

Silicom Ltd.

Connectivity Solutions



Tailor Made Solutions



Off-the-Shelf Products



Innovative Solutions

Investor Presentation

April 28, 2025

Safe Harbor Guidelines & Legal Notes

The information presented today contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Such statements may include, but are not limited to, anticipated future financial and operating results and Silicom's outlook and prospects. Those statements are based on management's current beliefs, expectations and assumptions, which may be affected by subsequent business, political, environmental, regulatory, economic and other conditions, and are subject to known and unknown risks and uncertainties and other factors many of which are outside Silicom's control, which might cause actual results to differ materially from expectations expressed or implied in the forward looking statements, and which include, but are not limited to, Silicom's increasing dependence for substantial revenue growth on a limited number of customers, the speed and extent to which Silicom's solutions are adopted by the relevant markets, difficulty in commercializing and marketing of Silicom's products and services, maintaining and protecting brand recognition, protection of intellectual property, competition, disruptions to its manufacturing, sales & marketing, development and customer support activities, the impact of the wars in Gaza and in the Ukraine, attacks on shipping by Huthis in the Red Sea, rising inflation, rising interest rates and volatile exchange rates, as well as any continuing or new effects resulting from the COVID-19 pandemic, and the global economic uncertainty, which may impact customer demand by encouraging them to exercise greater caution and selectivity with their short-term IT investment plans. The factors noted above are not exhaustive. Further information about the company's businesses, including information about factors that could materially affect Silicom's results of operations and financial condition, are discussed in our Annual Report on Form 20-F and other documents filed by the Company and that may be subsequently filed by the company from time to time with the Securities and Exchange Commission (the "SEC"). Therefore, there can be no assurance that actual future results will not differ significantly from anticipated results. Consequently, you are cautioned not to rely on these forward-looking statements. Silicom does not undertake to update any forward-looking statements as a result of new information or future events or developments except as may be required by law. Financial information as presented herein, may be considered "non-GAAP financial measures" under Regulation G and related reporting requirements promulgated by the SEC as they apply to Silicom. Please refer to Silicom's disclosure documents filed or furnished with the SEC, including Silicom's Annual Reports on Form 20-F and/or quarterly reports on Form 6-K, for a reconciliation of non-GAAP measures to the most directly comparable GAAP measures. Silicom provides such non-GAAP data to investors as supplemental data and not in substitution of or replacement for, GAAP measures.

Corporate Overview



Leading provider of **Data Center & Edge Computing** solutions for service provider, mobile operator, telecom, cloud and on-premise infrastructures



Leading supplier of innovative Edge/CPE units, SD-WAN/SASE Edge systems, Encryption and other hardware acceleration Smart NICs, and FPGA-based programmable NICs to leading global service providers, server manufacturers and OEMs



20+ years of experience delivering high performance networking products, Edge compute systems, HW accelerators, and FPGA-based products



Positioned to benefit from the growth of multiple rapidly-expanding markets:
SD-WAN/SASE, Cyber Security, Cloud, Data Centers, Finance and Edge-AI

Financial and Business Performance



Robust fundamental demand for our SD-WAN/Smart Edge systems, Acceleration solutions, and Programmable NIC products



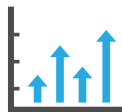
Large global, solid, loyal customer base including many Tier-1 market leaders



Working capital + marketable securities: \$119 million (cash, very high quality of marketable securities, accounts receivables and inventory). Represents \$21 per share.



