

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): September 4, 2024

**Ciena Corporation**

(Exact name of registrant as specified in its charter)

Commission File Number: 001-36250

**Delaware**  
(State or other jurisdiction of incorporation)  
**7035 Ridge Road, Hanover, MD**  
(Address of principal executive offices)

**23-2725311**  
(IRS Employer Identification No.)  
**21076**  
(Zip Code)

Registrant's telephone number, including area code: (410) 694-5700

**Not Applicable**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)  
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.01 par value	CIEN	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

## ITEM 2.02 – RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On September 4, 2024, Ciena Corporation ("Ciena") issued a press release announcing its financial results for its fiscal third quarter ended July 27, 2024. The text of the press release is furnished as Exhibit 99.1 to this Report. As discussed in this press release, Ciena will be hosting an investor call to discuss its results of operations for its fiscal third quarter ended July 27, 2024.

In conjunction with the issuance of this press release, Ciena posted to the quarterly results page of the Investors section of [www.ciena.com](http://www.ciena.com) an accompanying investor presentation. The investor presentation is furnished as Exhibit 99.2 to this Report.

The information in Exhibits 99.1 and 99.2, as well as Item 2.02 of this Report, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, and shall not be incorporated by reference into any registration statement pursuant to the Securities Act of 1933, as amended. Investors are encouraged to review the "Investors" page of our website at [www.ciena.com](http://www.ciena.com) because, as with the other disclosure channels that we use, from time to time we may post material information exclusively on that site.

## ITEM 5.02 - DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS

On August 28, 2024, James E. Moylan, Jr., (age 73), Senior Vice President and Chief Financial Officer, notified Ciena of his decision to retire in twelve months, effective August 28, 2025 (the "Effective Date"), following more than 16 years of dedicated and distinguished service in such role.

Ciena is commencing a search process to identify Mr. Moylan's successor. Mr. Moylan and Ciena expect that he will continue in his role until such time as his successor is in place and responsibilities have been transitioned, and that he will remain an employee and continue to provide support until the Effective Date.

In connection with this announcement, Ciena issued a press release, which is furnished as Exhibit 99.3 to this Report.

## ITEM 9.01 – FINANCIAL STATEMENTS AND EXHIBITS

<u>Exhibit Number</u>	<u>Description of Document</u>
Exhibit 99.1	<a href="#">Text of Press Release dated September 4, 2024, issued by Ciena Corporation, reporting its results of operations for its fiscal third quarter ended July 27, 2024.</a>
Exhibit 99.2	<a href="#">Investor Presentation for Ciena Corporation's fiscal third quarter ended July 27, 2024.</a>
Exhibit 99.3	<a href="#">Text of Press Release, dated September 4, 2024, issued by Ciena Corporation, announcing the planned retirement of James E. Moylan, Jr., Senior Vice President and Chief Financial Officer.</a>
Exhibit 104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

---

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**Ciena Corporation**

Date: September 4, 2024

By: /s/ Sheela Kosaraju

Sheela Kosaraju

Senior Vice President, General Counsel and Assistant Secretary

**Ciena Reports Fiscal Third Quarter 2024 Financial Results**

HANOVER, Md. - September 4, 2024 - [Ciena](#)® Corporation (NYSE: CIEN), a networking systems, services and software company, today announced unaudited financial results for its fiscal third quarter ended July 27, 2024.

- **Q3 Revenue:** \$942.3 million
- **Q3 Net Income per Share:** \$0.10 GAAP; \$0.35 adjusted (non-GAAP)
- **Share Repurchases:** Repurchased approximately 0.6 million shares of common stock for an aggregate price of \$29.0 million during the quarter

"We delivered strong results for the fiscal third quarter that reflect growing momentum with cloud providers and continued gradual recovery with service providers," said Gary Smith, president and CEO, Ciena. "With leading innovation that is well-aligned with our customers' focus on building cloud and AI-capable infrastructures, we are well-positioned to continue to gain share and deliver profitable growth."

For the fiscal third quarter 2024, Ciena reported revenue of \$942.3 million as compared to \$1.07 billion for the fiscal third quarter 2023.

Ciena's GAAP net income for the fiscal third quarter 2024 was \$14.2 million, or \$0.10 per diluted common share, which compares to a GAAP net income of \$29.7 million, or \$0.20 per diluted common share, for the fiscal third quarter 2023.

Ciena's adjusted (non-GAAP) net income for the fiscal third quarter 2024 was \$50.8 million, or \$0.35 per diluted common share, which compares to an adjusted (non-GAAP) net income of \$89.1 million, or \$0.59 per diluted common share, for the fiscal third quarter 2023.

**Fiscal Third Quarter 2024 Performance Summary**

The tables below (in millions, except percentage data) provide comparisons of certain quarterly results to the prior year. Appendices A and B set forth reconciliations between the GAAP and adjusted (non-GAAP) measures contained in this release.

	GAAP Results (unaudited)		
	Q3	Q3	Period Change
	FY 2024	FY 2023	Y-T-Y*
Revenue	\$ 942.3	\$ 1,067.9	(11.8)%
Gross margin	42.9 %	42.0 %	0.9 %
Operating expense	\$ 377.2	\$ 370.7	1.7 %
Operating margin	2.9 %	7.3 %	(4.4)%

	Non-GAAP Results (unaudited)				
	Q3		Q3		Period Change
	FY 2024		FY 2023		Y-T-Y*
Revenue	\$	942.3	\$	1,067.9	(11.8)%
Adj. gross margin		43.7 %		42.7 %	1.0 %
Adj. operating expense	\$	336.0	\$	327.9	2.5 %
Adj. operating margin		8.0 %		12.0 %	(4.0)%
Adj. EBITDA	\$	98.5	\$	151.3	(34.9)%

\* Denotes % change, or in the case of margin, absolute change

	Revenue by Segment (unaudited)				
	Q3 FY 2024		Q3 FY 2023		
	Revenue	%**	Revenue	%**	
Networking Platforms					
Optical Networking	\$	606.8	\$	719.0	67.3
Routing and Switching		92.7		127.6	11.9
Total Networking Platforms		699.5		846.6	79.2
Platform Software and Services		83.2		78.9	7.4
Blue Planet Automation Software and Services		25.8		13.1	1.3
Global Services					
Maintenance Support and Training		74.4		72.9	6.8
Installation and Deployment		46.5		46.8	4.4
Consulting and Network Design		12.9		9.6	0.9
Total Global Services		133.8		129.3	12.1
Total	\$	942.3	\$	1,067.9	100.0

