

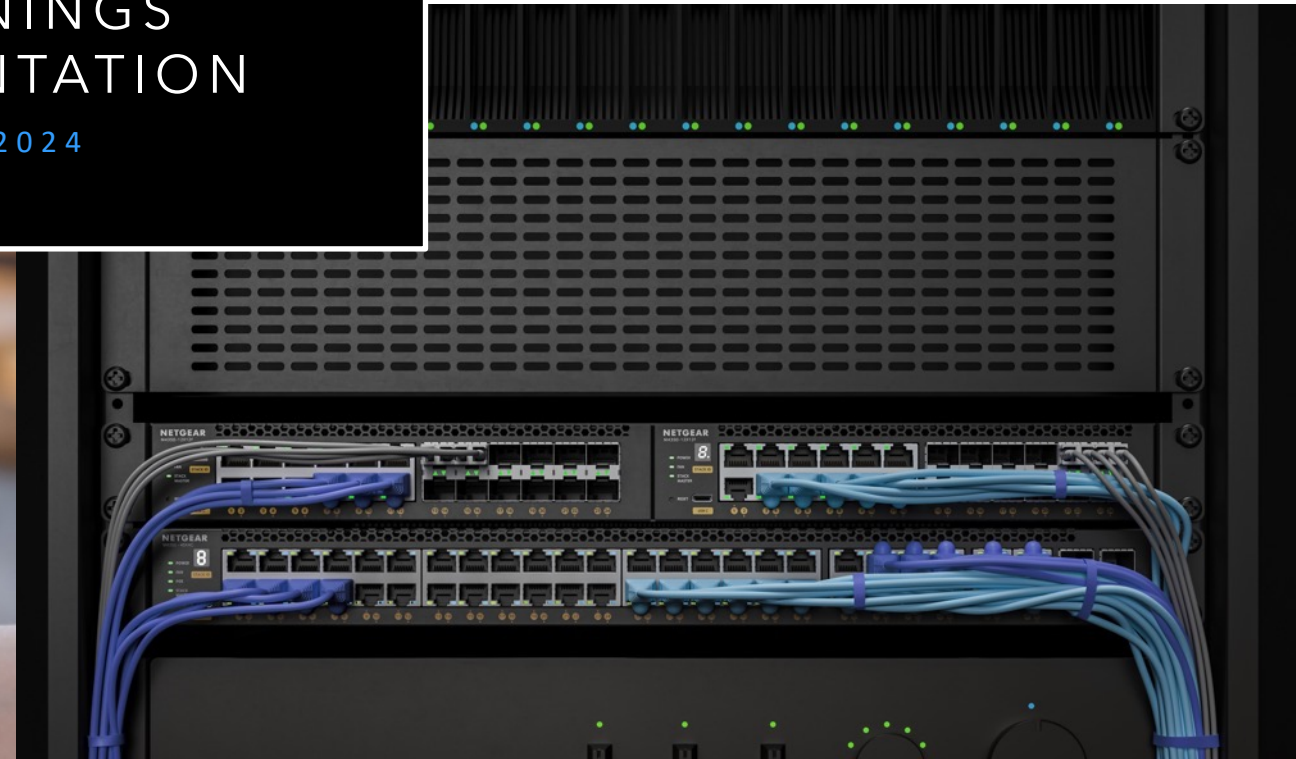


NETGEAR®

EARNINGS PRESENTATION

Q1 2024





SAFE HARBOR DISCLOSURE

This presentation contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. The words "anticipate," "expect," "believe," "will," "may," "should," "estimate," "project," "outlook," "forecast" or other similar words are used to identify such forward-looking statements. However, the absence of these words does not mean that the statements are not forward-looking. The forward-looking statements represent NETGEAR, Inc.'s expectations or beliefs concerning future events based on information available at the time such statements were made and include statements regarding: NETGEAR's future operating performance and financial condition, including expectations regarding growth, revenue, operating margin, gross margin, continued profitability and cash generation; creating long-term value for shareholders; NETGEAR's plan to closely align end sales with revenue and expected efficiency, predictability and profitability; NETGEAR's desired level of inventory supply; NETGEAR's expected launch of next generation 5G mobile hotspots; expectations regarding continuing market demand for the NETGEAR's products and services, including NFB and CHP products and subscription services, and NETGEAR's ability to respond to this demand; NETGEAR's strategic adjustments, long-term strategy and capital allocation priorities; expectations regarding the mix of NETGEAR's products and services; expectations regarding accelerated destocking and its impact to NETGEAR's financials; expectations regarding growth opportunities and plans for returning to profitability expectations regarding inventory management, inventory levels and inventory costs and its impact to long term revenue, margin expansion and cash generation; expectations regarding expected tax rates or tax expenses; expectations regarding seasonal shifts in market demand; and expectations regarding NETGEAR's subscription services and service revenue. These statements are based on management's current expectations and are subject to certain risks and uncertainties, including the following: future demand for NETGEAR's products and services may be lower than anticipated; NETGEAR's shift in focus to premium products at the expense