



Ciena Corporation

Fiscal Q1 2025 Earnings Presentation
Period ended February 1, 2025

March 11, 2025

Forward-looking statements and non-GAAP measures

You are encouraged to review the Investors section of our website, where we routinely post press releases, Securities and Exchange Commission (SEC) filings, recent news, financial results, supplemental financial information, and other announcements. From time to time, we exclusively post material information to this website along with other disclosure channels that we use. You are encouraged to review the Investors section of our website, where we routinely post press releases, Securities and Exchange Commission ("SEC") filings, recent news, financial results, supplemental financial information, and other announcements. From time to time we exclusively post material information to this website along with other disclosure channels that we use. Information in this presentation and related comments of presenters contains certain forward-looking statements that involve risks and uncertainties. These statements are based on current expectations, forecasts, assumptions and other information available to the Company as of the date hereof. Forward-looking statements include statements regarding Ciena's expectations, beliefs, intentions or strategies regarding the future and can be identified by forward-looking words such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "should," "will," and "would" or similar words.

Ciena's actual results, performance or events may differ materially from these forward-looking statements made or implied due to a number of risks and uncertainties relating to Ciena's business, including: the effect of broader economic and market conditions on our customers, their spending and their businesses and markets; our ability to execute our business and growth strategies; the impact of macroeconomic conditions; the impact of the introduction of new technologies by us or our competitors; seasonality and the timing and size of customer orders, their delivery dates and our ability to recognize revenue relating to such sales; the level of competitive pressure we encounter; the product, customer and geographic mix of sales within the period; changes in foreign currency exchange rates; factors beyond our control such as natural disasters, climate change, acts of war or terrorism, geopolitical tensions or events, including but not limited to the ongoing conflicts between Ukraine and Russia, and Israel and groups based in the surrounding region, and public health emergencies, epidemics, or pandemics, such as the COVID-19 pandemic; changes in tax or trade regulations, including the imposition of tariffs, duties or efforts to withdraw from or materially modify international trade agreements; cyberattacks, data breaches or other security incidents involving our enterprise network environment or our products; regulatory changes, litigation involving our intellectual property or government investigations; and the other risk factors disclosed in Ciena's periodic reports filed with the Securities and Exchange Commission (SEC) including its Annual Report on Form 10-K filed with the SEC on December 20, 2024 and included in its Quarterly Report on Form 10-Q for the first quarter of fiscal 2025 to be filed with the SEC.

All information, statements, and projections in this presentation and the related earnings call speak only as of the date of this presentation and related earnings call. Ciena assumes no obligation to update any forward-looking or other information included in this presentation or related earnings calls, whether as a result of new information, future events or otherwise.

In addition, this presentation includes historical, and may include prospective, non-GAAP measures of Ciena's gross margin, operating expense, operating margin, EBITDA, and net income per share. These measures are not intended to be a substitute for financial information presented in accordance with GAAP. A reconciliation of non-GAAP measures used in this presentation to Ciena's GAAP results for the relevant period can be found in the Appendix to this presentation. Additional information can also be found in our press release filed this morning and in our reports on Form 10-Q and Form 10K filed with the Securities and Exchange Commission.

With respect to Ciena's expectations under "Business Outlook", Ciena is not able to provide a quantitative reconciliation of the adjusted (non-GAAP) gross margin, operating expense, operating margin and earnings per share guidance measures to the corresponding gross profit and gross profit percentage, and operating expense GAAP measures without unreasonable efforts. Ciena cannot provide meaningful estimates of the non-recurring charges and credits excluded from these non-GAAP measures due to the forward-looking nature of these estimates and their inherent variability and uncertainty. For the same reasons, Ciena is unable to address the probable significance of the unavailable information.

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Overview and Ciena's portfolio

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Ciena is the global leader in high-speed connectivity

Ciena provides networking systems, services, and software

We build the most adaptive networks in the industry, enabling customers to anticipate and meet ever-increasing digital demands.

Prioritizing collaborative relationships with our customers, partners, and communities, we create flexible, open, and sustainable networks that better serve all users — today and into the future.

2,100+
patents

3,700+
R&D
specialists

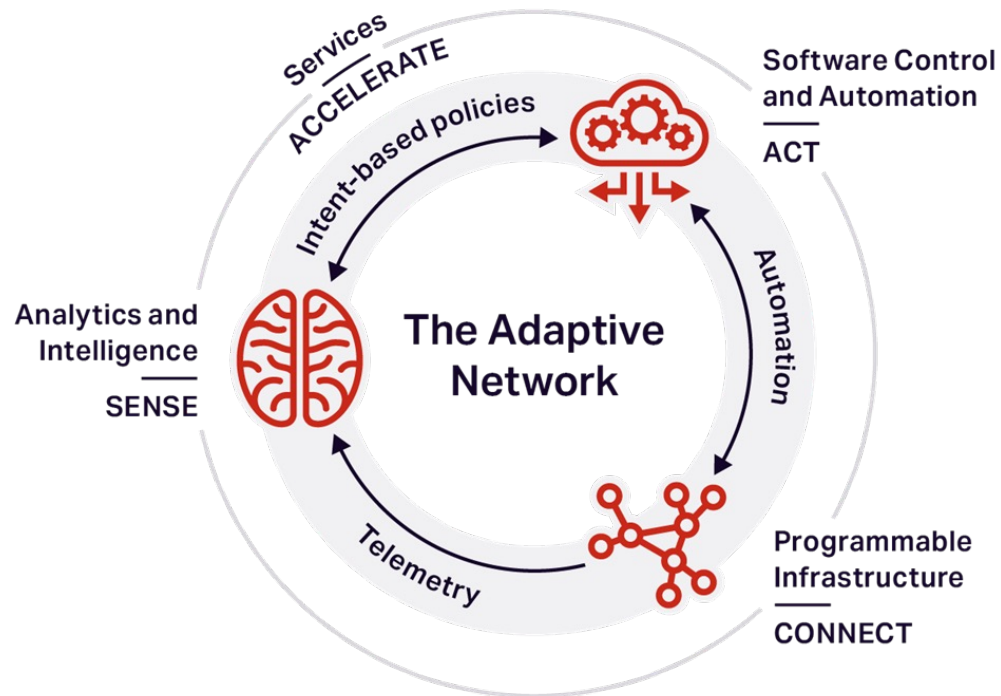
8,600+
employees

1,600+
customers
worldwide

\$4B
FY24
revenue

\$1.3B
cash &
investments

Evolving our customers' business with the Adaptive Network



Programmable Infrastructure

- Dynamic pool of virtual and physical resources
- Manageable via common, open software interfaces
- Highly instrumented to understand the network state