\*\* Denotes % of total revenue

#### Additional Performance Metrics for Fiscal Third Quarter 2024

	Revenue by Geographic Region (unaudited)				
	Q3 FY 2024		Q3 FY 2023		
	Revenue	%**	Revenue	%**	
Americas	\$	718.6	\$	749.5	70.2
Europe, Middle East and Africa		135.0		152.8	14.3
Asia Pacific		88.7		165.6	15.5
Total	\$	942.3	\$	1,067.9	100.0

\*\* Denotes % of total revenue

- Two 10%-plus customers represented a total 26.6% of revenue
- Cash and investments totaled \$1.2 billion
- Cash flow used in operations totaled \$159.4 million
- Average days' sales outstanding (DSOs) were 100

- Accounts receivable, net balance was \$899.9 million
- Unbilled contract asset, net balance was \$142.8 million
- Inventories totaled \$937.4 million, including:
  - Raw materials: \$612.7 million
  - Work in process: \$44.4 million
  - Finished goods: \$314.0 million
  - Deferred cost of sales: \$36.0 million
  - Reserve for excess and obsolescence: \$(69.7) million
- Product inventory turns were 1.8
- Headcount totaled 8,781

#### **Supplemental Materials and Live Web Broadcast of Unaudited Fiscal Third Quarter 2024 Results**

Today, Wednesday, September 4, 2024, in conjunction with this announcement, Ciena has posted to the Quarterly Results page of the Investor Relations section of its website certain related supporting materials for its unaudited fiscal third quarter 2024 results.

Ciena's management will also host a discussion today with investors and financial analysts that will include the Company's outlook. The live audio web broadcast beginning at 8:30 a.m. Eastern will be accessible via [www.ciena.com](http://www.ciena.com). An archived replay of the live broadcast will be available shortly following its conclusion on the Investor Relations page of Ciena's website.

#### **Notes to Investors**

**Forward-Looking Statements.** 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. This press release 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. Forward-looking statements in this release include: "We delivered strong results for the fiscal third quarter that reflect growing momentum with cloud providers and continued gradual recovery with service providers. With leading innovation that is well-aligned with our customers' focus on building cloud and AI-capable infrastructures, we are well-positioned to continue to gain share and deliver profitable growth."

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 and global supply chain constraints or disruptions including increased supply costs and lead times; 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 Hamas, and public health emergencies or epidemics, including 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 15, 2023 and included in its Quarterly Report on Form 10-Q for the third quarter of fiscal 2024 to be filed with the SEC. Ciena assumes no obligation to update any forward-looking information included in this press release.

**Non-GAAP Presentation of Quarterly and Annual Results.** This release includes non-GAAP measures of Ciena's gross profit, operating expense, income from operations, earnings before interest, tax, depreciation and amortization (EBITDA), Adjusted EBITDA, and measures of net income and net income per share. In evaluating the operating performance of Ciena's business, management excludes certain charges and credits that are required by GAAP. These items share one or more of the following characteristics: they are unusual and Ciena does not expect them to recur in the ordinary course of its business; they do not involve the expenditure of cash; they are unrelated to the ongoing operation of the business in the ordinary course; or their magnitude and timing is largely outside of Ciena's control. Management believes that the non-GAAP measures below provide management and investors useful information and meaningful insight to the operating performance of the business. The presentation of these non-GAAP financial measures should be considered in addition to Ciena's GAAP results and these measures are not intended to be a substitute for the financial information prepared and presented in accordance with GAAP. Ciena's non-GAAP measures and the related adjustments may differ from non-GAAP measures used by other companies and should only be used to evaluate Ciena's results of operations in conjunction with our corresponding GAAP results. To the extent not previously disclosed in a prior Ciena financial results press release, Appendices A and B to this press release set forth a complete GAAP to non-GAAP reconciliation of the non-GAAP measures contained in this release.

**About Ciena.** Ciena (NYSE: CIEN) is a global leader in networking systems, services, and software. We build the most adaptive networks in the industry, enabling customers to anticipate and meet ever-increasing digital demands. For three-plus decades, Ciena has brought our humanity to our relentless pursuit of innovation. 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. For updates on Ciena, follow us on LinkedIn, X, the Ciena Insights blog, or visit [www.ciena.com](http://www.ciena.com).

**CIENA CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except per share data)  
(unaudited)

	Quarter Ended		Nine Months Ended	
	July 27, 2024	July 29, 2023	July 27, 2024	July 29, 2023
<b>Revenue:</b>				
Products	\$ 729,503	\$ 865,197	\$ 2,266,596	\$ 2,678,242
Services	212,805	202,689	624,247	578,820
<b>Total revenue</b>	<b>942,308</b>	<b>1,067,886</b>	<b>2,890,843</b>	<b>3,257,062</b>
<b>Cost of goods sold:</b>				
Products	433,533	516,900	1,315,737	1,559,120
Services	104,830	102,045	315,538	305,372
<b>Total cost of goods sold</b>	<b>538,363</b>	<b>618,945</b>	<b>1,631,275</b>	<b>1,864,492</b>
Gross profit	403,945	448,941	1,259,568	1,392,570
<b>Operating expenses:</b>				
Research and development	188,888	189,392	571,537	561,115
Selling and marketing	121,520	118,266	373,749	367,156
General and administrative	58,248	49,349	162,504	151,184
Significant asset impairments and restructuring costs	1,361	4,174	21,987	16,625
Amortization of intangible assets	7,185	9,487	22,384	26,773
Acquisition and integration costs	—	59	—	3,474
<b>Total operating expenses</b>	<b>377,202</b>	<b>370,727</b>	<b>1,152,161</b>	<b>1,126,327</b>
<b>Income from operations</b>	<b>26,743</b>	<b>78,214</b>	<b>107,407</b>	<b>266,243</b>
Interest and other income, net	14,013	10,187	36,460	50,711
Interest expense	(24,401)	(24,060)	(72,038)	(63,819)
<b>Income before income taxes</b>	<b>16,355</b>	<b>64,341</b>	<b>71,829</b>	<b>253,135</b>
Provision for income taxes	2,125	34,608	24,901	89,507
<b>Net income</b>	<b>\$ 14,230</b>	<b>\$ 29,733</b>	<b>\$ 46,928</b>	<b>\$ 163,628</b>
<b>Net Income per Common Share</b>				
Basic net income per common share	\$ 0.10	\$ 0.20	\$ 0.32	\$ 1.09
Diluted net income per potential common share	\$ 0.10	\$ 0.20	\$ 0.32	\$ 1.09
<b>Weighted average basic common shares outstanding</b>	<b>144,394</b>	<b>149,690</b>	<b>144,876</b>	<b>149,472</b>
<b>Weighted average dilutive potential common shares outstanding <sup>1</sup></b>	<b>145,361</b>	<b>149,977</b>	<b>145,795</b>	<b>149,867</b>

<sup>1</sup> Weighted average dilutive potential common shares outstanding used in calculating GAAP diluted net income per potential common share includes the following number of shares underlying certain stock option and stock unit awards: (i) 1.0 million and 0.9 million for the third quarter and first nine months of fiscal 2024, respectively, and (ii) 0.3 million and 0.4 million for the third quarter and first nine months of fiscal 2023, respectively.