of lower end products may not prove to be successful; NETGEAR may be unsuccessful, or experience delays, in manufacturing and distributing its new and existing products and services; consumers may choose not to adopt NETGEAR's new product and services offerings or adopt competing products and services; NETGEAR may be unable to continue to grow its number of registered users, its number of registered app users and/or its paid subscriber base and service revenue; product performance may be adversely affected by real world operating conditions; NETGEAR may fail to manage costs, including the cost of key components, the cost of air freight and ocean freight, and the cost of developing new products and manufacturing and distribution of its existing offerings; NETGEAR may fail to successfully manage channel inventory levels; NETGEAR may fail to successfully continue to effect operating expense savings; changes in the level of NETGEAR's cash resources and planned usage of such resources, including potential repurchases of NETGEAR's common stock; changes in the NETGEAR's stock price and developments in the business that could increase NETGEAR's cash needs; fluctuations in foreign exchange rates; and the actions and financial health of NETGEAR's customers, including NETGEAR's ability to collect receivables as they become due. Further, certain forward-looking statements are based on assumptions as to future events that may not prove to be accurate. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. Further information on potential risk factors that could affect NETGEAR and its business are detailed in the Company's periodic filings with the Securities and Exchange Commission, including, but not limited to, those risks and uncertainties listed in the section entitled "Part II - Item 1A. Risk Factors" in the Company's annual report on Form 10-K for the period ended December 31, 2023, filed with the Securities and Exchange Commission on February 16, 2024.

OUR MISSION

Be the innovative leader in connecting the world to the internet.

NETGEAR



TECHNOLOGIES



Quad-band Mesh



5G - mmWave



WiFi 7 • WiFi 6E • WiFi 6



AV over IP



PoE++

Life revolves around the internet

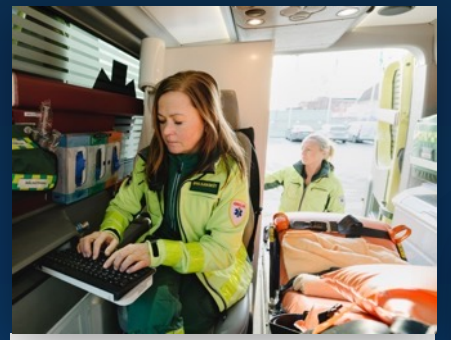
Virtual experiences displace physical experiences