Analytics and Intelligence

- Leverages instrumented infrastructure telemetry
- Proactively predict potential problems and anticipate network trends—before they occur

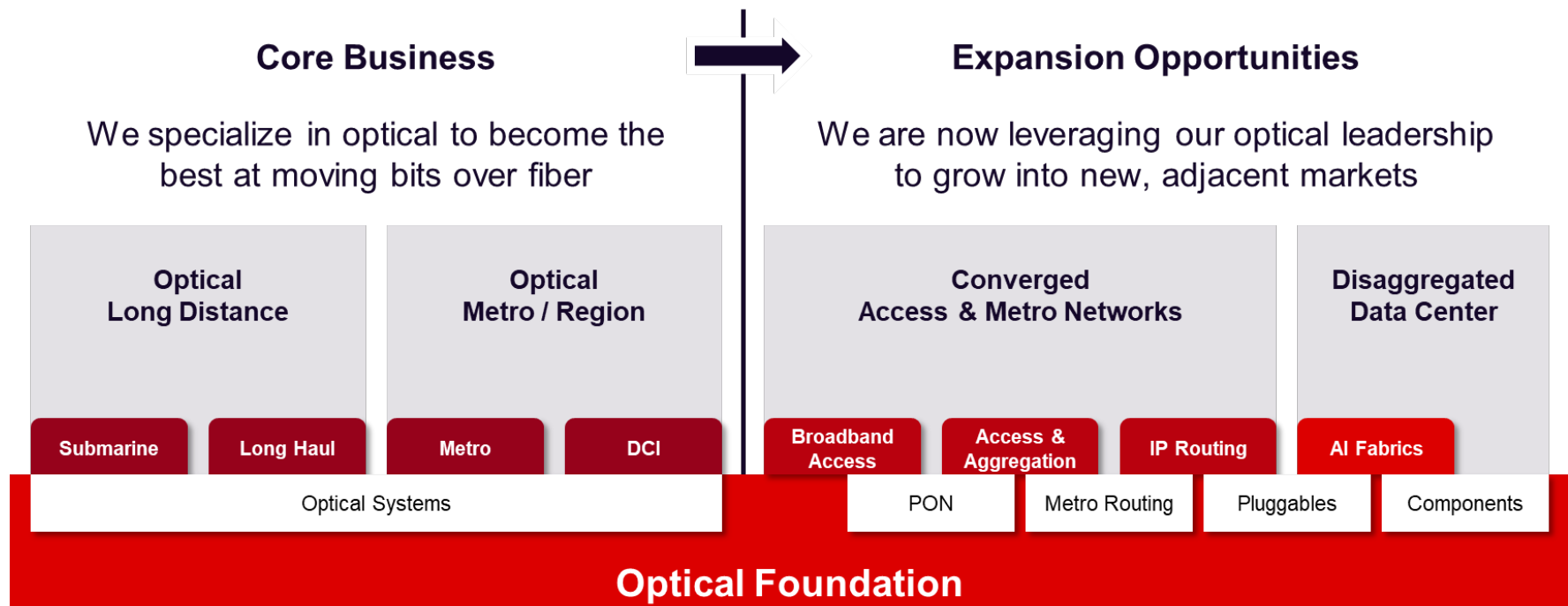
Software Control and Automation

- Management and automation of services across multi-layer, multi-vendor, multi-domain networks

Services

- Services to help build, operate, and improve network and operational performance.

Our strategy leverages our Optical technology to create expanded addressable market opportunities



