



June 2017



Forward Looking Statements

This presentation contains forward-looking statements, including statements concerning our business plans, our product development strategies, and our target financial model. Any statement relating to our plans, goals, expectations or any future event should be considered a forward looking statement. While we have based our forward-looking statements on our current expectations, forward-looking statements are subject to substantial risks and uncertainties. As a result, our actual results could differ materially from those indicated in our forward-looking statements, and you should not rely on any of these forward-looking statements.

Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, changes in customer demand, the extent to which we are able to develop successful new products, changes to the rate of decline of our legacy products, and the risks and uncertainties described in “Risk Factors” in our Annual Report on Form 10-K filed with the Securities and Exchange Commission, or SEC, as well as in our other filings with the SEC.

Our forward looking statements are based on our view as of the date they are made. We expressly disclaim any intent or obligation to update any forward-looking statements after the date hereof.

Lantronix – Enabling the Industrial Internet of Things

- Global provider of secure data access and management solutions for Industrial IoT
- Innovator known for leading edge connectivity solutions that are easy to deploy and help accelerate time to market
- Millions of devices connected worldwide
- Strong Blue Chip customer base
- Based in Irvine California - company founded in 1989
- NASDAQ listed: **LTRX**

IoT Pure Play

Established public
company investing in
Growth Market

Nine Months Ended Mar 31, 2017

\$33.7M Revenue
12% YTD Growth

Global Revenue

Americas 57%
EMEA 29%
APJ 14%

New Leadership

Focused on Growth

Proven Leadership Team



Jeffrey Benck
President & CEO



Jeremy Whitaker
CFO



Sanjeev Datla
CTO



Kevin Yoder
VP, WW Sales



Michael A. Fink
VP, Operations



Daryl Miller
VP, Engineering



Shahram Mehraban
VP, Marketing



Kurt Scheuerman
VP, General Counsel



Our Mission

CREATING SECURE DATA ACCESS AND MANAGEMENT SOLUTIONS FOR THE INDUSTRIAL IOT

Our mission is to be the leading provider of solutions that dramatically simplify the creation, deployment, and management of industrial IoT projects that deliver secure access to data for applications and people.

Our Growth Strategy



Product Portfolio

IOT GATEWAYS & BUILDING BLOCKS



Connectivity Without Complexity

IOT MANAGEMENT SOFTWARE

MACH10➤

Scalable Software Platform
Made Simple




IT MANAGEMENT SOLUTIONS



Management of Enterprise
IT Infrastructure

Well Positioned in Key Market Segments

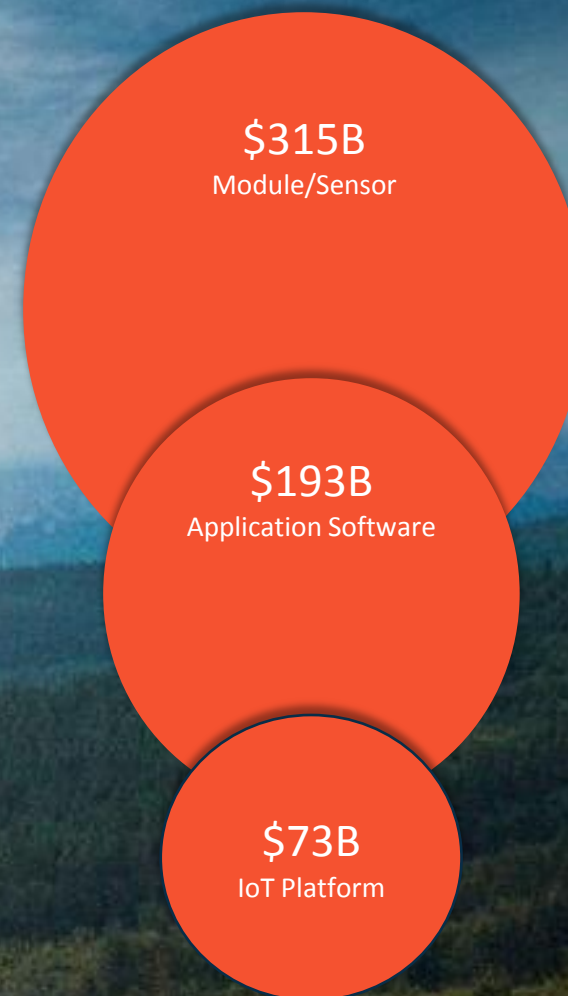
Strong base of global blue-chip customers

