



Ciena Corporation

Fiscal Q2 2025 Earnings Presentation
Period ended May 3, 2025

June 5, 2025

Forward-looking statements and non-GAAP measures

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

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

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

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

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Overview and Ciena's portfolio

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Ciena is the global leader in high-speed connectivity

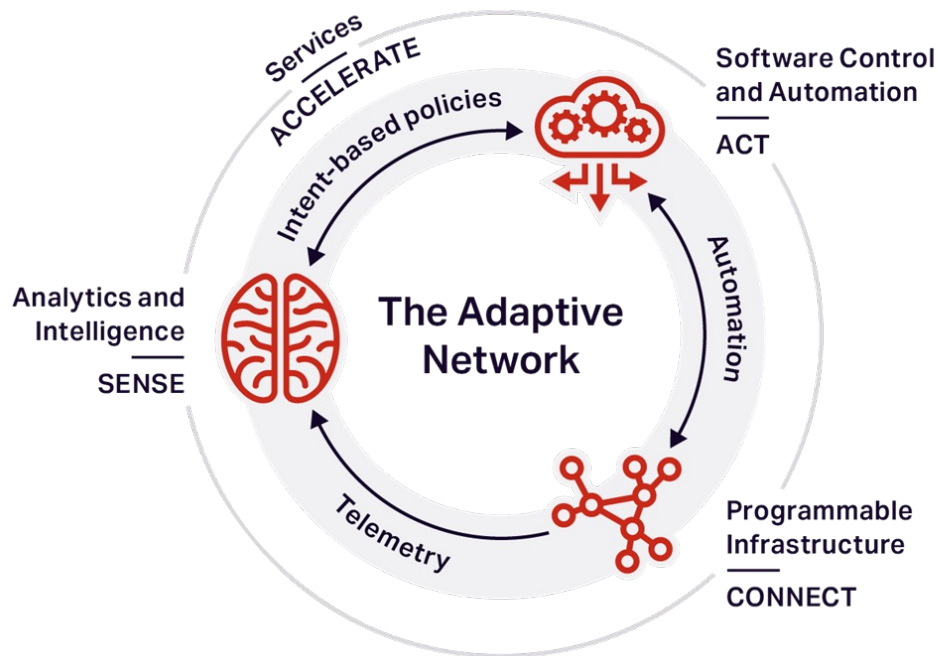
Ciena provides networking systems, services, and software

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

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



Evolving our customers' businesses with the Adaptive Network



Software Control and Automation

- AI-driven management and automation of services across multi-layer, multi-vendor, multi-domain networks

