

Financial Fundamentals

Avaya Q4'18

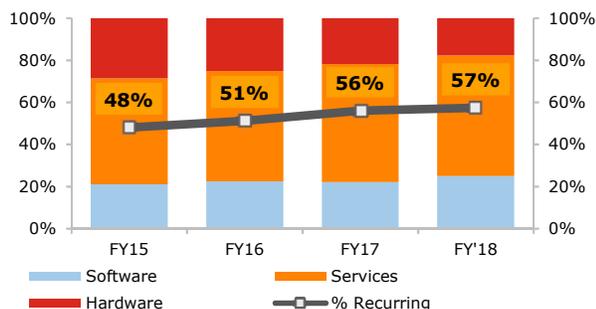
Overview

- Solid financial performance
- Transition as a software and services business is advancing
- Strong, highly diversified customer base with significant long-term relationships
- Market share leader in key segments

Financial Highlights

- Signed deals with significant Total Contract Value (TCV), including 12 deals over \$5 million, and 117 deals over \$1 million
- Bookings grew 6% quarter-over-quarter (excluding networking)
- Cash flow from operating activities of \$25 million
- \$700 million cash at September 30, 2018

Revenue Composition and Recurring Revenue



- Software and services accounted for a fourth quarter record 83% of total revenue, up year-over-year from 79%
- Cloud represents approximately 11% of revenue
- Public Midmarket Cloud MRR grew 165% year-over-year
- Enterprise Cloud & Managed Services and Professional Services each represented 10% of revenue

Business Performance Highlights

- Recognized as a Customers' Choice in 2018 Gartner Peer Insights for unified communications
- Avaya named a winner in three categories for the 2018 Conarec Awards
- Received Frost & Sullivan 2018 Competitive Strategy Innovation and Leadership Award
- Avaya Vantage™ awarded Best Endpoint Solution of 2018 at UC Today awards
- Invested in Cogito, a leader in AI for contact center solutions
- Added over 1,600 new logos

Investments and M&A Complement R&D

Spoken



KnoahSoft

esna

RADVISION®
an Avaya company

Committed to customer-led technology innovation and exceptional customer satisfaction

- Since 2016, enhanced product portfolio with \$890 million in investments in R&D, including more than \$180 million in technology acquisitions and related investments
- Launched 117 new solutions in FY18
- Over 130 patents granted in FY18
- Innovation focused on emerging technologies such as cloud-enabled communications, AI, mobility, blockchain, machine learning, and application integration

AVAYA