LITCHFIELD HILLS RESEARCH

Ceragon Networks Ltd. CRNT — Buy – USD $9.00 PT

Action Summary – 10 November 2026

Analyst, Theodore R. O'Neill 3Q26 Results and update- *Reiterate our Buy rating and $9 PT.*

Another top and bottom line beat in 3Q26. The company reported 3Q26 revenue and non-GAAP EPS of $95.5MM and $0.07, respectively, beating consensus revenue estimates of $94.4MM and non-GAAP EPS of $0.04. On a GAAP basis, as shown in Figure 2, EPS exceeded our estimate by $0.01. The slightly favorable variance was driven by higher sales and, better margins, partially offset by higher operating expenses and taxes.

North American business remains strong. The Americas represented 40% of revenue and the company said it expects a new order from another Tier-1 North American customer.

Other activity during the quarter. The Cambium Networks disruption is creating near-term channel and customer opportunities, and the company is positioning itself as a broader wireless supplier around its point-to-point products through partnerships with other access-technology providers. Supply constraints remain an active issue and are expected to continue into 2027.

Guidance for 2026 updated. Management narrowed its revenue guidance range to $365MM to $375MM from $355MM-$385MM, while maintaining its non-GAAP gross margin and non-GAAP operating margin guidance at 33.5% to 34.5% and 5% to 6%, respectively.

Adjusting estimates. For 2026, our revenue and Adjusted EPS estimates are now $366.4MM and $0.11, respectively, up from $364.4MM and $0.09, respectively. For 2027, our revenue and EPS remain unchanged.

Shares appear to be priced significantly below on both absolute and comparative metrics. The shares sell at a discount to both our discounted price target model and below average peer multiples.

11/9/26 Closing price: $2.62	**Market cap: $195 million**	**2027 Market cap/sales: 0.61x**	**2027 EV/Sales: 0.58X**
Shares outstanding: 92 million	**Insider ownership: ~7%**	**Avg. trading volume: >500,000**	**Dividend/Yield: NA/NA**

Revenue, Adjusted EPS and GAAP operating margin estimates (EPS in USD – Revenue in USD millions)

Period	Adjusted EPS	Revenue	Operating Margin
1Q24A	$0.05	$88.5	4.8%
2Q24A	$0.11	$96.1	10.8%
3Q24A	$0.16	$102.7	14.3%
4Q24A	$0.09	$106.9	8.9%
FY24A	$0.41	$394.2	9.8%
1Q25A	$0.03	$88.6	(1.2%)
2Q25A	$0.03	$82.3	2.7%
3Q25A	$0.02	$85.5	4.4%
4Q25A	$0.02	$82.3	2.9%
FY25A	$0.09	$338.7	2.1%
FY26E	$0.11	$366.4	2.0%
FY27E	$0.15	$382.0	3.9%

Note: Numbers may not add due to rounding. See our full model at the back of this report.

Cash balance (USD millions)

2022A	$22.9
2023A	$28.2
2024A	$35.3
2025A	$38.4
2026E	$40.7
2027E	$34.4

Short term debt (USD millions)

