

ENABLING CONNECTIVITY



> pctel.com



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 expectations regarding the impact of the COVID-19 pandemic, 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:

- *The impact of data densification and IoT on capacity and coverage demand;*
- *The worldwide adoption and deployment of new technologies, including 5G;*
- *PCTEL’s ability to develop and grow its wireless business, including in its targeted market segments, and rapidly respond to market trends and demands;*
- *PCTEL’s ability to develop and successfully introduce new and enhanced products that meet our customers’ needs, particularly in the industrial IoT and 5G environments;*
- *The impact of geopolitical trade wars on sales growth and market penetration; and*
- *Disruptions to PCTEL’s workforce, operations, supply chain and customer demand, and to economic activity in general, caused by the COVID-19 pandemic, and the impact of the pandemic on PCTEL’s results of operations, financial condition and stock price.*

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.

We Solve Complex Wireless Challenges

LEADERSHIP

- 25+ years of leadership solving complex RF challenges
- Experienced management team who respect and appreciate their employees
- Recognized engineering expertise with 62 patents ¹

MARKETS

- Expanding addressable target market and customer base driven by IIoT applications, 5G, intelligent transportation and enterprise wireless
- Increasing RF complexity presents significant need for PCTEL's products across targeted vertical markets which support long-term revenue growth

FINANCIALS

- Strong balance sheet with no debt and \$41.3M in cash
- Operating profitably through COVID pandemic
- Healthy Free Cash Flow (Target is 7 - 9%)
- Dividend yielding 3.8%
- Distributed \$100M to shareholders from 2008 - 2019

¹ As of July 10, 2020



Company Profile By the Numbers

Debt
None

Recent Stock Price ¹

\$5.75

Dividend \approx Yield

\$0.22 \approx 3.8%

Market Cap ¹

\$107M

Revenue
2019

\$90.6M

Cash ²

\$41.3M

(\$2.20 per
share)

Total Shares ²

18.6M

Management
Ownership

7.5%

Founded

1994

Headquarters

Bloomington, Illinois

Employees (Approximate)

330

Offices

**Maryland, Ohio,
China (Beijing, Tianjin,
Hong Kong)**

Vision & Strategy

VISION

Global leader for RF hardware that enables wireless connectivity

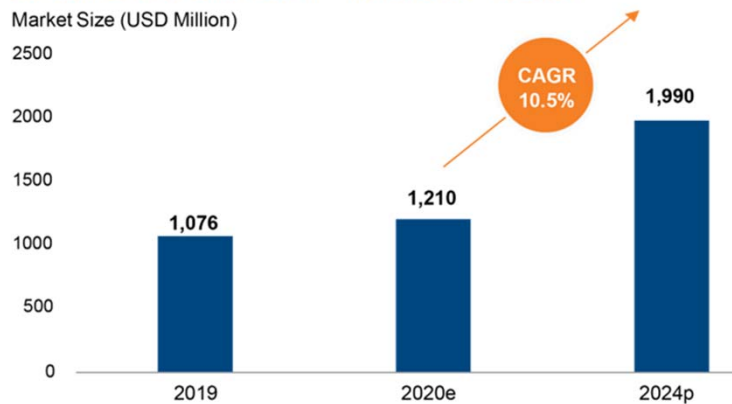
STRATEGY

- 1 Launch innovative device, radio and T&M products**
 - Respond rapidly to market trends and demand
- 2 Expand distribution channels**
 - Focus on key distributors which align with our targeted market segments, including Industrial IoT, Intelligent Transportation and Enterprise Wireless
- 3 Increase market share**
 - Leverage existing customer relationships to provide radio, sensors and other IIoT RF hardware
- 4 Drive operational and financial efficiency**
 - Continuously improve processes and productivity

Macro Trends

Industrial IoT Growth

US IIOT DEVICES MARKET – FORECAST TO 2024 ¹



Note: e:estimated; p:projected



- > The increasing adoption of industry automation and growing emphasis on regulatory compliances are the major factors driving the IoT devices market growth.¹

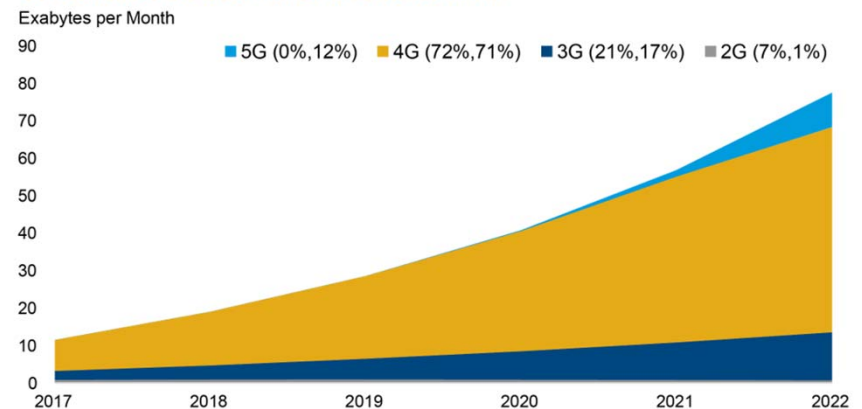
¹ Source: MarketsandMarkets Strategic Assessment of IIoT Devices Market 2020