Retail	Industrial	Healthcare	Energy / Utilities	Smart Building
     	     	     	     	     
Transportation	Financials	Military & Gov't	Education	Telecom
     	    	    	   	     

Addressing Expanding IoT Opportunity

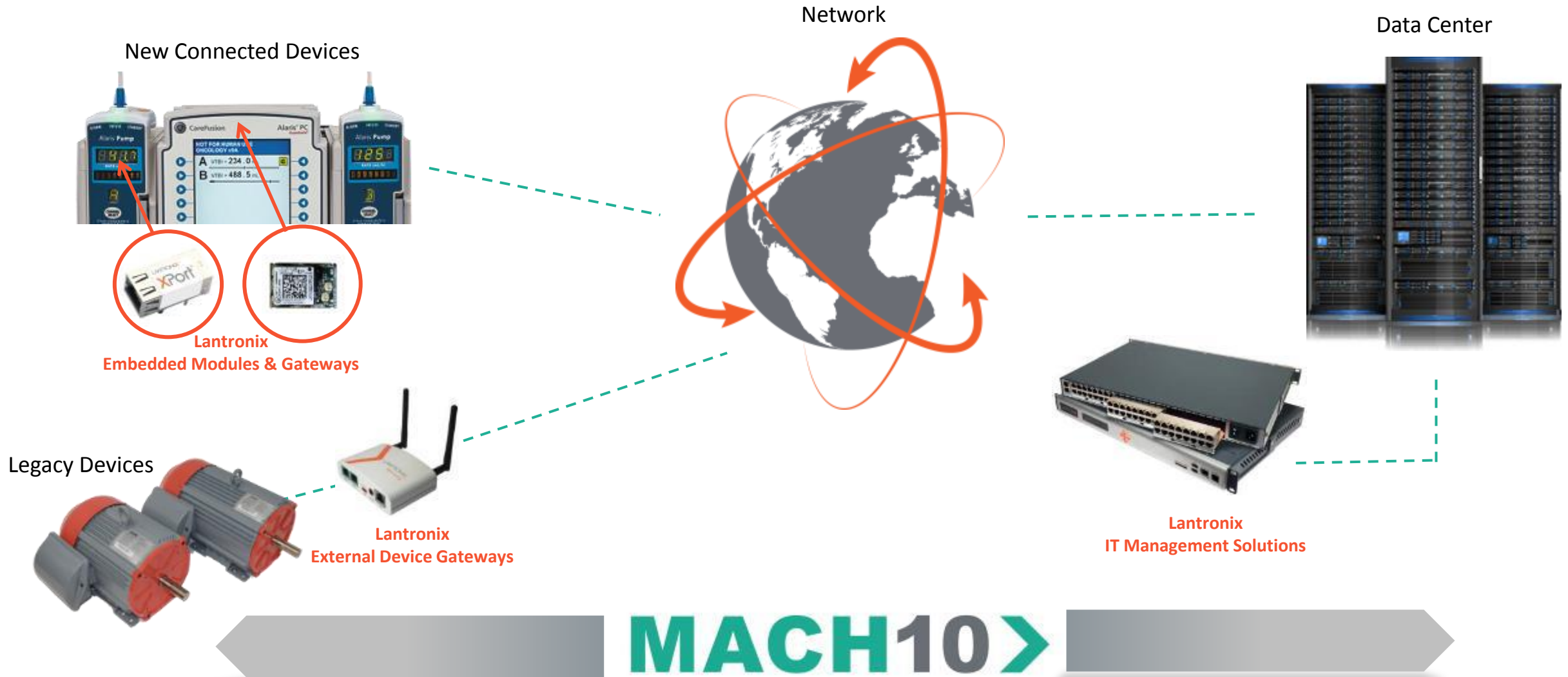


2016



2020

IoT Solutions from the Device to the Data Center



Next Generation IoT Gateways

Embedded IoT Gateways (WiFi)

Ideal to drop into any inflight design and its small form factor is perfect for high-volume integration



Mar 2017: Preview of industry's smallest embedded IoT gateways

xPico 240

Ethernet, WiFi

xPico 250

Ethernet, WiFi
Bluetooth

PremiereWave 2050

Ethernet, WiFi
Bluetooth

Tech Preview this quarter

Launched Spring of 2016

External IoT Device Gateways (WiFi & Cellular)

Ideal for connecting existing devices and machines or when it is desirable to keep connectivity external to the asset



SGX 5150

Ethernet, WiFi
Bluetooth

Launched fall of 2016



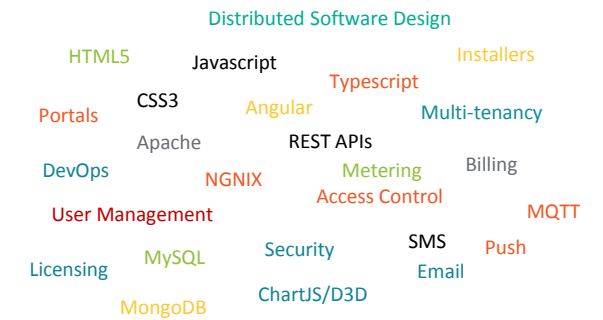
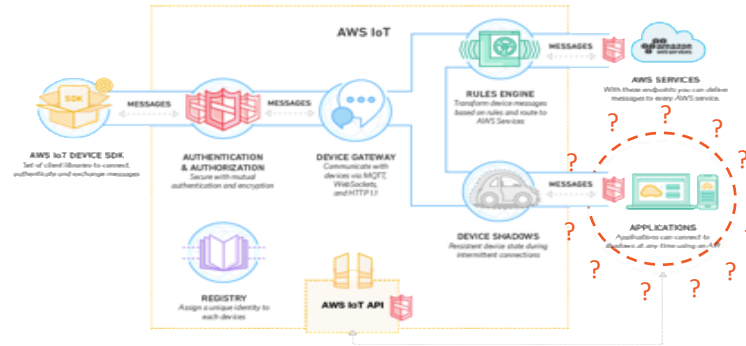
PremiereWave XC

HSPA+

Ethernet, Cellular

The OEM IoT Application Challenge

Building an IoT solution represents a significant opportunity to enhance business value, but it is complex and requires a substantial investment.



OEMs need to develop several software applications

Existing IoT platforms are limited to providing cloud connectivity and cloud-based IT building blocks

Building scalable management software is not a core competency or priority for most IoT OEMs

THE SOLUTION: LANTRONIX MACH10

The IoT Application Development and Deployment Software Platform

OEM-Centric. System Integrator Friendly.



Enhance Existing Applications

Add Google-like search, automated device monitoring, text and push notifications. No expensive redesign.



Develop New IoT Applications

Start from higher ground with pre-tested IoT application building blocks. Not IT building blocks.