Programmable Infrastructure

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

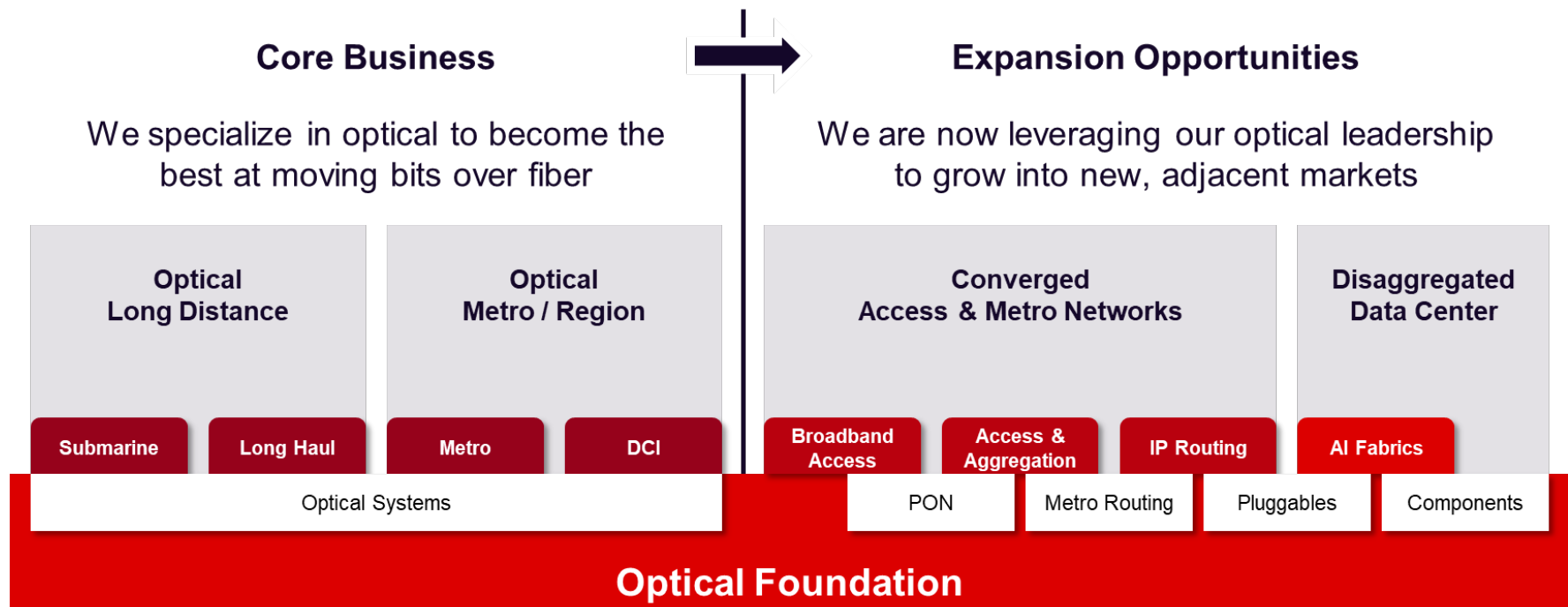
Analytics and Intelligence

- Leveraging AI, proactively predicts potential problems and anticipates network trends—before they occur
- Leverages instrumented infrastructure telemetry

Services

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

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



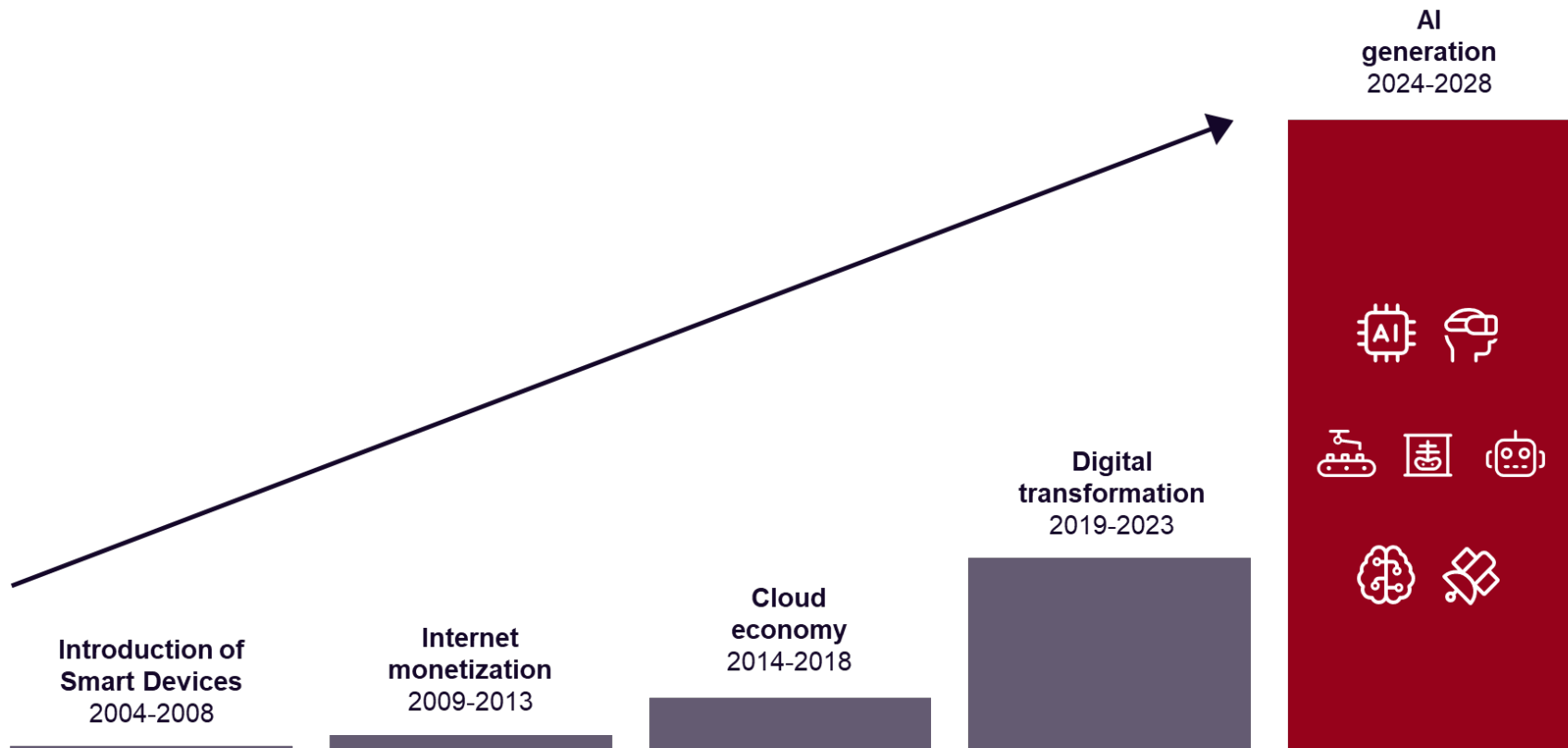
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Industry context and addressable market expansion