All enabled by leading edge WiFi and Ethernet technologies

APPLICATIONS



Whole Home WiFi



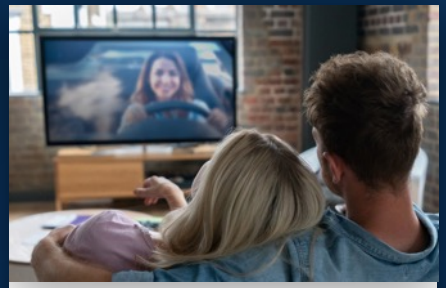
First Responders



Sports & Events



Business Networking



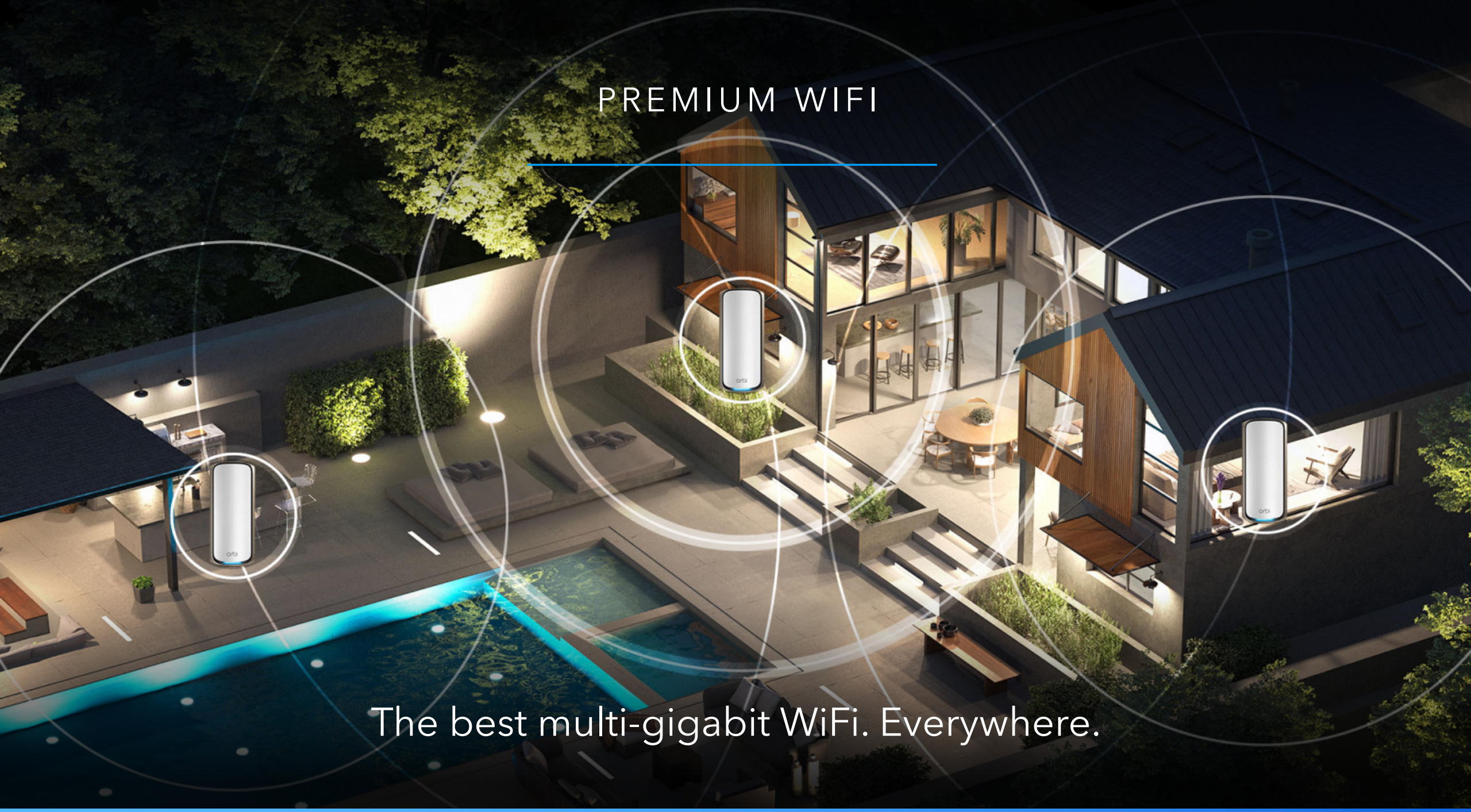
Streaming

NETGEAR



CONNECTED HOME

Products & Technology


PREMIUM WIFI
The best multi-gigabit WiFi. Everywhere.

NETGEAR

Powerful Performance. Secure Connectivity.

orbi MESH SYSTEMS

The ultimate WiFi experience.
Everywhere.



NIGHTHAWK ROUTERS

Revolutionary performance. Unrivaled
WiFi speed.



NIGHTHAWK MOBILE HOTSPOTS

WiFi you can trust,
anywhere and everywhere.







We enable superior connected experiences that make it faster, easier and more secure to do what you need and love to do.







NETGEAR FOR BUSINESS & NETGEAR AV

Products & Technology

NETGEAR FOR BUSINESS

NETGEAR® BUSINESS | TOTAL NETWORK SOLUTION



Total Network Solution

NETGEAR® AV



NETGEAR® ENGAGE

Residential/Commercial/Broadcast

WiFi 7 WiFi 6E WiFi 6 SDVoE™ ALLIANCE IEEE 802.1 AVB Dante AV IPMX NDI AES67

PROAV APPLICATIONS



Digital Conference Rooms



Broadcast and Corporate Recording Studios



Digital Classrooms



Live Event Streaming



Robot Assisted Surgical Procedures



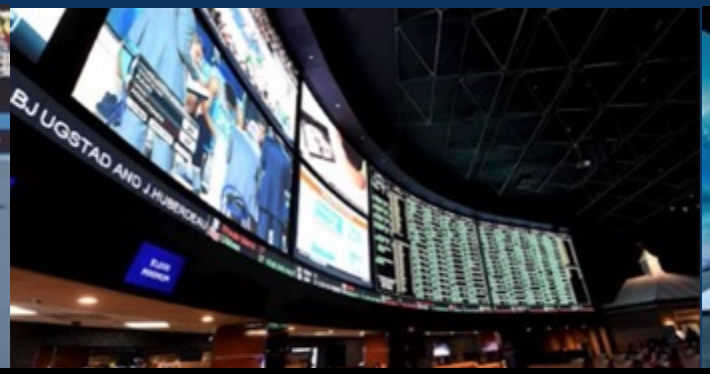
Resort/Casino/Commercial Video Walls



Digital Signage at Transportation Hubs



Digital Umpiring



Data Visualization for Sporting Events



Digital Green Screens for the Movie Industry







TOTAL NETWORK SOLUTION

Get more flexibility and increased efficiency of your business network with NETGEAR Insight managed routers, switches and access points with seamless remote management to deploy, monitor and manage your network.