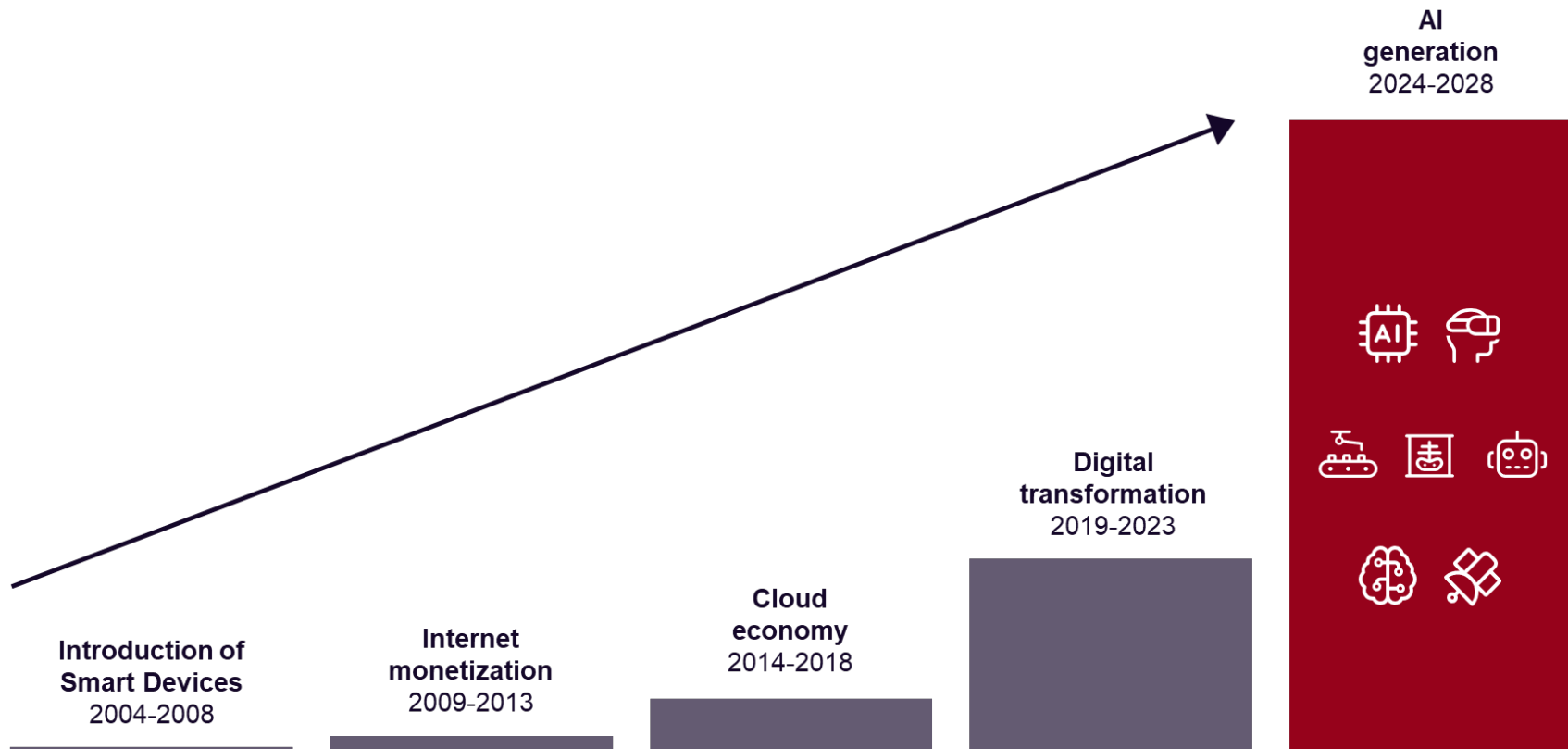


Industry context and addressable market expansion

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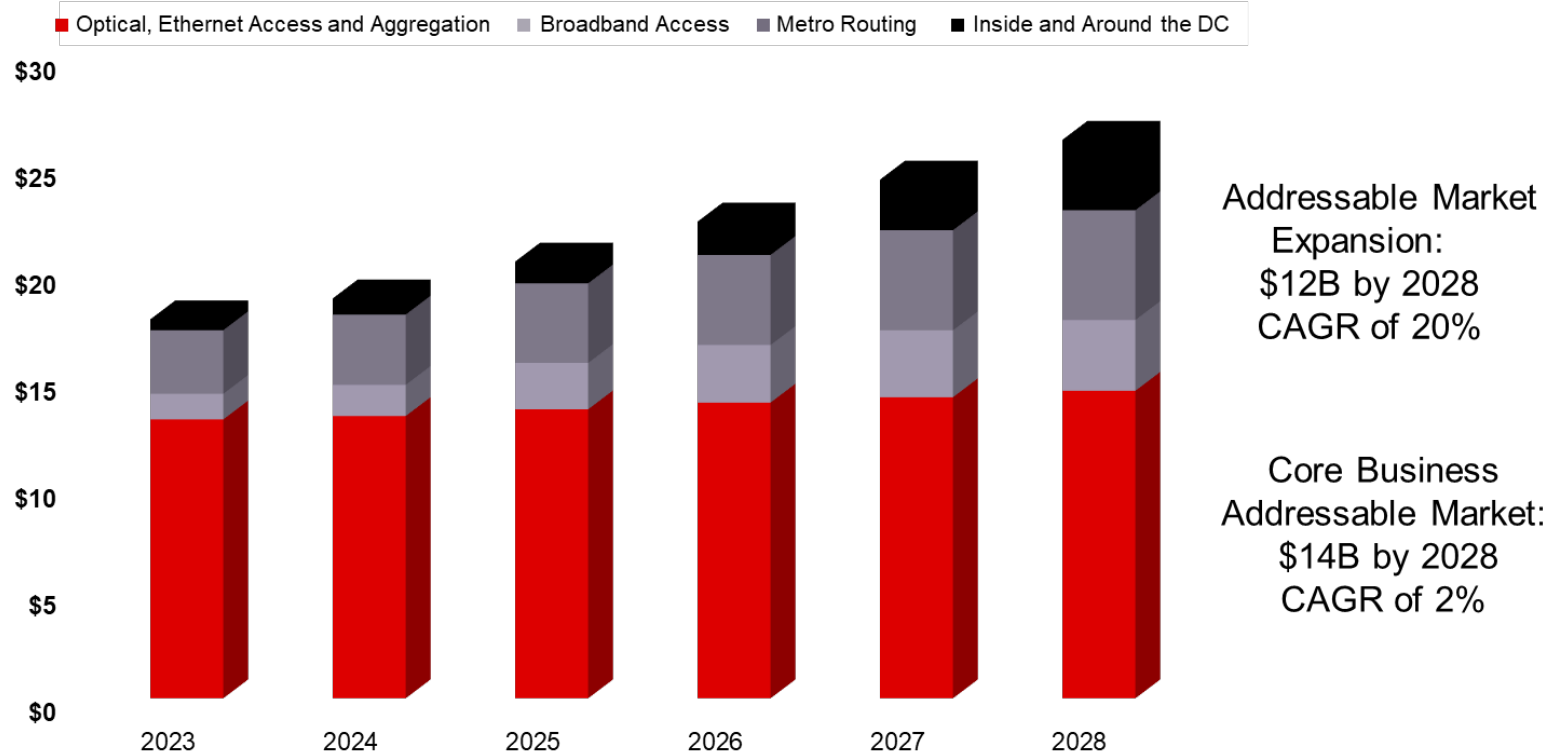


Increasing bandwidth consumption as a driver of network expansion



Our core business is enabling investment in higher-growth markets

Broadband Access, Metro Routing, and Inside and Around Data Center are Key TAM Expansion Opportunities



¹Sources: Dell'Oro, SignalAI, LightCounting, and Ciena internal analysis.

