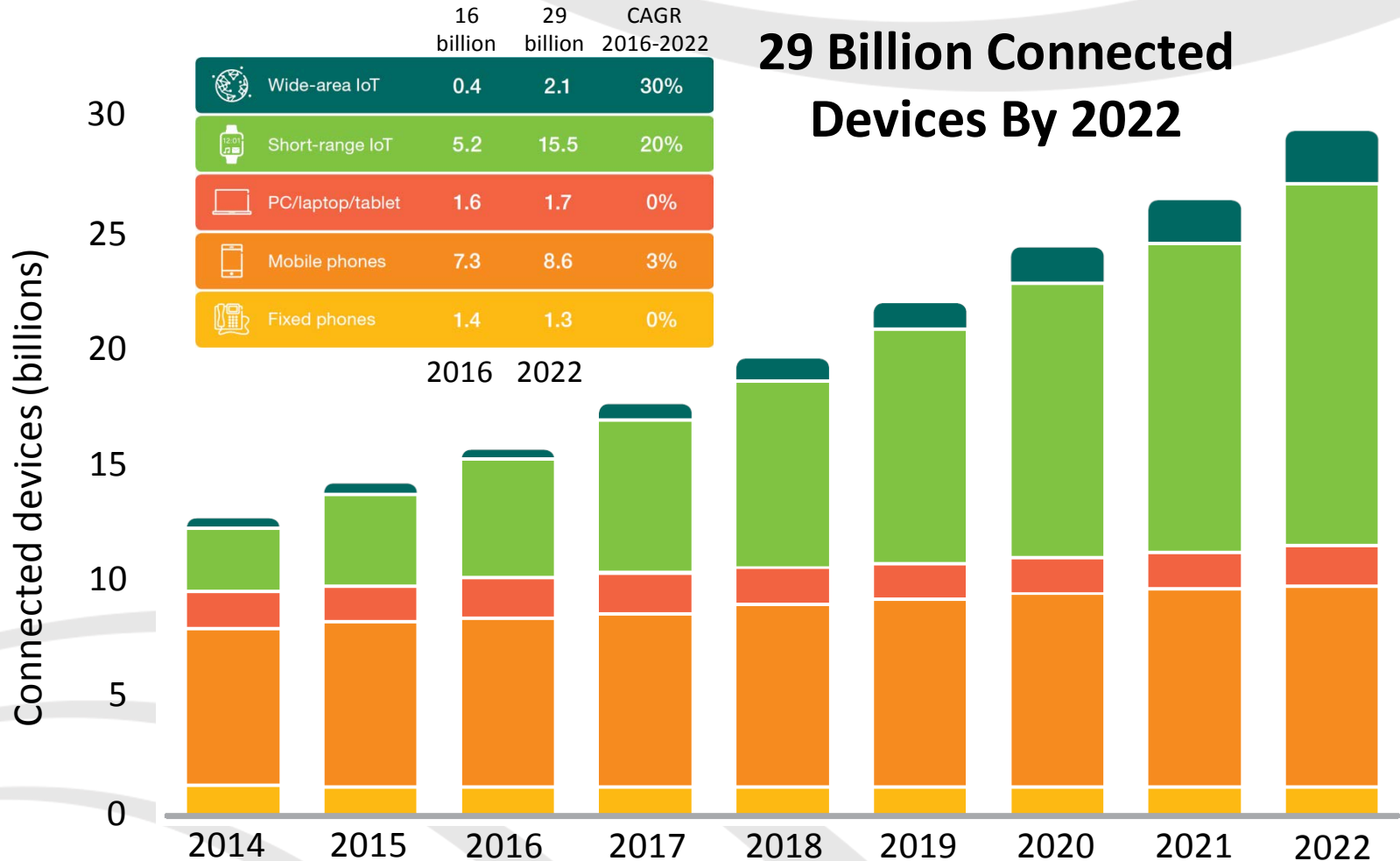
**Revenue (2016):** \$85MM

**Total Shares:** 17.7MM

**Management Ownership:** 7.5%

# Connected Solutions

# Growth in Connected Devices Drives Demand for High Performance Antennas



Source: [Ericsson Mobility Report, June 2017](#)

