

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 1, 2022

**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 1, 2022, Ciena Corporation ("Ciena") issued a press release announcing its financial results for its third fiscal quarter ended July 30, 2022. 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 third fiscal quarter ended July 30, 2022.

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 9.01 – FINANCIAL STATEMENTS AND EXHIBITS**

(d) The following exhibits are being filed herewith:

<u>Exhibit Number</u>	<u>Description of Document</u>
Exhibit 99.1	<a href="#">Text of Press Release dated September 1, 2022, issued by Ciena Corporation, reporting its results of operations for its third fiscal quarter ended July 30, 2022.</a>
Exhibit 99.2	<a href="#">Investor Presentation for Ciena Corporation's third fiscal quarter ended July 30, 2022.</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 1, 2022

By: /s/ David M. Rothenstein  
David M. Rothenstein  
Senior Vice President, General Counsel and Secretary

**FOR IMMEDIATE RELEASE**

**Ciena Reports Fiscal Third Quarter 2022 Financial Results**

HANOVER, Md. - September 1, 2022 - [Ciena](#)<sup>®</sup> Corporation (NYSE: CIEN), a networking systems, services and software company, today announced unaudited financial results for its fiscal third quarter ended July 30, 2022.

- **Q3 Revenue:** \$868.0 million
- **Q3 Net Income per Share:** \$0.07 GAAP; \$0.33 adjusted (non-GAAP)
- **Share Repurchases:** Repurchased approximately 3.2 million shares of common stock for an aggregate price of \$155.0 million during the quarter.

"Despite continued strong customer demand, our fiscal third quarter financial results were negatively impacted by late delivery and substantially lower-than-committed volume from a small number of suppliers for specific components that are essential for delivering finished goods to our customers," said Gary Smith, president and CEO of Ciena. "While these dynamics will continue in our fiscal fourth quarter, we expect improvement as we move into fiscal 2023, providing us increased ability to service this unprecedented demand and continue to gain market share."

For the fiscal third quarter 2022, Ciena reported revenue of \$868.0 million as compared to \$988.1 million for the fiscal third quarter 2021.

Ciena's GAAP net income for the fiscal third quarter 2022 was \$10.5 million, or \$0.07 per diluted common share, which compares to a GAAP net income of \$238.2 million, or \$1.52 per diluted common share, for the fiscal third quarter 2021. Ciena's GAAP net income for the fiscal third quarter of 2021 benefited from the recording \$124.2 million tax benefit related to an internal transfer of non-U.S. intangible assets. See APPENDIX A - Reconciliation of Adjusted (non-GAAP) Quarterly Measures for more information and a reconciliation of our adjusted (non-GAAP) net income which excludes the effect of these amounts.

Ciena's adjusted (non-GAAP) net income for the fiscal third quarter 2022 was \$49.0 million, or \$0.33 per diluted common share, which compares to an adjusted (non-GAAP) net income of \$144.9 million, or \$0.92 per diluted common share, for the fiscal third quarter 2021.

**Fiscal Third Quarter 2022 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				
	Q3		Q3		Period Change
	FY 2022		FY 2021		Y-T-Y*
Revenue	\$	868.0	\$	988.1	(12.2)%
Gross margin		39.3 %		48.0 %	(8.7)%
Operating expense	\$	313.7	\$	326.0	(3.8)%
Operating margin		3.1 %		15.0 %	(11.9)%
<b>Non-GAAP Results</b>					
	Q3		Q3		Period Change
	FY 2022		FY 2021		Y-T-Y*
Revenue	\$	868.0	\$	988.1	(12.2)%
Adj. gross margin		40.0 %		48.5 %	(8.5)%
Adj. operating expense	\$	273.1	\$	290.4	(6.0)%
Adj. operating margin		8.5 %		19.1 %	(10.6)%
Adj. EBITDA	\$	96.0	\$	213.7	(55.1)%

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

	Revenue by Segment				
	Q3 FY 2022		Q3 FY 2021		
	Revenue	%**	Revenue	%**	
<b>Networking Platforms</b>					
Converged Packet Optical	\$	563.9	\$	712.9	72.1
Routing and Switching		100.7		69.7	7.1
Total Networking Platforms		664.6		782.6	79.2
<b>Platform Software and Services</b>					
		63.5	\$	56.9	5.8
Blue Planet Automation Software and Services		17.3		16.6	1.7
<b>Global Services</b>					
Maintenance Support and Training		72.8		74.0	7.5
Installation and Deployment		38.7		46.7	4.7
Consulting and Network Design		11.1		11.3	1.1
Total Global Services		122.6		132.0	13.3
<b>Total</b>	\$	868.0	\$	988.1	100.0

\*\* Denotes % of total revenue

## Additional Performance Metrics for Fiscal Third Quarter 2022

	Revenue by Geographic Region			
	Q3 FY 2022		Q3 FY 2021	
	Revenue	% **	Revenue	% **
Americas	\$ 617.4	71.1	\$ 692.8	70.1
Europe, Middle East and Africa	124.2	14.3	189.2	19.2
Asia Pacific	126.4	14.6	106.1	10.7
Total	\$ 868.0	100.0	\$ 988.1	100.0

\*\* Denotes % of total revenue

- Two 10%-plus customers represented a total of 24.1% of revenue
- Cash and investments totaled \$1.3 billion
- Cash flow used in operations totaled \$205.4 million
- Average days' sales outstanding (DSOs) were 100
- Accounts receivable, net balance was \$802.5 million
- Unbilled contract asset, net balance was \$157.4 million
- Inventories totaled \$826.7 million, including:
  - Raw materials: \$621.8 million
  - Work in process: \$19.5 million
  - Finished goods: \$187.0 million
  - Deferred cost of sales: \$33.8 million
  - Reserve for excess and obsolescence: \$(35.4) million
- Product inventory turns were 2.1
- Headcount totaled 8,013

## Supplemental Materials and Live Web Broadcast of Unaudited Fiscal Third Quarter 2022 Results

Today, Thursday, September 1, 2022, 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 2022 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:

"Despite continued strong customer demand, our fiscal third quarter financial results were negatively impacted by late delivery and substantially lower-than-committed volume from a small number of suppliers for specific components that are essential for delivering finished goods to our customers. While these dynamics will continue in our fiscal fourth quarter, we expect improvement as we move into fiscal 2023, providing us increased ability to service this unprecedented demand and continue to gain market share."

