



Financial Overview

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Major Takeaways from Earlier Presentations

- Cloud is one of our fastest growing segments
- Mellanox provides the best interconnect solutions for all industry trend-setters
- Rich product roadmap keeps Mellanox ahead of the competition
- Mellanox enables all CPU, GPU and other compute technologies to achieve superior results
- Mellanox' solutions provide best ROI for cloud, Web 2.0, HPC and storage markets
- Opportunity to expand product offerings, address new markets



Revenue Growth	Operating Model
FDR 56Gb InfiniBand Increase of 24%	Non-GAAP Gross Profit Increased 14%
Ethernet Increase of 57%	Quarter-over-Quarter Growth in Operating Margin
40GbE Revenue Increased 3X	Improved Working Capital and Balance Sheet Structure
Significant Increase in Revenue from Web 2.0 and Cloud	Improved Financial Leverage

*Based on Company non-GAAP results

2014 Planning Assumptions

- HPC Returns to Growth in 2H14 Due to CPU Refresh Cycle
- EDR 100Gb InfiniBand Launched
- Gross Margin Impacted by Favorable Technology Mix
- Increase Investment to Maintain Technology Leadership

	3Q14A	4Q14E*	2014E*
Revenue	\$120.7	\$135	\$457.0
Gross Margins	70.2%	69.5%	69.4%
R&D	\$46.1	\$48.1	\$179.7
SG&A	\$22.2	\$23.7	\$88.5
Operating Income	14%	16%	11%

*Mid-point of Q4'14 guidance

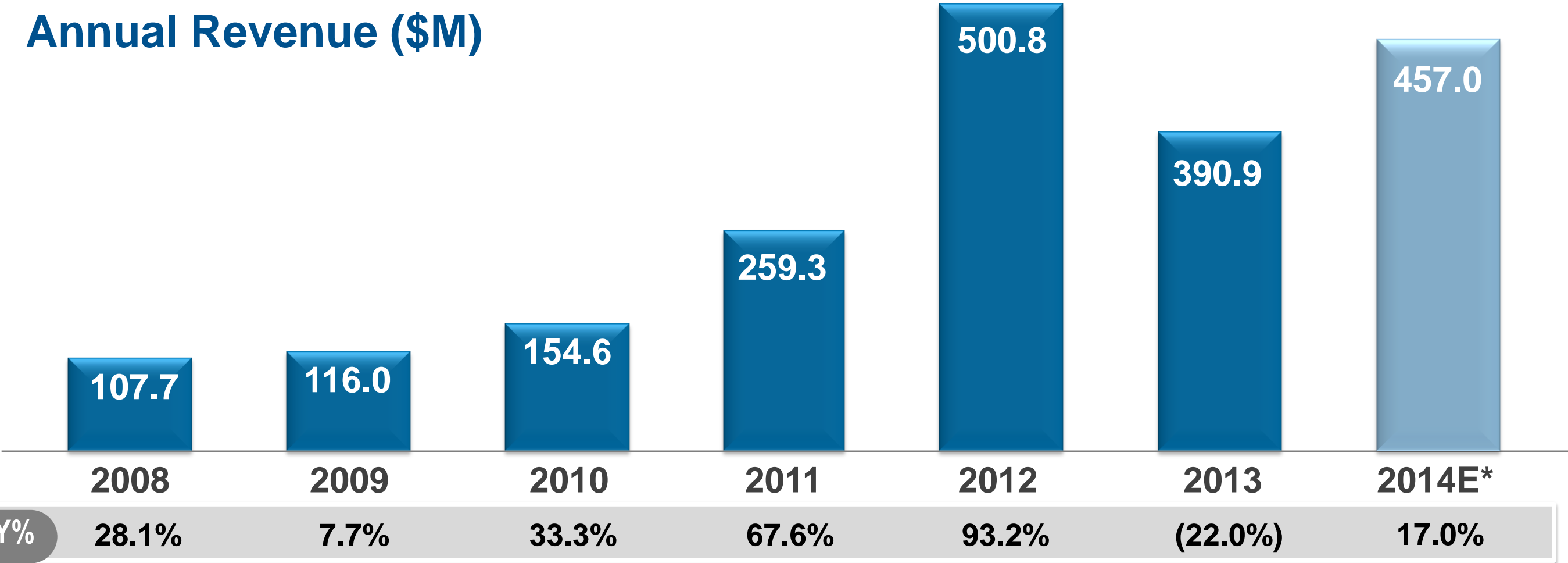
¹For a reconciliation of non-GAAP to GAAP financial measures, please reference the Company's 3Q14 financial results press release