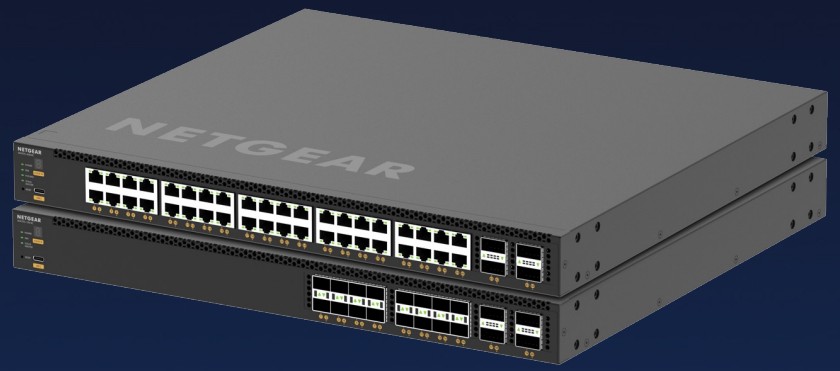




NEW FROM NETGEAR



WiFi 7



NETGEAR AV



DESIGN AWARD 2024

tom's guide Editor's Choice

"The new WiFi 7 champ. NETGEAR's Orbi RBE973 is the fastest mesh kit available anywhere."

DESIGN AWARD 2024

Panasonic KAIROS Alliance Partners

"We believe that the user-friendly design of the M4350 series with its template-based configurations will open up new opportunities for SMPTE ST 2110 in the video production market through our collaboration."

Kageyuki (Kenny) Fujimoto, KAIROS Alliance Partners

Q1’24 RESULTS SUMMARY

QUARTERLY NET REVENUE	- Revenue of $164.6 million within guidance range; down 9.0% YoY and down 12.8% QoQ - NFB sell through in line with expectations and continued to be driven by growth of ProAV - Channel partners continued to reduce inventory levels but more than expected with more to go
OPERATING MARGIN	- Non-GAAP operating margin of –9.7% in Q1; below our expectations - US consumer WiFi market not recovering as quickly as expected; more promotional environment - Still digesting higher cost inventory and costs associated with exiting Meural business
CASH GENERATION & USEAGE	- Generated $17.2 million in cash from operations in the quarter; up 88.4% YoY - Continued progress on reducing our inventory; down $37.6 million QoQ; driving towards target of 3 months - Repurchased 783,000 shares in quarter using $11.4 million; 1.7 million shares remain available

Q2’24 OUTLOOK

- Accelerating efforts for channel partners to reduce inventory levels to historic lows; $25 million to $30 million headwind to Q2 topline
- Service Provider revenue is expected to be approximately $15 million as we prepare to launch next gen mobile hotspots in 2H
- Topline is expected to be between $125 million and $140 million
- Actions being taken to accelerate burn down of slower moving inventory

Q1’24 SUBSCRIPTIONS

928K

SUBSCRIBERS

$11.7M

SERVICES REVENUE

21.2%

SERVICE REVENUE YoY GROWTH

STRATEGY UPDATE

- Simplify the services offering
- Improve value with new features
- Focus on growing recurring revenue

NETGEAR® ARMOR™

NETGEAR® SMART PARENTAL CONTROLS™

NETGEAR® PROSUPPORT

QUARTERLY NET REVENUE

(Net Revenue, $ Millions)