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 and their business; our ability to execute our business and growth strategies; the impact of supply chain constraints or disruptions; the duration and severity of the COVID-19 pandemic and the impact of countermeasures taken to mitigate its spread on macroeconomic conditions, economic activity, demand for our technology solutions, short- and long-term changes in customer or end user needs, continuity of supply chain, our business operations, liquidity and financial results; changes in network spending or network strategy by our customers; seasonality and the timing and size of customer orders, including 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 events, including but not limited to the ongoing conflict between Ukraine and Russia, and public health emergencies; changes in tax or trade regulations, including the imposition of tariffs, duties or efforts to withdraw from or materially modify international trade agreements; and the other risk factors disclosed in Ciena's periodic reports filed with the Securities and Exchange Commission (SEC) including Ciena's Annual Report on Form 10-K filed with the SEC on December 17, 2021 and included in its Quarterly Report on Form 10-Q for the third quarter of fiscal 2022 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 networking systems, services and software company. We provide solutions that help our customers create the Adaptive Network™ in response to the constantly changing demands of their users. By delivering best-in-class networking technology through high-touch consultative relationships, we build the world's most agile networks with automation, openness and scale. For updates on Ciena, follow us on Twitter @Ciena, LinkedIn, 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 30 2022	July 31 2021	July 30 2022	July 31 2021
<b>Revenue:</b>				
Products	\$ 684,284	\$ 804,414	\$ 2,109,239	\$ 2,071,677
Services	183,697	183,727	552,412	507,521
Total revenue	<u>867,981</u>	<u>988,141</u>	<u>2,661,651</u>	<u>2,579,198</u>
<b>Cost of goods sold:</b>				
Products	434,756	420,236	1,259,378	1,074,935
Services	92,446	93,355	275,526	259,403
Total cost of goods sold	<u>527,202</u>	<u>513,591</u>	<u>1,534,904</u>	<u>1,334,338</u>
Gross profit	<u>340,779</u>	<u>474,550</u>	<u>1,126,747</u>	<u>1,244,860</u>
<b>Operating expenses:</b>				
Research and development	150,025	146,225	457,758	389,212
Selling and marketing	105,880	114,924	344,700	322,589
General and administrative	41,121	48,863	131,191	132,491
Significant asset impairments and restructuring costs	7,692	9,789	20,203	23,865
Amortization of intangible assets	8,919	5,967	26,757	17,896
Acquisition and integration costs	35	259	598	860
Total operating expenses	<u>313,672</u>	<u>326,027</u>	<u>981,207</u>	<u>886,913</u>
Income from operations	27,107	148,523	145,540	357,947
Interest and other income (loss), net	366	795	4,860	(1,600)
Interest expense	(12,642)	(7,776)	(33,275)	(22,921)
Income before income taxes	14,831	141,542	117,125	333,426
Provision (benefit) for income taxes	4,319	(96,690)	21,868	(63,271)
Net income	<u>\$ 10,512</u>	<u>\$ 238,232</u>	<u>\$ 95,257</u>	<u>\$ 396,697</u>
<b>Net Income per Common Share</b>				
Basic net income per common share	\$ 0.07	\$ 1.53	\$ 0.63	\$ 2.55
Diluted net income per potential common share	<u>\$ 0.07</u>	<u>\$ 1.52</u>	<u>\$ 0.62</u>	<u>\$ 2.53</u>
Weighted average basic common shares outstanding	<u>149,862</u>	<u>155,271</u>	<u>152,083</u>	<u>155,277</u>
Weighted average dilutive potential common shares outstanding <sup>1</sup>	<u>150,463</u>	<u>156,744</u>	<u>153,209</u>	<u>156,742</u>

<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) 0.6 million and 1.1 million for the third quarter and first nine months of fiscal 2022, respectively; and (ii) 1.5 million shares for each of the third quarter and first nine months of fiscal 2021.



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

	July 30, 2022	October 30, 2021
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 859,687	\$ 1,422,546
Short-term investments	321,823	181,483
Accounts receivable, net	802,484	884,958
Inventories	826,673	374,265
Prepaid expenses and other	377,709	325,654
Total current assets	3,188,376	3,188,906
Long-term investments	77,723	70,038
Equipment, building, furniture and fixtures, net	281,690	284,968
Operating lease right-of-use assets	45,452	44,285
Goodwill	328,978	311,645
Other intangible assets, net	76,918	65,314
Deferred tax asset, net	797,924	800,180
Other long-term assets	103,721	99,891
Total assets	\$ 4,900,782	\$ 4,865,227
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 439,229	\$ 356,176
Accrued liabilities and other short-term obligations	301,589	409,285
Deferred revenue	147,808	118,007
Operating lease liabilities	19,786	18,632
Current portion of long-term debt	6,930	6,930
Total current liabilities	915,342	909,030
Long-term deferred revenue	61,845	57,457
Other long-term obligations	150,767	166,803
Long-term operating lease liabilities	42,639	41,564
Long-term debt, net	1,062,453	670,355
Total liabilities	\$ 2,233,046	\$ 1,845,209
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; 148,293,357 and 154,858,981 shares issued and outstanding	1,483	1,549
Additional paid-in capital	6,378,007	6,803,162
Accumulated other comprehensive income (loss)	(21,879)	439
Accumulated deficit	(3,689,875)	(3,785,132)
Total stockholders' equity	2,667,736	3,020,018
Total liabilities and stockholders' equity	\$ 4,900,782	\$ 4,865,227