Source: Company financial statements

Historical Annual Revenue Growth



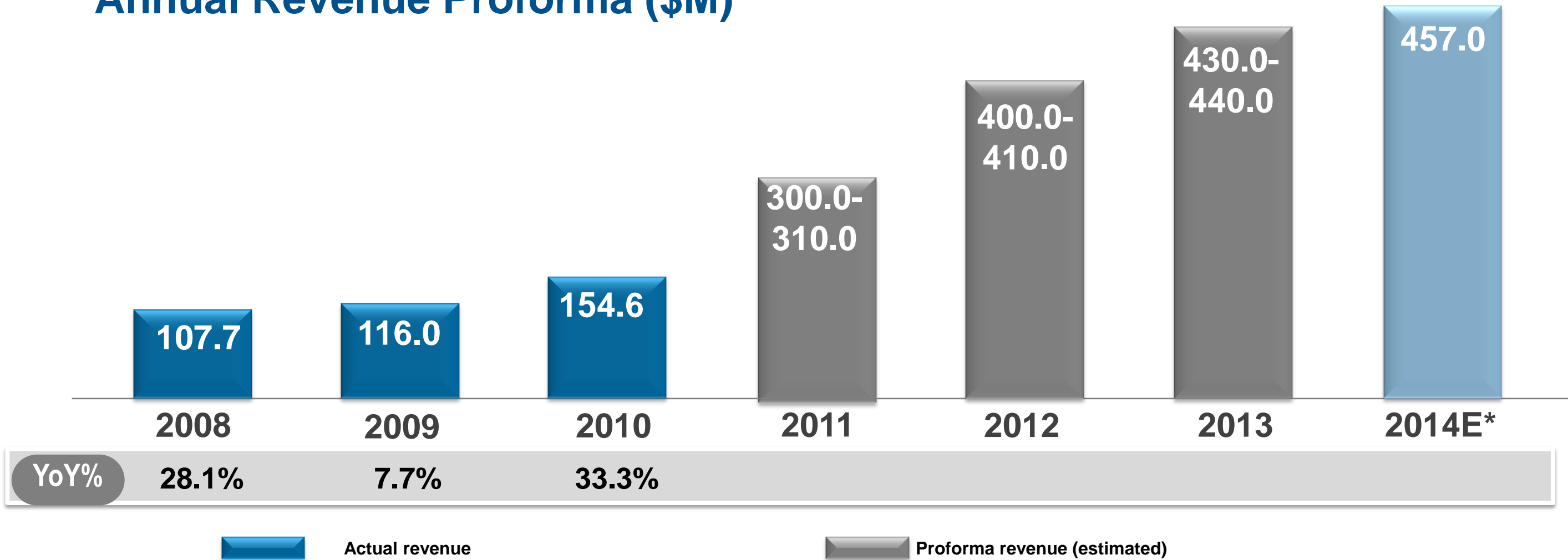
Annual Revenue (\$M)



Source: Company financial statements
*Assumes Mid-point of Q4'14 guidance

5-Year CAGR (2010 – 2014) ~ 30%

Annual Revenue Proforma (\$M)