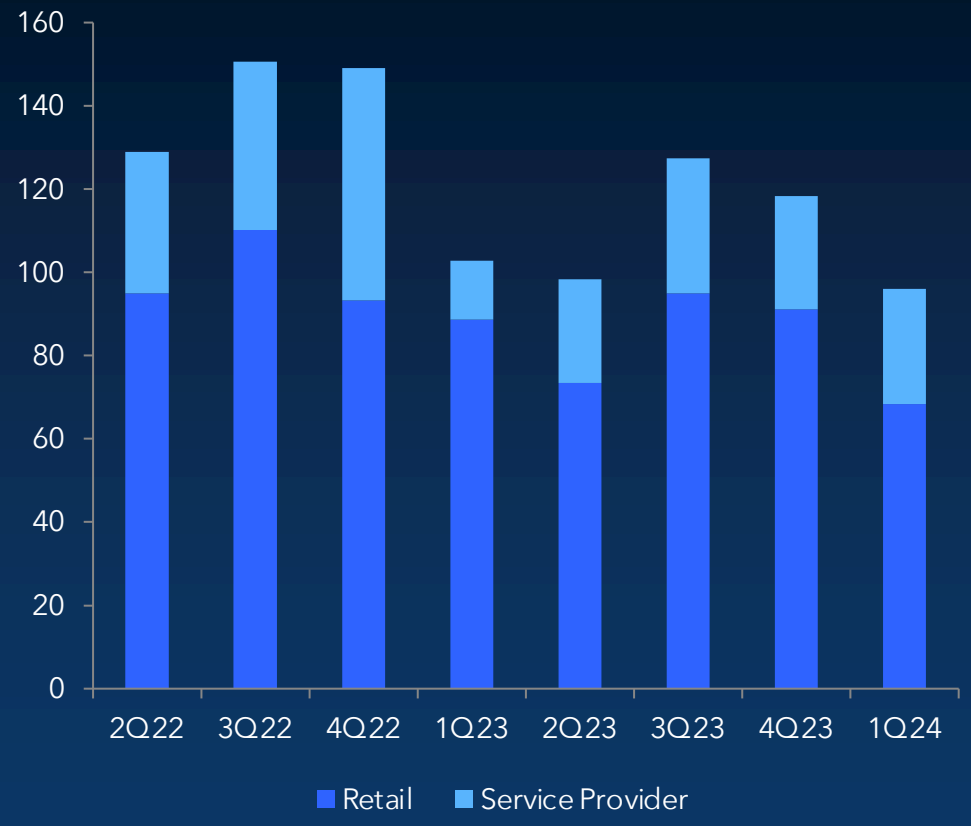


NETGEAR®

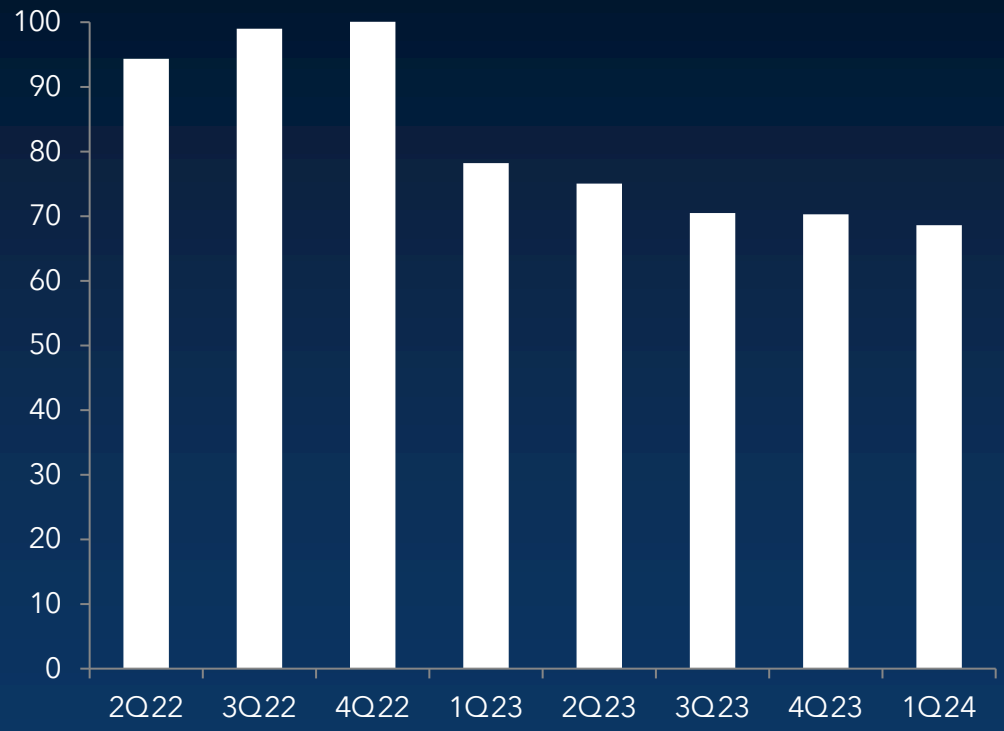
SEGMENT PERFORMANCE

(Net Revenue, $ Millions)