Leverage Ready-to-Use Applications

Go to market faster with Lantronix developed IoT management applications powered by MACH10

LANTRONIX

MACH10

We Built It,
So That OEMs Don't Have To.



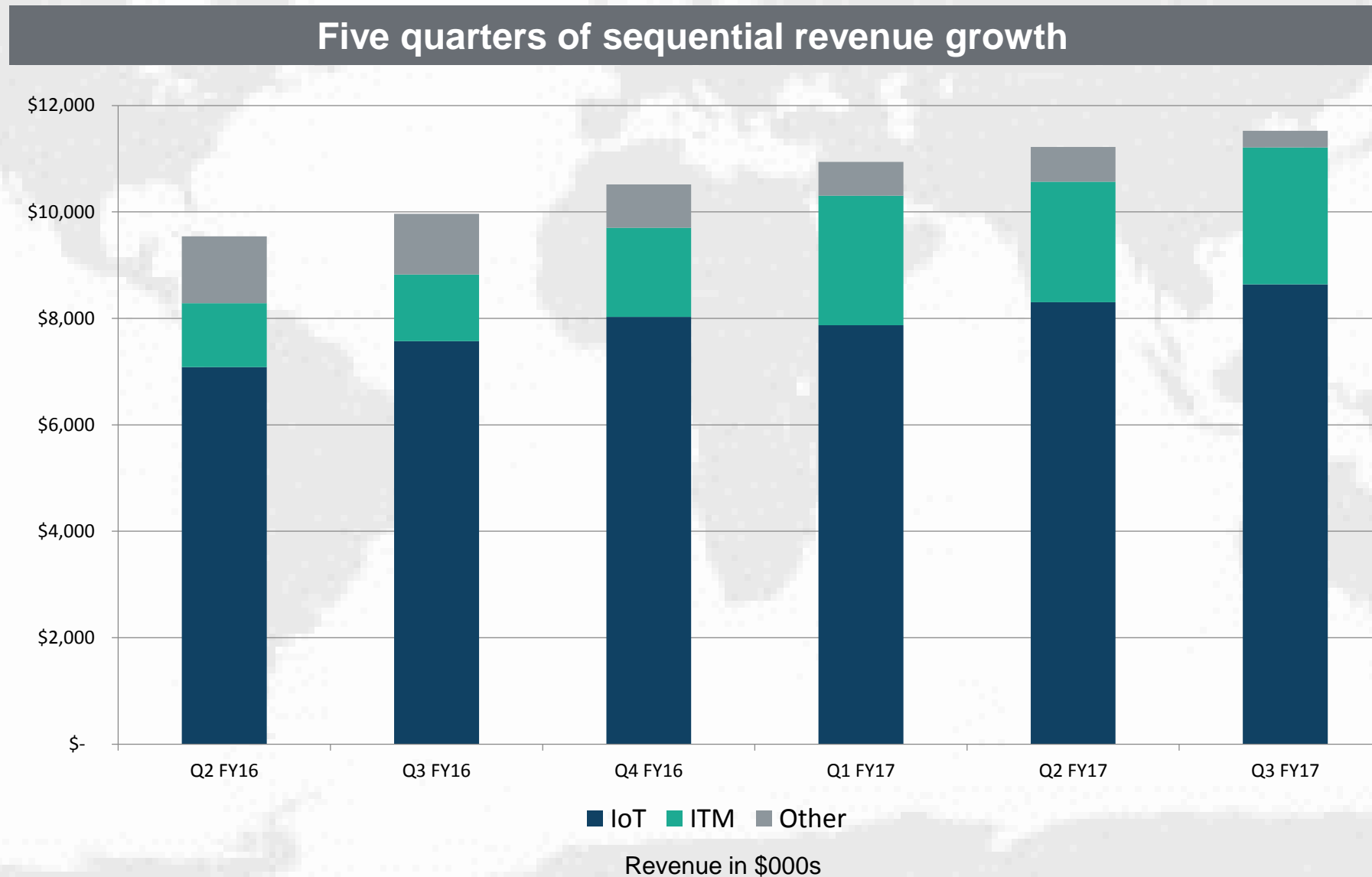
Operating Results



Established A Foundation for Growth

- Put the right team in place
 - New CEO, CTO, VP WW Sales, VP Marketing
 - Consolidated APAC and Japan
 - Opened new India IoT software lab
 - Restructured EMEA sales organization
- Driving operational excellence
 - Rationalized channel and routes to market
 - Focused marketing and sales pipeline discipline
 - Achieving market share gains
 - Improved gross margins, returned to non-GAAP profitability
- Executing on new product strategy
 - Stopped investment in mobile printing
 - Launched new IoT gateway products
 - Initiated MACH10 IoT Platform development

Return to Revenue Growth in FY17



Selected Income Statement Information

<i>(In thousands)</i>	Q2 FY16	Q3 FY16	Q4 FY16	Q1 FY17	Q2 FY17	Q3 FY17
Net Revenue	\$ 9,540	\$ 9,964	\$ 10,515	\$ 10,940	\$11,222	\$11,524
Gross Profit	\$ 4,589	\$ 4,778	\$ 4,944	\$ 5,700	\$ 5,812	\$ 6,398
<i>% of Net Revenue</i>	<i>48.1%</i>	<i>48.0%</i>	<i>47.0%</i>	<i>52.1%</i>	<i>51.8%</i>	<i>55.5%</i>
GAAP Net Income (Loss)	\$ (928)	\$ (456)	\$ (247)	\$ (104)	\$ 41	\$ (162)
Non-GAAP Net Income (Loss)	\$ (196)	\$ 189	\$ 121	\$ 265	\$ 444	\$ 484