Cash & Cash Equivalents: \$77 million, no debt



Strong balance sheet: \$125 million Shareholders' Equity

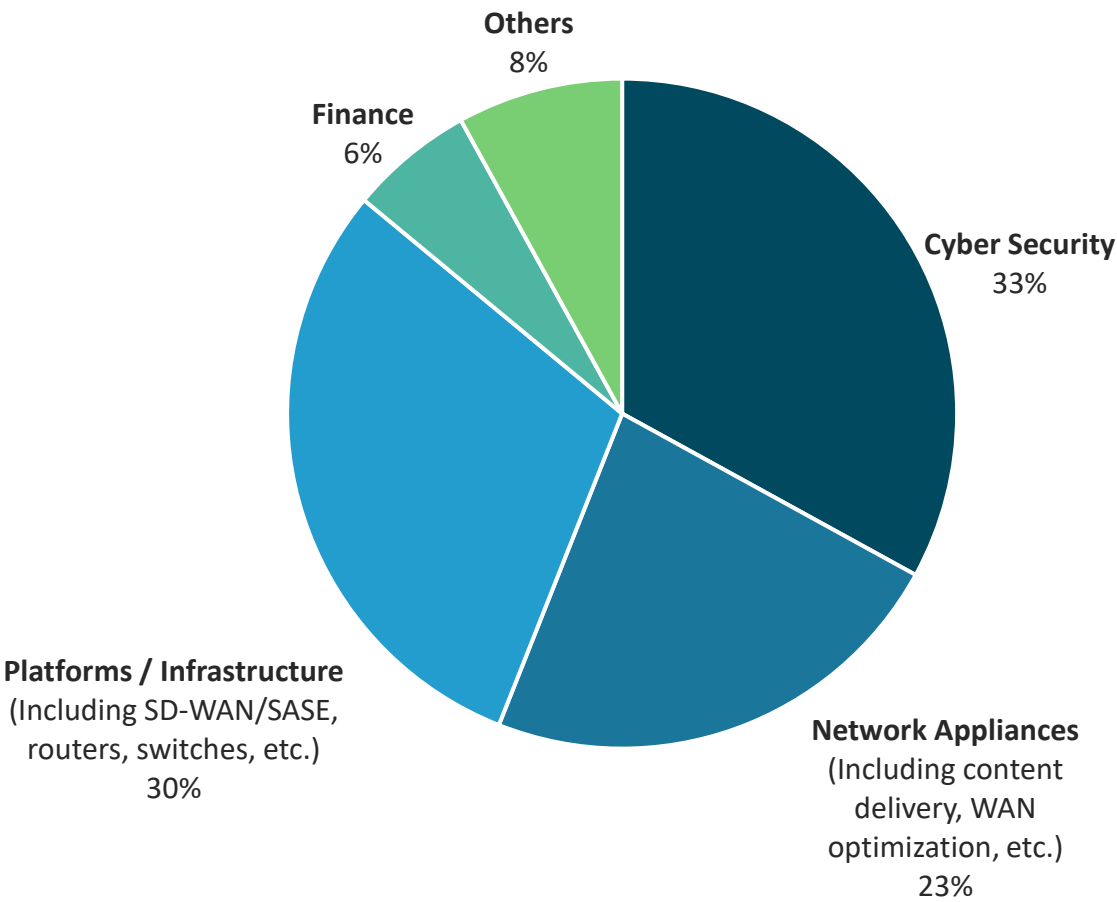
Large Global Customer Base

400+ active Design Wins with
200+ customers, including
numerous market leaders

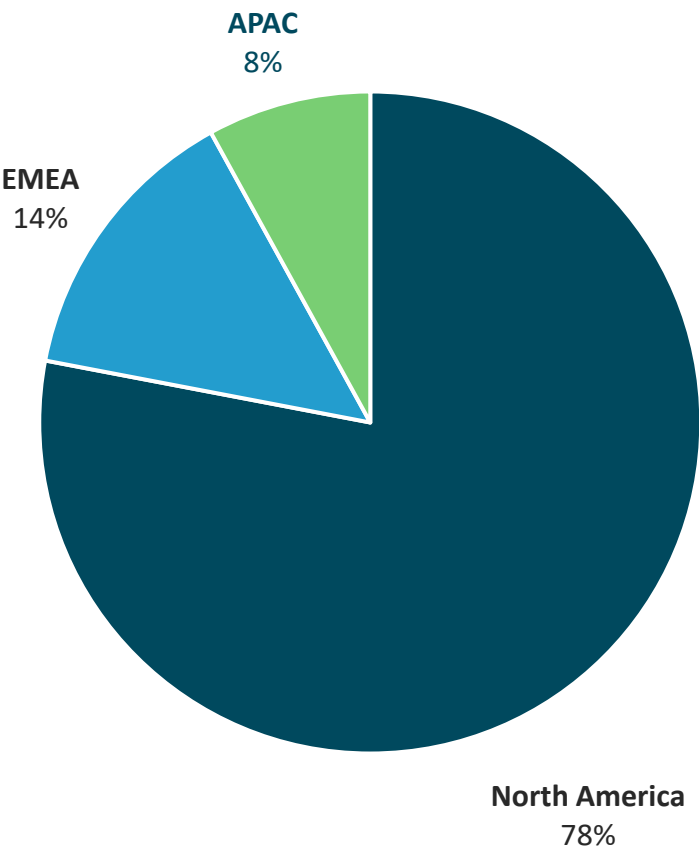


Diverse Attractive Markets

Market Segments



Global Markets



% of last twelve-month revenues
Based on proprietary Company data and analysis

Strategic Plan



Main objective – achieve EPS of \$3+ as we return to revenues of \$150-160 million



Focus on core product lines:

- **Edge Systems** – SD-WAN, SASE, routers, switches, ruggedized systems
- **Smart NICs** – hardware accelerators & Network Interface Cards
- **FPGA** - Programmable Network Interface Cards



Build a **broad pipeline** of sales opportunities with a **significant upside** potential



Win more **projects** and **Design Wins** - **7-9** new DWs **every year**



Achieve **double digit annual growth rates** starting from 2026



Tightly control expenses and **align them** with the plan's objectives

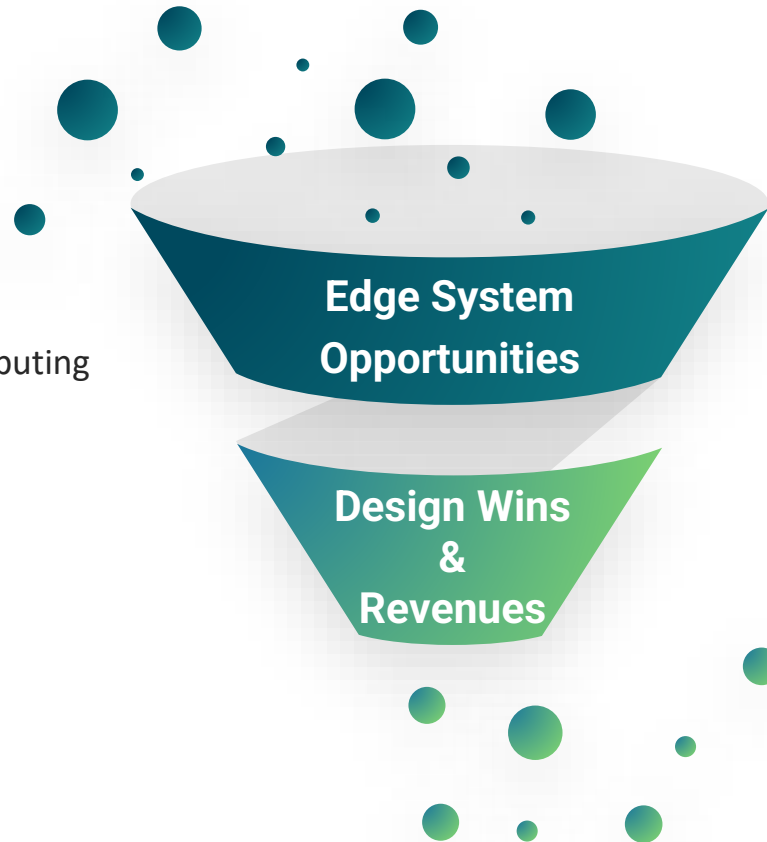


Maintain our **strong balance sheet**

Transforming Opportunities into Design Wins & Revenues: Edge Systems

Edge System Opportunities

- > **Cyber security**
White label switch
~\$4M/year
- > **Service provider**
Managed network security & Edge computing
~\$7M/year
- > **Service provider**
Universal CPE
~\$4M/year
- > **Network optimization**
WAN optimization
~\$4M/year
- > **Service provider**
Managed network security & Edge computing
~\$1M/year



Design Wins & Revenues

- > **Cyber security**
Network observability
~\$2M/year
- > **Networking and Security-As-A-Service**
Edge compute
\$3M-\$4M/year
- > **Cyber security**
SASE Edge device
~\$1.5M/year
- > **Connected services solutions**
SD-WAN
~\$3M/year

Transforming Opportunities into Design Wins & Revenues: Smart NICs

Smart NIC Opportunities

- > **AI Data Infrastructure**
Storage networking
~\$10M/year
- > **Cyber security**
DDOS protection
~\$3M/year
- > **Streaming services**
Content Delivery Networking
~\$2.5M/year
- > **Application delivery**
Load balancer
~\$1M/year