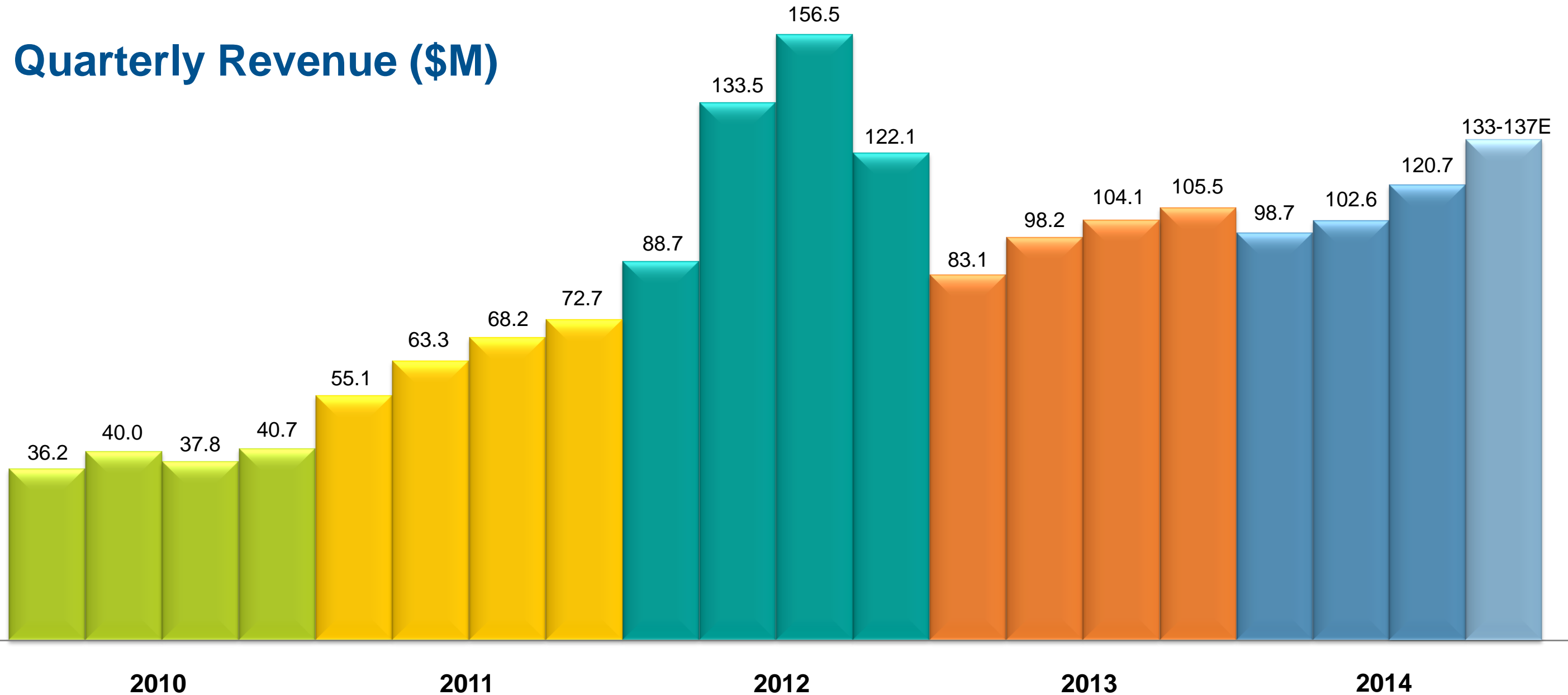


*Assumes Mid-point of Q4'14 guidance

Historical Quarterly Revenue Growth

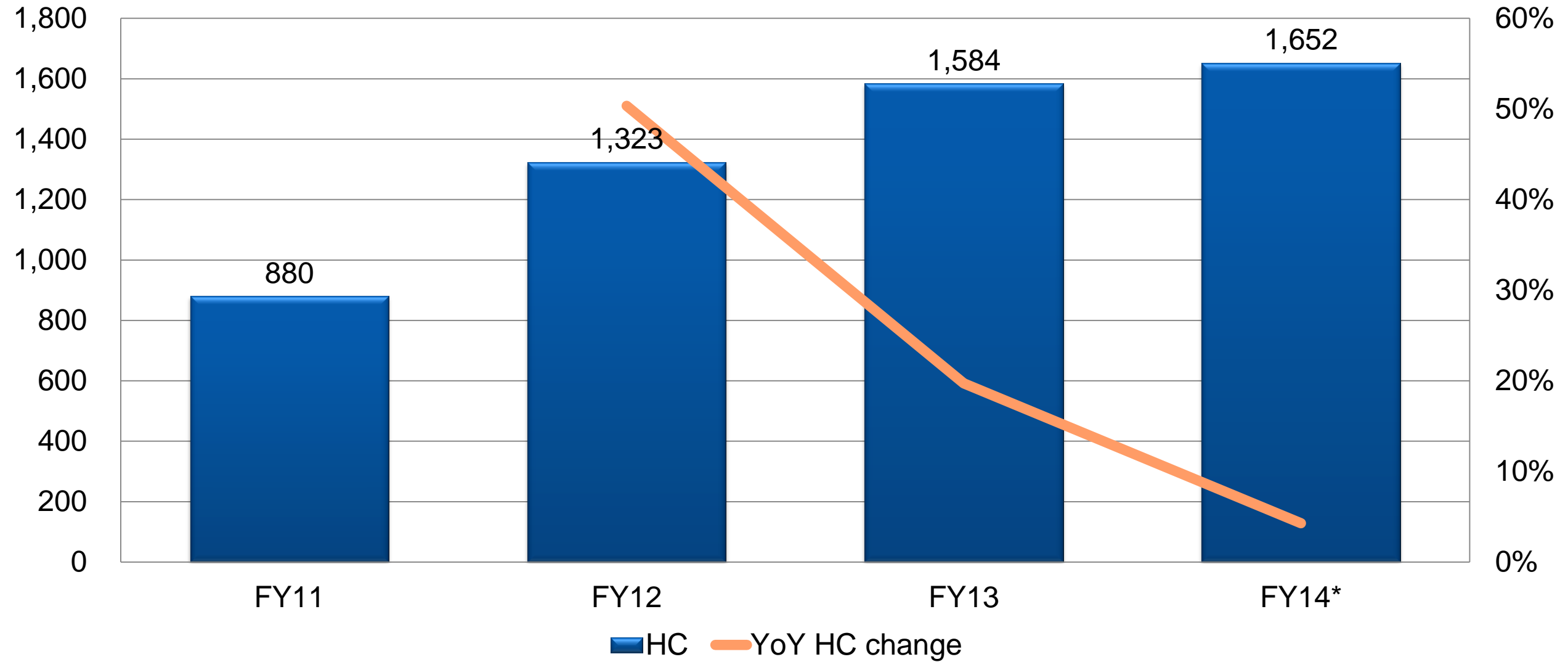


Quarterly Revenue (\$M)