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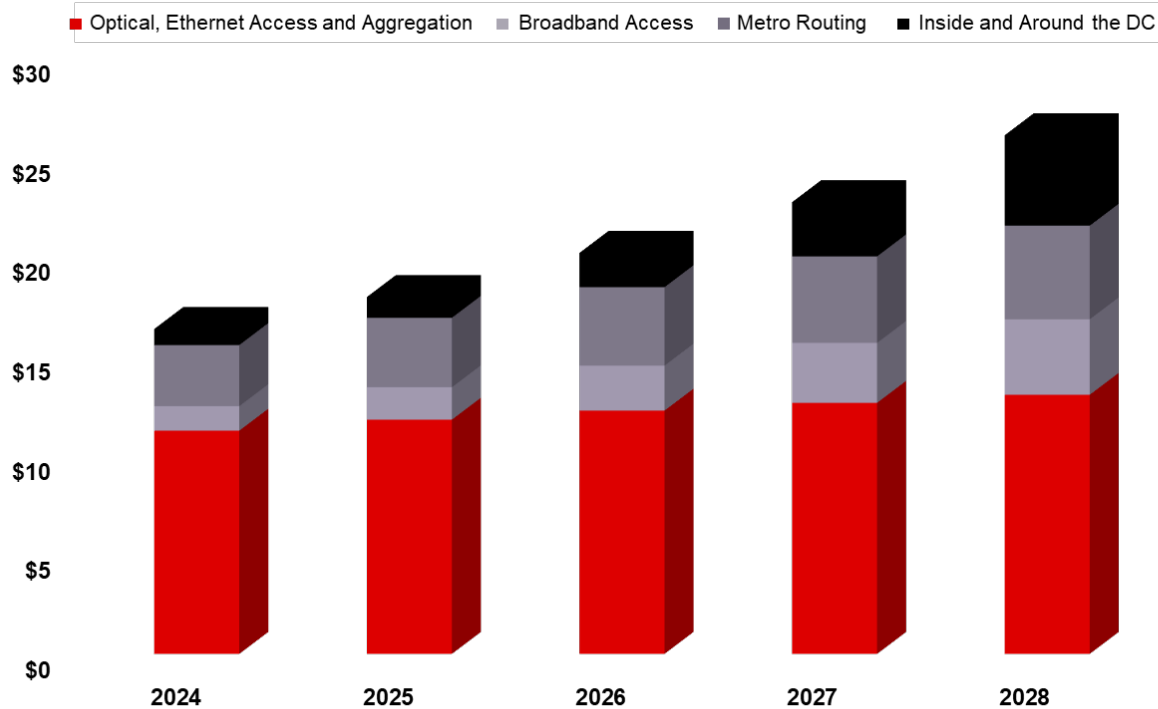


Increasing bandwidth consumption as a driver of network expansion



Our core business is enabling investment in higher-growth markets

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



Addressable Market Expansion:
\$13B by 2028
CAGR of 26%

Core Business Addressable Market:
\$13B by 2028
CAGR of 4%



¹Sources: Dell'Oro, Cignal AI, Omdia, LightCounting, and Ciena internal analysis.

An industry leader

Market leadership



#1 Globally

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

#1 N. America

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

Optical Networking Report, 4Q24
Service Provider Switching & Routing Report, 4Q24



#1 Globally

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

#1 N. America

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

Transport Hardware Report, 1Q25



#1 Globally

- Data center interconnect
- Optical for internet content provider customers
- Purpose-built