2022A	$37.5
2023A	$32.6
2024A	$25.2
2025A	$19.0
2026E	$7.0
2027E	$10.0

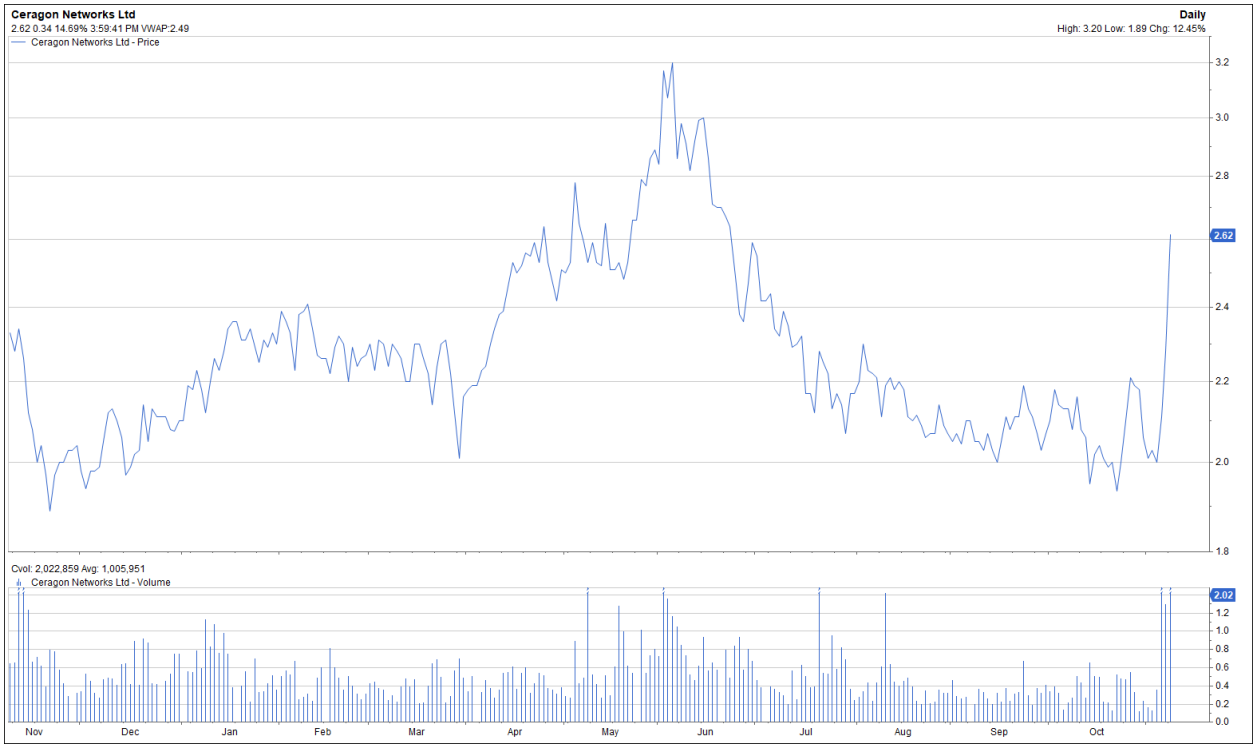
Risks/Valuation

- Risks include competition, government funding, network growth demands, tariffs.
- Our $9.00 target is derived using a discounted future earnings model.

Company description: Ceragon (NASDAQ: CRNT) is a global innovator and leading solutions provider of end-to-end wireless connectivity, specializing in transport, access, and AI-powered managed & professional services. Through its commitment to excellence, it empowers customers to elevate operational efficiency and enrich the quality of experience for their end users.

© 2026 Litchfield Hills Research LLC, 79 Belgo Road, Lakeville, CT 06039 | Analyst: Theodore@hillsresearch.com
860-435-0150 * Important disclosures can be found at the back of this report

Figure 1 – Ceragon Networks – One year Trading snapshot



Source: FactSet

Quarterly Analysis

Another top and bottom line beat in 3Q26. The company reported 3Q26 revenue and non-GAAP EPS of $95.5MM and $0.07, respectively, beating consensus revenue estimates of $94.4MM and non-GAAP EPS of $0.04. On a GAAP basis, as shown in Figure 2, EPS exceeded our estimate by $0.01. The slightly favorable variance was driven by higher sales and, better margins, partially offset by higher operating expenses and taxes.

Figure 2 – Ceragon Networks – Quarterly Analysis

Income Statement	2026 Q3E	2026 Q3A	Better / (worse) than estimates
Sales			
Total Revenue	93,500	95,524	$2,024
Total cost of products sold	62,178	61,182	996
Total Gross Profit	31,323	34,342	3,020
GP%	33.5%	36.0%	
Operating expenses:			
R&D Net	8,000	7,852	148
Sales and Marketing	13,500	13,459	41
General and administrative	$5,600	$6,410	(810)
Other incl. restructuring, M&A	0	2,143	(2,143)
Total Expenses	27,100	29,864	(2,764)
Earnings (loss) from Operations	4,223	4,478	256
Financial costs and other	(2,000)	(1,391)	609
Earnings before taxes	2,223	3,087	865
Tax expense/(benefit)	267	706	(439)
Net income	$1,956	$2,381	$425
Total GAAP EPS	$0.02	$0.03	$0.01
Adjusted EPS	$0.04	$0.07	$0.03
Diluted common shares	92,500	91,815	

Source: Litchfield Hills Research LLC

Valuation Methodology

We believe CRNT is undervalued, and we support that belief with a series of valuation techniques. We use two different techniques, below. To determine our price target, we use a discounted future earnings model, and we validate that result with a comparison to peers, i.e.:

1) The discounted value of all future earnings was used for our price target (see Figure 3)
2) Valuation relative to peers (see Figure 4)

Discounted Future Earnings – Basis for Price Target

Our 12-month price target of $9.00 is based on a discounted earnings model. For valuation purposes, we sum up all future GAAP earnings discounted at 10%. We assume earnings growth in 2026 that accelerates in 2027, after which steps down to GDP after 5-7 years. Our valuation model is shown in Figure 3 below. Note, this model understates future new products and growth through acquisitions and probably understates the tax benefits, but offsetting that, the earnings never have a down year. The implied share price is $8.64, which we round to $9.00. Were it to trade at that level, the implied 2027 EV/Revenue would still be below average, all of which leads us to believe the shares are undervalued.

© 2026 Litchfield Hills Research LLC, 79 Belgo Road, Lakeville, CT 06039 | Analyst: Theodore@hillsresearch.com
860-435-0150 * Important disclosures can be found at the back of this report

Figure 3 – Ceragon Networks – Price Target Calculation

Discounted future earnings: $8.64			
YEAR		EPS	Discounted EPS
	2026	($0.02)	($0.02)
	2027	$0.07	$0.06
	2028	$0.25	$0.21
	2029	$0.32	$0.25
	2030	$0.40	$0.29
Terminal Value			$7.84

Source: Litchfield Hills Research LLC

Valuation Relative to Peers

If we compare CRNT to a simple average of its peers (Figure 4), the shares sell at a significant discount on sales measures. Assuming CRNT should trade at an average multiple, although we believe its growth potential could justify a premium, these metrics indicate the stock price should be higher than where it is today. Details on each of the peers can be found in Figure 5. The companies included in Figure 5 are in similar lines of business although none of them are a perfect match.

Figure 4 – Ceragon Networks – Discount to Peers

	2027 Market Cap / Sales	2027 EV / Sales
Average	2.18	2.32
CRNT	0.61	0.58
Discount to peers	**72%**	**75%**

Source: Litchfield Hills Research LLC and FactSet

Figure 5– Ceragon Networks – Comp Table

					2027 Consensus Multiples			
FactSet Ticker	Company Name	Closing Price	Market Cap $MM	EV $MM	PE	EV /Sales	Market Cap / Sales	EV / EBITDA
CIEN-US	Ciena Corp.	$243.39	34,515	36,183	22.75	4.73	4.52	18.32
NOKIA-FI	Nokia Oyj (FI Listing)	$7.78	44,687	43,348	17.32	1.82	1.87	11.96
6701-JP	NEC Corporation (Ordinary)	$27.28	37,215	38,856	16.76	1.56	1.50	12.35
ERIC.A-SE	Telefon AB L.M.Ericsson (Class A)	$10.55	34,924	32,635	15.96	1.38	1.47	8.20
000063-CN	ZTE Corporation (Class A)	$4.23	18,961	19,714	20.85	0.77	0.72	
002281-CN	Accelink technologies Co Ltd (CN Listing)	$13.69	10,758	10,871	22.07	2.48	2.58	
KTOS-US	Kratos Defense & Security Solutions Inc.	$35.10	6,608	5,469	33.31	2.71	3.21	34.31
600498-CN	Fiberhome Telecom Tech Co (Class A)	$4.05	5,497	7,595	18.05	1.57	1.16	
MRCY-US	Mercury Systems Inc	$73.55	4,477	4,660	47.78	4.62	4.46	34.56
MXL-US	MaxLinear Inc.	$49.18	4,475	4,909	11.85	3.97	3.63	13.60
DGII-US	Digi International	$63.21	2,399	2,550	21.49	4.68	4.42	
CALX-US	Calix Inc.	$30.60	1,891	1,835	13.19	1.41	1.45	
002583-CN	Hytera Communications Corp. Ltd. (Class A)	$1.19	1,527	2,343				
ADV-DE	Adtran Networks SE	$23.18	1,207	1,217				
GILT-US	Gilat Satellite Networks (US Listing)	$7.19	554	421	10.60	0.80	1.04	
AVNW-US	Aviat Networks. Inc.	$17.66	227	256	7.59	0.60	0.54	
CMBMF-US	Cambium Networks Corporation	$0.01	0	69				
CMTL-US	Comtech Telecommunications	$1.13	34	439		1.65	0.13	
	AVERAGE				19.97	2.32	2.18	19.04
CRNT-US	Ceragon Networks (US Listing)	$2.28	207	197	15.20	0.58	0.61	6.57
	CRNT Discount to peers:				**-24%**	**-75%**	**-72%**	**-65%**

