



Ciena Corporation

Fiscal Q3 2025 Earnings Presentation
Period ended August 2, 2025

September 4, 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 third 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 10-K 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

We build adaptive networks to support exponential growth in bandwidth demand – empowering our customers, partners, and communities to thrive in the AI era.

With unparalleled expertise and innovation, our networking systems, components, automation software, and services revolutionize data transmission and network management.

2,200+
patents

3,800+
R&D
specialists

8,600+
employees

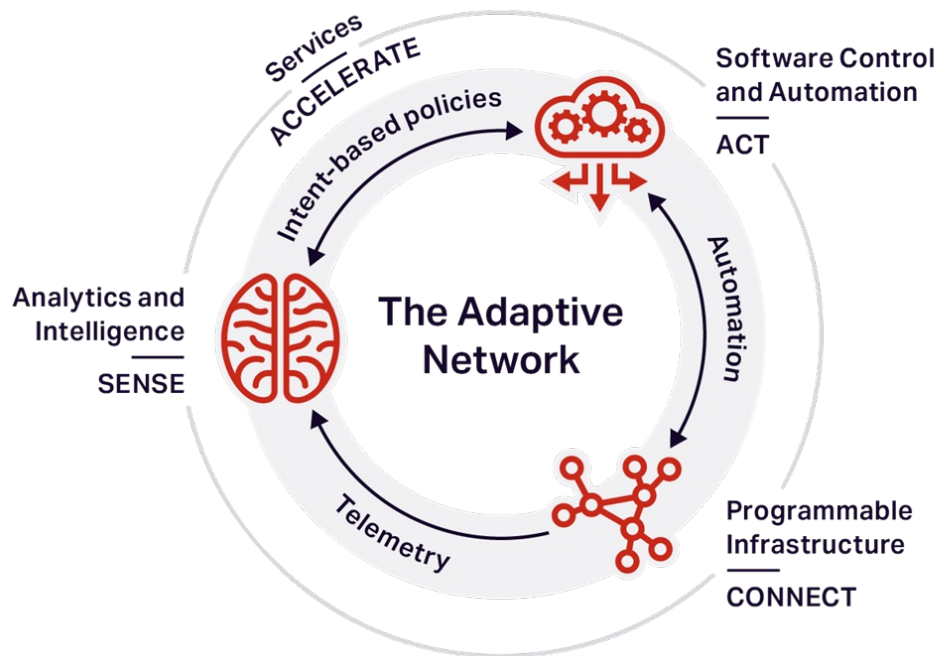
1,600+
customers
worldwide

\$4B
FY24
revenue

\$1.3B
cash &
investments
(FYE24)