# Antennas – Top Growth Markets for PCTEL

## Small Cell



## Enterprise Wi-Fi





# Antennas – Top Growth Markets for PCTEL

## Fleet and Mass Transit



## Industrial



**TESSCO**  
TECHNOLOGIES®

 **MOTOROLA SOLUTIONS**

**ARMIS**  
Automated Railroad Maintenance Systems

**TALLEY**  
You Connect the World. We Make it Easy.®



**JOHN DEERE**

**HUTTON**  
...your wireless product experts

**WESCO**®

 **Trimble**®

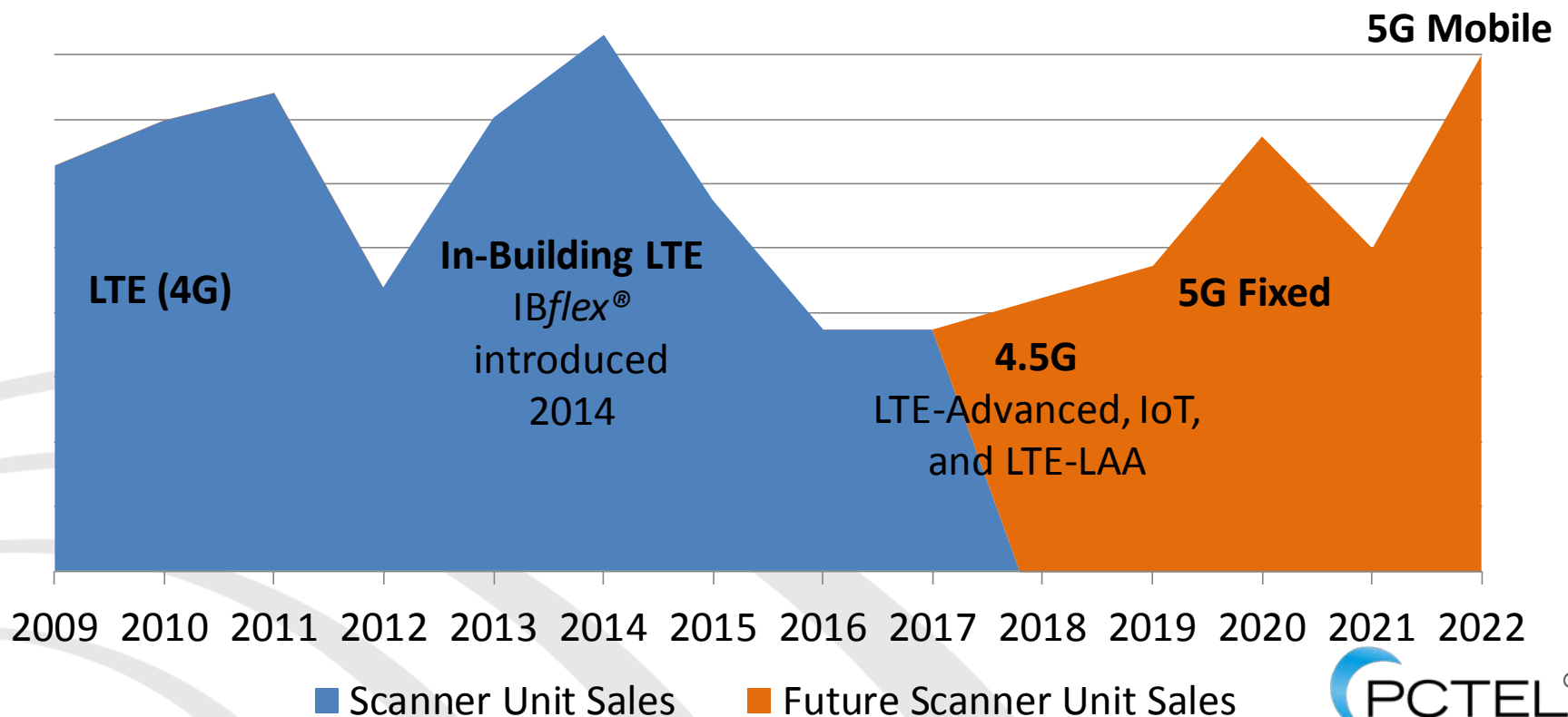
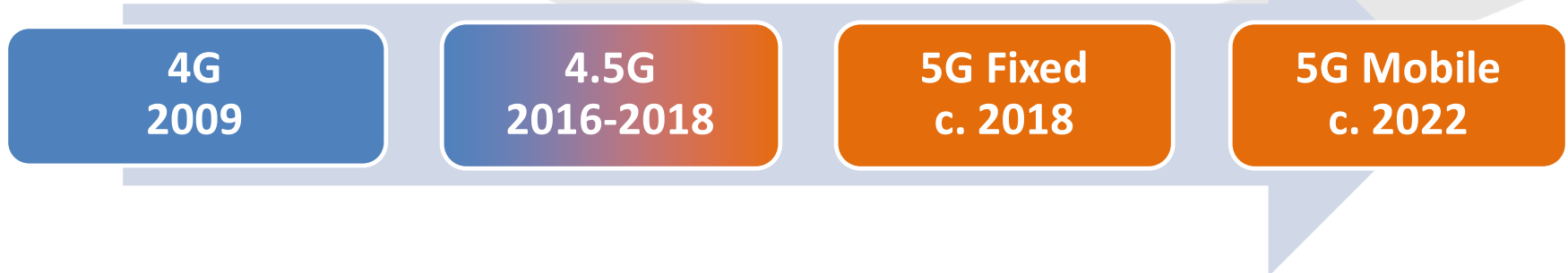
  