Source: FactSet and Litchfield Hills Research LLC

© 2026 Litchfield Hills Research LLC, 79 Belgo Road, Lakeville, CT 06039 | Analyst: Theodore@hillsresearch.com
860-435-0150 * Important disclosures can be found at the back of this report

Figure 6 – Ceragon Networks – Income Statement (USD$ 000)

December ending year	2023A Year	2024A Year	2025A Q1A	2025A Q2A	2025A Q3A	2025A Q4A	2025A Year	2026E Q1A	2026E Q2A	2026E Q3A	2026E Q4E	2026E Year	2027E Year
Total revenue	$347,179	$394,190	$88,652	$82,262	$85,484	$82,330	$338,728	$85,003	$93,914	$95,524	$92,000	$366,441	$382,000
Growth	18%	14%	0%	-14%	-17%	-23%	-14%	-4%	14%	12%	12%	8%	4%
Cost of Goods	227,310	257,339	59,553	53,822	56,134	54,667	224,176	54,927	64,187	61,182	63,480	243,776	251,645
Gross Profit	**119,869**	**136,851**	**29,099**	**28,440**	**29,350**	**27,663**	**114,552**	**30,076**	**29,727**	**34,342**	**28,520**	**122,665**	**130,355**
Gross Margin	**34.5%**	**34.7%**	**32.8%**	**34.6%**	**34.3%**	**33.6%**	**33.8%**	**35.4%**	**31.7%**	**36.0%**	**31.0%**	**33.5%**	**34.1%**
R&D Net	$32,274	$34,951	$8,249	$7,332	$6,955	$7,891	$30,427	$7,941	$8,405	$7,852	$7,900	$32,098	$33,500
% of total revenue	9.3%	8.9%	9.3%	8.9%	8.1%	9.6%	9.0%	9.3%	8.9%	8.2%	8.6%	8.8%	8.8%
Sales and Marketing	40,577	44,717	12,297	11,722	12,609	12,053	48,681	13,990	12,909	13,459	13,600	53,958	55,200
General and administrative	23,793	14,220	5,436	6,940	6,013	6,005	24,394	5,520	6,823	6,410	6,400	25,153	26,600
Other incl. restructuring, M&A	2,015	4,236	4,207	229	20	(652)	3,804	540	1,353	2,143	-	4,036	-
Total Operating Expenses	98,659	98,124	30,189	26,223	25,597	25,297	107,306	27,991	29,490	29,864	27,900	115,245	115,300
Operating Income	**21,210**	**38,727**	**(1,090)**	**2,217**	**3,753**	**2,366**	**7,246**	**2,085**	**237**	**4,478**	**620**	**7,420**	**15,055**
Operating Margin	**6.1%**	**9.8%**	**-1.2%**	**2.7%**	**4.4%**	**2.9%**	**2.1%**	**2.5%**	**0.3%**	**4.7%**	**0.7%**	**2.0%**	**3.9%**
Non-GAAP Operating Income	**29,022**	**48,763**	**4,494**	**4,721**	**5,332**	**3,423**	**17,970**	**2,729**	**2,074**	**6,587**	**2,720**	**14,110**	**21,055**
Non-GAAP Operating Margin	**8.4%**	**12.4%**	**5.1%**	**5.7%**	**6.2%**	**4.2%**	**5.3%**	**3.2%**	**2.2%**	**6.9%**	**3.0%**	**3.9%**	**5.5%**
			4,594	5,400	4,555	2,713							
Total Other Items	(8,468)	(11,474)	990	(2,896)	(2,976)	(1,656)	(6,538)	(2,856)	(1,663)	(1,391)	(1,400)	(7,310)	(8,000)
Pre-Tax Income	**12,742**	**27,253**	**(100)**	**(679)**	**777**	**710**	**708**	**(771)**	**(1,426)**	**3,087**	**(780)**	**110**	**7,055**
Pre-Tax Margin	**3.7%**	**6.9%**	**-0.1%**	**-0.8%**	**0.9%**	**0.9%**	**0.2%**	**-0.9%**	**-1.5%**	**3.2%**	**-0.8%**	**0.0%**	**1.8%**
Taxes (benefit)	6,522	3,190	880	588	749	581	2,798	572	665	706	(94)	1,849	847
Tax Rate	51.2%	11.7%	-879.2%	-86.6%	96.4%	81.8%	395.2%	-74.2%	-46.6%	22.9%	12.0%	1682.6%	12.0%
Net income	**6,220**	**24,063**	**(980)**	**(1,267)**	**28**	**129**	**(2,090)**	**(1,343)**	**(2,091)**	**2,381**	**(686)**	**(1,739)**	**6,208**
Net Margin	**1.8%**	**6.1%**	**-1.1%**	**-1.5%**	**0.0%**	**0.2%**	**-0.6%**	**-1.6%**	**-2.2%**	**2.5%**	**-0.7%**	**-0.5%**	**1.6%**
Adjusted EPS	0.20	0.41	0.03	0.03	0.02	0.02	0.09	0.01	0.02	0.07	0.01	0.11	0.15
Total GAAP EPS	**0.07**	**0.27**	**(0.01)**	**(0.01)**	**0.00**	**0.00**	**(0.02)**	**(0.01)**	**(0.02)**	**0.03**	**(0.01)**	**(0.02)**	**0.07**
Diluted Shares Outstanding	85,483	88,460	88,743	89,471	91,744	92,432	89,787	90,709	91,034	91,815	92,600	91,539	92,850