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ciena

An industry leader

Market leadership



#1 Globally

- Purpose-built/compact modular DCI
- SLTE WDM
- Access switching

#1 N. America

- Total optical networking
- Purpose-built/compact modular DCI
- Access switching

Optical Networking Report, 3Q24
Service Provider Switching & Routing Report, 3Q24



#1 Globally

- Purpose-built/compact modular DCI
- Optical for cloud and colo
- SLTE WDM

#1 N. America

- Total optical networking
- Optical for cloud and colo
- Routing/Access

Transport Hardware Report, 4Q24



#1 Globally

- Data center interconnect
- Optical for internet content provider customers

#1 N. America

- Data center interconnect
- Total optical networking
- Optical packet

Optical Transport Report, 4Q24

Industry recognition



WaveRouter™



WaveLogic™ 6



WaveLogic™ 6
for best new innovation /
Gamechanger



BluePlanet



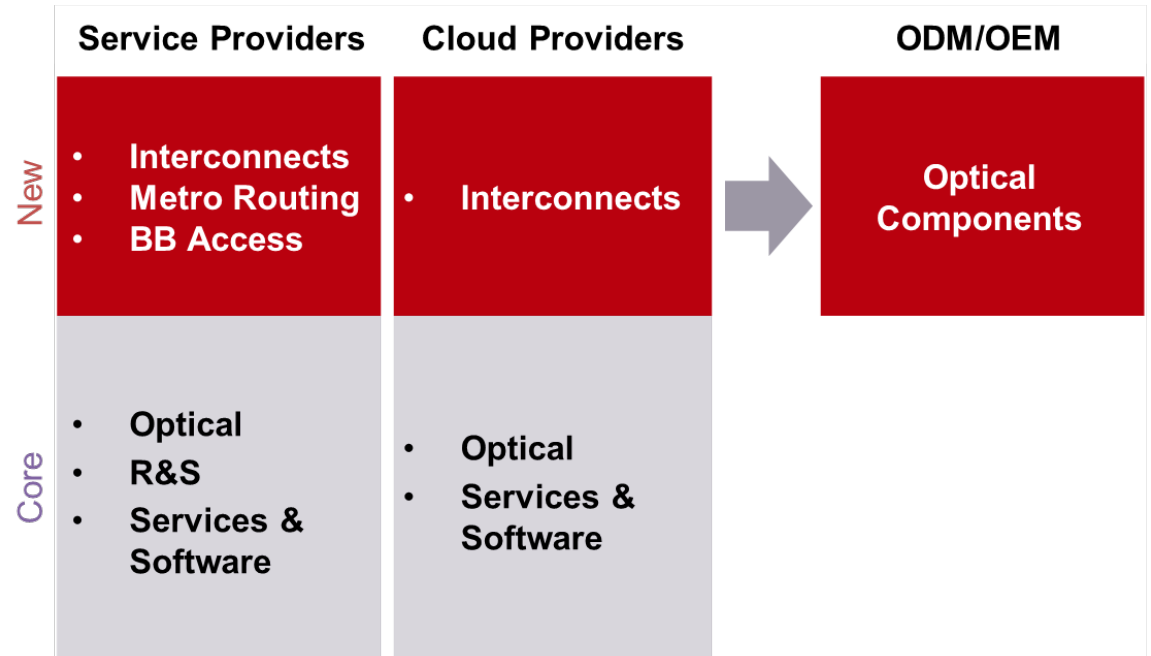
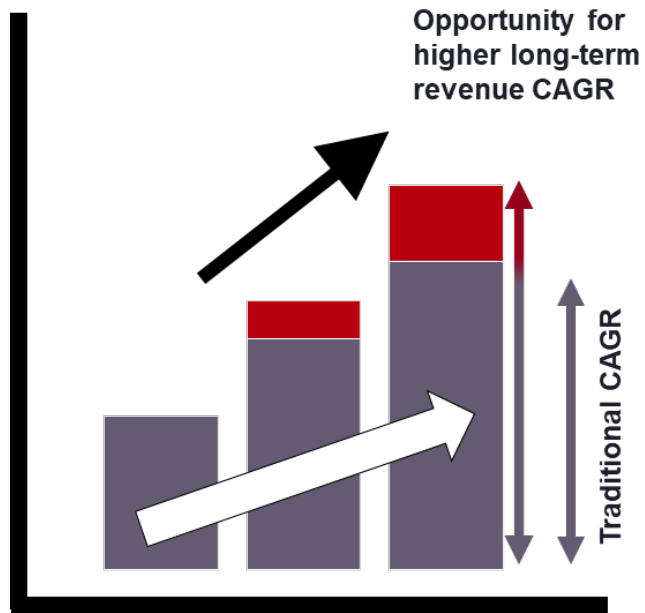