#1 N. America

- Data center interconnect
- Total optical networking
- Optical packet

Optical Transport Report, 1Q25

Industry recognition



WaveLogic 6 Extreme



WaveRouter-7



Blue Planet 5G vRAN
Rollout Automation



Best Use of Technology
including AI



8140 Router



5169 Router



Ciena's vBNG



WaveLogic 6

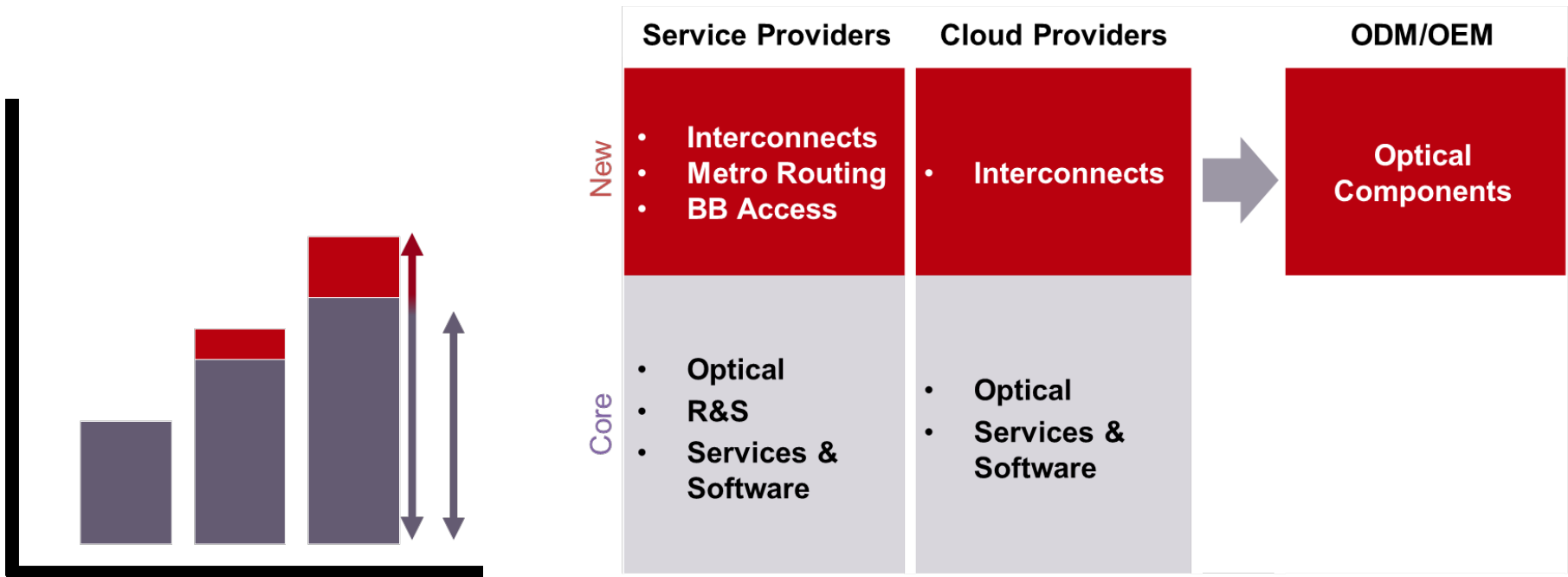
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Ciena is positioned
for accelerated
growth

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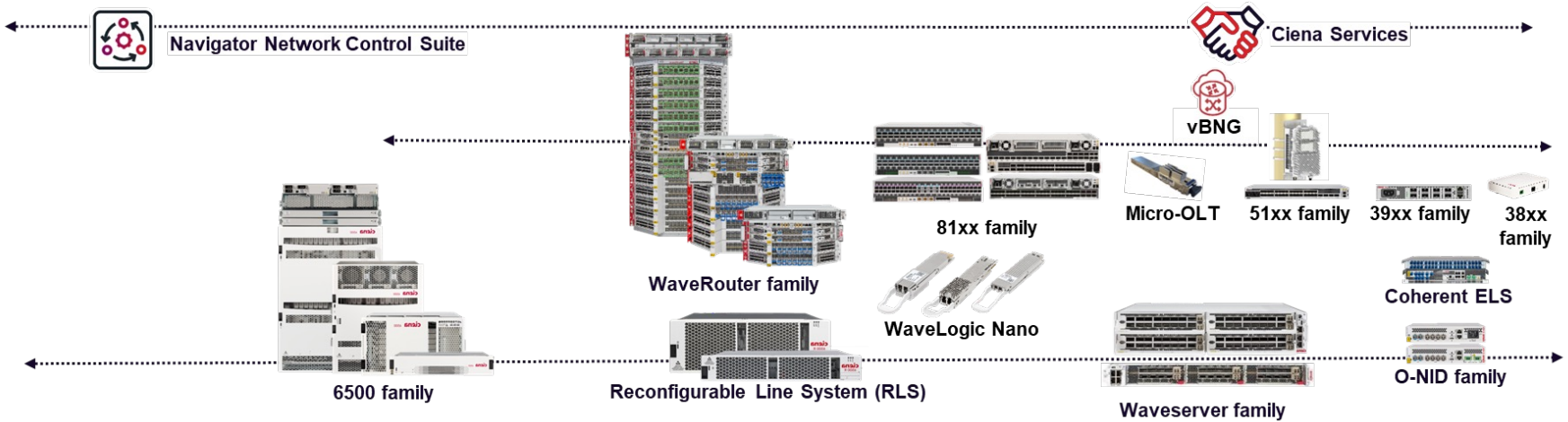
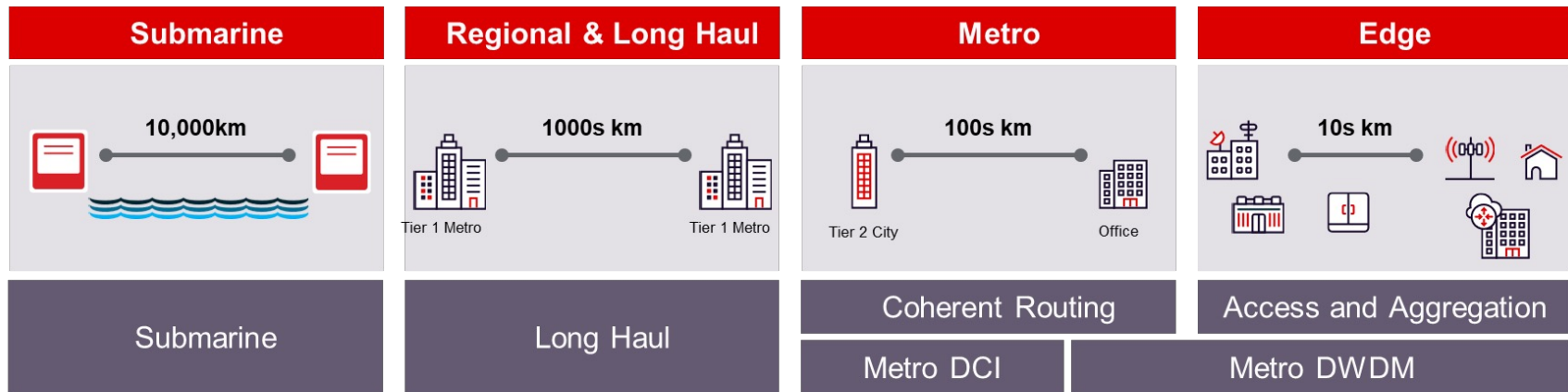