Source: Company reports and Litchfield Hills Research LLC

© 2026 Litchfield Hills Research LLC, 79 Belgo Road, Lakeville, CT 06039 | Analyst: Theodore@hillsresearch.com
860-435-0150 * Important disclosures can be found at the back of this report

Figure 7 – Ceragon Networks – Balance Sheet (USD$ 000)

December ending year	FY2027E	FY2026E	FY2025A	FY2024A	FY2023A	FY2022A
Balance sheet						
Current Assets						
Cash and Restricted Cash	$34,387	$40,690	$38,368	$35,311	$28,237	$22,948
Accounts receivable	102,000	100,000	99,673	149,619	104,321	100,034
Other AR and Prepaid	28,000	25,000	25,576	16,415	16,571	15,756
Inventories	65,000	65,000	61,587	59,693	68,811	72,009
Total Current Assets	**229,387**	**230,690**	**225,204**	**261,038**	**217,940**	**210,747**
Net PP&E	45,000	43,000	39,952	36,764	30,659	29,456
Goodwill and intangibles	33,000	34,000	34,189	24,540	24,150	8,208
Other non-current	18,000	17,000	17,697	22,654	25,776	40,907
Total Assets	**$325,387**	**$324,690**	**$317,042**	**$344,996**	**$298,525**	**$289,318**
Current Liabilities						
Accounts and other payables	$80,000	$83,000	$70,784	$91,157	$67,032	$67,384
Short term borrowings	$10,000	$7,000	$19,000	$25,200	$32,600	$37,500
Other AP and accrued	$22,000	$30,000	$24,071	$29,547	$23,925	$20,864
Other current liabilities	$6,000	$7,000	$6,372	$5,544	$9,396	$7,088
Total current liabilities	**118,000**	**127,000**	**120,227**	**151,448**	**132,953**	**132,836**
Operating lease liabilities	10,000	12,500	13,331	12,936	13,716	13,187
Other non-current	16,000	11,000	10,732	14,287	17,837	23,512
Total Liabilities	**144,000**	**150,500**	**144,290**	**178,671**	**164,506**	**169,535**
Stockholders' Equity						
Preferred stock						
Total stockholders' equity	181,387	174,190	172,752	166,325	134,019	119,783
Total Liabilities and equity	**$325,387**	**$324,690**	**$317,042**	**$344,996**	**$298,525**	**$289,318**

Source: Company reports and Litchfield Hills Research LLC

Figure 8 – Ceragon Networks – Cash Flow (USD$ 000)