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

	Nine Months Ended	
	July 30 2022	July 31 2021
<b>Cash flows provided by (used in) operating activities:</b>		
Net income	\$ 95,257	\$ 396,697
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Depreciation of equipment, building, furniture and fixtures, and amortization of leasehold improvements	68,280	71,918
Share-based compensation expense	77,827	62,970
Amortization of intangible assets	36,521	27,341
Deferred taxes	(19,824)	(139,543)
Provision for inventory excess and obsolescence	12,038	13,460
Provision for warranty	12,416	12,726
Other	(442)	6,350
<b>Changes in assets and liabilities:</b>		
Accounts receivable	74,478	(163,149)
Inventories	(464,664)	(38,821)
Prepaid expenses and other	(39,805)	(17,272)
Operating lease right-of-use assets	12,504	12,340
Accounts payable, accruals and other obligations	(37,587)	31,388
Deferred revenue	34,949	24,969
Short and long-term operating lease liabilities	(15,197)	(14,618)
Net cash provided by (used in) operating activities	<u>(153,249)</u>	<u>286,756</u>
<b>Cash flows used in investing activities:</b>		
Payments for equipment, furniture, fixtures and intellectual property	(66,908)	(67,290)
Purchase of available-for-sale securities	(614,333)	(132,895)
Proceeds from maturities of available-for-sale securities	460,000	122,063
Settlement of foreign currency forward contracts, net	4,450	7,326
Acquisition of business, net of cash acquired	(62,043)	—
Purchase of cost method equity investments	(8,000)	—
Proceeds from sale of cost method equity investments	—	4,678
Net cash used in investing activities	<u>(286,834)</u>	<u>(66,118)</u>
<b>Cash flows used in financing activities:</b>		
Proceeds from issuance of senior notes	400,000	—
Payment of long term debt	(3,465)	(5,197)
Payment of debt issuance costs	(5,159)	—
Payment of finance lease obligations	(2,555)	(2,243)
Shares repurchased for tax withholdings on vesting of stock unit awards	(41,280)	(36,484)
Repurchases of common stock - repurchase program	(487,792)	(64,555)
Proceeds from issuance of common stock	30,224	28,289
Net cash used in financing activities	<u>(110,027)</u>	<u>(80,190)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(12,780)	1,344
Net increase (decrease) in cash, cash equivalents and restricted cash	<u>(562,890)</u>	<u>141,792</u>
Cash, cash equivalents and restricted cash at beginning of period	1,422,604	1,088,708
Cash, cash equivalents and restricted cash at end of period	<u>\$ 859,714</u>	<u>\$ 1,230,500</u>
<b>Supplemental disclosure of cash flow information</b>		
Cash paid during the period for interest	\$ 24,823	\$ 22,392
Cash paid during the period for income taxes, net	\$ 28,593	\$ 46,165
Operating lease payments	\$ 16,342	\$ 16,162
<b>Non-cash investing and financing activities</b>		
Purchase of equipment in accounts payable	\$ 9,320	\$ 5,517
Repurchase of common stock in accrued liabilities from repurchase program	\$ 5,000	\$ 800
Operating right-of-use assets subject to lease liability	\$ 8,226	\$ 4,182

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

	Quarter Ended	
	July 30 2022	July 31 2021
<b>Gross Profit Reconciliation (GAAP/non-GAAP)</b>		
GAAP gross profit	\$ 340,779	\$ 474,550
Share-based compensation-products	1,002	1,037
Share-based compensation-services	1,940	1,315
Canadian Emergency Wage Subsidy-products	—	(94)
Canadian Emergency Wage Subsidy-services	—	(47)
Amortization of intangible assets	3,140	2,857
Total adjustments related to gross profit	6,082	5,068
Adjusted (non-GAAP) gross profit	\$ 346,861	\$ 479,618
Adjusted (non-GAAP) gross profit percentage	40.0 %	48.5 %
<b>Operating Expense Reconciliation (GAAP/non-GAAP)</b>		
GAAP operating expense	\$ 313,672	\$ 326,027
Share-based compensation-research and development	8,233	5,541
Share-based compensation-sales and marketing	8,075	6,534
Share-based compensation-general and administrative	7,579	8,237
Canadian Emergency Wage Subsidy-research and development	—	(596)
Canadian Emergency Wage Subsidy-sales and marketing	—	(53)
Canadian Emergency Wage Subsidy-general and administrative	—	(46)
Significant asset impairments and restructuring costs	7,692	9,789
Amortization of intangible assets	8,919	5,967
Acquisition and integration costs	35	259
Total adjustments related to operating expense	40,533	35,632
Adjusted (non-GAAP) operating expense	\$ 273,139	\$ 290,395
<b>Income from Operations Reconciliation (GAAP/non-GAAP)</b>		
GAAP income from operations	\$ 27,107	\$ 148,523
Total adjustments related to gross profit	6,082	5,068
Total adjustments related to operating expense	40,533	35,632
Total adjustments related to income from operations	46,615	40,700
Adjusted (non-GAAP) income from operations	\$ 73,722	\$ 189,223
Adjusted (non-GAAP) operating margin percentage	8.5 %	19.1 %
<b>Net Income Reconciliation (GAAP/non-GAAP)</b>		
GAAP net income	\$ 10,512	\$ 238,232
Exclude GAAP provision (benefit) for income taxes	4,319	(96,690)
Income before income taxes	14,831	141,542
Total adjustments related to income from operations	46,615	40,700
Adjusted income before income taxes	61,446	182,242
Non-GAAP tax provision on adjusted income before income taxes	12,412	37,360
Adjusted (non-GAAP) net income	\$ 49,034	\$ 144,882
Weighted average basic common shares outstanding	149,862	155,271
Weighted average dilutive potential common shares outstanding <sup>1</sup>	150,463	156,744
<b>Net Income per Common Share</b>		