**CIENA CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share data)  
(unaudited)

	July 27, 2024	October 28, 2023
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 883,365	\$ 1,010,618
Short-term investments	217,810	104,753
Accounts receivable, net	899,877	1,003,876
Inventories, net	937,399	1,050,838
Prepaid expenses and other	600,008	405,694
Total current assets	3,538,459	3,575,779
Long-term investments	111,833	134,278
Equipment, building, furniture and fixtures, net	299,161	280,147
Operating lease right-of-use assets	28,717	35,140
Goodwill	444,791	444,765
Other intangible assets, net	174,974	205,627
Deferred tax asset, net	831,682	809,306
Other long-term assets	145,513	116,453
Total assets	\$ 5,575,130	\$ 5,601,495
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 316,599	\$ 317,828
Accrued liabilities and other short-term obligations	347,238	431,419
Deferred revenue	179,457	154,419
Operating lease liabilities	15,565	16,655
Current portion of long-term debt	11,700	11,700
Total current liabilities	870,559	932,021
Long-term deferred revenue	77,628	74,041
Other long-term obligations	171,014	170,407
Long-term operating lease liabilities	26,742	33,259
Long-term debt, net	1,538,315	1,543,406
Total liabilities	2,684,258	2,753,134
Stockholders' equity:		
Preferred stock – par value \$0.01; 20,000,000 shares authorized; zero shares issued and outstanding	—	—
Common stock – par value \$0.01; 290,000,000 shares authorized; 144,426,873 and 144,829,938 shares issued and outstanding	1,444	1,448
Additional paid-in capital	6,260,095	6,262,083
Accumulated other comprehensive loss	(40,192)	(37,767)
Accumulated deficit	(3,330,475)	(3,377,403)
Total stockholders' equity	2,890,872	2,848,361
Total liabilities and stockholders' equity	\$ 5,575,130	\$ 5,601,495

**CIENA CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands) (unaudited)

	Nine Months Ended	
	July 27, 2024	July 29, 2023
<b>Cash flows provided by (used in) operating activities:</b>		
Net income	\$ 46,928	\$ 163,628
<b>Adjustments to reconcile net income to net cash provided by (used in) operating activities:</b>		
Depreciation of equipment, building, furniture and fixtures, and amortization of leasehold improvements	68,997	69,213
Share-based compensation expense	115,433	95,405
Amortization of intangible assets	30,675	36,274
Deferred taxes	(19,909)	(64,005)
Provision for inventory excess and obsolescence	35,400	18,767
Provision for warranty	14,708	18,860
Gain on equity investments, net	—	(26,368)
Other	11,968	13,694
<b>Changes in assets and liabilities:</b>		
Accounts receivable	92,421	(80,399)
Inventories	78,220	(262,345)
Prepaid expenses and other	(221,823)	72,062
Operating lease right-of-use assets	8,963	11,003
Accounts payable, accruals and other obligations	(112,352)	(133,880)
Deferred revenue	28,833	57,547
Short and long-term operating lease liabilities	(13,290)	(16,596)
Net cash provided by (used in) operating activities	<u>165,172</u>	<u>(27,140)</u>
<b>Cash flows used in investing activities:</b>		
Payments for equipment, furniture, fixtures and intellectual property	(53,098)	(83,422)
Purchases of investments	(197,303)	(119,240)
Proceeds from sales and maturities of investments	114,899	150,646
Settlement of foreign currency forward contracts, net	(362)	(3,272)
Purchase of equity investments	(21,682)	—
Acquisition of business, net of cash acquired	—	(230,048)
Net cash used in investing activities	<u>(157,546)</u>	<u>(285,336)</u>
<b>Cash flows provided by (used in) financing activities:</b>		
Proceeds from issuance of term loan, net	—	497,500
Payment of long term debt	(5,850)	(6,448)
Payment of debt issuance costs	(2,554)	(5,422)
Payment of finance lease obligations	(3,004)	(2,830)
Shares repurchased for tax withholdings on vesting of stock unit awards	(33,450)	(29,794)
Repurchases of common stock - repurchase program, net	(125,816)	(57,736)
Proceeds from issuance of common stock	34,292	31,276
Net cash provided by (used in) financing activities	<u>(136,382)</u>	<u>426,546</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	1,499	9,501
Net increase (decrease) in cash, cash equivalents and restricted cash	<u>(127,257)</u>	<u>123,571</u>
Cash, cash equivalents and restricted cash at beginning of period	1,010,786	994,378
Cash, cash equivalents and restricted cash at end of period	<u>\$ 883,529</u>	<u>\$ 1,117,949</u>
<b>Supplemental disclosure of cash flow information</b>		
Cash paid during the period for interest, net	\$ 64,999	\$ 56,709
Cash paid during the period for income taxes, net	\$ 41,736	\$ 68,058
Operating lease payments	\$ 14,672	\$ 18,038
<b>Non-cash investing and financing activities</b>		
Purchase of equipment in accounts payable	\$ 35,316	\$ 4,579
Repurchase of common stock in accrued liabilities from repurchase program, net	\$ 1,762	\$ 3,500
Operating right-of-use assets subject to lease liability	\$ 5,326	\$ 9,771
Gain on equity investments, net	\$ —	\$ 26,368