Q3 FY 2017 HIGHLIGHTS:

- 16% YOY Net Revenue Growth, Best Topline Results in 10 quarters
- Maintained Gross Margins > 50%
- Operating near GAAP breakeven
- 5th Consecutive Quarter of Non-GAAP Profitability

Selected Balance Sheet Information

<i>(In thousands except price per share data)</i>		June 30, 2016	March 31, 2017
Cash and Cash Equivalents	\$	5,962	\$ 7,389
Accounts Receivable, Net		3,164	2,827
Inventories, Net		6,584	7,664
Total Assets		27,779	29,545
Current Liabilities		7,598	8,802
Non-Current Liabilities		463	449
Working Capital		9,061	9,928
Weighted Average Common Shares Outstanding		15,554	17,522
Stock Options Outstanding		3,606	4,252
Weighted Average Exercise Price Per Share	\$	1.85	\$ 1.77

Why Lantronix

INVEST IN ONE OF THE FEW PUBLIC COMPANY IOT PURE PLAYS

- Established global IoT solutions provider with blue chip customer base
- New leadership team w/ significant enterprise experience
- Pursuing fast growing IoT market with double digit CAGRs
- MACH10 IoT platform enables incremental growth opportunity

SOLID OPERATIONAL EXECUTION AND IMPROVING FUNDAMENTALS

- 12% revenue growth year to date
- Operating near GAAP break-even and generating non-GAAP profit
- Business model with significant operating leverage
- No long-term debt, cash flow positive
- Substantial NOL federal carryover (\$88.4M as of 6/30/2016)



THANK YOU!
investors@lantronix.com

MACH10 STARTS WHERE EXISTING PLATFORMS STOP

1st Generation Platforms

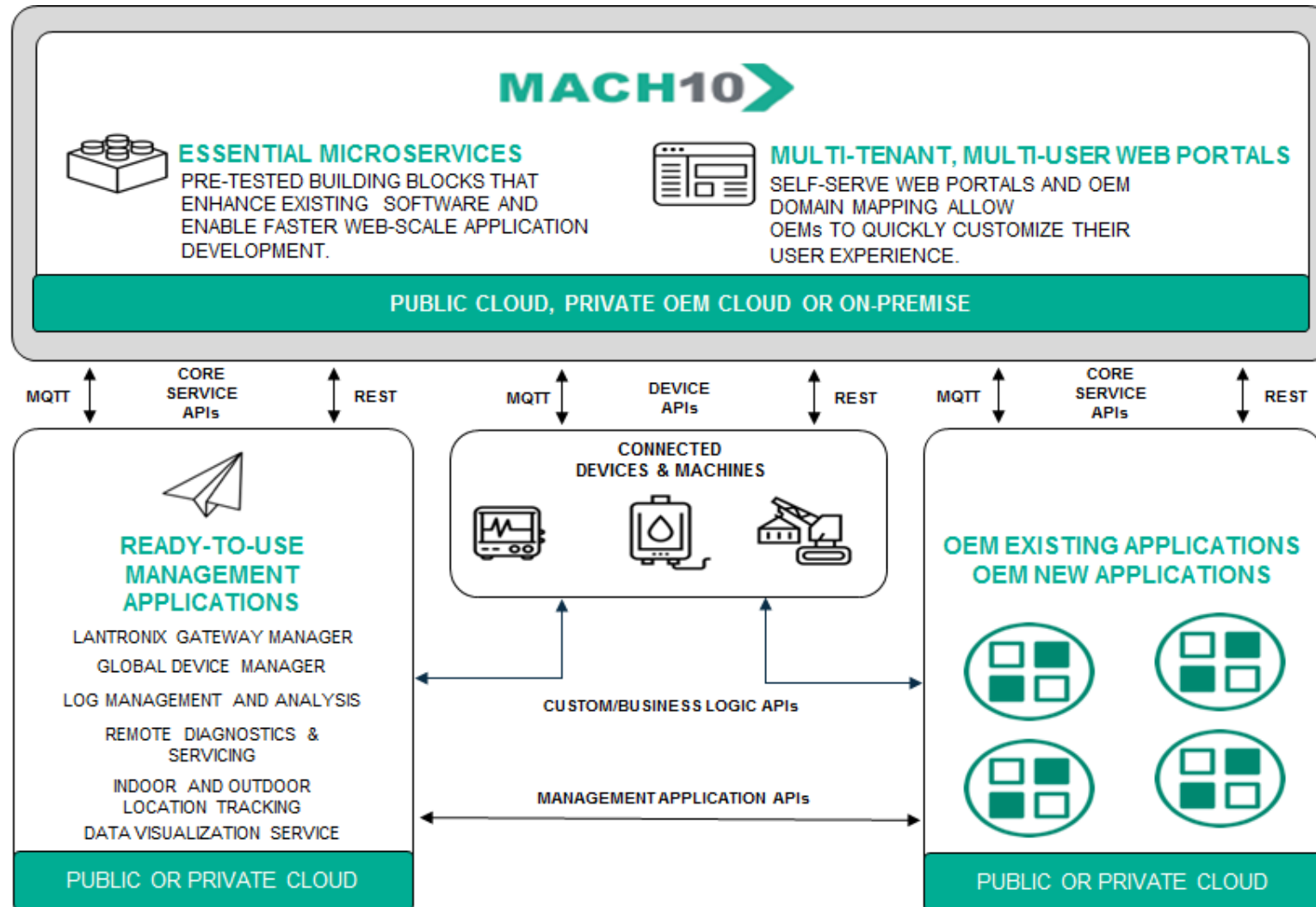
2nd Generation Platforms

MACH10>



HOW MACH10 WORKS

Applications and API-based microservices are built upon industry standard protocols



THE SOLUTION: MACH10

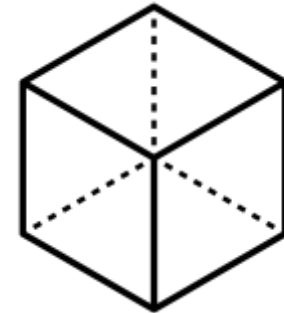
A multi-dimensional IoT application development and deployment platform that dramatically simplifies the process for OEMs to deliver web-scale applications and services



Extensible, ready to use management applications requiring the least development effort for OEMs and the fastest route to market



Suite of essential microservices feature pre-tested software building blocks for enhancing OEM's existing management software or developing new software without re-inventing the wheel.