Ciena is positioned
for accelerated
growth

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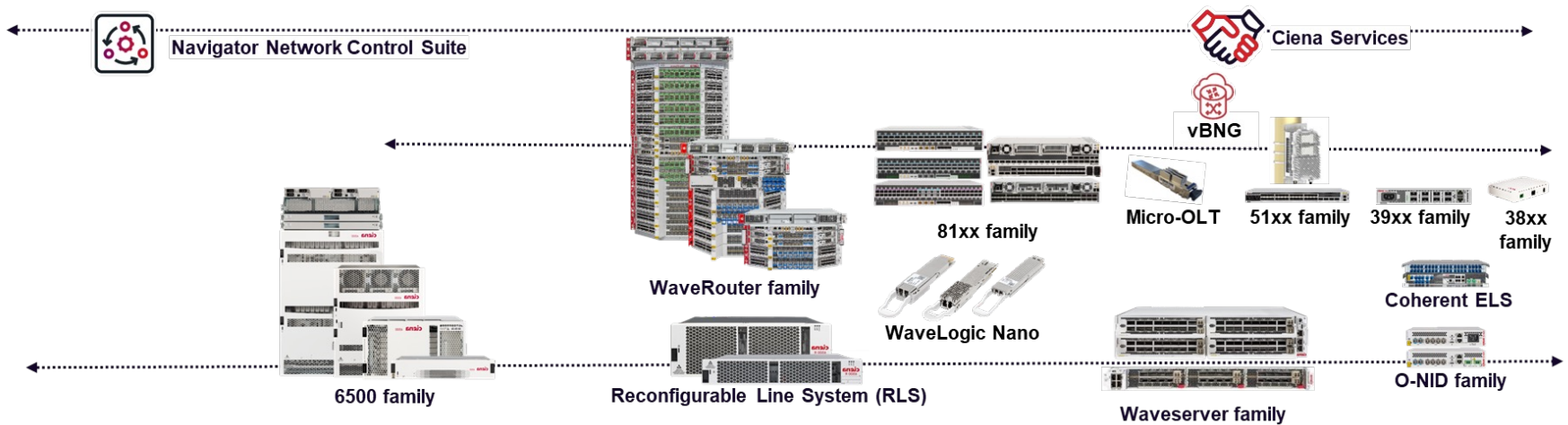
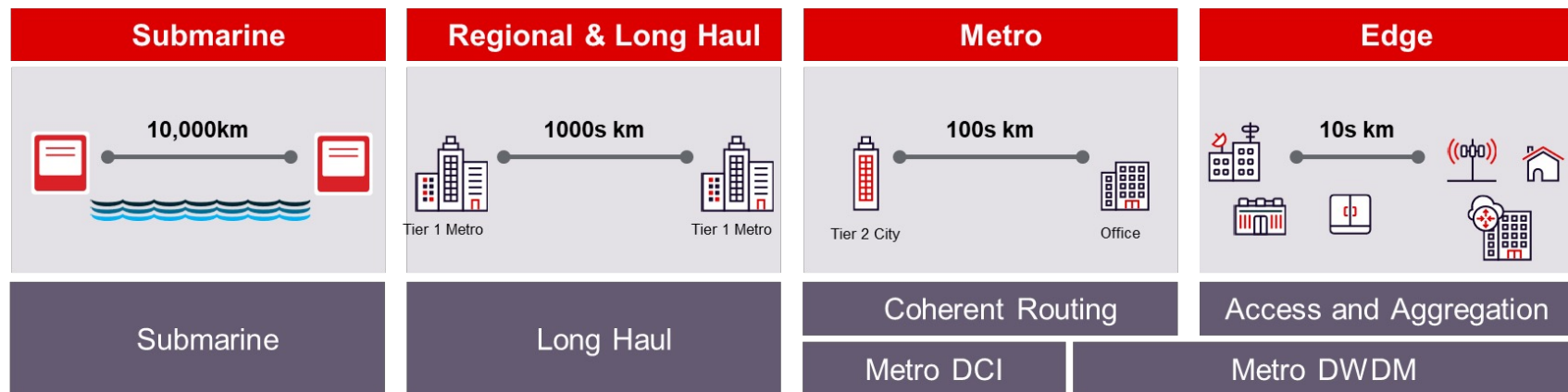


Our future growth opportunity



Long-term growth in core business plus new addressable markets provide an opportunity to outpace our traditional revenue CAGR over time

Our portfolio addresses key network applications



We expect coherent technology will have growing application in the AI era

		400G	800G	1.6T	3.2T
Around DC	Metro DCI <100km	Coherent	Coherent	Coherent	Coherent
	Campus <20km	IMDD	IMDD / Coherent	IMDD / Coherent	Coherent
Inside DC	Fabric <2km	IMDD	IMDD	IMDD / Coherent	IMDD / Coherent
	AI Cluster Optics <500m	IMDD	IMDD	IMDD	IMDD / Coherent

Legacy IMDD will begin to reach its limitations



Q1 FY 2025 results

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Q1 FY 2025 key highlights

Achieving balanced growth

Service Provider revenue grew 14% YoY
Non-telco represented 49% of total revenue
Government, R&E, and Enterprise revenue grew 10% YoY
APAC revenue grew 6% YoY
Blue Planet revenue grew 87% YoY

Driving the pace of innovation

- Added 20 new WL6e customers in the quarter bringing total customers shipped to 25
 - Awarded half a dozen new submarine wins in the quarter, including large 100Tb subsea upgrade
 - Awarded numerous MOFN opportunities globally, strengthening our position as leading optical vendor for AI networks.
 - Released two new SAOS 10 based weatherproof routers to expand and deliver applications in the most challenging outdoor environments
- Expanded the breadth of our Broadband portfolio by introducing the two new XGS-PON optical network units (ONUs)

Prioritizing long term shareholder value

- Total shareholder return five-year CAGR of 16%¹
- Repurchased ~1.0 million shares for \$79.2 million under our three-year program (FY25-27)