**APPENDIX A - Reconciliation of Adjusted (Non- GAAP) Measurements**  
(in thousands, except per share data) (unaudited)

	Quarter Ended	
	July 27, 2024	July 29, 2023
<b>Gross Profit Reconciliation (GAAP/non-GAAP)</b>		
GAAP gross profit	\$ 403,945	\$ 448,941
Share-based compensation-products	1,660	1,118
Share-based compensation-services	3,122	2,687
Amortization of intangible assets	2,764	3,187
Total adjustments related to gross profit	7,546	6,992
Adjusted (non-GAAP) gross profit	\$ 411,491	\$ 455,933
Adjusted (non-GAAP) gross profit percentage	43.7 %	42.7 %
<b>Operating Expense Reconciliation (GAAP/non-GAAP)</b>		
GAAP operating expense	\$ 377,202	\$ 370,727
Share-based compensation-research and development	13,118	10,954
Share-based compensation-sales and marketing	10,315	8,770
Share-based compensation-general and administrative	9,257	9,377
Significant asset impairments and restructuring costs	1,361	4,174
Amortization of intangible assets	7,185	9,487
Acquisition and integration costs	—	59
Total adjustments related to operating expense	41,236	42,821
Adjusted (non-GAAP) operating expense	\$ 335,966	\$ 327,906
<b>Income from Operations Reconciliation (GAAP/non-GAAP)</b>		
GAAP income from operations	\$ 26,743	\$ 78,214
Total adjustments related to gross profit	7,546	6,992
Total adjustments related to operating expense	41,236	42,821
Total adjustments related to income from operations	48,782	49,813
Adjusted (non-GAAP) income from operations	\$ 75,525	\$ 128,027
Adjusted (non-GAAP) operating margin percentage	8.0 %	12.0 %
<b>Net Income Reconciliation (GAAP/non-GAAP)</b>		
GAAP net income	\$ 14,230	\$ 29,733
Exclude GAAP provision for income taxes	2,125	34,608
Income before income taxes	16,355	64,341
Total adjustments related to income from operations	48,782	49,813
Loss on equity investment	—	87
Adjusted income before income taxes	65,137	114,241
Non-GAAP tax provision on adjusted income before income taxes	14,330	25,133
Adjusted (non-GAAP) net income	\$ 50,807	\$ 89,108
Weighted average basic common shares outstanding	144,394	149,690
Weighted average dilutive potential common shares outstanding <sup>1</sup>	145,361	149,977

**APPENDIX A - Reconciliation of Adjusted (Non- GAAP) Measurements  
(in thousands, except per share data) (unaudited)**

	Quarter Ended	
	July 27, 2024	July 29, 2023
<b>Net Income per Common Share</b>		
GAAP diluted net income per potential common share	\$ 0.10	\$ 0.20
Adjusted (non-GAAP) diluted net income per potential common share	\$ 0.35	\$ 0.59

<sup>1</sup> Weighted average dilutive potential common shares outstanding used in calculating Adjusted (non-GAAP) diluted net income per potential common share includes the following number of shares underlying certain stock option and stock unit awards: (i) 1.0 million for the third quarter of fiscal 2024; and (ii) 0.3 million for the third quarter of fiscal 2023.

**APPENDIX B - Calculation of EBITDA and Adjusted EBITDA**  
(in thousands) (unaudited)

	Quarter Ended	
	July 27, 2024	July 29, 2023
<b>Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)</b>		
Net income (GAAP)	\$ 14,230	\$ 29,733
Add: Interest expense	24,401	24,060
Less: Interest and other income, net	14,013	10,187
Add: Provision for income taxes	2,125	34,608
Add: Depreciation of equipment, building, furniture and fixtures, and amortization of leasehold improvements	22,981	23,310
Add: Amortization of intangible assets	9,949	12,674
<b>EBITDA</b>	<b>\$ 59,673</b>	<b>\$ 114,198</b>
Add: Share-based compensation expense	37,472	32,906
Add: Significant asset impairments and restructuring costs	1,361	4,174
Add: Acquisition and integration costs	—	59
<b>Adjusted EBITDA</b>	<b>\$ 98,506</b>	<b>\$ 151,337</b>

\* \* \*

The adjusted (non-GAAP) measures above and their reconciliation to Ciena's GAAP results for the periods presented reflect adjustments relating to the following items:

- *Share-based compensation* - a non-cash expense incurred in accordance with share-based compensation accounting guidance.
- *Significant asset impairments and restructuring costs* - costs incurred as a result of restructuring activities taken to align resources with perceived market opportunities, the redesign of business processes and restructuring certain real estate facilities.
- *Amortization of intangible assets* - a non-cash expense arising from the acquisition of intangible assets, principally developed technologies and customer-related intangibles, that Ciena is required to amortize over an expected useful life.
- *Acquisition and integration costs* - primarily consist of financial, legal and accounting advisors' costs and employment-related costs related to Ciena's acquisitions in fiscal 2023.
- *Loss on equity investment* - reflects changes in the carrying value of a certain equity investment due to triggering events.
- *Non-GAAP tax provision* - consists of current and deferred income tax expense commensurate with the level of adjusted income before income taxes and utilizes a current, blended U.S. and foreign statutory annual tax rate of 22.0% for both the fiscal third quarter 2024 and the fiscal third quarter 2023. This rate may be subject to change in the future, including as a result of changes in tax policy or tax strategy.



# Ciena Corporation

Fiscal Q3 2024 Earnings Presentation  
Period ended July 27, 2024

September 4, 2024

© Ciena Corporation 2024. All rights reserved. Proprietary Information.

---

## 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. This press release 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 and global supply chain constraints or disruptions including increased supply costs and lead times; 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 Hamas, and public health emergencies or epidemics, including 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 15, 2023 and included in its Quarterly Report on Form 10-Q for the third quarter of fiscal 2024 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.

## Table of Contents

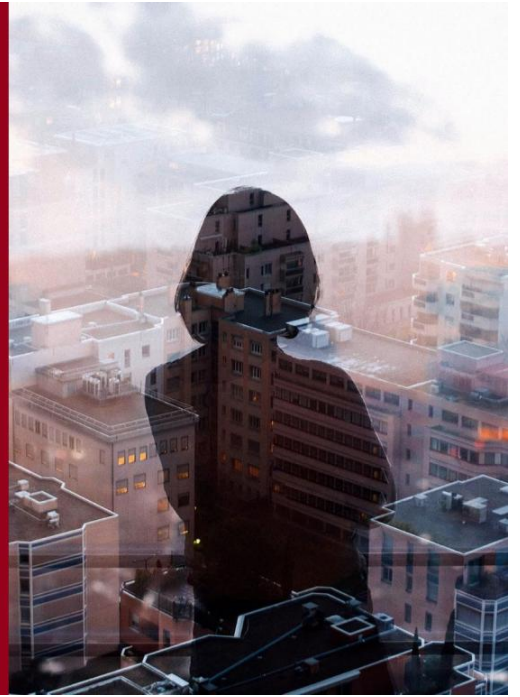
1. Overview & Ciena's portfolio
2. Industry context & addressable market expansion
3. Fiscal Q3 2024 financial performance
4. Appendix



**ciena**

# Overview & Ciena's portfolio

© Ciena Corporation 2024. All rights reserved. Proprietary Information.