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

	Quarter Ended			
	July 30 2022		July 31 2021	
GAAP diluted net income per potential common share	\$	0.07	\$	1.52
Adjusted (non-GAAP) diluted net income per potential common share	\$	0.33	\$	0.92

<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) 0.6 million for the third quarter of fiscal 2022, and (ii) 1.5 million for the third quarter of fiscal 2021

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

	Quarter Ended	
	July 30 2022	July 31 2021
<b>Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)</b>		
Net income (GAAP)	\$ 10,512	\$ 238,232
Add: Interest expense	12,642	7,776
Less: Interest and other income, net	366	795
Add: Provision (benefit) for income taxes	4,319	(96,690)
Add: Depreciation of equipment, building, furniture and fixtures, and amortization of leasehold improvements	22,250	24,623
Add: Amortization of intangible assets	12,059	8,824
<b>EBITDA</b>	<b>\$ 61,416</b>	<b>\$ 181,970</b>
Less: Canadian Emergency Wage Subsidy	—	836
Add: Share-based compensation cost	26,857	22,471
Add: Significant asset impairments and restructuring costs	7,692	9,789
Add: Acquisition and integration costs	35	259
<b>Adjusted EBITDA</b>	<b>\$ 96,000</b>	<b>\$ 213,653</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.
- *Canadian Emergency Wage Subsidy* - a program introduced by the Government of Canada to offset a portion of employee wages for a limited period in response to COVID-19 outbreak.
- *Significant asset impairments and restructuring costs* - costs incurred as a result of restructuring activities taken to align resources with perceived market opportunities and the redesign of business processes.
- *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 its expected useful life.
- *Acquisition and integration costs* - includes financial, legal and accounting advisor expenses related to our acquisition of Xelic during the second quarter of fiscal 2022. Acquisition and integration costs for the third quarter of fiscal 2021 include costs of acquisition compensation associated with a three-year earn-out arrangement related to the DonRiver acquisition in fiscal 2018.
- *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 20.2% for the third fiscal quarter of 2022 and 20.5% for the third fiscal quarter of 2021. This rate may be subject to change in the future, including as a result of changes in tax policy or tax strategy. Ciena's GAAP tax provision for the third quarter of 2021 benefited from recording a \$124.2 million tax benefit related to an internal transfer of non-U.S. intangible assets that was recognized as a result of the step-up in basis of such rights for tax purposes. The Non-GAAP tax provision for the periods presented do not include this tax benefit or the corresponding deferred tax asset.



# Ciena Corporation

## Earnings Presentation

Period ended July 30, 2022

September 1, 2022

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# Forward-looking statements and non-GAAP measures

Information in this presentation and related comments of presenters contain a number of forward-looking statements. These statements are based on current expected forecasts, assumptions and other information available to the Company as of the date hereof. Forward-looking statements include Ciena's prospective financial results, capital plans, business strategies, expectations about its addressable markets and market share, and business outlook for future periods, as well as statements regarding Ciena's expectations, beliefs, intentions or strategies regarding the future. Often, these can be identified by forward-looking words such as "target," "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "should," "will," "plan," "predict," "potential," "project," "continue," 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 in Ciena's business, including: the effect of broader economic and market conditions on our customers and their business; our ability to execute our business and growth strategies; the impact of supply chain constraints or disruptions; the duration and severity of the COVID-19 pandemic and the impact of countermeasures taken to mitigate its spread on macroeconomic conditions, economic activity, demand for our technology solutions, short- and long-term changes in customer or end user needs, continuity of supply chain, our business operations, liquidity and financial results; changes in network spending or network strategy by our customers; seasonality and the timing of customer orders, including our ability to recognize revenue relating to such sales; the level of competitive pressure we encounter; the product, customer and geographic 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 events, including but not limited to the ongoing conflict between Ukraine and Russia, and public health emergencies; changes in tax or trade regulations, including the imposition of tariffs, duties or efforts to withdraw from or materially modify international trade agreements; and the other risk factors disclosed in Ciena's periodic reports with the Securities and Exchange Commission (SEC) including Ciena's Annual Report on Form 10-K filed with the SEC on December 17, 2021 and Ciena's Quarterly Report on Form 10-Q for the third quarter of fiscal 2022 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 or otherwise.

In addition, this presentation includes historical, and may include prospective, non-GAAP measures of Ciena's gross margin, operating expense, operating profit, EBITDA, income, 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 be found in our press release filed this morning and in our reports on Form 10-Q filed with the Securities and Exchange Commission.

# Table of Contents

1	Overview & recent achievements
2	Market context and our portfolio
3	Q3 FY 2022 results
4	Appendix



# Overview & recent achievements

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



Leading technology and innovation



Diversification and scale of business



Leader in Optical markets and disruptor in emerging opportunities

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



Demonstrated track record of financial performance



Flexibility with strong balance sheet

## Recent key achievements

### We are driving the pace of innovation

- Delivering industry-leading coherent technology including 107GBd WaveLogic™ 5 Extreme (WL5e) and the widest range of interoperable and performance pluggables
- Growing revenue with MCP multi-layer visualization service across multi-vendor IP/Optical infrastructure
- Addition of 8110, 8112 & 8114 to the 81xx portfolio has extended our RSP reach well into the high scale aggregation & Metro space

### We have a durable business and financial model

- Despite the challenging environment, we have grown our backlog and returned cash to shareholders
- Our balance sheet represents a competitive advantage
  - Ended the quarter with approximately \$1.3B in cash and investments
- Leverage remains in line with our target level after a successful \$400M Senior Notes offering

### We are committed to our people and communities

- Published ESG Investor Presentation and conducted stockholder outreach
- Established our Sustainability Governance model which includes board oversight and strategic executive leadership
- Communicated FY22 compensation goals that address climate, diversity & inclusion and community impact
- Earned Verizon's 2022 Supplier Environmental Excellence Award

# Market context and our portfolio

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# Six mega trends and the innovations that will enable them