CONNECTED HOME



NETGEAR FOR BUSINESS

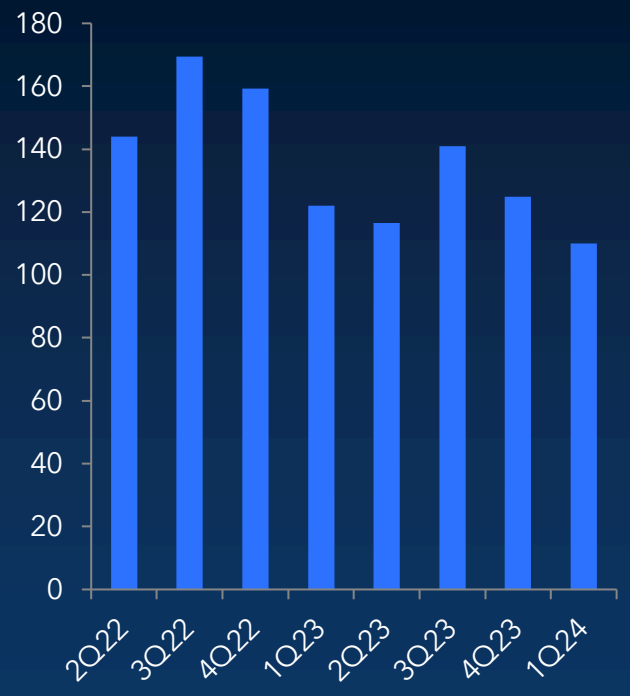


NETGEAR®

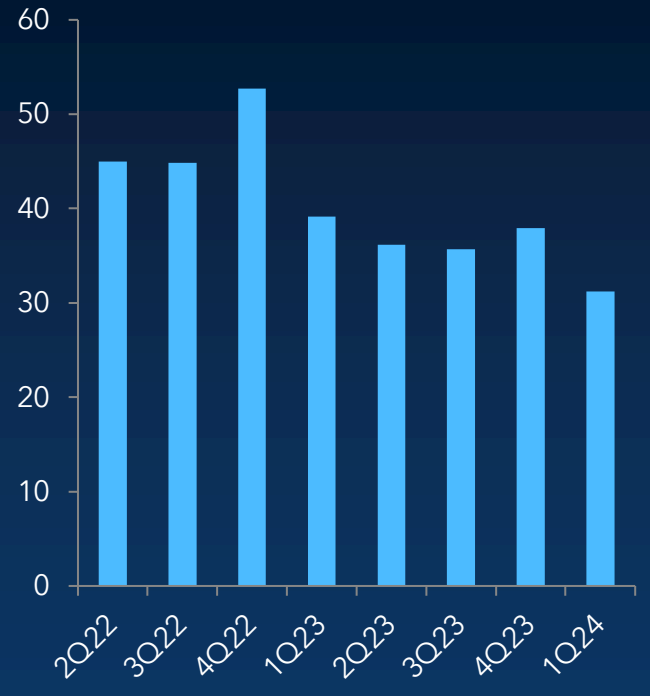
REGIONAL PERFORMANCE

(Net Revenue, $ Millions)