Multi-dimensional and flexible functionality allows OEMs to deliver scalable, custom self-service portals that are tailored to different stakeholders' needs and multiple user hierarchies.

Management Team



Jeffrey Benck, *President & CEO, Director*

- 25+ years of networking, enterprise experience
- Former CEO of Emulex
- Executive leadership and operational experience at QLogic, IBM



Sanjeev Datla, *Chief Technology Officer*

- Nearly 20 years of experience in developing networking, connectivity and IoT solutions
- Former experience at Emulex, Broadcom, NEC and start-ups



Daryl Miller, *VP, Engineering*

- 30+ years experience in engineering, embedded systems, software, and networking
- Former experience at Tektronix and NCD



Shahram Mehraban, *VP, Marketing*

- 20+ years product marketing, business development, GM experience
- Former experience at Intel, Trillium Digital Systems, Nokia, Glenayre Technologies and Motorola



Jeremy Whitaker, *CFO*

- Former Lantronix Vice President of Finance
- Broad perspective with both outside auditor (Ernst & Young) and internal finance and accounting experience at multiple publicly traded companies



Kevin Yoder, *VP, Worldwide Sales*

- 25+ years of enterprise sales experience
- Excellent background in embedded technologies
- Former experience at Avago Technologies, XMOS, Analog Devices, Texas Instruments & CoWare



Michael Fink, *VP, Operations*

- 20 years operations management experience
- Formerly held key positions at Inphi Corp, Sierra Monolithics, and Mindspeed



Kurt Scheuerman, *VP, General Counsel & Secretary*

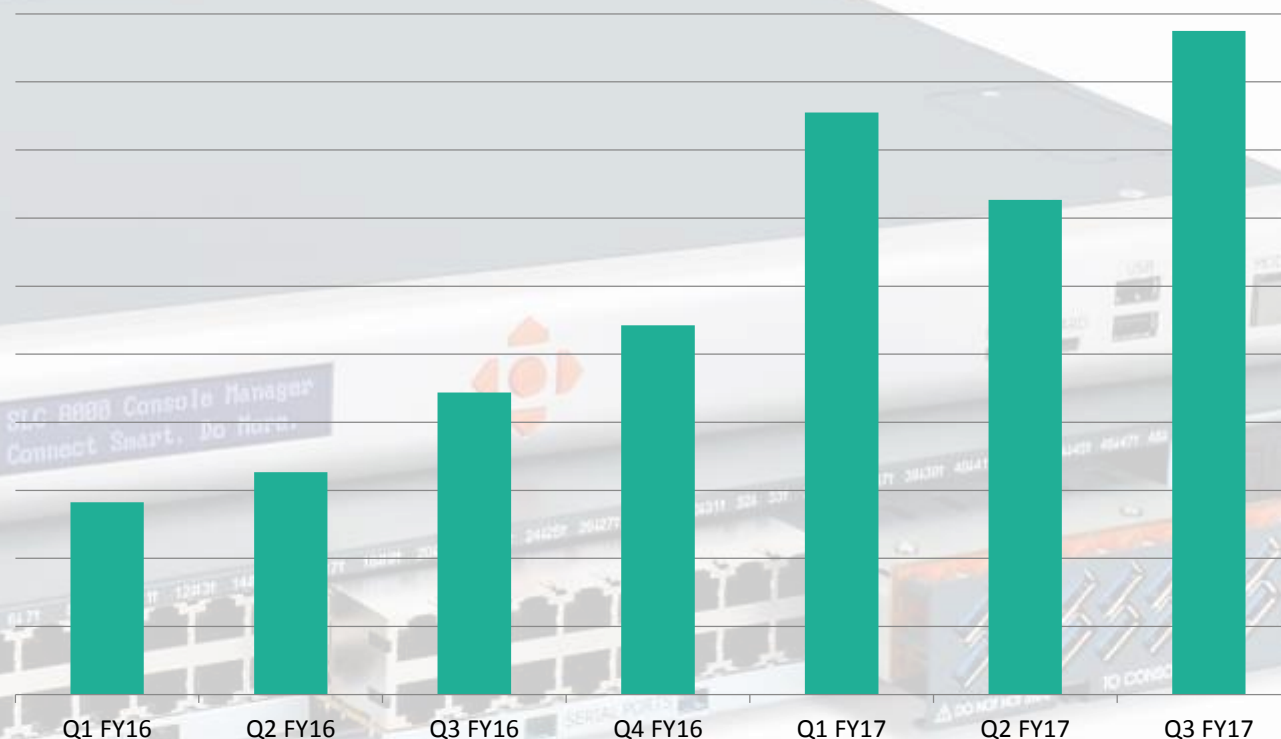
- 20+ years of legal experience
- Experience practicing corporate law with major international law firm (Paul Hastings)
- Formerly General Counsel of publicly-traded electronics manufacturing company