² Source: Cisco VNI Global Mobile Data Traffic Forecast, 2017-2022

³ Source: Ericsson Mobility report 2020

5G Growth

GLOBAL MOBILE TRAFFIC BY NETWORK TYPE ²



* Figures (n) refer to 2017, 2022 network type share of traffic



- > 5G subscription uptake is expected to be significantly faster than for 4G.³

Industrial IoT

ENHANCE OPERATIONS

- Gain efficiency, safety and security when devices stay connected
- Enhance operational performance under harsh environments with industrial-grade products
- Improve workforce productivity by reliably connecting people, devices and processes
- Support application specific customization and integration capabilities with a flexible product line



▲ Utility



▲ Manufacturing



▲ Industrial Automation



▲ Oil and Gas



▲ Hospitality



IoT market expected to more than double in the next 5 years

> Total IoT connected devices
estimated to be 22.3 billion by 2024¹

¹Ericsson Mobility Report, June 2019



Intelligent Transportation

IMPROVE SAFETY

- Improve public safety, reduce congestion, and foster environmentally friendly mobility
- Control and manage the flow of information, enhance operational efficiencies
- Increase wireless network capacity and provide continuous connectivity



▲ Smart Traffic Management



▲ Autonomous Mining



▲ Police Vehicle Antenna Systems²



▲ Precision Agriculture



▲ Industrial Railway

> Smart Roadways and Railways are expected to grow at 14.5% and 15.2%, respectively, through 2023¹

¹ MarketsandMarkets, Smart Transportation Market - Global Forecast to 2023, August 2018
² Image Courtesy of Los Angeles Sheriff's Department

Enterprise Wireless

ENSURE COMMUNICATION

- Rely on enhanced communication performance to stay connected and to improve productivity
- Support heightened safety and security initiatives
- Tune, troubleshoot, and optimize 4G, 5G, P25, Tetra and DMR wireless network performance for enhanced connectivity



▲ Cellular and WiFi Networks



▲ Public Safety and Private Radio



▲ Industrial Wireless



▲ 5G

> By 2022, 59% of global mobile traffic (cellular) will be offloaded to WiFi or small cell networks¹

¹ CISCO Visual Networking Index, March 2019

Working Together to Solve Challenges

OEMs	DISTRIBUTORS	DIRECT
          	    	     

Investment Thesis

- Active in growing IIoT & 5G markets
- Talented RF, mechanical, industrial & DSP engineering
- RF hardware products enable and verify wireless connectivity
- Disciplined financial management
- Positioned to create long term shareholder value

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Operational Priorities

1

Employee safety, employment & opportunity

2

Close customer collaboration to solve RF connectivity challenges

3

Organic and inorganic investments for product and regional expansion

Capital Plan and Long-term Targets

- Fund working capital for operations
- Fund capital expenditures for organic investment and maintenance
 - *Average of 3 - 4% of revenues annually*
- Pay quarterly dividends
 - *Free cash flow of 7 - 9% annually*
 - *Payout target of up to 50% of annual free cash flow*
- Pursue strategic acquisitions to complement product portfolio
- Evaluate stock repurchase program on a regular basis
 - *Repurchase program for up to \$5.0 million of common stock in effect through 2021*

	2019 ACTUAL	2023 TARGET
REVENUE	\$90.6M	\$110M to \$120M
GROSS PROFIT MARGINS	45.8%	44 - 46%
EBITDA MARGIN	12.4%	11 - 13%

Gross profit margin and EBITDA margin percentages are expected to be lower in 2023 compared to 2019 because antenna products, with generally lower gross margins than test and measurement products, are expected to constitute a greater portion of the product mix.

Why PCTEL?

- **Market leader** with established reputation for unique RF and mechanical engineering expertise
- **R&D and Innovation** supporting the development of knowledge and technology to exploit market growth areas
- **Excellent relationships with global customers:** OEMs, distributors and direct accounts
- **Proven success** in industrial IoT, 5G test and measurement, enterprise wireless, intelligent transportation and public safety
- **Global presence** with headquarters in the US and employees in 8 countries serving customers worldwide
- **Strategic IoT & 5G initiatives in growing markets** to support long-term revenue growth
- **Solid Balance Sheet** to fund organic growth, acquisitions and dividend
- **Talented** and experienced executives and employees to drive operational performance



Thank You!

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