Note: Statistics as of Fiscal Year End 2024

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

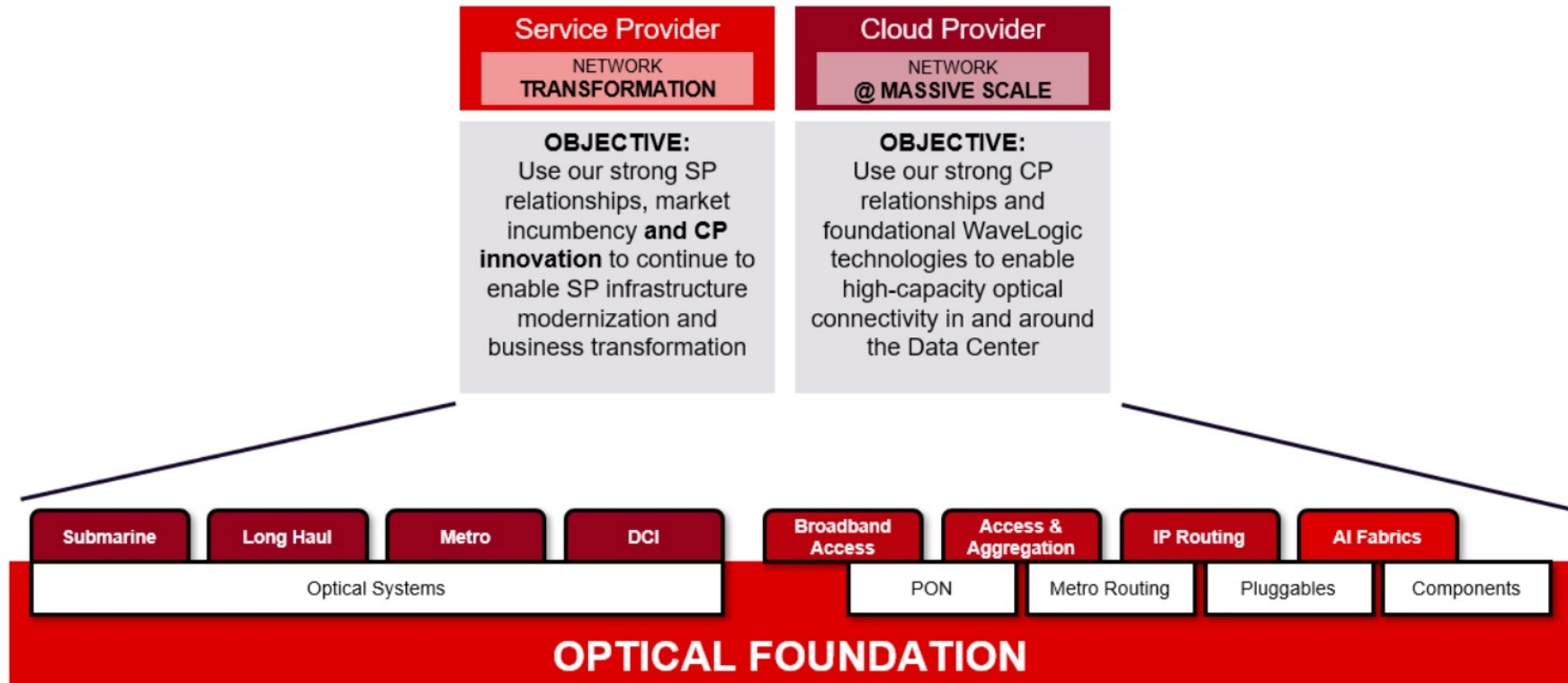
Analytics and Intelligence

- 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

We remain focused on leveraging our strong Optical foundation



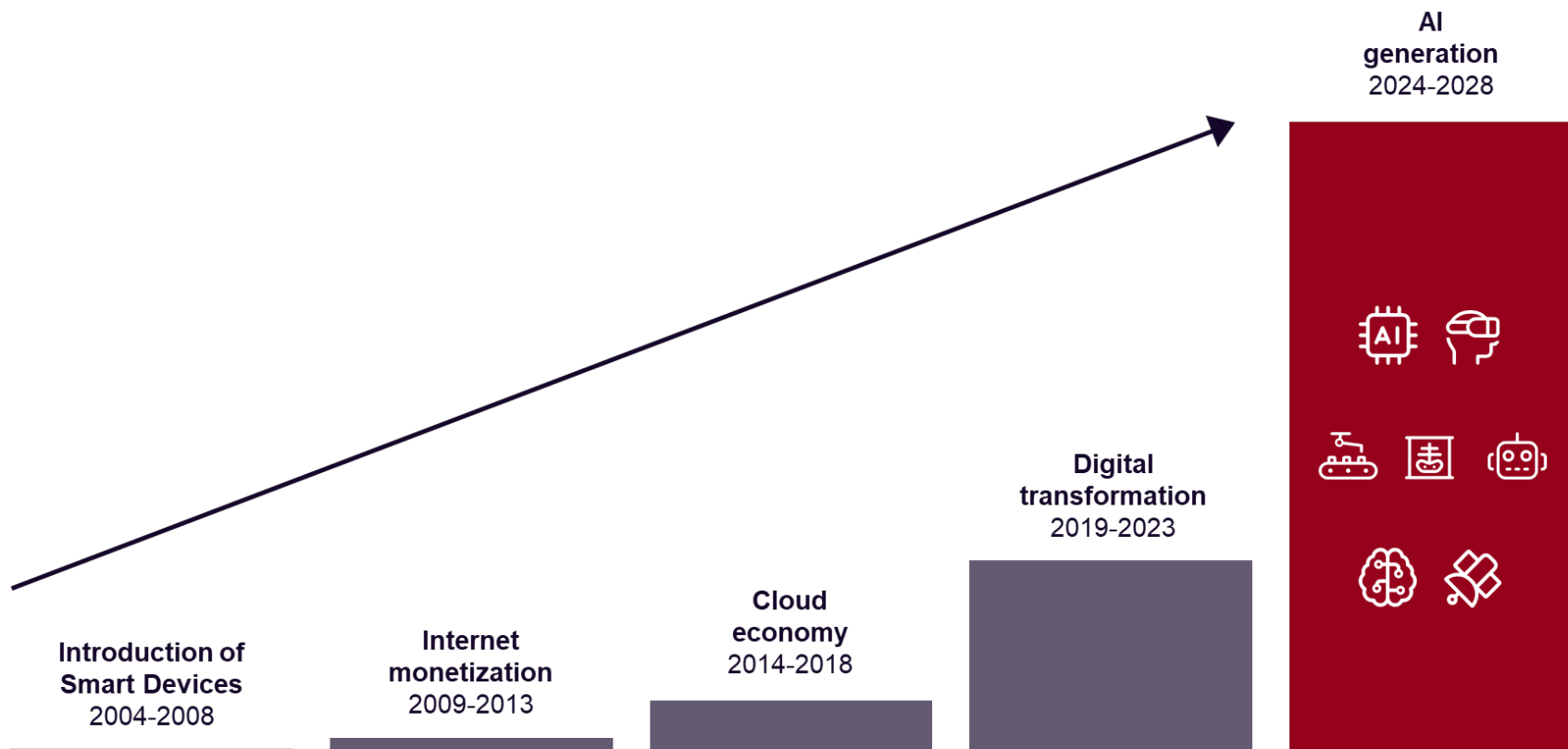