Cloud & Edge



Data Center



IoT & Connected Objects



Digital Transformation & Automation



Mobility & 5G

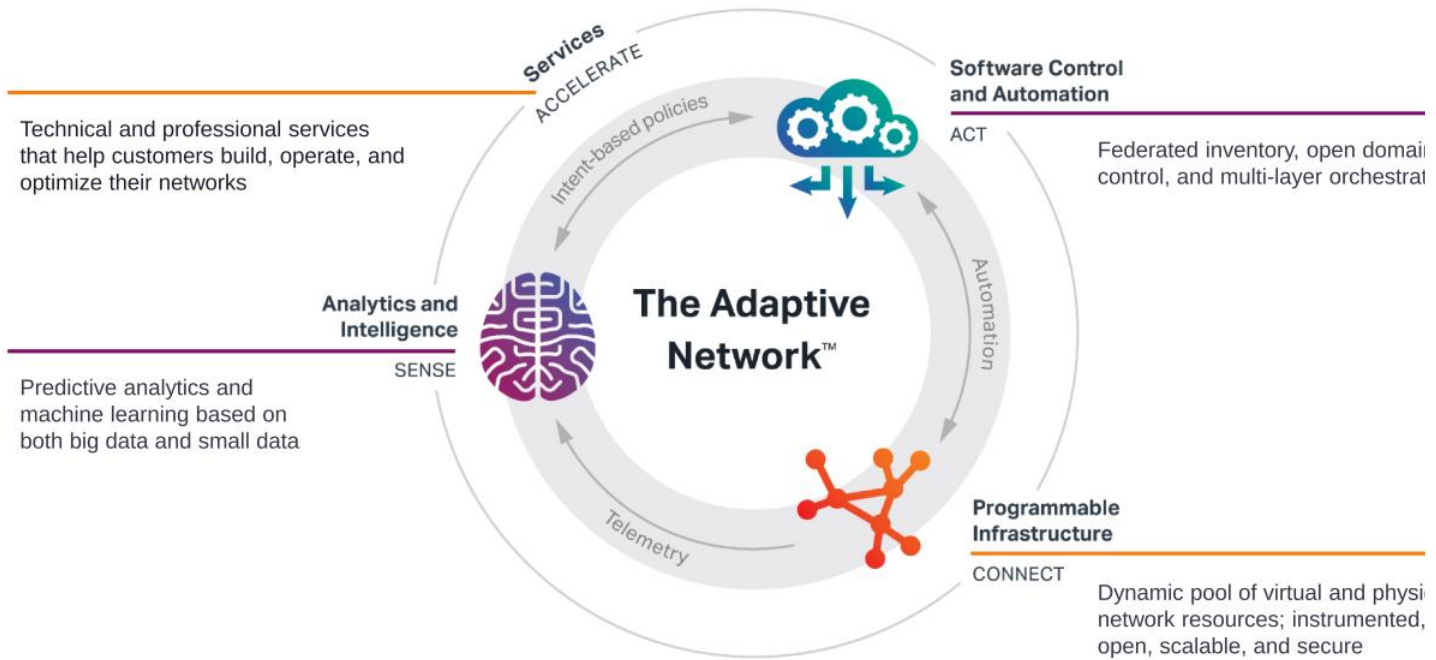


Virtual & Hybrid Lifestyles



# Our vision for a new network end-state

## How it works



# Our market leadership



## #1 GLOBALLY

- DATA CENTER INTERCONNECT FOR ICP/CNPs
- SLTE WDM

## #1 N. AMERICA

- TOTAL OPTICAL NETWORKING
- DATA CENTER INTERCONNECT
- ACCESS SWITCHING

## #2 GLOBALLY

- TOTAL OPTICAL NETWORKING
- ACCESS SWITCHING

## #1 GLOBALLY

- PURPOSE-BUILT/COMPACT MODULAR DCI
- OPTICAL FOR CLOUD & COLO
- SLTE WDM
- PACKET ACCESS

## #1 N. AMERICA

- TOTAL OPTICAL NETWORKING
- PURPOSE-BUILT/COMPACT MODULAR DCI
- OPTICAL FOR CLOUD & COLO
- PACKET ACCESS

## #2 GLOBALLY

- TOTAL OPTICAL NETWORKING
- OPTICAL FOR SERVICE PROVIDER
- OPTICAL FOR ENTERPRISE & GOVERNMENT

## #1 GLOBALLY

- DATA CENTER INTERCONNECT
- PURPOSE-BUILT/COMPACT MODULAR DC
- 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 Networking Report, 1Q22  
Data Center Interconnect Market Share Report, 1Q22  
Service Provider Switching & Routing Report, 1Q22

Transport Hardware Report, 2Q22  
Transport Customer Markets Report, 1Q22  
Transport Applications Report, 1Q22

Optical Transport Report, 2Q22

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# Q3 FY 2022 results

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## Q3 FY 2022 key highlights

### Achieving balanced growth

- Non-telco represented approximately 38% of total revenue
- APAC region represented 15% of total revenue
- Routing and Switching revenue increased 45% YoY, in part reflecting strong contribution from the recently added Vyatta platform
- Platform Software and Services increased 11% YoY, representing 7% of total revenue

### Driving the pace of innovation

- GAAP R&D investment was approximately 17% of total revenue
- 754 100G+ total customers, which includes 13 new wins on WaveLogic Ai and 14 new wins on WaveLogic 5 Extreme
- Gaining business momentum with our Universal Aggregation and XGS-PON solution
- Added 25 new Adaptive IP customers in Q3 bringing the total to nearly 200
- IP/Optical convergence leveraging WL5n ramping both 51xx and 81xx platforms over ELS & RLS

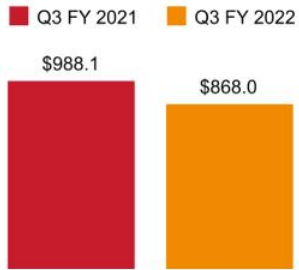
### Prioritizing long term shareholder value