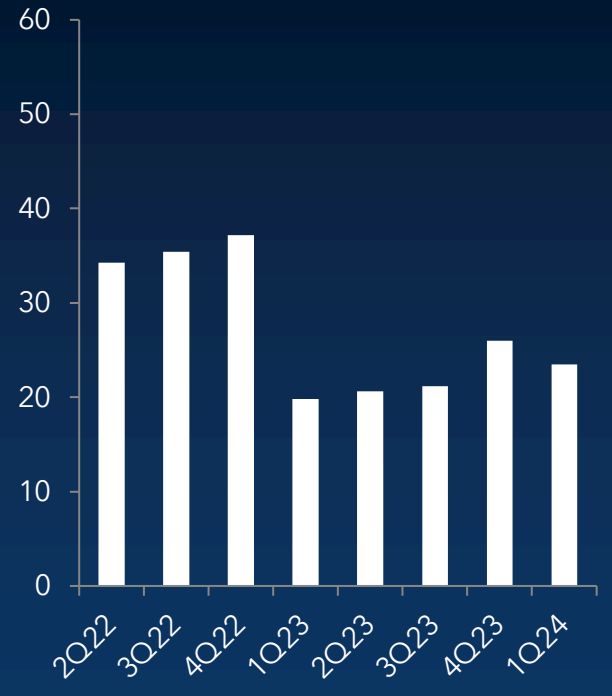
AMERICAS



EMEA

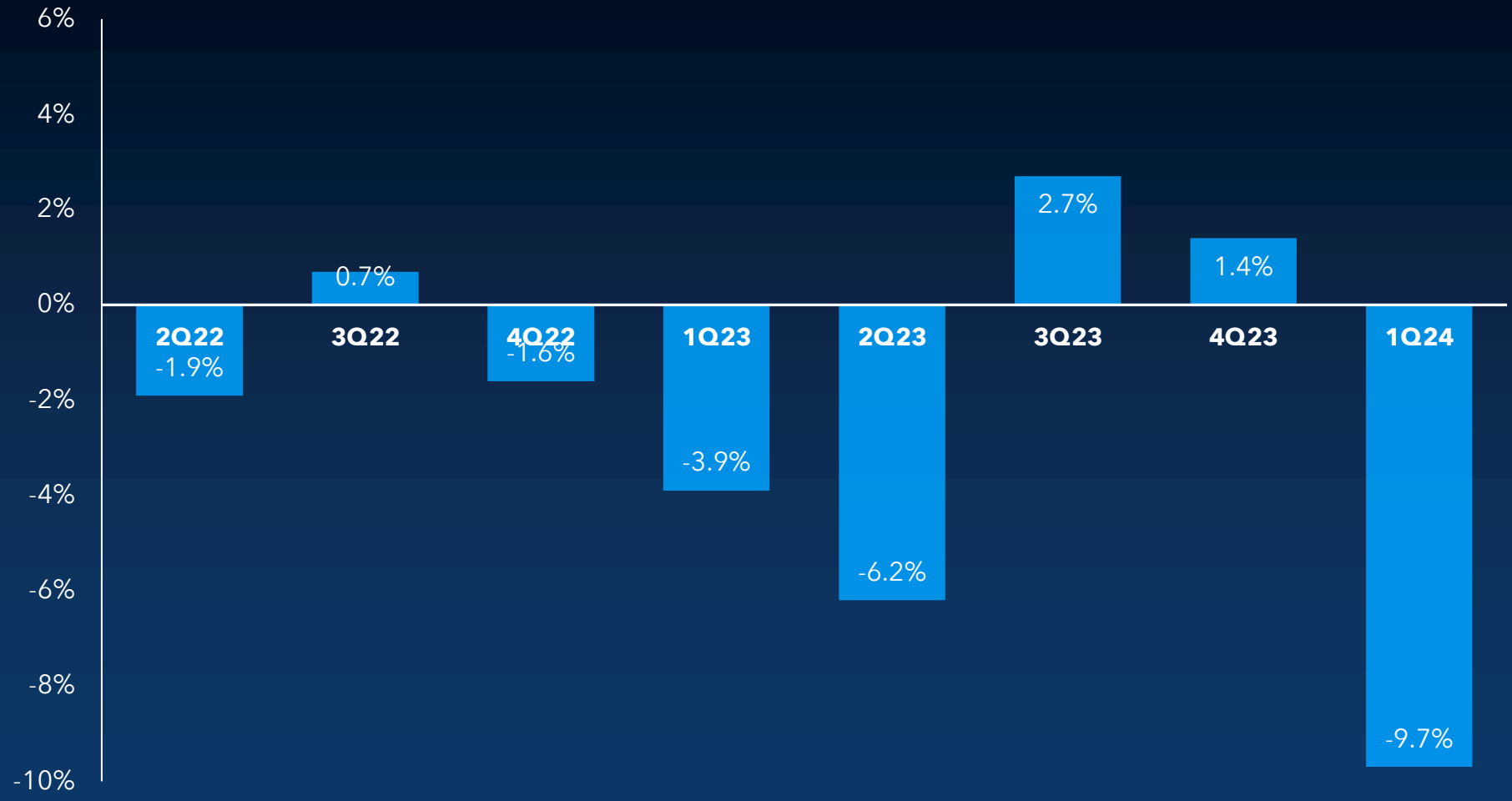


APAC



OPERATING MARGIN

(Non-GAAP, % Of Revenue)



NETGEAR®

EARNINGS PER SHARE

(Non-GAAP, $ Per Share)



NETGEAR®

CASH BALANCE

(Cash, Cash Equivalents And Short-Term Investments, $ Millions)



NETGEAR®

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PRIORITY ESG TOPICS

READ 2023 ESG REPORT

PRODUCT SECURITY

DATA PRIVACY

SUPPLY CHAIN MANAGEMENT

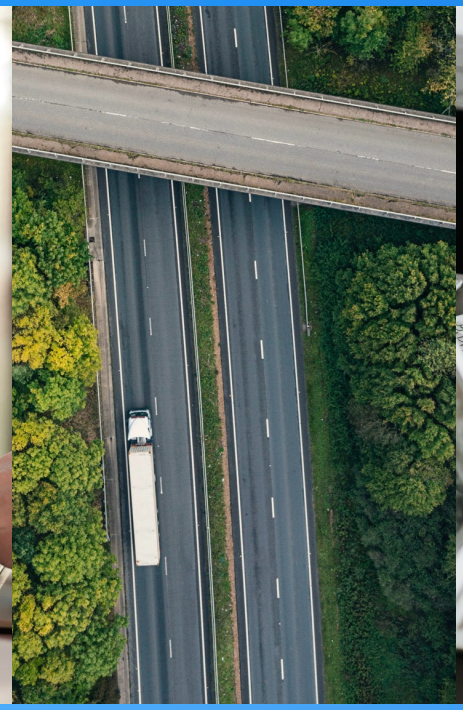
EMPLOYEE ENGAGEMENT, DIVERSITY & INCLUSION