	2027E	2026E	2025A	2024A	2023A
Net Income	$6,208	($1,739)	($2,090)	$24,063	$6,220
Accounts receivable	(2,000)	(327)	49,946	(45,298)	(4,287)
Other AR and Prepaid	(3,000)	576	(9,161)	156	(815)
Inventories	0	(3,413)	(1,894)	9,118	3,198
Net PP&E	(2,000)	(3,048)	(3,188)	(6,105)	(1,203)
Goodwill and intangibles	1,000	189	(9,649)	(390)	(15,942)
Other non-current	(1,000)	697	4,957	3,122	15,131
Accounts and other payables	(3,000)	12,216	(20,373)	24,125	(352)
Short term borrowings	3,000	(12,000)	(6,200)	(7,400)	(4,900)
Other AP and accrued	(8,000)	5,929	(5,476)	5,622	3,061
Other current liabilities	(1,000)	628	828	(3,852)	2,308
Operating lease liabilities	(2,500)	(831)	395	(780)	529
Other non-current	5,000	268	(3,555)	(3,550)	(5,675)
Redeemable common stock	0	0	0	0	0
Common stock	(11)	1	2	8	0
Additonal paid in capital	1,000	4,360	7,271	10,208	4,947
Other comprehensive loss	0	(1,184)	1,244	(1,973)	3,069
Treasury stock and note	0	0	0	0	0
Dividend/Financing/Adj. Other	0	0	0	0	0
Total Cash Flow	($6,303)	$2,322	$3,057	$7,074	$5,289

Source: Litchfield Hills Research LLC

Disclosures:

Analyst Certification
We, the Litchfield Hills Research Department, hereby certify that the views expressed in this research report accurately reflect our personal views about the subject company and the underlying securities.

FINRA Compliant Research Report
We, the Litchfield Hills Research Department, hereby certify that this report is compliant with FINRA research rules 2241, 3110, and the report has been reviewed by a Supervisory Analyst.

MiFID II Compliant Research Report
Our research is classified as a minor non-monetary benefit under MiFID II. This applies to all forms of transmission, including email, website and financial platforms such as Bloomberg, FactSet, S&P Global, Refinitiv and 11 others. We do not seek payment from the asset management community and do not have any execution function. Investors can continue to receive our research under the MiFID II regime without the need for a contract for services to be put in place. This applies to all forms of transmission, including email, website and financial platforms.

Litchfield Hills Research LLC Rating System

BUY: We expect the stock to provide a total return of 15% or more within a 12-month period.
HOLD: We expect the stock to provide a total return of negative 15% to positive 15% within a 12-month period.
SELL: We expect the stock to have a negative total return of more than 15% within a 12-month period.
Total return is defined as price appreciation plus dividend yield.

Other Disclosures
Litchfield Hills Research, LLC ("LHR") is not a U.S. broker-dealer registered with the U.S. Securities and Exchange Commission nor a member of Financial Industry Regulatory Authority. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject LHR or any divisions, subsidiaries or affiliates to any registration or licensing requirement within such jurisdiction.

All material presented in this report, unless specifically indicated otherwise, is under copyright to LHR and the subject company. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of LHR or the subject company. All trademarks, service marks and logos used in this report

are trademarks, service marks, registered trademarks, or service marks of LHR or its affiliates. The information, tools and material presented in this report are provided to you for information purposes only and are not to be used or considered as an offer or the solicitation of an offer to sell or to buy or subscribe for securities or other financial instruments. LHR may not have taken any steps to ensure that the securities referred to in this report are suitable for any particular investor. The investments or services contained or referred to in this report may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investments or investment services. Nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable, appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you. LHR does not offer advice on the tax consequences of investment, and you are advised to contact an independent tax adviser. LHR believes the information and opinions in the Disclosure Appendix of this report are accurate and complete. The information and opinions presented in this report were obtained or derived from sources LHR believes are reliable, but LHR makes no representations as to their accuracy or completeness.

Ownership and Material Conflicts of Interest
The analysts own no shares of the subject company. The analysts and their families have no known material conflicts of interest in authoring this report.

Investment Banking and Fees for Services
Litchfield Hills Research has not received compensation for advisory or investment banking services from the Company in the past 12 months. Litchfield Hills Research LLC has received compensation for distribution and investor targeting services from the subject company.

Market Making
Litchfield Hills Research LLC does not make a market in the subject company's securities.

Additional information is available upon request. LHR accepts no liability for loss arising from the use of the material presented in this report, except that this exclusion of liability does not apply to the extent that liability arises under specific statutes or regulations applicable to LHR. This report is not to be relied upon in substitution for the exercise of independent judgment.