**EMERSON**™

 **PCTEL**®  
Performance Critical



# RF Solutions

# New Wireless Technologies Drive RF Solutions Growth



# RF Solutions – Wireless Network Test Tools



AT&T



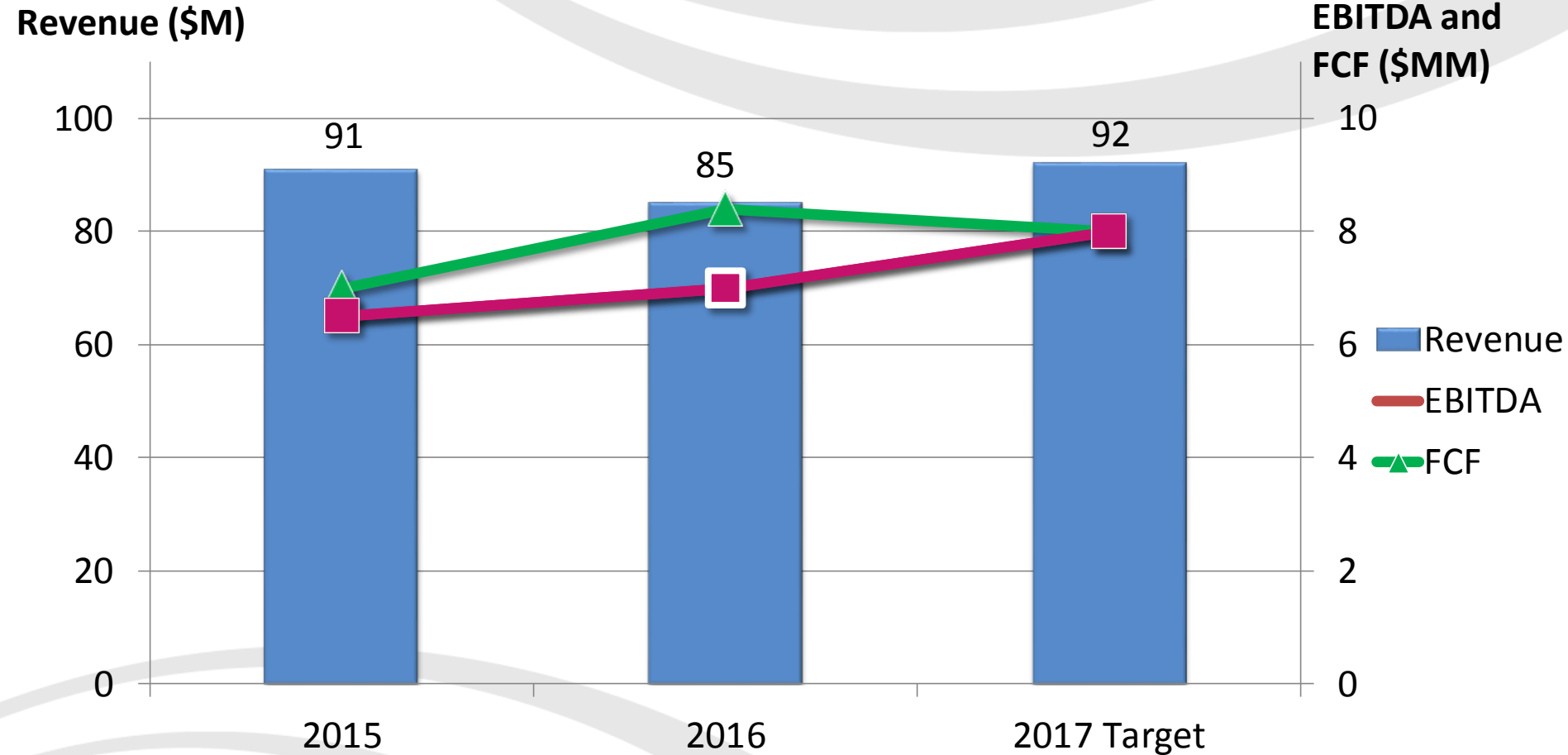
# Growth and Financial Metrics

# Growth and Profit Drivers

- **Small cell and in-building networks leverage ALL PCTEL's capabilities**
- **Complete solutions for enterprise, neutral hosts, OEMs and carriers**
- **Potential for multiple \$10 million customers**
  - Antennas and scanning receivers
  - Demonstrated capability to meet global customer demands
- **Growth in China and APAC for antennas and scanning receivers**
  - Critical mass in manufacturing and development
  - Strong distribution



# Three Year Financial Highlights



- Pruned low margin revenue previously acquired in 2015
- Resulted in improved EBITDA
- Free Cash Flow margin remains consistently between 7-8%.
- Dividend targeted at 55% of FCF



# Experienced and Deep Bench

<b>David Neumann</b>	CEO	VP Sales & Marketing SAFCO Technology, Director of Marketing at Acterna (acquired by JDSU), VP Sales & Marketing X-TEL Communications