Q1 FY 2025 comparative financial highlights

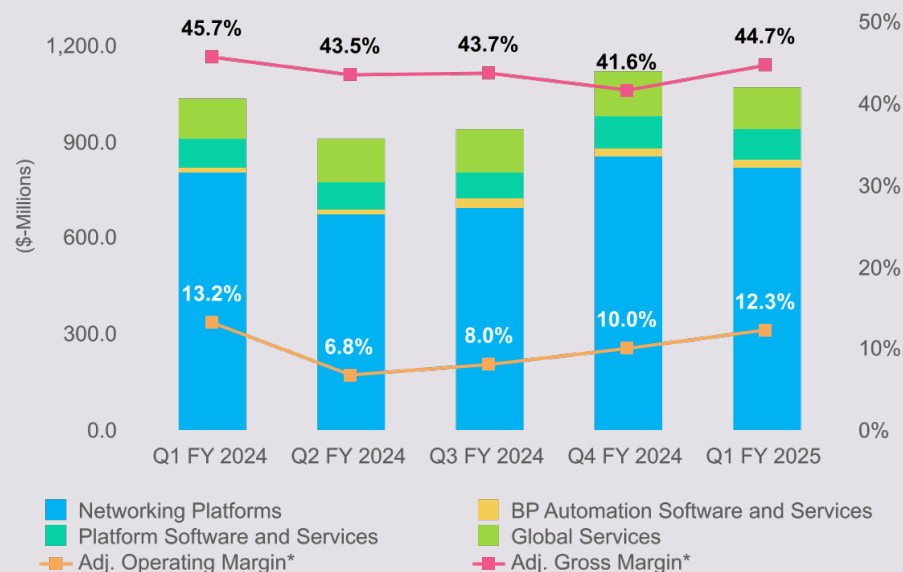
	Q1 FY 2025	Q1 FY 2024
Revenue	\$1,072.3M	\$1,037.7M
Adjusted Gross Margin*	44.7%	45.7%
Adjusted Operating Expense*	\$347.4M	\$336.8M
Adjusted Operating Margin*	12.3%	13.2%
Adjusted EBITDA*	\$156.5M	\$160.0M
Adjusted EPS*	\$0.64	\$0.66

* Reconciliations of these non-GAAP measures to our GAAP results are included in the Appendix and in the press release for the relative period.

Q1 FY 2025 comparative operating metrics

	Q1 FY 2025	Q1 FY 2024
Cash and investments	\$1.32B	\$1.48B
Cash provided by operations	\$104M	\$266M
DSO	90.0	88.0
Inventory Turns	2.3	1.9
Gross Leverage	3.35x	2.42x
Net Debt	\$283M	\$148M

Revenue by segment (Amounts in millions)



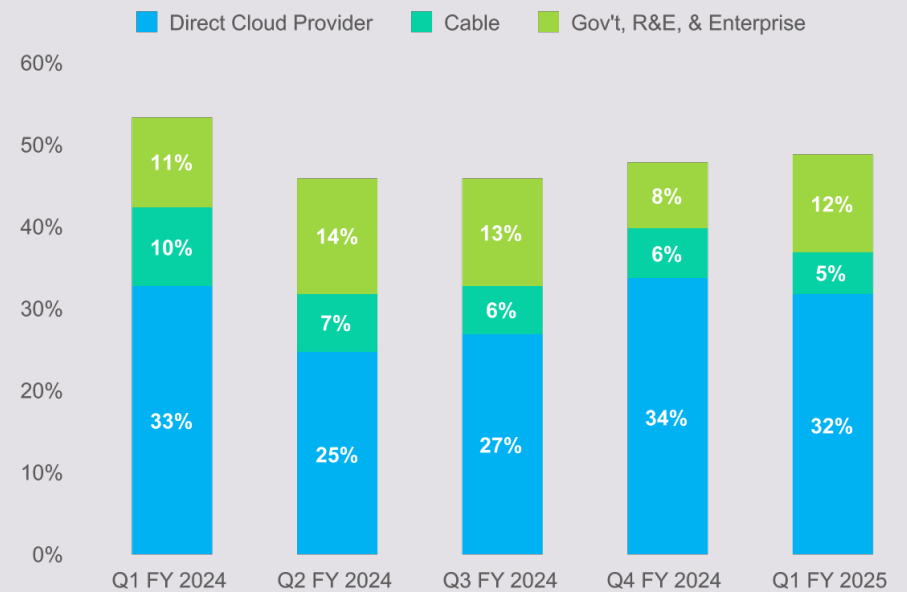
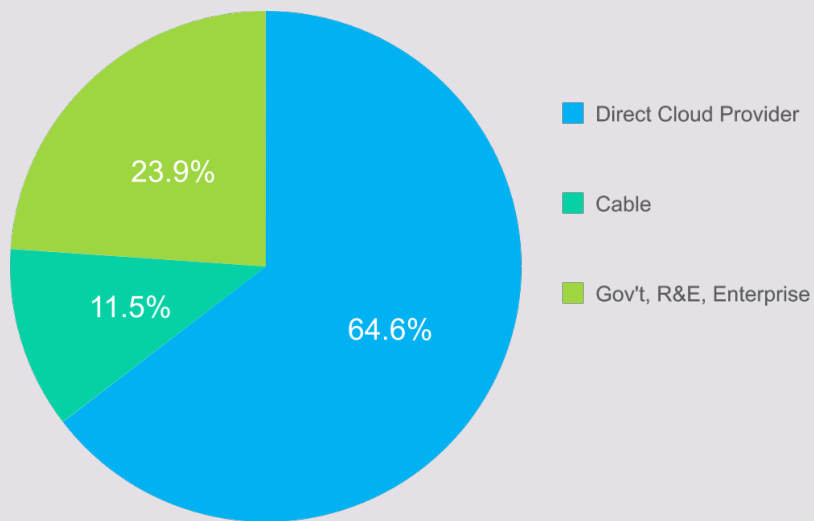
	Q1 FY 2025		Q1 FY 2024	
	Revenue	%**	Revenue	%**
Networking Platforms				
Optical Networking	\$728.0	67.9	\$695.8	67.1
Routing and Switching	93.2	8.7	111.4	10.7
Total Networking Platforms	821.2	76.6	807.2	77.8
Platform Software and Services	95.1	8.9	89.7	8.6
Blue Planet Automation Software and Services	26.0	2.4	14.0	1.4
Global Services				
Maintenance Support and Training	74.6	7.0	74.1	7.1
Installation and Deployment	47.7	4.4	42.7	4.1
Consulting and Network Design	7.7	0.7	10.0	1.0
Total Global Services	130.0	12.1	126.8	12.2
Total	\$1,072.3	100.0	\$1,037.7	100.0

* Reconciliations of these non-GAAP measures to GAAP results are included in the appendix to this presentation.