Industry context and addressable market expansion

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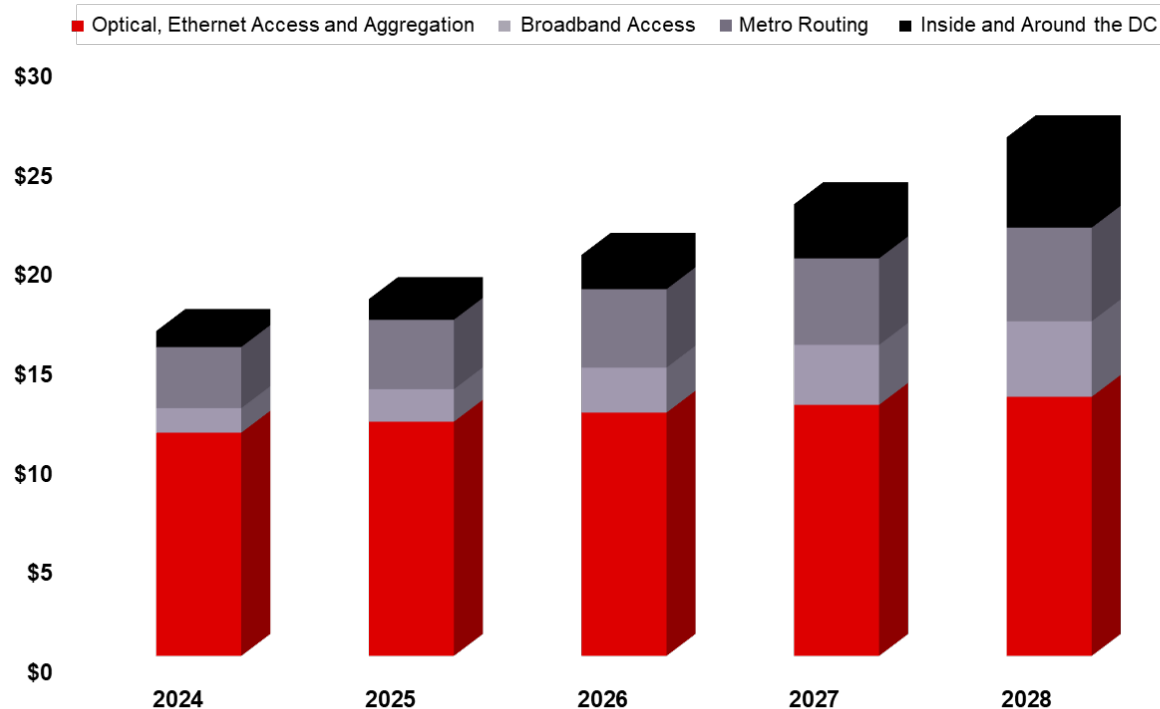


Increasing bandwidth consumption as a driver of network expansion



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, Signal AI, Omdia, LightCounting, and Ciena internal analysis.