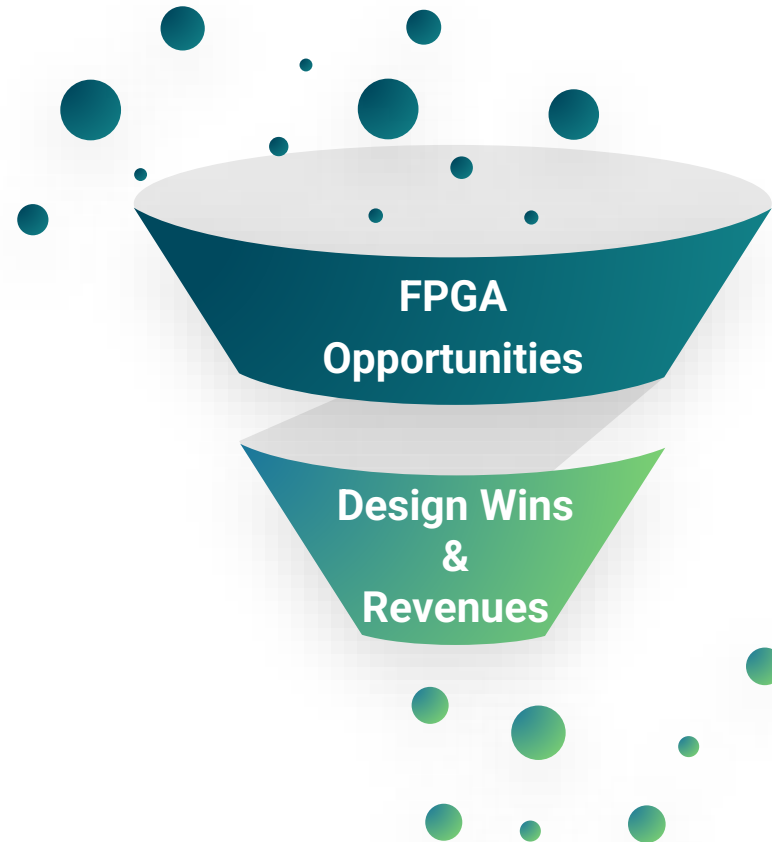
Design Wins & Revenues

- > **Cyber security**
SASE infrastructure
~\$0.5M/year
- > **US Government**
Machine communication
~\$1M/year
- > **Cyber security**
DDOS protection
~\$1M/year
- > **Test & Measurement**
Test equipment
~\$2.5M/year

Transforming Opportunities into Design Wins & Revenues: FPGAs

FPGA Opportunities

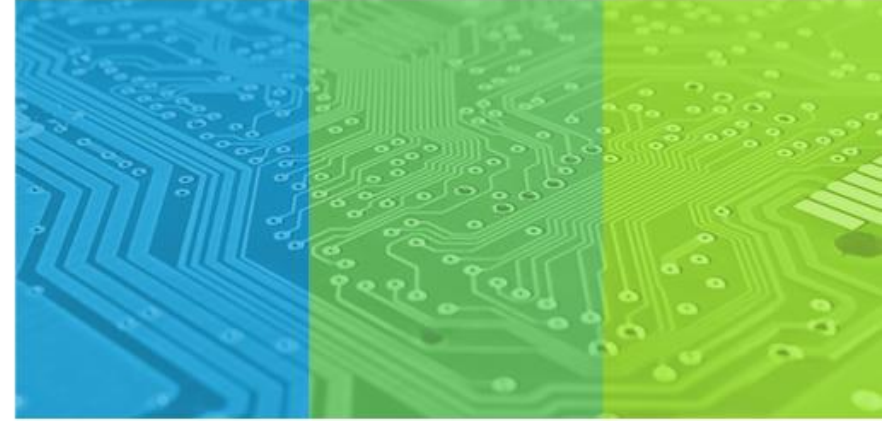
- > **Streaming services**
Security offload
~\$4M/year
- > **Network equipment**
Optical carrier equipment
~\$4M/year
- > **Application delivery**
Security offload
~\$4M/year
- > **Cyber security**
Security offload
~\$3M/year



Design Wins & Revenues

- > **Financial trading**
High frequency trading
~\$2M/year
- > **Semiconductor machines**
Image processing
~\$1M/year
- > **Financial trading**
High frequency trading
~\$1M/year
- > **Cyber security**
Network monitoring
~\$3M/year

Financials



Q1/2025 Financials (Non-GAAP)

(in millions, except EPS data)

	Q1/2025	% of Revenues
Revenues	\$14.4	100%
Gross Profit	\$4.4	30.3%
Operating Income (loss)	\$(2.4)	(16.6)%
Net Income (loss)	\$(2.1)	(14.6)%
EPS (diluted)	\$(0.37)	
Total number of outstanding shares	5.70	

2024 Financials (Non-GAAP)

(in millions, except EPS data)

	2024	% of Revenues
Revenues	\$58.1	100%
Gross Profit	\$16.9	29.0%
Operating Income (loss)	\$(10.1)	(17.4)%
Net Income (loss)	\$(10.0)	(17.2)%
EPS (diluted)	\$(1.66)	
Total number of outstanding shares	5.77	

Balance Sheet

(in millions)

	March 31, 2025
Cash & Cash Equivalents	\$77.0
Working Capital	\$113.7
Total Assets	\$149.7
Total Debt	--
Total Liabilities	\$25.0
Stockholders' Equity	\$124.7

✓ Strong Balance Sheet

Silicom Ltd.
Connectivity Solutions

THANK YOU