Our future growth opportunities




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

Our portfolio addresses key network applications



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

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

 High-speed interconnects for IMDD in the data center

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Q2 FY 2025 results

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Q2 FY 2025 key highlights

Achieving balanced growth

Non-telco represented 54% of total revenue

Direct Cloud Provider revenue grew 85% YoY and represented 38% of total revenue

EMEA revenue grew 23% YoY

Blue Planet revenue nearly doubled YoY

Driving the pace of innovation

- Added another Cloud Provider for our WaveLogic 5 Nano coherent pluggable transceivers
- Added 24 new WaveLogic 6 Extreme customers in Q2, bringing the total to 49 within just two quarters of availability
- Record RLS quarter for both revenue and shipments
- Added 8 additional broadband customers during the quarter for a total 87 customers
- Expanded the breath of portfolio with the 8192 Coherent Router to our 8000 family, our first 800GbE router
- Added WaveLogic 6 Extreme capabilities to the WaveRouter family to become the industry's first generally available 1.6T coherent router

Prioritizing long term shareholder value

- Total shareholder return five-year CAGR of 10%¹
- Repurchased ~1.2 million shares for \$84.3 million under our three-year program (FY25-27)

Q2 FY 2025 comparative financial highlights

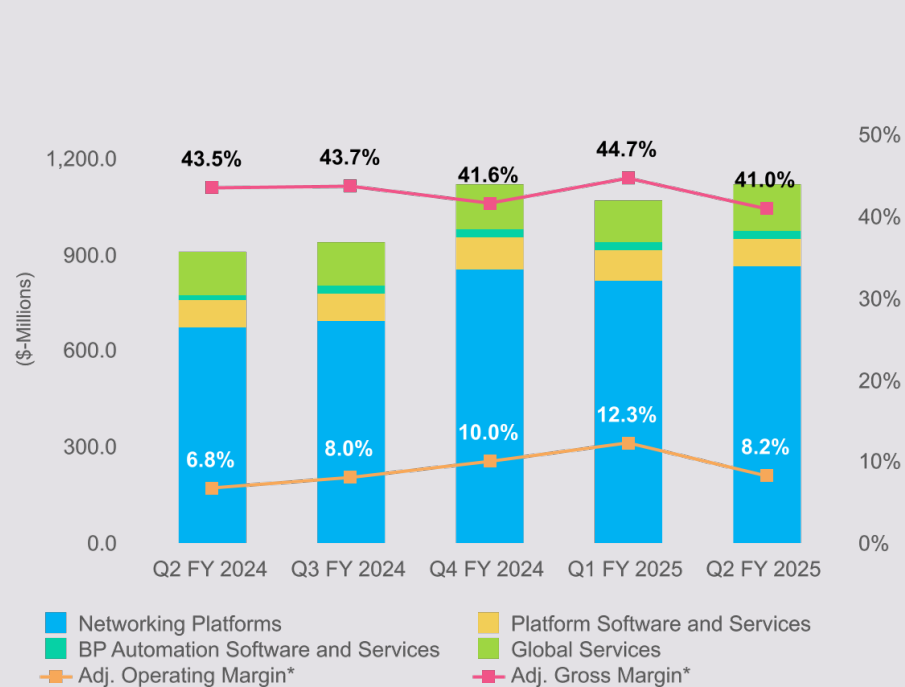
	Q2 FY 2025	Q2 FY 2024
Revenue	\$1,125.9M	\$910.8M
Adjusted Gross Margin*	41.0%	43.5%
Adjusted Operating Expense*	\$369.5M	\$333.9M
Adjusted Operating Margin*	8.2%	6.8%
Adjusted EBITDA*	\$116.7M	\$85.8M
Adjusted EPS*	\$0.42	\$0.27