SLC8000 - Share Gain Momentum

Select Customers:



SLC 8000 Net Revenue Growth



Lantronix – Trusted Partner of Choice

Invest in one of the few public company IoT pure plays



Our Solutions

End to end IoT with solutions for the edge and the data center
Expanding into IoT management software platform with MACH10



Our Expertise

Innovation with leadership in Serial to Ethernet and WiFi connectivity
25+ years experience in M2M & IoT Industry



Our Team

New leadership with significant enterprise experience
Global presence



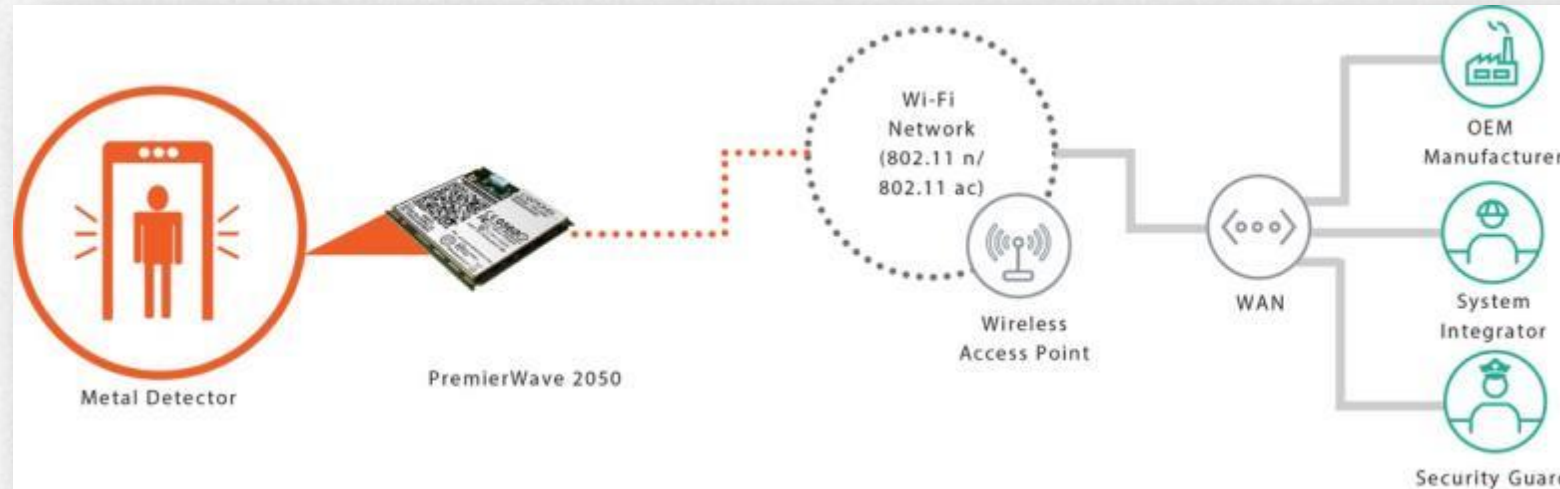
Our Fundamentals

Business model with significant operating leverage
Clean capital structure with no debt
Substantial Federal NOL carry-over

LANTRONIX IOT GATEWAY METAL DETECTOR OEM CASE STUDY



METAL DETECTOR OEM: CASE STUDY



OEM Case Study

- OEM required robust, reliable, pre-certified wireless solution for security machine
- OEM was able to go from concept to production in six months using Lantronix PremierWave 2050, an embedded IoT device gateway
- Network, security and management stacks were complement offloaded by IoT gateway

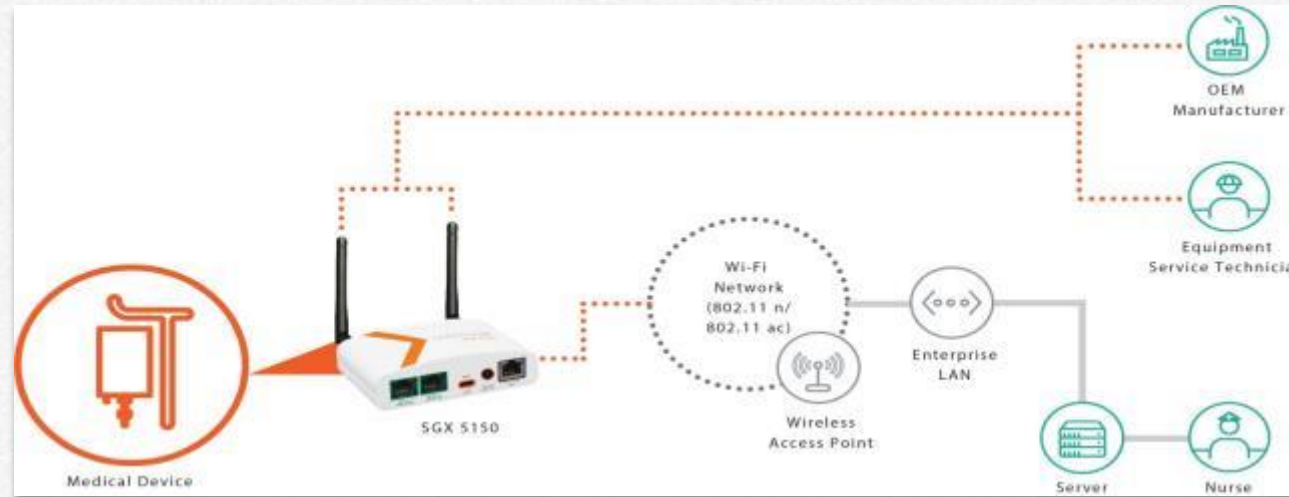
Why OEM Chose Lantronix

- Industrial-grade pre-certified WiFi solution that provided full network and security protocol stacks
- Ready-to-use and pre-integrated secure data access applications, configuration and management software