- Total shareholder return five year CAGR of 19%<sup>1</sup>
- As part of our \$1 billion stock repurchase program, we repurchase approximately 3.2 million shares during the quarter for \$155 million

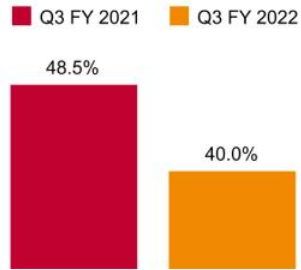
<sup>1</sup> Based on closing share price between 8/17/2017 to 8/16/2022

## Q3 FY 2022 comparisons (year-over-year)

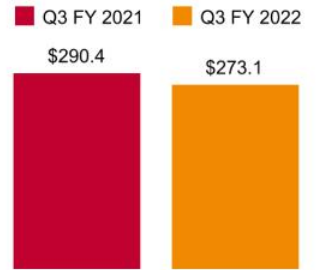
Revenue  
(in millions)



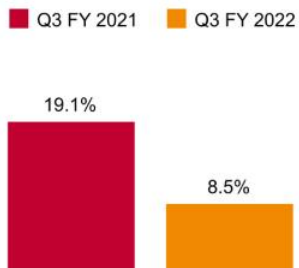
Adj. Gross  
Margin\*



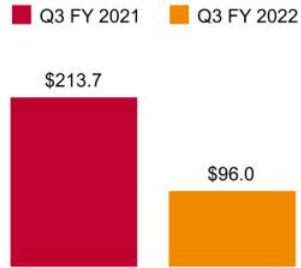
Adj. OpEx\*  
(in millions)



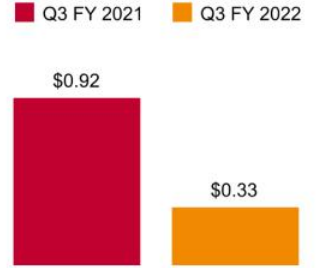
Adj. Operating Margin\*



Adj. EBITDA\*  
(in millions)



Adj. EPS\*



## Q3 FY 2022 comparative operating metrics

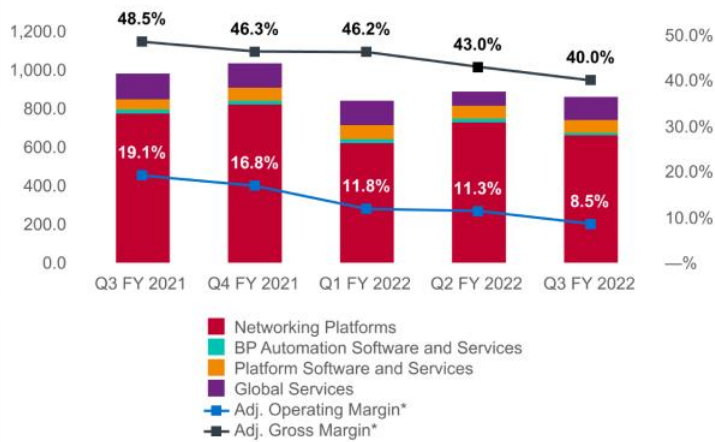
	Q3 FY 2022	Q3 FY 2021
Cash and Investments	\$1.3B	\$1.5B
Cash Flow from (used in) Operations	\$(205)M	\$69M
DSO	100	89
Inventory Turns	2.1	4.5
Gross Leverage	2.07x	1.10x
Net Cash	\$122M	\$724M

## Q3 FY 2022 comparative financial highlights

	Q3 FY 2022	Q3 FY 2021
Revenue	\$868.0M	\$988.1M
Adjusted Gross Margin*	40.0%	48.5%
Adjusted Operating Expense*	\$273.1M	\$290.4M
Adjusted Operating Margin*	8.5%	19.1%
Adjusted EBITDA*	\$96.0M	\$213.7M
Adjusted EPS*	\$0.33	\$0.92

\* A reconciliation of these non-GAAP measures to our GAAP results is included in the press release for the relative period.

## Revenue by segment (Amounts in millions)

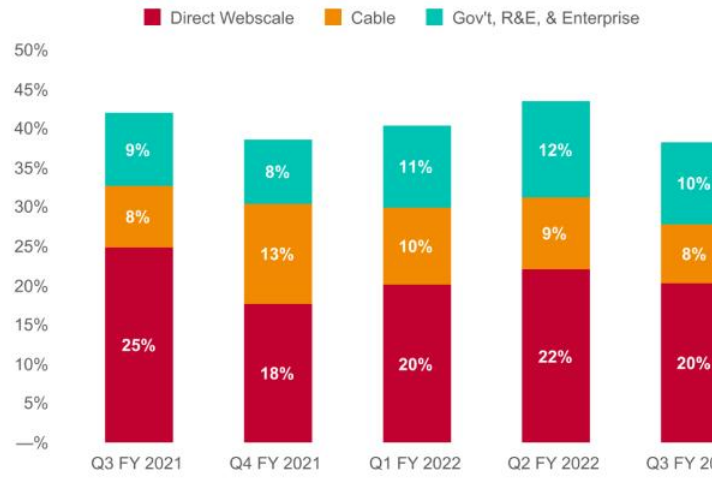
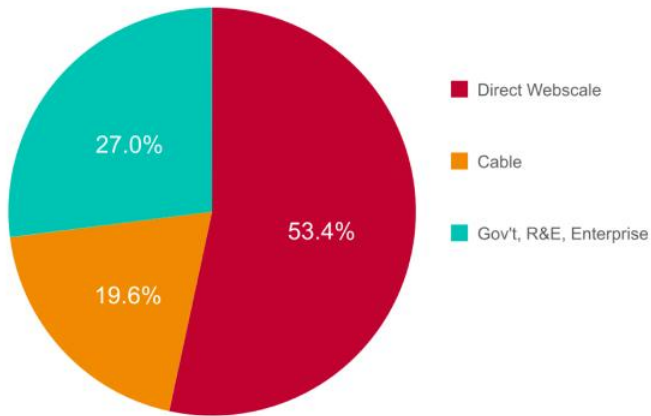