Source: Company financial statements

Annual HC Trend

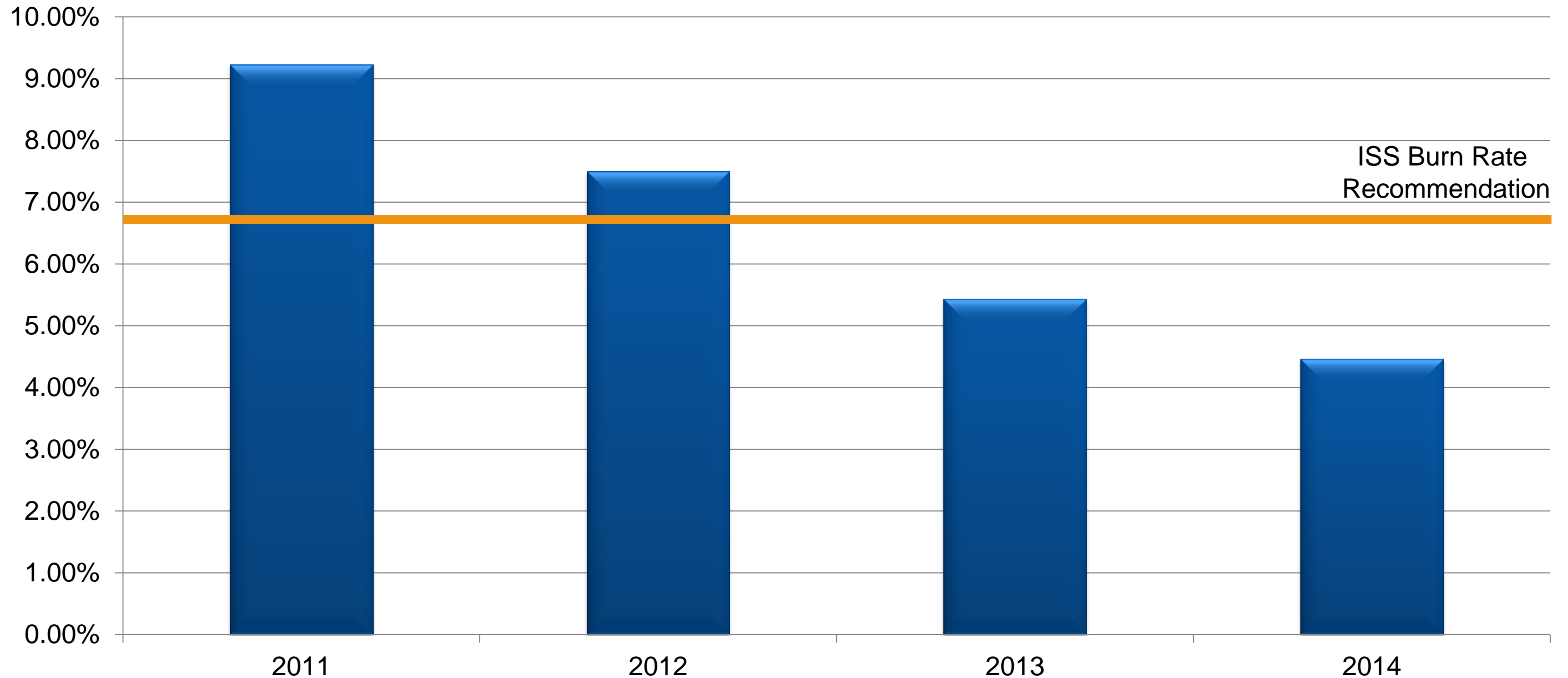


Source: Company data

Reduction in Shareholder Dilution Rate

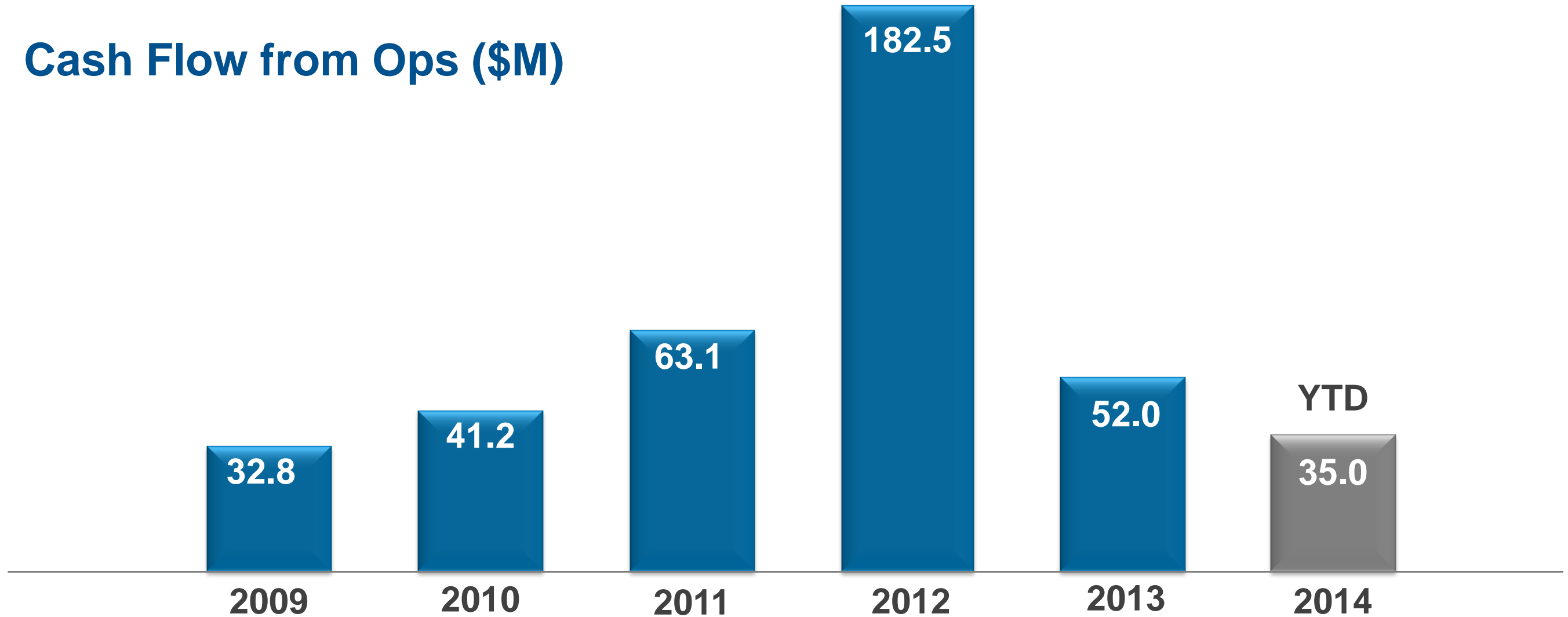


Annual Burn Rate*



*Based on ISS calculation

Cash Flow from Ops (\$M)



¹Cash and investments include \$3.6M in restricted cash

Cash and Investments @ September 30, 2014 = \$354.3M¹

Percentage-Based Income Statement (Non-GAAP¹)

	FY 2013	Q3 2014	Q4 2014E*	FY 2014E*	Long term model
Revenue	100%	100%	100%	100%	100%
Gross Margin	69%	70%	70%	69%	65% - 69%
R&D	36%	38%	36%	39%	26% - 30%
SG&A	22%	18%	18%	19%	15% - 18%
Operating Income	11%	14%	16%	11%	24% - 28%
Net Income	11%	15%			23% - 27%

¹For a reconciliation of non-GAAP to GAAP financial measures, please reference the Company's 3Q14 financial results press release

Source: Company financial statements

*Mid-point of guidance

Strategy is to drive revenue and earnings growth rates with end-to-end solutions, expand distribution channels and enhance product offerings

- Focus on profitable growth opportunities in the data center
- Leverage technology leadership
- Drive efficiencies to free up resources for new initiatives
- Make strategic investments in new technologies within the data center
- Generate cash flow





Thank You