Ciena is an industry-leading global networking systems, services, and software company

Leading technology and innovation



Diversification and scale of business



Leader in Optical market and disruptor in emerging opportunities



Demonstrated track record of strong financial performance

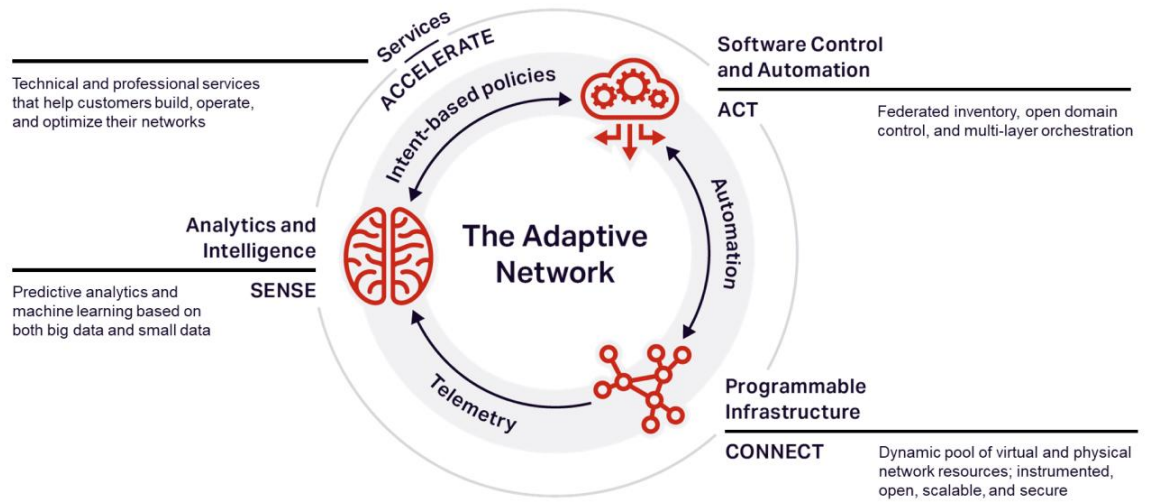


Flexibility with strong balance sheet



... with a strong track record of creating shareholder value

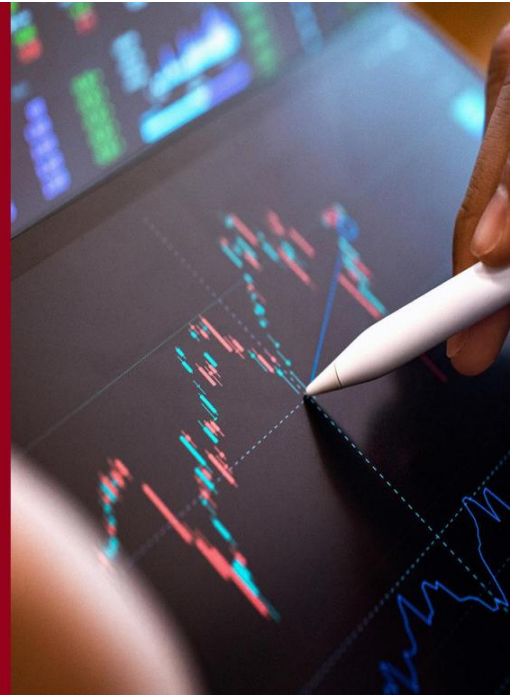
# Our vision for networking: How it works



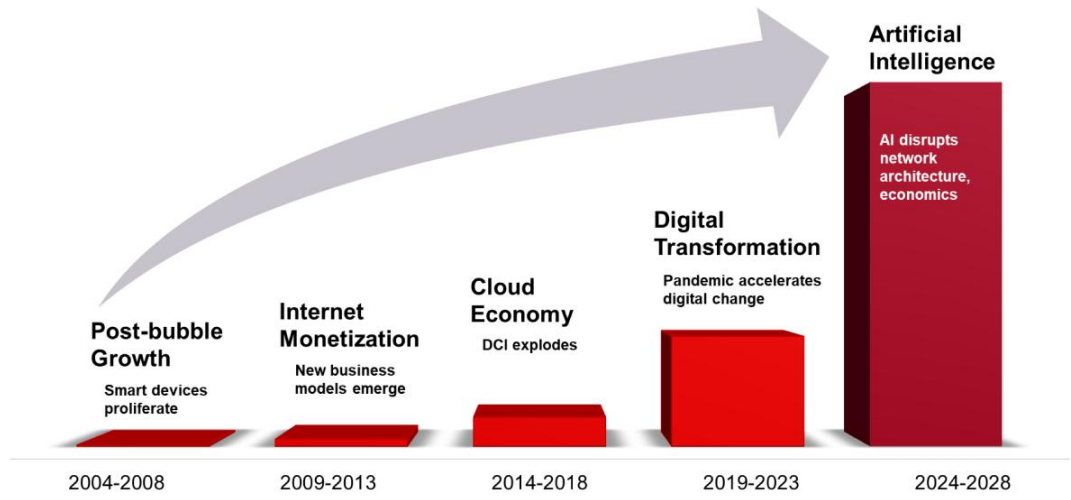
**ciena.**

# Industry context & addressable market expansion

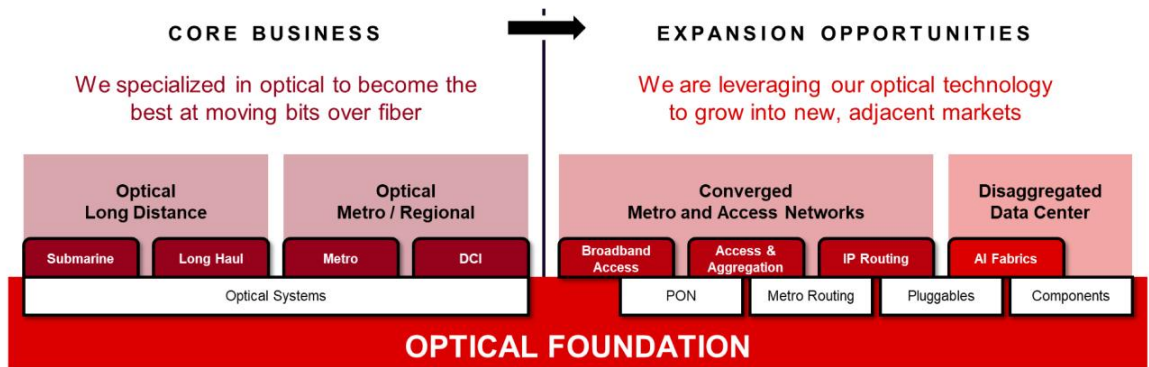
© Ciena Corporation 2024. All rights reserved. Proprietary Information.