	Q3 FY 2022		Q3 FY 2021
	Revenue	%**	Revenue
Networking Platforms			
Converged Packet Optical	\$563.9	65.0	\$712.9
Routing and Switching	100.7	11.6	69.7
Total Networking Platforms	664.6	76.6	782.6
Platform Software and Services	63.5	7.3	56.9
Blue Planet Automation Software and Services	17.3	2.0	16.6
Global Services			
Maintenance Support and Training	72.8	8.4	74.0
Installation and Deployment	38.7	4.4	46.7
Consulting and Network Design	11.1	1.3	11.3
Total Global Services	122.6	14.1	132.0
Total	\$868.0	100.0 %	\$988.1

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

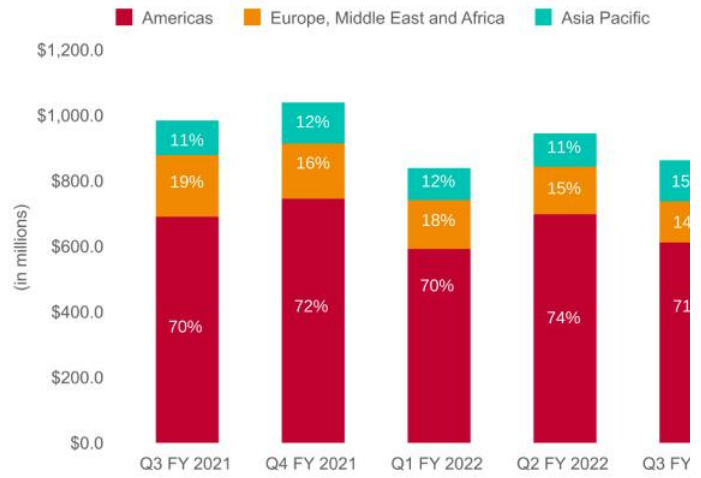
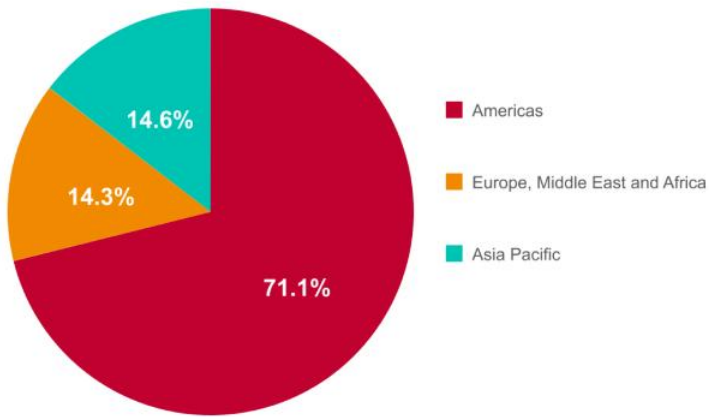
# Non-telco revenue

Q3 FY 2022  
Approx. 38% of total revenue



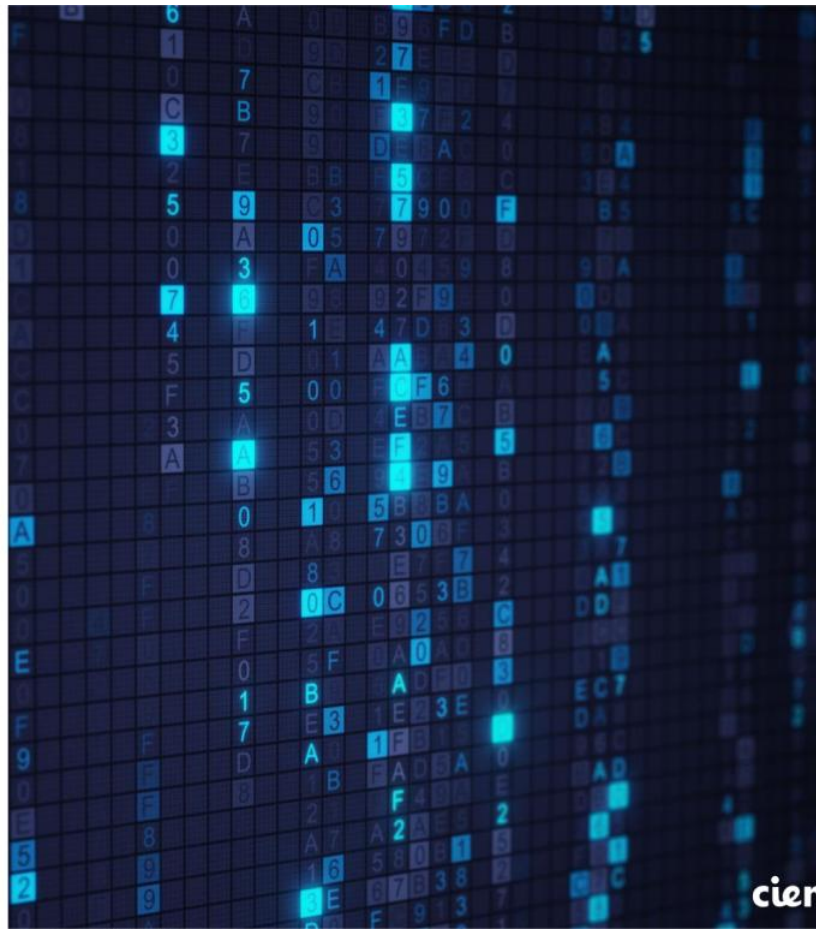
# Revenue by geographic region

## Q3 FY 2022



# Q3 FY 2022 appendix

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## Gross Profit Reconciliation (Amounts in thousands)