An industry leader

Market leadership



#1 Globally

- Purpose-built/compact modular DCI
- SLTE WDM

#1 N. America

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

#2 Globally

- Total optical networking

Optical Networking Report, 1Q25



#1 Globally

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

#1 N. America

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

#2 Globally

- Total optical networking

Transport Hardware & Markets Preliminary Report, 2Q25



#1 Globally

- Data center interconnect
- Optical for cloud providers
- Purpose-built/compact modular DCI

#1 N. America

- Optical for cloud providers
- Total optical networking
- Optical packet

#2 Globally

- Total optical networking
- Optical Packet

Optical Transport Report, 2Q25

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

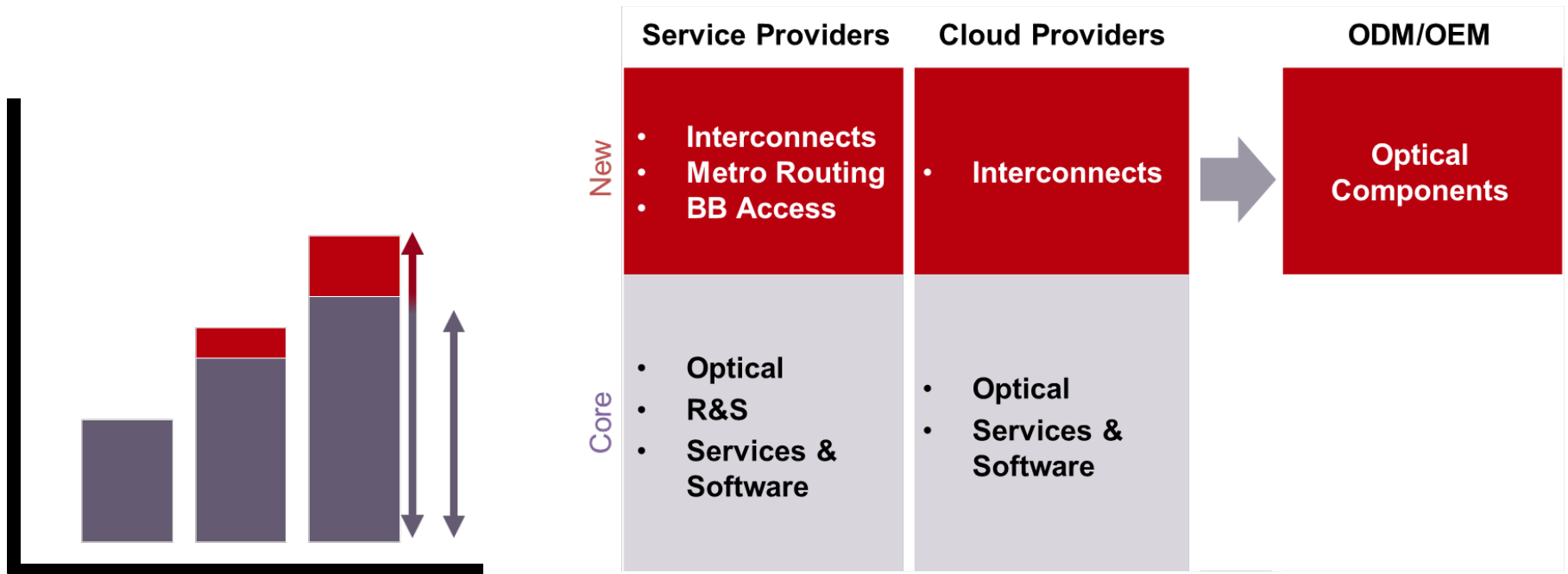


Ciena is positioned
for accelerated
growth

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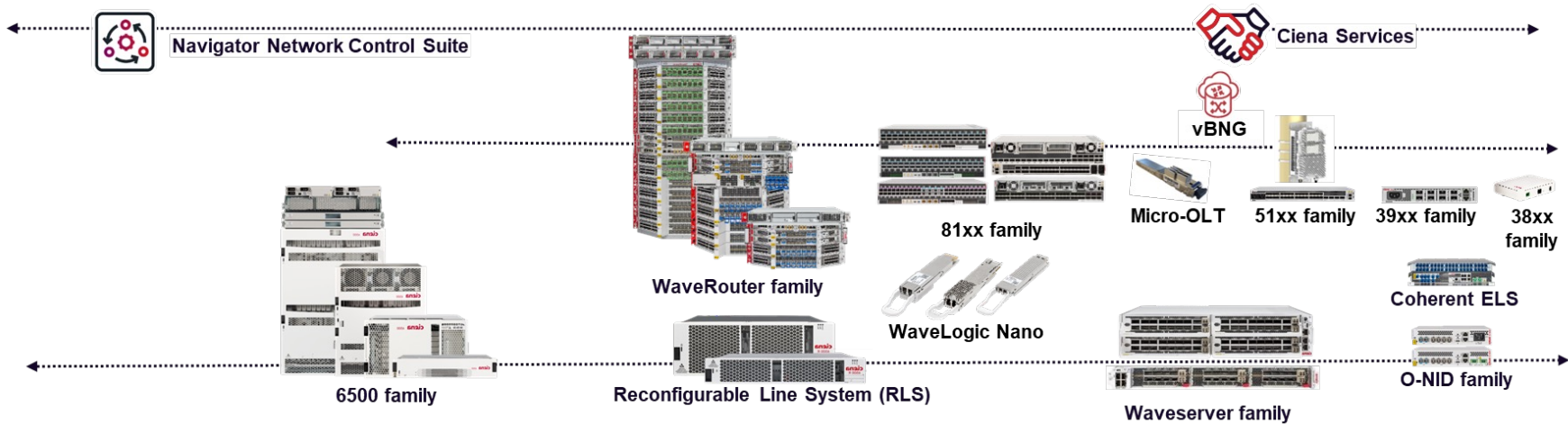
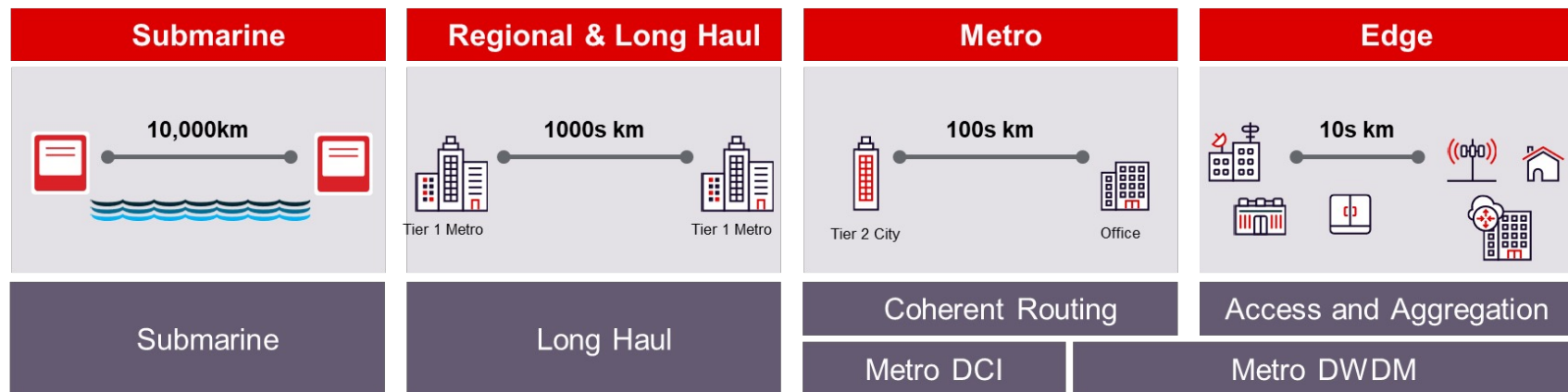


Our future growth opportunities




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



Q3 FY 2025 results

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Q3 FY 2025 key highlights

Achieving broad-based growth

Non-telco represented 53% of total revenue

Direct Cloud Provider revenue grew 94% YoY and represented 40% of total revenue

EMEA revenue grew 38% YoY

APAC revenue grew 24% YoY

Driving the pace of innovation

- First revenue quarter for WaveLogic 6 Nano coherent pluggable transceivers, both C-Band and L-Band variants
- WL6e deployments continue to ramp driven by AI network buildouts with 11 new customers in the quarter, including a neoscaler in the top three
- Record quarter for WaveLogic 5 Nano 400ZR shipments
- WaveRouter continues to expand beyond the North American Tier 1s into international and enterprise markets, with the world's first trial of 1.6Tbps in a router
- Achieved a record shipping quarter for Routing and Switching, driven by the Data Center Out-of-band network management (DCOM) solution

Prioritizing long term shareholder value

- Total shareholder return three-year CAGR of 18%¹
- Repurchased ~1.0 million shares for \$81.8 million under our three-year program (FY25-27)