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

Q2 FY 2025 comparative operating metrics

	Q2 FY 2025	Q2 FY 2024
Cash and investments	\$1.35B	\$1.42B
Cash provided by operations	\$157M	\$59M
DSO	87.0	98.0
Inventory Turns	2.5	1.6
Gross Leverage	3.15x	2.81x
Net Debt	\$253M	\$195M

Revenue by segment (Amounts in millions)



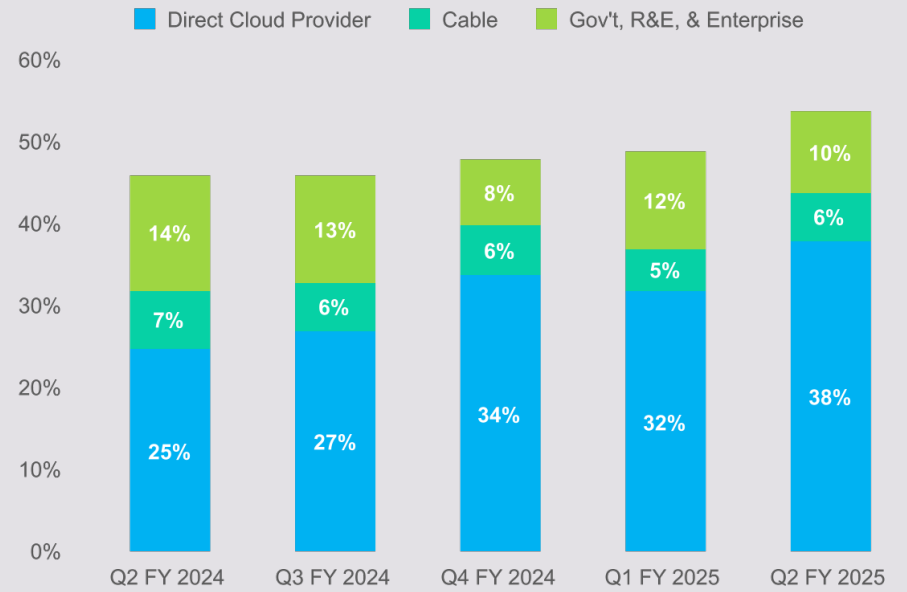
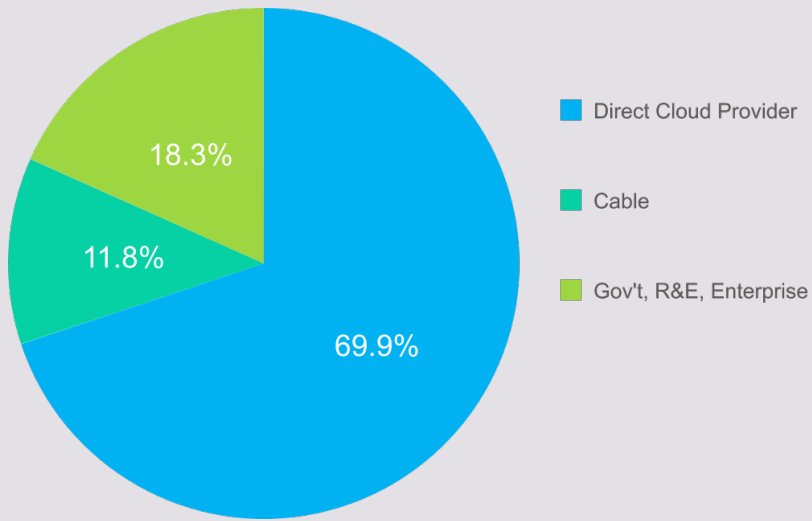
	Q2 FY 2025		Q2 FY 2024	
	Revenue	%**	Revenue	%**
Networking Platforms				
Optical Networking	\$773.6	68.7	\$560.2	61.5
Routing and Switching	92.7	8.2	116.1	12.7
Total Networking Platforms	866.3	76.9	676.3	74.2
Platform Software and Services	85.4	7.5	85.4	9.4
Blue Planet Automation Software and Services	28.0	2.5	14.4	1.6
Global Services				
Maintenance Support and Training	79.4	7.1	77.4	8.5
Installation and Deployment	58.2	5.2	43.8	4.8
Consulting and Network Design	8.6	0.8	13.5	1.5
Total Global Services	146.2	13.1	134.7	14.8
Total	\$1,125.9	100.0	\$910.8	100.0