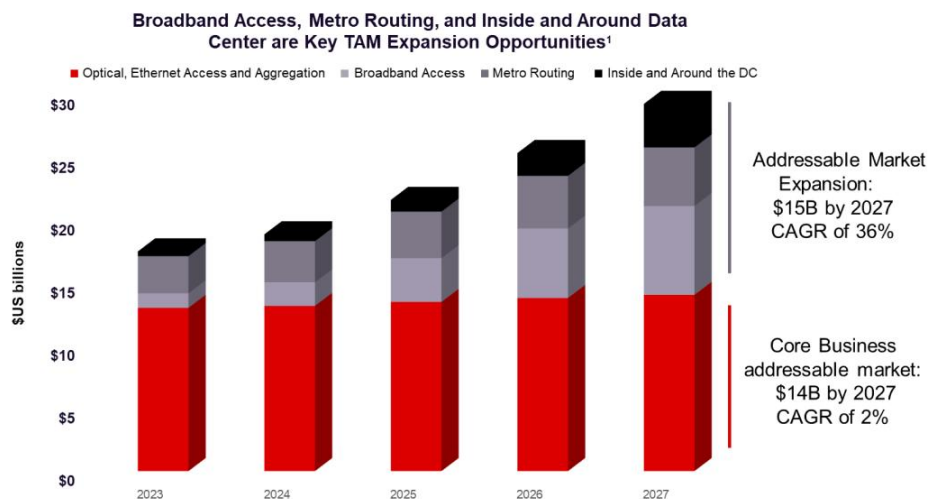
# Increasing bandwidth consumption as a driver of network expansion



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



## Our addressable market expansion strategy allows us to access higher growth markets



<sup>1</sup>Sources: LightCounting and Ciena internal analysis.

© Ciena Corporation 2024. All rights reserved. Proprietary Information.

## Our 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

### #2 Globally

- Total optical networking

Optical Networking Report, 1Q24  
Service Provider Switching & Routing Report, 2Q24



### #1 Globally

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

### #1 N. America

- Total optical networking
- Purpose-built/compact modular DCI
- Optical for cloud and colo
- Routing/Access

### #2 Globally

- Total optical networking
- Optical for enterprise and government

Transport Hardware Report, 2Q24



### #1 Globally

- Data center interconnect
- Purpose-built/compact modular DCI
- Optical for internet content provider customers

### #1 N. America

- Data center interconnect
- Total optical networking
- Optical packet

### #2 Globally

- Total optical networking
- Optical packet
- Optical for cable MSO customers

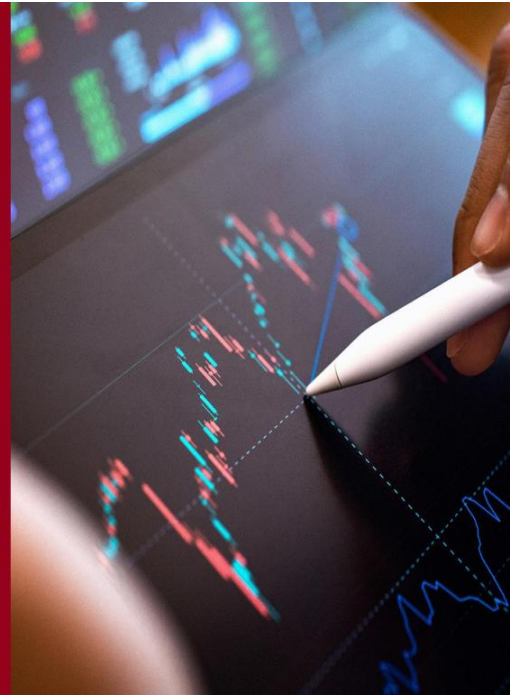
Optical Transport Report, 2Q24



**ciena.**

# Q3 FY 2024 results

© Ciena Corporation 2024. All rights reserved. Proprietary Information.



## Q3 FY 2024 key highlights

### Achieving balanced growth

- Non-telco represented 46% of total revenue
- Direct Cloud Provider revenue grew 9% sequentially
- India revenue grew 9% sequentially
- Blue Planet revenue nearly doubled YoY

### Driving the pace of innovation

- Continued traction with cloud providers with strong ramp in 400ZR deployments by 3 Cloud Providers, multiple line system wins, and new MOFN awards
- Surpassed 300 customers for WaveLogic 5 Extreme with 12 new customers added
- Surpassed 120 Routing and Switching customers using our WL5n pluggable technology

### Prioritizing long term shareholder value

- Total shareholder return five-year CAGR of 8%<sup>1</sup>
- Under our authorized \$1 billion stock repurchase program, repurchased ~0.6 million shares for \$29 million, and are targeting \$250 million for FY 2024 to complete the plan

<sup>1</sup> Based on closing share price between 8/27/2019 to 8/27/2024

## Q3 FY 2024 comparative financial highlights

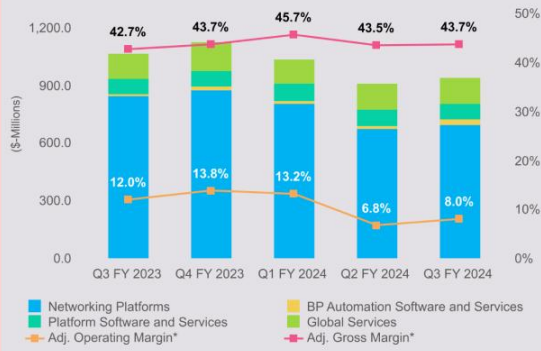
	Q3 FY 2024	Q3 FY 2023
Revenue	\$942.3M	\$1,067.9M
Adjusted Gross Margin*	43.7%	42.7%
Adjusted Operating Expense*	\$336.0M	\$327.9M
Adjusted Operating Margin*	8.0%	12.0%
Adjusted EBITDA*	\$98.5M	\$151.3M
Adjusted EPS*	\$0.35	\$0.59