Q3 FY 2025 comparative financial highlights

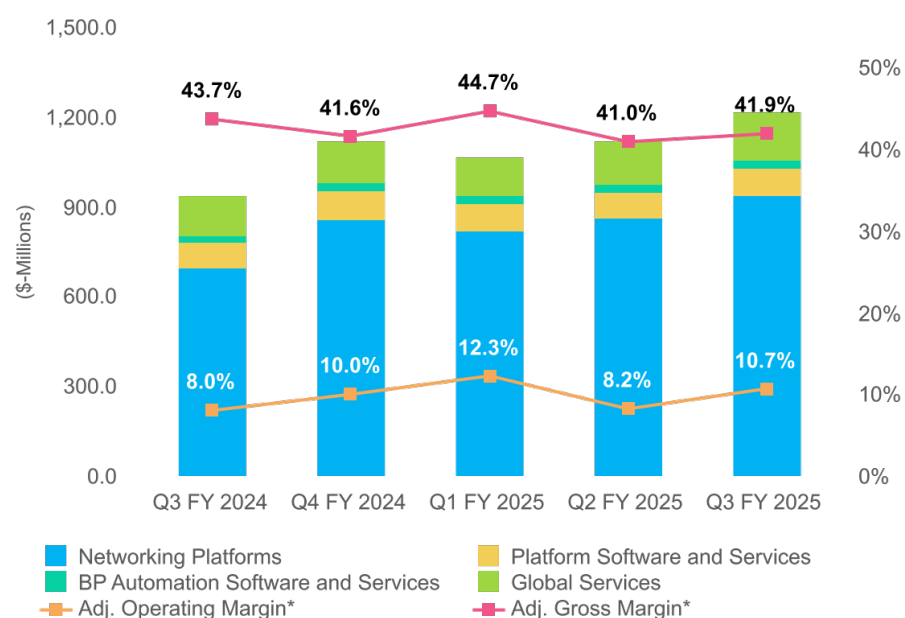
	Q3 FY 2025	Q3 FY 2024
Revenue	\$1,219.4M	\$942.3M
Adjusted Gross Margin*	41.9%	43.7%
Adjusted Operating Expense*	\$380.2M	\$336.0M
Adjusted Operating Margin*	10.7%	8.0%
Adjusted EBITDA*	\$158.0M	\$98.5M
Adjusted EPS*	\$0.67	\$0.35

* 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 2025 comparative operating metrics

	Q3 FY 2025	Q3 FY 2024
Cash and investments	\$1.39B	\$1.21B
Cash provided by (used in) operations	\$174M	\$(159)M
Free cash flow	\$135M	\$(179)M
DSO	88.0	100.0
Inventory turns	2.7	1.8
Net debt	\$204M	\$401M
Gross leverage	2.81x	3.08x

Revenue by segment (Amounts in millions)



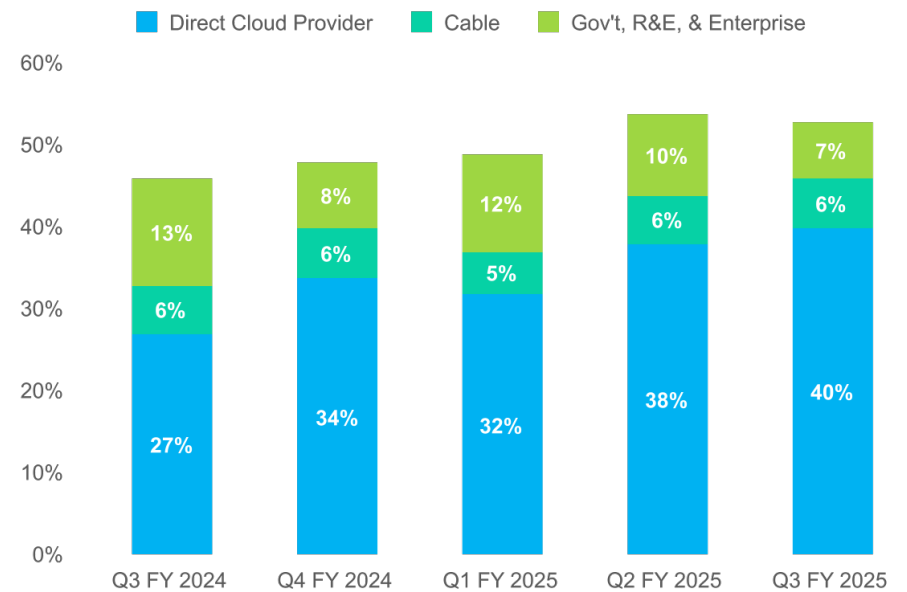
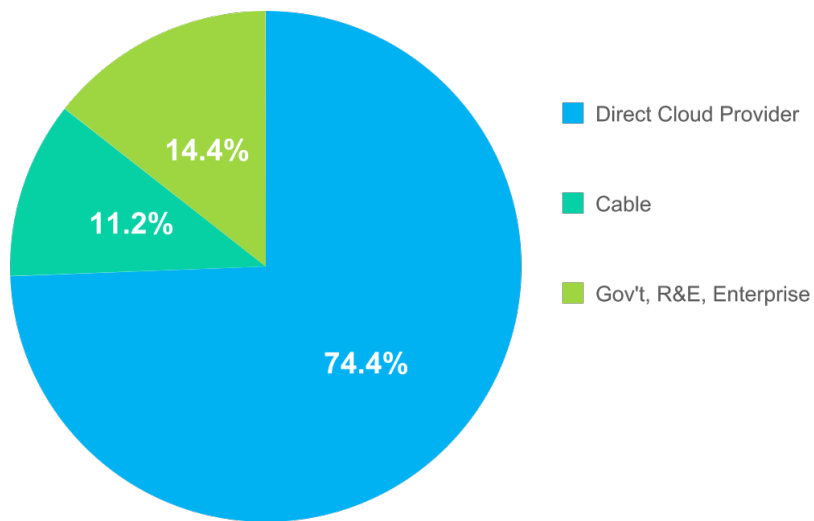
	Q3 FY 2025		Q3 FY 2024	
	Revenue	%**	Revenue	%**
Networking Platforms				
Optical Networking	\$815.5	66.9	\$606.8	64.4
Routing and Switching	125.9	10.3	92.7	9.8
Total Networking Platforms	941.4	77.2	699.5	74.2
Platform Software and Services	90.0	7.4	83.2	8.9
Blue Planet Automation Software and Services	27.8	2.3	25.8	2.7
Global Services				
Maintenance Support and Training	80.7	6.6	74.4	7.9
Installation and Deployment	65.9	5.4	46.5	4.9
Consulting and Network Design	13.6	1.1	12.9	1.4
Total Global Services	160.2	13.1	133.8	14.2
Total	\$1,219.4	100.0	\$942.3	100.0