	Q3 FY 2022	Q2 FY 2022	Q1 FY 2022	Q4 FY 2021	Q3 FY
GAAP gross profit	\$340,779	\$401,781	\$384,187	\$477,119	
Share-based compensation-products	1,002	1,058	900	920	
Share-based compensation-services	1,940	1,943	1,584	1,240	
Canadian Emergency Wage Subsidy - products	—	—	—	—	
Canadian Emergency Wage Subsidy - services	—	—	—	—	
Amortization of intangible assets	3,140	3,313	3,312	2,856	
Total adjustments related to gross profit	6,082	6,314	5,796	5,016	
<b>Adjusted (non-GAAP) gross profit</b>	<b>\$346,861</b>	<b>\$408,095</b>	<b>\$389,983</b>	<b>\$482,135</b>	
<b>Adjusted (non-GAAP) gross profit percentage</b>	<b>40.0 %</b>	<b>43.0 %</b>	<b>46.2 %</b>	<b>46.3 %</b>	

## Operating Expense Reconciliation (Amounts in thousands)

	Q3 FY 2022	Q2 FY 2022	Q1 FY 2022	Q4 FY 2021	Q3 FY 2021
GAAP operating expense	\$313,672	\$343,352	\$324,183	\$339,710	\$339,710
Share-based compensation-research and development	8,233	8,309	6,830	5,684	5,684
Share-based compensation-sales and marketing	8,075	8,061	7,060	6,192	6,192
Share-based compensation-general and administrative	7,579	7,334	7,912	7,466	7,466
Canadian Emergency Wage Subsidy-research and development	—	—	—	—	—
Canadian Emergency Wage Subsidy-sales and marketing	—	—	—	—	—
Canadian Emergency Wage Subsidy-general and administrative	—	—	—	—	—
Significant asset impairments and restructuring costs	7,692	9,102	3,409	5,700	5,700
Amortization of intangible assets	8,919	8,920	8,918	5,836	5,836
Acquisition and integration costs	35	495	68	1,712	1,712
Total adjustments related to operating expense	40,533	42,221	34,197	32,590	32,590
<b>Adjusted (non-GAAP) operating expense</b>	<b>\$273,139</b>	<b>\$301,131</b>	<b>\$289,986</b>	<b>\$307,120</b>	<b>\$307,120</b>

## Income from Operations Reconciliation (Amounts in thousands)

	Q3 FY 2022	Q2 FY 2022	Q1 FY 2022	Q4 FY 2021	Q3 FY 2021
GAAP income from operations	\$27,107	\$58,429	\$60,004	\$137,409	\$137,409
Total adjustments related to gross profit	6,082	6,314	5,796	5,016	5,016
Total adjustments related to operating expense	40,533	42,221	34,197	32,590	32,590
Total adjustments related to income from operations	46,615	48,535	39,993	37,606	37,606
<b>Adjusted (non-GAAP) income from operations</b>	<b>\$73,722</b>	<b>\$106,964</b>	<b>\$99,997</b>	<b>\$175,015</b>	<b>\$175,015</b>
<b>Adjusted (non-GAAP) operating margin percentage</b>	<b>8.5 %</b>	<b>11.3 %</b>	<b>11.8 %</b>	<b>16.8 %</b>	<b>16.8 %</b>

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## Net Income Reconciliation (Amounts in thousands)

	Q3 FY 2022	Q2 FY 2022	Q1 FY 2022	Q4 FY 2021	Q3 F
GAAP net income	\$10,512	\$38,922	\$45,823	\$103,499	
Exclude GAAP provision (benefit) for income taxes	4,319	8,330	9,219	25,826	
Income before income taxes	14,831	47,252	55,042	129,325	
Total adjustments related to income from operations	46,615	48,535	39,993	37,606	
Unrealized gain on cost method equity investment	—	—	(4,120)	—	
Adjusted income before income taxes	61,446	95,787	90,915	166,931	
Non-GAAP tax provision on adjusted income before income taxes	12,412	19,349	18,365	34,221	
<b>Adjusted (non-GAAP) net income</b>	<b>\$49,034</b>	<b>\$76,438</b>	<b>\$72,550</b>	<b>\$132,710</b>	
Weighted average basic common shares outstanding	149,862	152,197	154,151	155,232	
Weighted average diluted potential common shares outstanding <sup>(1)</sup>	150,463	153,344	155,807	156,689	

## Net Income per Common Share

	Q3 FY 2022	Q2 FY 2022	Q1 FY 2022	Q4 FY 2021	Q3 F
GAAP diluted net income per potential common share	\$ 0.07	\$ 0.25	\$ 0.29	\$ 0.66	
<b>Adjusted (non-GAAP) diluted net income per potential common share</b>	<b>\$ 0.33</b>	<b>\$ 0.50</b>	<b>\$ 0.47</b>	<b>\$ 0.85</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 2022 includes 0.6 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 2022	Q2 FY 2022	Q1 FY 2022	Q4 FY 2021	Q3 F
Net income (GAAP)	\$10,512	\$38,922	\$45,823	\$103,499	
Add: Interest expense	12,642	11,985	8,648	7,916	
Less: Interest and other income (loss), net	366	808	3,686	(168)	
Add: Provision (benefit) for income taxes	4,319	8,330	9,219	25,826	
Add: Depreciation of equipment, building, furniture and fixtures, and amortization of leasehold improvements	22,250	22,377	23,653	24,315	
Add: Amortization of intangible assets	12,059	12,233	12,230	8,692	
<b>EBITDA</b>	<b>\$61,416</b>	<b>\$93,039</b>	<b>\$95,887</b>	<b>\$170,416</b>	
Less: Canadian Emergency Wage Subsidy	—	—	—	—	
Add: Share-based compensation cost	26,857	26,673	24,297	21,366	
Add: Significant asset impairments and restructuring costs	7,692	9,102	3,409	5,700	
Add: Acquisition and integration costs	35	495	68	1,712	
<b>Adjusted EBITDA</b>	<b>\$96,000</b>	<b>\$129,309</b>	<b>\$123,661</b>	<b>\$199,194</b>	