<b>John Schoen</b>	SVP & CFO	19 years of experience at Motorola, COO and CFO of SAFCO Technology
<b>Rishi Bharadwaj</b>	SVP & GM, Connected Solutions	Experience at SAFCO Technologies and Agilent Technologies, holds a patent for measuring data quality in wireless communication networks
<b>Jeff Miller</b>	SVP & GM of RF Solutions	14 years of experience at Motorola's Cellular Infrastructure Group, lead SAFCO Technologies Test and Measurement years before its acquisition by Agilent Technologies
<b>Shelley Bacastow</b>	VP & General Counsel	Chicago-based law firm Chapman and Cutler, MCI Telecommunications, Inc., Motorola, Inc.
<b>Les Sgnilek</b>	VP, Corporate Resources and Chief Risk Officer	Joined PCTEL in 2001 in Corporate Treasury and has also led Information Technology, Oracle ERP Implementation, and M&A activity.

# Summary

- **Connected Solutions OEM antenna markets drive growth (small cell, enterprise Wi-Fi, fleet, and industrial)**
- **RF Solutions provides cash flow with upside during new technology deployments**
- **China and APAC growth for all products**
- **Consistent Free Cash Flow**
- **Strong balance sheet**
- **Targeted annual revenue growth of 8% to 12% during the next 3 to 5 years**