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

## Q3 FY 2024 comparative operating metrics

	Q3 FY 2024	Q3 FY 2023
Cash and investments	\$1.21B	\$1.28B
Cash provided by (used in) operations	\$(159)M	\$9M
DSO	100.0	96.0
Inventory Turns	1.8	1.7
Gross Leverage	3.08x	2.54x
Net Debt	\$401M	\$344M

## Revenue by segment (Amounts in millions)

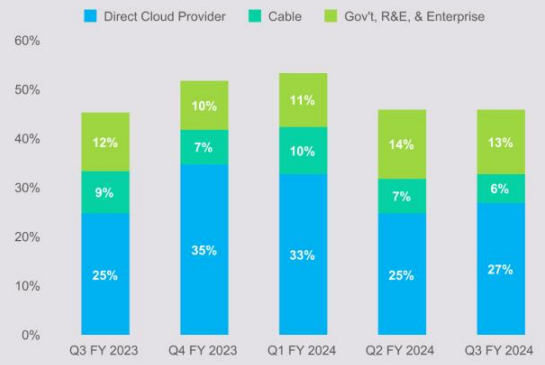
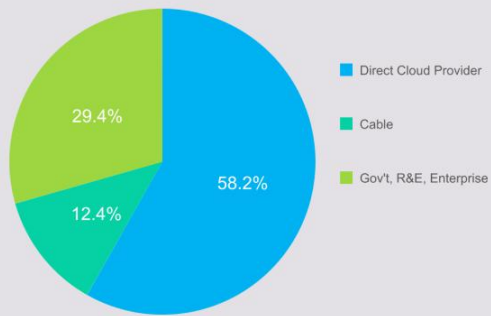


	Q3 FY 2024		Q3 FY 2023	
	Revenue	%**	Revenue	%**
<b>Networking Platforms</b>				
Optical Networking	\$606.8	64.4	\$719.0	67.3
Routing and Switching	92.7	9.8	127.6	11.9
<b>Total Networking Platforms</b>	<b>699.5</b>	<b>74.2</b>	<b>846.6</b>	<b>79.2</b>
<b>Platform Software and Services</b>	<b>83.2</b>	<b>8.9</b>	<b>78.9</b>	<b>7.4</b>
<b>Blue Planet Automation Software and Services</b>	<b>25.8</b>	<b>2.7</b>	<b>13.1</b>	<b>1.3</b>
<b>Global Services</b>				
Maintenance Support and Training	74.4	7.9	72.9	6.8
Installation and Deployment	46.5	4.9	46.8	4.4
Consulting and Network Design	12.9	1.4	9.6	0.9
<b>Total Global Services</b>	<b>133.8</b>	<b>14.2</b>	<b>129.3</b>	<b>12.1</b>
<b>Total</b>	<b>\$942.3</b>	<b>100.0</b>	<b>\$1,067.9</b>	<b>100.0</b>

\* A reconciliation of these non-GAAP measures to GAAP results is included in the appendix to this presentation.  
\*\* Denotes % of total revenue

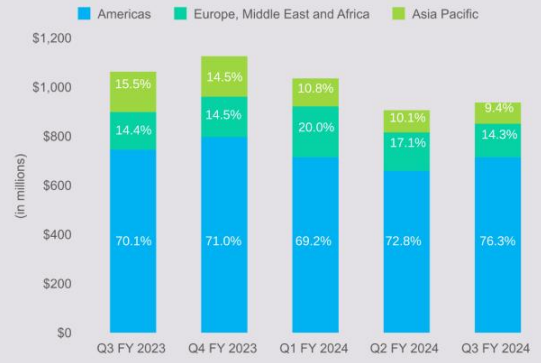
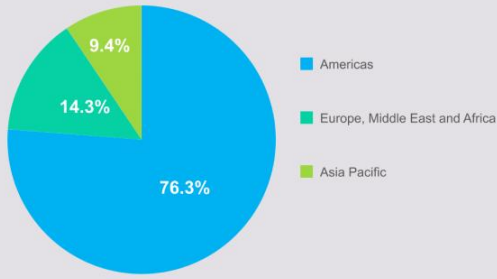
## Revenue derived from non-telco customers

### Q3 FY 2024 Non-Telco Revenue Approx. 46% of total



# Revenue by geographic region

## Q3 FY 2024





# Q3 FY 2024 appendix



## Gross Profit Reconciliation (Amounts in thousands)

	Q3 FY 2024	Q2 FY 2024	Q1 FY 2024	Q4 FY 2023	Q3 FY 2023
GAAP gross profit	\$403,945	\$388,661	\$466,962	\$486,281	\$448,941
Share-based compensation-products	1,660	1,760	1,318	1,194	1,118
Share-based compensation-services	3,122	3,344	3,020	2,827	2,687
Amortization of intangible assets	2,764	2,763	2,764	2,763	3,187
Total adjustments related to gross profit	7,546	7,867	7,102	6,784	6,992
<b>Adjusted (non-GAAP) gross profit</b>	<b>\$411,491</b>	<b>\$396,528</b>	<b>\$474,064</b>	<b>\$493,065</b>	<b>\$455,933</b>
<b>Adjusted (non-GAAP) gross profit percentage</b>	<b>43.7 %</b>	<b>43.5 %</b>	<b>45.7 %</b>	<b>43.7 %</b>	<b>42.7 %</b>

## Operating Expense Reconciliation (Amounts in thousands)

	Q3 FY 2024	Q2 FY 2024	Q1 FY 2024	Q4 FY 2023	Q3 FY 2023
GAAP operating expense	\$377,202	\$392,626	\$382,333	\$394,979	\$370,727
Share-based compensation-research and development	13,118	14,066	12,880	11,412	10,954
Share-based compensation-sales and marketing	10,315	11,166	10,305	9,187	8,770
Share-based compensation-general and administrative	9,257	9,875	10,079	10,274	9,377
Significant asset impairments and restructuring costs	1,361	15,655	4,971	7,209	4,174
Amortization of intangible assets	7,185	7,947	7,252	10,578	9,487
Acquisition and integration costs	—	—	—	—	59
Legal Settlement	—	—	—	8,750	—
Total adjustments related to operating expense	41,236	58,709	45,487	57,410	42,821
<b>Adjusted (non-GAAP) operating expense</b>	<b>\$335,966</b>	<b>\$333,917</b>	<b>\$336,846</b>	<b>\$337,569</b>	<b>\$327,906</b>