** Denotes % of total revenue

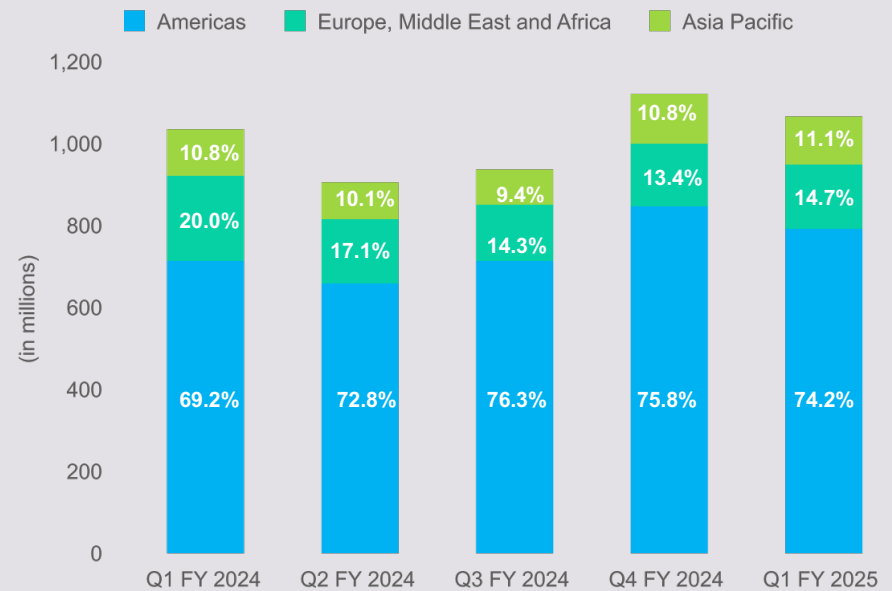
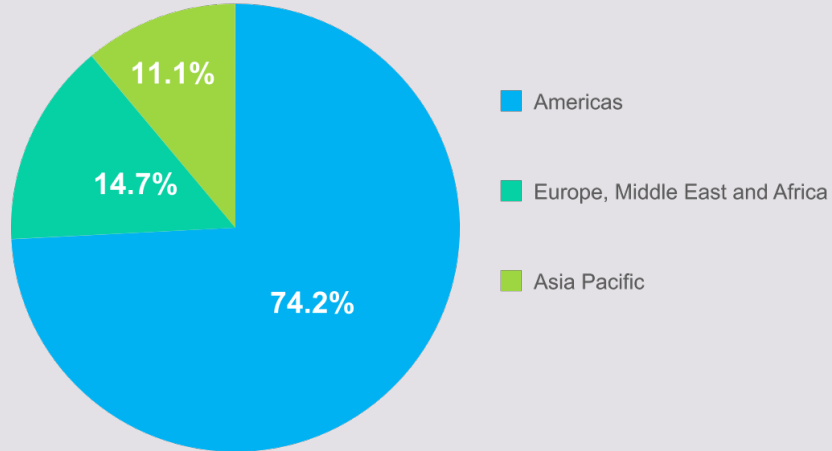
Revenue derived from non-telco customers

Q1 FY 2025 Non-Telco Revenue
Approx. 49% of total



Revenue by geographic region

Q1 FY 2025





Business outlook

Economic considerations and assumptions in our 2025 outlook

Business Assumptions

- Macro environment does not significantly worsen or result in any adverse effects on our business, including with respect to our customers' capex levels, priorities or spending in our major geographies
- Longer-term fundamental industry demand drivers – including increasing demand for bandwidth, adoption of cloud architectures, network automation requirements, and AI-related expansions – will drive customers to prioritize network capex to address this demand
- Our business is not materially impacted by the imposition of tariffs or similar significant trade measures by the U.S. or other countries or other significant regulatory changes

Revenue Assumptions

- We secure increased orders from Service Providers as they return to more typical order levels and from Cloud Providers as they continue to build their networks to meet the growing demand from Cloud and AI
- We do not experience significant deferrals of delivery of forecasted orders or of our existing backlog and our Service Provider customers are able to absorb existing equipment orders
- We are able to deliver new products according to our roadmap and customer adoption of these products continues to be consistent with our expectations
- Given our distinct competitive and technology advantages, we continue to benefit disproportionately as order flow dynamics return to more typical levels

Profitability Assumptions

- Operating expense increases moderately to fund strategic investments as we continue to innovate and expand our addressable market to capture opportunities that advance our position in key growth areas
- We expect quarterly variability in gross margins due to product mix
- We are able to achieve product cost reductions consistent with our past practices

Business outlook¹

Q2 FY 2025

Revenue	\$1.05B to \$1.13B
Adjusted Gross Margin	Low 40s%
Adjusted Operating Expense	Approximately \$355M

Full Fiscal Year 2025

Revenue Growth	Toward the high end of 8% to 11%
Adjusted Gross Margin	42% to 44%
Adjusted Operating Expense	An average of \$350M to \$360M per quarter

¹ Projections or outlook with respect to future operating results are only as of March 11, 2025, the date presented on the related earnings call. Actual results may differ materially from these forward-looking statements. Ciena assumes no obligation to update this information, whether as a result of new information, future events or otherwise.