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

** Denotes % of total revenue

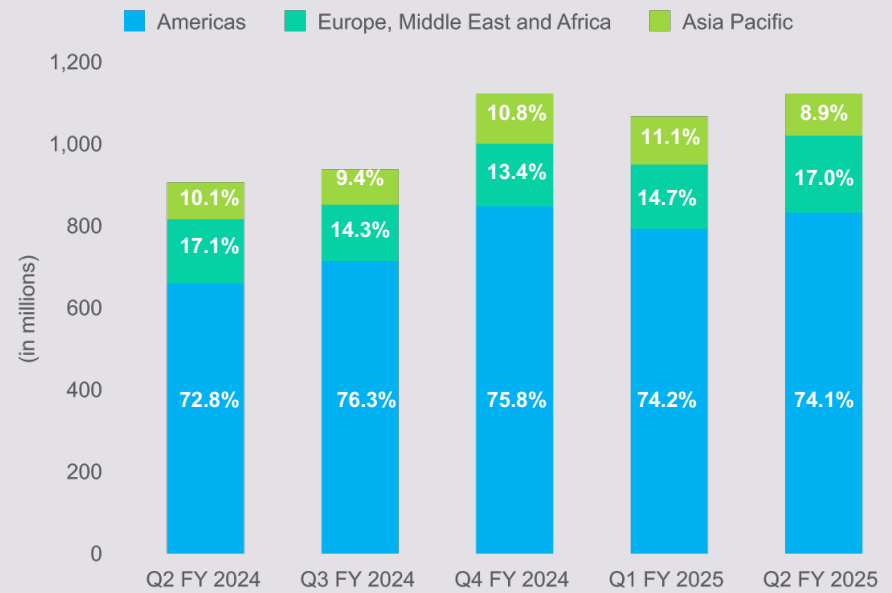
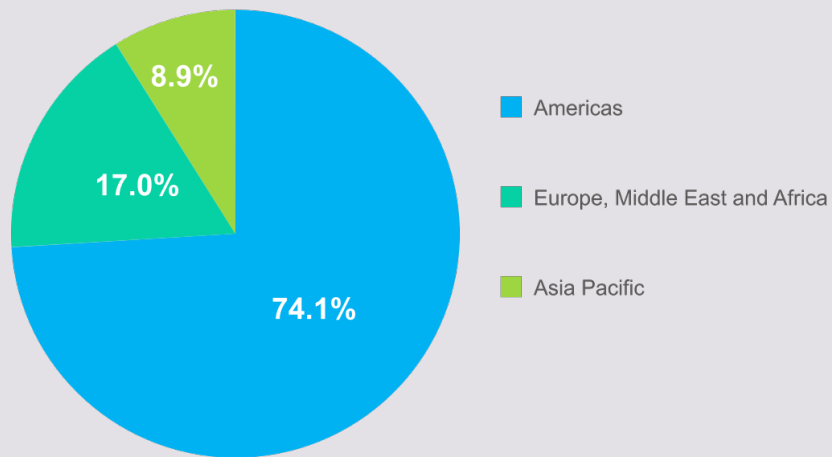
Revenue derived from non-telco customers

Q2 FY 2025 Non-Telco Revenue
Approx. 54% of total



Revenue by geographic region

Q2 FY 2025





Business outlook

Economic considerations and assumptions in our 2025 outlook

Business Assumptions

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

Revenue Assumptions

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

Profitability Assumptions

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

Business outlook¹

Q3 FY 2025

Revenue	\$1.13B to \$1.21B
Adjusted Gross Margin	Low 40s%
Adjusted Operating Expense	\$370M to \$375M

Full Fiscal Year 2025

Revenue Growth	Approximately 14%
Adjusted Gross Margin	Lower end of 42% to 44% range
Adjusted Operating Expense	An average of \$360M to \$370M per quarter

¹ Projections or outlook with respect to future operating results are only as of June 5, 2025, the date presented on the related earnings call. Actual results may differ materially from these forward-looking statements. Ciena assumes no obligation to update this information, whether as a result of new information, future events or otherwise.



Q2 FY 2025 appendix

Gross Profit Reconciliation (Amounts in thousands)

	Q2 FY 2025	Q1 FY 2025	Q4 FY 2024	Q3 FY 2024	Q2 FY 2024
GAAP gross profit	\$452,838	\$471,821	\$460,022	\$403,945	\$388,661
Share-based compensation-products	2,033	1,750	1,736	1,660	1,760
Share-based compensation-services	3,980	3,405	3,257	3,122	3,344
Amortization of intangible assets	2,232	2,233	2,764	2,764	2,763
Total adjustments related to gross profit	8,245	7,388	7,757	7,546	7,867
Adjusted (non-GAAP) gross profit	\$461,083	\$479,209	\$467,779	\$411,491	\$396,528
Adjusted (non-GAAP) gross profit percentage	41.0 %	44.7 %	41.6 %	43.7 %	43.5 %