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

	Q3 FY 2024	Q2 FY 2024	Q1 FY 2024	Q4 FY 2023	Q3 FY 2023
GAAP income (loss) from operations	\$26,743	\$(3,965)	\$84,629	\$91,302	\$78,214
Total adjustments related to gross profit	7,546	7,867	7,102	6,784	6,992
Total adjustments related to operating expense	41,236	58,709	45,487	57,410	42,821
Total adjustments related to income from operations	48,782	66,576	52,589	64,194	49,813
<b>Adjusted (non-GAAP) income from operations</b>	<b>\$75,525</b>	<b>\$62,611</b>	<b>\$137,218</b>	<b>\$155,496</b>	<b>\$128,027</b>
<b>Adjusted (non-GAAP) operating margin percentage</b>	<b>8.0 %</b>	<b>6.8 %</b>	<b>13.2 %</b>	<b>13.8 %</b>	<b>12.0 %</b>

## Net Income (Loss) Reconciliation (Amounts in thousands)

	Q3 FY 2024	Q2 FY 2024	Q1 FY 2024	Q4 FY 2023	Q3 FY 2023
GAAP net income (loss)	\$14,230	\$(16,849)	\$49,547	\$91,199	\$29,733
Exclude GAAP provision (benefit) for income taxes	2,125	820	21,956	(20,681)	34,608
Income (loss) before income taxes	16,355	(16,029)	71,503	70,518	64,341
Total adjustments related to income from operations	48,782	66,576	52,589	64,194	49,813
Loss on extinguishment and modification of debt	—	—	—	7,874	—
Loss on equity investment	—	—	—	—	87
Adjusted income before income taxes	65,137	50,547	124,092	142,586	114,241
Non-GAAP tax provision on adjusted income before income taxes	14,330	11,120	27,300	31,369	25,133
<b>Adjusted (non-GAAP) net income</b>	<b>\$50,807</b>	<b>\$39,427</b>	<b>\$96,792</b>	<b>\$111,217</b>	<b>\$89,108</b>
Weighted average basic common shares outstanding	144,394	144,914	145,291	147,437	149,690
Weighted average diluted potential common shares outstanding <sup>(1)</sup>	145,361	146,268	145,848	147,891	149,977

## Net Income (Loss) per Common Share

	Q3 FY 2024	Q2 FY 2024	Q1 FY 2024	Q4 FY 2023	Q3 FY 2023
GAAP diluted net income (loss) per potential common share	\$ 0.10	\$(0.12)	\$ 0.34	\$ 0.62	\$ 0.20
<b>Adjusted (non-GAAP) diluted net income per potential common share</b>	<b>\$ 0.35</b>	<b>\$ 0.27</b>	<b>\$ 0.66</b>	<b>\$ 0.75</b>	<b>\$ 0.59</b>

1. Weighted average dilutive potential common shares outstanding used in calculating Adjusted (non-GAAP) diluted net income per potential common share for the third quarter of fiscal 2024 includes 1.0 million shares underlying certain stock option and stock unit awards.

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

*Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)*

	Q3 FY 2024	Q2 FY 2024	Q1 FY 2024	Q4 FY 2023	Q3 FY 2023
Net income (loss) (GAAP)	\$14,230	\$(16,849)	\$49,547	\$91,199	\$29,733
Add: Interest expense	24,401	23,861	23,776	24,207	24,060
Less: Interest and other income, net	14,013	11,797	10,650	11,297	10,187
Add: Loss on extinguishment and modification of debt	—	—	—	7,874	—
Add: Provision (benefit) for income taxes	2,125	820	21,956	(20,681)	34,608
Add: Depreciation of equipment, building, furniture and fixtures, and amortization of leasehold improvements	22,981	23,208	22,808	23,351	23,310
Add: Amortization of intangible assets	9,949	10,710	10,016	13,342	12,674
<b>EBITDA</b>	<b>\$59,673</b>	<b>\$29,953</b>	<b>\$117,453</b>	<b>\$127,995</b>	<b>\$114,198</b>
Add: Share-based compensation expense	37,472	40,211	37,602	34,894	32,906
Add: Significant asset impairments and restructuring expense	1,361	15,655	4,971	7,209	4,174
Add: Acquisition and integration costs	—	—	—	—	59
Add: Legal settlement	—	—	—	8,750	—
<b>Adjusted EBITDA</b>	<b>\$98,506</b>	<b>\$85,819</b>	<b>\$160,026</b>	<b>\$178,848</b>	<b>\$151,337</b>



**FOR IMMEDIATE RELEASE**

**Ciena CFO James E. Moylan to Retire in August 2025**

**September 4, 2024** – Ciena® Corporation (NYSE: CIEN) today announced that James E. Moylan, Jr., Senior Vice President and Chief Financial Officer (CFO), plans to retire in twelve months, effective August 28, 2025. Ciena intends to commence a search process to identify a successor. Mr. Moylan will continue to serve as CFO until a successor is in place and he will assist in the transition of his responsibilities.

“Jim has given more than 16 years of dedicated and distinguished service to Ciena. He has been a key member of our executive team and has played a significant role in the growth of our business and the strength of our operating model,” said Gary Smith, president and CEO, Ciena. “Jim has been an incredible leader across all of Ciena and has built outstanding relationships with our key stakeholders, including the financial community. When the time comes next year, we will wish him the best in his well-deserved retirement.”

“Being a part of Ciena has truly been the highlight of my career. It has been tremendously rewarding to help build and grow a business with a solid foundation that will drive continued growth and success,” said James E. Moylan, Jr., CFO of Ciena. “I look forward to continuing in a leadership role for the next year and watching Ciena on its journey into the future.”

###

**About Ciena**

Ciena (NYSE: CIEN) is a global leader in networking systems, services, and software. We build the most adaptive networks in the industry, enabling customers to anticipate and meet ever-increasing digital demands. For three-plus decades, Ciena has brought our humanity to our relentless pursuit of innovation. 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. For updates on Ciena, follow us on LinkedIn, Twitter, the Ciena Insights blog, or visit [www.ciena.com](http://www.ciena.com).

**Note to Ciena Investors** You are encouraged to review the Investors section of our website, where we routinely post press releases, SEC filings, recent news, financial results, and other announcements. From time to time, we exclusively post material information to this website along with other disclosure channels that we use. This press release contains certain forward-looking statements that are based on our current expectations, forecasts, information and assumptions. These statements involve inherent risks and uncertainties. Actual results or outcomes may differ materially from those stated or implied, because of risks and uncertainties, including those detailed in our most recent annual and quarterly reports filed with the SEC. Forward-looking statements include statements regarding our expectations, beliefs, intentions or strategies and can be identified by words such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "should," "will," and "would" or similar words. Ciena assumes no obligation to update the information included in this press release, whether as a result of new information, future events or otherwise.