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

** Denotes % of total revenue

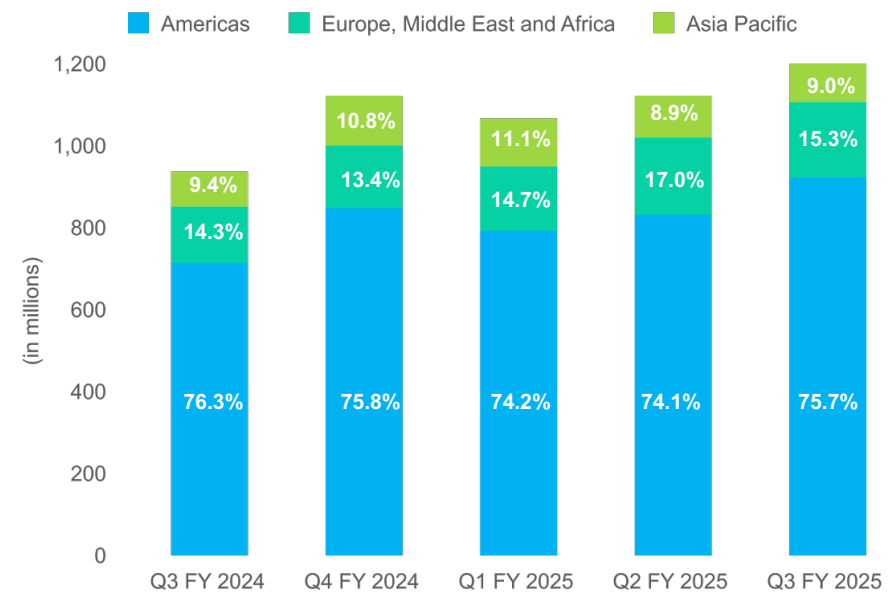
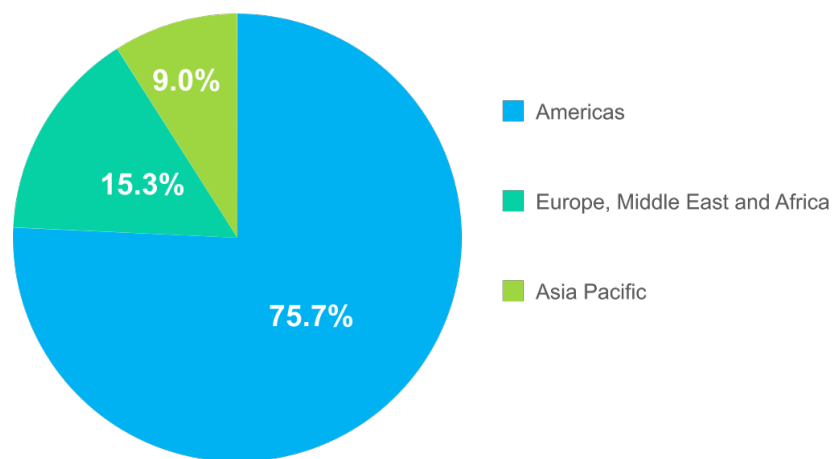
Revenue derived from non-telco customers