LANTRONIX IOT GATEWAY MEDICAL DEVICE OEM: CASE STUDY



MEDICAL DEVICE OEM: CASE STUDY



OEM Case Study

- OEM required robust, reliable, pre-certified wireless solution for existing medical equipment
- Using Lantronix SGX5150, an external IoT device gateway, the OEM was able to securely connect medical equipment to hospital and extend product lifecycle

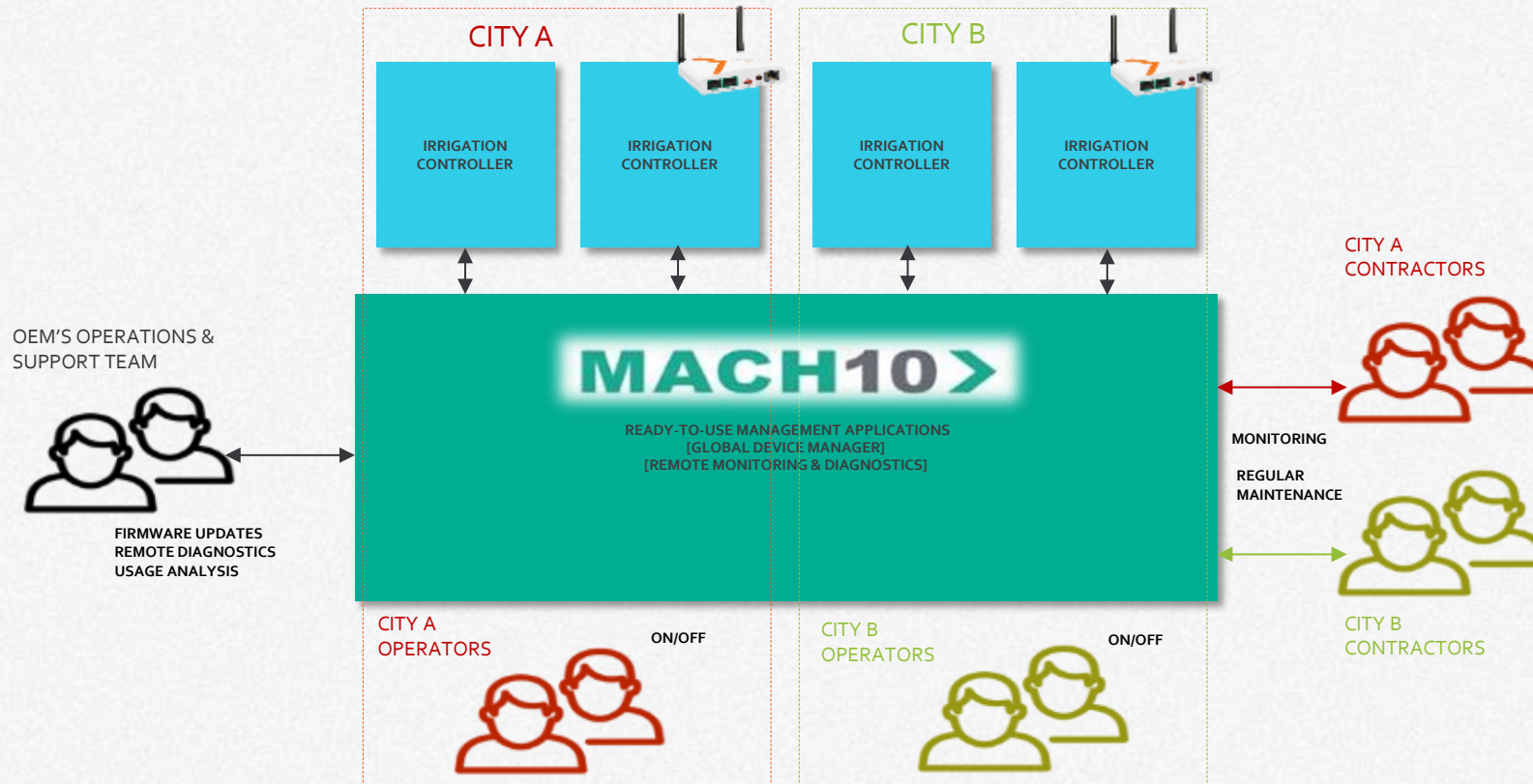
Why OEM Chose Lantronix

- Pre-certified Enterprise-ready network and security protocol offloads, along with unique contextual data-tagging features
- Avoid equipment re-design and re-certification that can take years and a large budget
- Experienced engineering and customer support team

**MACH10 USE CASE EXAMPLE:
COMMERCIAL IRRIGATION
CONTROLLER OEM**



MACH10 USE CASE EXAMPLE: COMMERICAL IRRIGATION CONTROLLER OEM



Problem

- Very small software team
- Today support On-device configuration only
- Lack of remote diagnostics resulting in expensive truck rolls
- Competition moving to web-based management software
- Contractors asking for remote monitoring and management