Operating Expense Reconciliation (Amounts in thousands)

	Q2 FY 2025	Q1 FY 2025	Q4 FY 2024	Q3 FY 2024	Q2 FY 2024
GAAP operating expense	\$419,996	\$391,158	\$400,812	\$377,202	\$392,626
Share-based compensation-research and development	17,021	14,237	14,065	13,118	14,066
Share-based compensation-sales and marketing	13,649	11,597	11,168	10,315	11,166
Share-based compensation-general and administrative	11,341	9,827	10,842	9,257	9,875
Significant asset impairments and restructuring costs	1,948	1,544	2,605	1,361	15,655
Amortization of intangible assets	6,545	6,545	7,185	7,185	7,947
Total adjustments related to operating expense	50,504	43,750	45,865	41,236	58,709
Adjusted (non-GAAP) operating expense	\$369,492	\$347,408	\$354,947	\$335,966	\$333,917

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

	Q2 FY 2025	Q1 FY 2025	Q4 FY 2024	Q3 FY 2024	Q2 FY 2024
GAAP income (loss) from operations	\$32,842	\$80,663	\$59,210	\$26,743	\$(3,965)
Total adjustments related to gross profit	8,245	7,388	7,757	7,546	7,867
Total adjustments related to operating expense	50,504	43,750	45,865	41,236	58,709
Total adjustments related to income (loss) from operations	58,749	51,138	53,622	48,782	66,576
Adjusted (non-GAAP) income from operations	\$91,591	\$131,801	\$112,832	\$75,525	\$62,611
Adjusted (non-GAAP) operating margin percentage	8.2 %	12.3 %	10.0 %	8.0 %	6.8 %

Net Income (Loss) Reconciliation (Amounts in thousands)

	Q2 FY 2025	Q1 FY 2025	Q4 FY 2024	Q3 FY 2024	Q2 FY 2024
GAAP net income (loss)	\$8,969	\$44,572	\$37,028	\$14,230	\$(16,849)
Exclude GAAP provision for income taxes	10,047	24,022	10,993	2,125	820
Income (loss) before income taxes	19,016	68,594	48,021	16,355	(16,029)
Total adjustments related to income from operations	58,749	51,138	53,622	48,782	66,576
Loss on extinguishment and modification of debt	—	729	—	—	—
Adjusted income before income taxes	77,765	120,461	101,643	65,137	50,547
Non-GAAP tax provision on adjusted income before income taxes	17,108	26,501	22,361	14,330	11,120
Adjusted (non-GAAP) net income	\$60,657	\$93,960	\$79,282	\$50,807	\$39,427
Weighted average basic common shares outstanding	142,503	142,880	144,240	144,394	144,914
Weighted average diluted potential common shares outstanding ⁽¹⁾	144,972	145,944	146,487	145,361	146,268

Net Income (Loss) per Common Share

	Q2 FY 2025	Q1 FY 2025	Q4 FY 2024	Q3 FY 2024	Q2 FY 2024
GAAP diluted net income (loss) per potential common share	\$ 0.06	\$ 0.31	\$ 0.25	\$ 0.10	\$(0.12)
Adjusted (non-GAAP) diluted net income per potential common share	\$ 0.42	\$ 0.64	\$ 0.54	\$ 0.35	0.27

1. Weighted average dilutive potential common shares outstanding used in calculating Adjusted (non-GAAP) diluted net income per potential common share for the second quarter of fiscal 2025 includes 2.5 million shares underlying certain stock option and stock unit awards.

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

<i>Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)</i>	Q2 FY 2025	Q1 FY 2025	Q4 FY 2024	Q3 FY 2024	Q2 FY 2024
Net income (loss) (GAAP)	\$8,969	\$44,572	\$37,028	\$14,230	\$(16,849)
Add: Interest expense	21,697	22,918	24,990	24,401	23,861
Less: Interest and other income, net	7,871	11,578	13,801	14,013	11,797
Add: Loss on extinguishment and modification of debt	—	729	—	—	—
Add: Provision for income taxes	10,047	24,022	10,993	2,125	820
Add: Depreciation of equipment, building, furniture and fixtures, and amortization of leasehold improvements	25,092	24,679	23,849	22,981	23,208
Add: Amortization of intangible assets	8,777	8,778	9,949	9,949	10,710
EBITDA	\$66,711	\$114,120	\$93,008	\$59,673	\$29,953
Add: Share-based compensation expense	48,024	40,816	41,068	37,472	40,211
Add: Significant asset impairments and restructuring expense	1,948	1,544	2,605	1,361	15,655
Adjusted EBITDA	\$116,683	\$156,480	\$136,681	\$98,506	\$85,819

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Thank You