Q1 FY 2025 appendix

Gross Profit Reconciliation (Amounts in thousands)

	Q1 FY 2025	Q4 FY 2024	Q3 FY 2024	Q2 FY 2024	Q1 FY 2024
GAAP gross profit	\$471,821	\$460,022	\$403,945	\$388,661	\$466,962
Share-based compensation-products	1,750	1,736	1,660	1,760	1,318
Share-based compensation-services	3,405	3,257	3,122	3,344	3,020
Amortization of intangible assets	2,233	2,764	2,764	2,763	2,764
Total adjustments related to gross profit	7,388	7,757	7,546	7,867	7,102
Adjusted (non-GAAP) gross profit	\$479,209	\$467,779	\$411,491	\$396,528	\$474,064
Adjusted (non-GAAP) gross profit percentage	44.7 %	41.6 %	43.7 %	43.5 %	45.7 %

Operating Expense Reconciliation (Amounts in thousands)

	Q1 FY 2025	Q4 FY 2024	Q3 FY 2024	Q2 FY 2024	Q1 FY 2024
GAAP operating expense	\$391,158	\$400,812	\$377,202	\$392,626	\$382,333
Share-based compensation-research and development	14,237	14,065	13,118	14,066	12,880
Share-based compensation-sales and marketing	11,597	11,168	10,315	11,166	10,305
Share-based compensation-general and administrative	9,827	10,842	9,257	9,875	10,079
Significant asset impairments and restructuring costs	1,544	2,605	1,361	15,655	4,971
Amortization of intangible assets	6,545	7,185	7,185	7,947	7,252
Total adjustments related to operating expense	43,750	45,865	41,236	58,709	45,487
Adjusted (non-GAAP) operating expense	\$347,408	\$354,947	\$335,966	\$333,917	\$336,846

Income (Loss) from Operations Reconciliation (Amounts in thousands)

	Q1 FY 2025	Q4 FY 2024	Q3 FY 2024	Q2 FY 2024	Q1 FY 2024
GAAP income (loss) from operations	\$80,663	\$59,210	\$26,743	\$(3,965)	\$84,629
Total adjustments related to gross profit	7,388	7,757	7,546	7,867	7,102
Total adjustments related to operating expense	43,750	45,865	41,236	58,709	45,487
Total adjustments related to income from operations	51,138	53,622	48,782	66,576	52,589
Adjusted (non-GAAP) income from operations	\$131,801	\$112,832	\$75,525	\$62,611	\$137,218
Adjusted (non-GAAP) operating margin percentage	12.3 %	10.0 %	8.0 %	6.8 %	13.2 %

Net Income (Loss) Reconciliation (Amounts in thousands)

	Q1 FY 2025	Q4 FY 2024	Q3 FY 2024	Q2 FY 2024	Q1 FY 2024
GAAP net income (loss)	\$44,572	\$37,028	\$14,230	\$(16,849)	\$49,547
Exclude GAAP provision for income taxes	24,022	10,993	2,125	820	21,956
Income (loss) before income taxes	68,594	48,021	16,355	(16,029)	71,503
Total adjustments related to income from operations	51,138	53,622	48,782	66,576	52,589
Loss on extinguishment and modification of debt	729	—	—	—	—
Adjusted income before income taxes	120,461	101,643	65,137	50,547	124,092
Non-GAAP tax provision on adjusted income before income taxes	26,501	22,361	14,330	11,120	27,300
Adjusted (non-GAAP) net income	\$93,960	\$79,282	\$50,807	\$39,427	\$96,792
Weighted average basic common shares outstanding	142,880	144,240	144,394	144,914	145,291
Weighted average diluted potential common shares outstanding ⁽¹⁾	145,944	146,487	145,361	146,268	145,848

Net Income (Loss) per Common Share

	Q1 FY 2025	Q4 FY 2024	Q3 FY 2024	Q2 FY 2024	Q1 FY 2024
GAAP diluted net income (loss) per potential common share	\$ 0.31	\$ 0.25	\$ 0.10	\$(0.12)	\$ 0.34
Adjusted (non-GAAP) diluted net income per potential common share	\$ 0.64	\$ 0.54	\$ 0.35	\$ 0.27	\$ 0.66

1. Weighted average dilutive potential common shares outstanding used in calculating Adjusted (non-GAAP) diluted net income per potential common share for the first quarter of fiscal 2025 includes 3.1 million shares underlying certain stock option and stock unit awards.

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) (Amounts in thousands)

<i>Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)</i>	Q1 FY 2025	Q4 FY 2024	Q3 FY 2024	Q2 FY 2024	Q1 FY 2024
Net income (loss) (GAAP)	\$44,572	\$37,028	\$14,230	\$(16,849)	\$49,547
Add: Interest expense	22,918	24,990	24,401	23,861	23,776
Less: Interest and other income, net	11,578	13,801	14,013	11,797	10,650
Add: Loss on extinguishment and modification of debt	729	—	—	—	—
Add: Provision for income taxes	24,022	10,993	2,125	820	21,956
Add: Depreciation of equipment, building, furniture and fixtures, and amortization of leasehold improvements	24,679	23,849	22,981	23,208	22,808
Add: Amortization of intangible assets	8,778	9,949	9,949	10,710	10,016
EBITDA	\$114,120	\$93,008	\$59,673	\$29,953	\$117,453
Add: Share-based compensation expense	40,816	41,068	37,472	40,211	37,602
Add: Significant asset impairments and restructuring expense	1,544	2,605	1,361	15,655	4,971
Adjusted EBITDA	\$156,480	\$136,681	\$98,506	\$85,819	\$160,026



Thank You