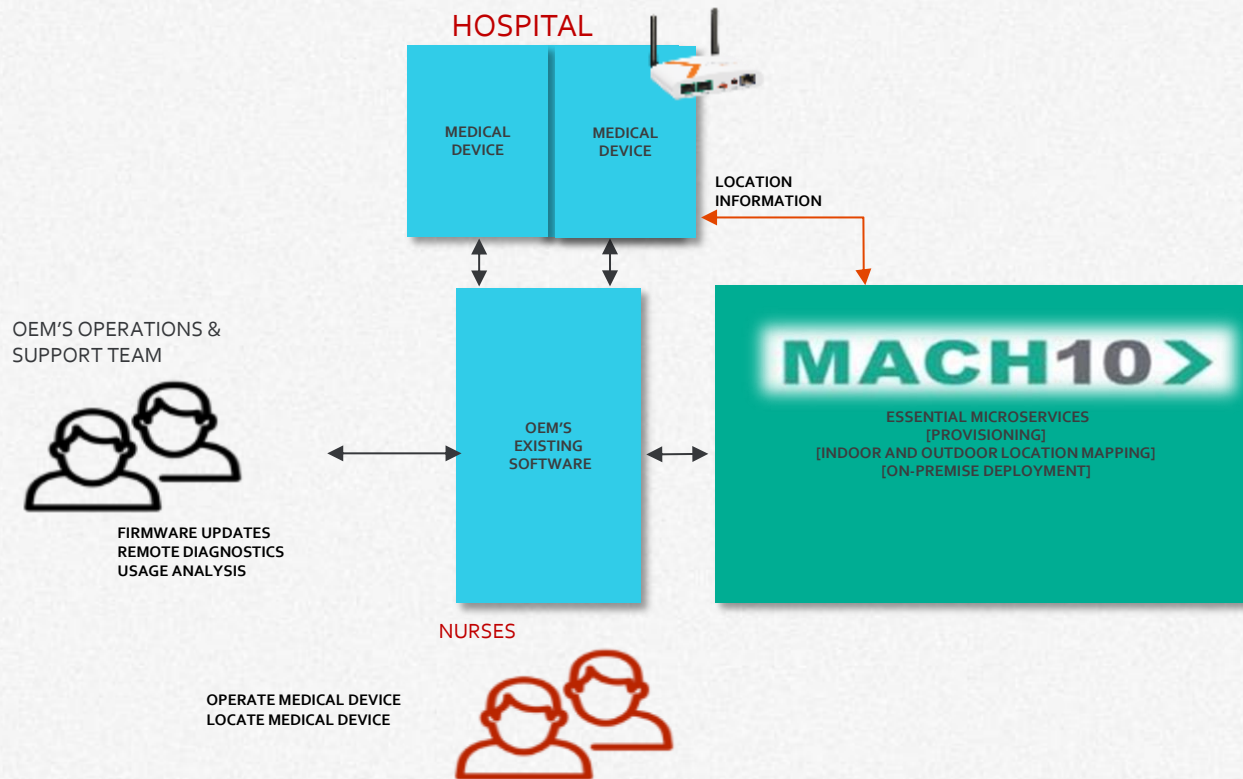
Solution: MACH10

- Ready-to-use management applications
- Global device manager
- Remote diagnostics
- Self-service web portals for contractors and end users

MACH10 USE CASE EXAMPLE: MEDICAL DEVICE OEM



MACH10 USE CASE EXAMPLE: MEDICAL DEVICE OEM



Problem

- Hospitals wanted to prevent data entry errors when assigning devices to a patient
- Hospitals losing expensive medical devices misplaced by nurses
- OEM wanted a way to locate the medical devices and tag the data
- OEM's didn't want to add more complexity to their existing management software

Solution: MACH10

- Indoor location tracking micro service and API
- On-premise deployment alongside OEM's application

Appendix A: Reconciliation of Non-GAAP Financial Measures

<i>(In thousands)</i>	Q2 FY16	Q3 FY16	Q4 FY16	Q1 FY17	Q2 FY17
GAAP net income (loss)	\$ (928)	\$ (456)	\$ (247)	\$ (104)	\$ 41
Non-GAAP adjustments:					
Share-based compensation	252	186	199	201	220
Depreciation and amortization	205	191	145	151	153
Interest expense, net	9	8	9	7	6
Other income (expense), net	(28)	-	(14)	3	(4)
Withholding taxes on stock grants	2	-	-	-	5
Severance and restructuring charges	286	247	-	-	-
Provision (benefit) for income taxes	<u>6</u>	<u>13</u>	<u>29</u>	<u>7</u>	<u>23</u>
Total non-GAAP adjustments	<u>732</u>	<u>645</u>	<u>368</u>	<u>369</u>	<u>403</u>
Non-GAAP net income (loss)	<u>\$ (196)</u>	<u>\$ 189</u>	<u>\$ 121</u>	<u>\$ 265</u>	<u>\$ 444</u>

Lantronix believes that the presentation of non-GAAP financial information, when presented in conjunction with the corresponding GAAP measures, provides important supplemental information to management and investors regarding financial and business trends relating to the Company's financial condition and results of operations. The non-GAAP financial measures disclosed by the Company should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, and the financial results calculated in accordance with GAAP and reconciliations of the non-GAAP financial measures to the financial measures calculated in accordance with GAAP should be carefully evaluated. The non-GAAP financial measures used by the Company may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies. The Company has provided reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures. Management believes that non-GAAP operating expenses, non-GAAP net income (loss) and non-GAAP net income (loss) per share are important measures of the Company's business. Management uses the aforementioned non-GAAP measures to monitor and evaluate ongoing operating results and trends to gain an understanding of our comparative operating performance. Non-GAAP operating expenses consist of operating expenses excluding (i) share-based compensation and related payroll taxes (ii) depreciation and amortization; and (iii) restructuring and severance charges. Non-GAAP net income (loss) consists of net income (loss) excluding (i) non-GAAP adjustments to operating expenses, (ii) interest income (expense), (iii) other income (expense), and (iv) income tax provision (benefit).