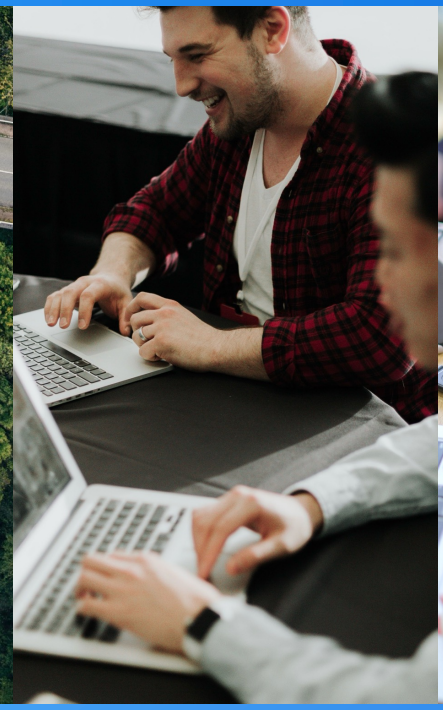
PROFESSIONAL INTEGRITY

GHG EMISSIONS& ENERGY MANAGEMENT















APPENDIX

NETGEAR®

NETGEAR, INC.

RECONCILIATIONS OF GAAP MEASURES TO NON-GAAP MEASURES

(In thousands, except percentage data)
(Unaudited)

NETGEAR, INC.
RECONCILIATIONS OF GAAP MEASURES TO NON-GAAP MEASURES
(In thousands, except percentage data)
(Unaudited)

	Three Months Ended							
	July 3, 2022	October 2, 2022	December 31, 2022	April 2, 2023	July 2, 2023	October 1, 2023	December 31, 2023	March 31, 2024
GAAP operating income (loss)	$ (10,050)	$ (2,151)	$ (12,178)	$ (11,975)	$ (17,778)	$ (648)	$ (2,874)	$ (21,648)
GAAP operating margin	*(4.5)%*	*(0.9)%*	*(4.9)%*	*(6.6)%*	*(10.3)%*	*(0.3)%*	*(1.5)%*	*(13.2)%*
Amortization of intangibles	128	129	128	129	128	—	—	—
Stock-based compensation expense	5,129	3,440	4,468	4,665	4,687	4,285	4,301	4,544
Intangibles impairment	—	—	—	—	—	1,071	—	—
Restructuring and other charges	573	361	3,666	108	2,229	366	1,259	1,032
Litigation reserves, net	—	—	—	—	—	178	—	30
Non-GAAP operating income (loss)	$ (4,220)	$ 1,779	$ (3,916)	$ (7,073)	$ (10,734)	$ 5,252	$ 2,686	$ (16,042)
Non-GAAP operating margin	*(1.9)%*	*0.7 %*	*(1.6)%*	*(3.9)%*	*(6.2)%*	*2.7 %*	*1.4 %*	*(9.7)%*

NETGEAR®

NETGEAR, INC.

RECONCILIATIONS OF GAAP MEASURES TO NON-GAAP MEASURES

(Unaudited)

NETGEAR, INC.

RECONCILIATIONS OF GAAP MEASURES TO NON-GAAP MEASURES

(Unaudited)

	Three Months Ended							
	July 3, 2022	October 2, 2022	December 31, 2022	April 2, 2023	July 2, 2023	October 1, 2023	December 31, 2023	March 31, 2024
NET INCOME (LOSS) PER DILUTED SHARE:								
GAAP net income (loss) per diluted share	$ (0.30)	$ 0.10	$ (0.21)	$ (0.33)	$ (0.29)	$ (2.87)	$ (0.06)	$ (0.63)
Amortization of intangibles	—	—	—	—	—	—	—	—
Stock-based compensation expense	0.18	0.12	0.15	0.16	0.16	0.14	0.14	0.15
Intangibles impairment	—	—	—	—	—	0.04	—	—
Restructuring and other charges	0.02	0.01	0.13	—	0.08	0.01	0.04	0.04
Litigation reserves, net	—	—	—	—	—	0.01	—	—
Gain/loss on investments, net	(0.01)	—	—	—	—	—	—	—
Gain on litigation settlements	—	—	—	—	(0.20)	—	—	—
Non-GAAP tax adjustments	(0.08)	(0.02)	(0.10)	(0.02)	0.09	2.90	(0.03)	0.16
Non-GAAP net income (loss) per diluted share	$ (0.19)	$ 0.21	$ (0.03)	$ (0.19)	$ (0.16)	$ 0.23	$ 0.09	$ (0.28)