Q3 FY 2025 Non-Telco Revenue
Approx. 53% of total



Revenue by geographic region

Q3 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 cause 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 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
- 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
- Component suppliers deliver on their supply commitments consistent with our expectations and we do not encounter any substantial new supply disruptions that we cannot successfully mitigate
- Given our distinct competitive and technology advantages, we continue to benefit disproportionately and gain market share

Profitability Assumptions

- Operating expense increases due to our strong performance
- We expect quarterly variability in gross margins due to product mix
- We are able to achieve product cost reductions consistent with our past practices, particularly for our new product introductions
- We will benefit from being first to market, delivering to customers new, differentiated products that provide more value

Business outlook¹

Q4 FY 2025

Revenue	\$1.24B to \$1.32B
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Adjusted Gross Margin	42% to 43%
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Adjusted Operating Expense	\$390M to \$400M
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¹ Projections or outlook with respect to future operating results are only as of September 4, 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.



Q3 FY 2025 appendix

Gross Profit Reconciliation (Amounts in thousands)

	Q3 FY 2025	Q2 FY 2025	Q1 FY 2025	Q4 FY 2024	Q3 FY 2024
GAAP gross profit	\$503,079	\$452,838	\$471,821	\$460,022	\$403,945
Share-based compensation-products	2,027	2,033	1,750	1,736	1,660
Share-based compensation-services	3,942	3,980	3,405	3,257	3,122
Amortization of intangible assets	2,232	2,232	2,233	2,764	2,764
Total adjustments related to gross profit	8,201	8,245	7,388	7,757	7,546
Adjusted (non-GAAP) gross profit	\$511,280	\$461,083	\$479,209	\$467,779	\$411,491
Adjusted (non-GAAP) gross profit percentage	41.9 %	41.0 %	44.7 %	41.6 %	43.7 %

Operating Expense Reconciliation (Amounts in thousands)

	Q3 FY 2025	Q2 FY 2025	Q1 FY 2025	Q4 FY 2024	Q3 FY 2024
GAAP operating expense	\$429,544	\$419,996	\$391,158	\$400,812	\$377,202
Share-based compensation-research and development	16,749	17,021	14,237	14,065	13,118
Share-based compensation-sales and marketing	13,277	13,649	11,597	11,168	10,315
Share-based compensation-general and administrative	11,008	11,341	9,827	10,842	9,257
Significant asset impairments and restructuring costs	1,770	1,948	1,544	2,605	1,361
Amortization of intangible assets	6,556	6,545	6,545	7,185	7,185
Total adjustments related to operating expense	49,360	50,504	43,750	45,865	41,236
Adjusted (non-GAAP) operating expense	\$380,184	\$369,492	\$347,408	\$354,947	\$335,966

Income from Operations Reconciliation (Amounts in thousands)

	Q3 FY 2025	Q2 FY 2025	Q1 FY 2025	Q4 FY 2024	Q3 FY 2024
GAAP income from operations	\$73,535	\$32,842	\$80,663	\$59,210	\$26,743
Total adjustments related to gross profit	8,201	8,245	7,388	7,757	7,546
Total adjustments related to operating expense	49,360	50,504	43,750	45,865	41,236
Total adjustments related to income from operations	57,561	58,749	51,138	53,622	48,782
Adjusted (non-GAAP) income from operations	\$131,096	\$91,591	\$131,801	\$112,832	\$75,525
Adjusted (non-GAAP) operating margin percentage	10.7 %	8.2 %	12.3 %	10.0 %	8.0 %

Net Income Reconciliation (Amounts in thousands)

	Q3 FY 2025	Q2 FY 2025	Q1 FY 2025	Q4 FY 2024	Q3 FY 2024
GAAP net income	\$50,308	\$8,969	\$44,572	\$37,028	\$14,230
Exclude GAAP provision for income taxes	15,511	10,047	24,022	10,993	2,125
Income before income taxes	65,819	19,016	68,594	48,021	16,355
Total adjustments related to income from operations	57,561	58,749	51,138	53,622	48,782
Loss on extinguishment and modification of debt	—	—	729	—	—
Adjusted income before income taxes	123,380	77,765	120,461	101,643	65,137
Non-GAAP tax provision on adjusted income before income taxes	27,144	17,108	26,501	22,361	14,330
Adjusted (non-GAAP) net income	\$96,236	\$60,657	\$93,960	\$79,282	\$50,807
Weighted average basic common shares outstanding	141,846	142,503	142,880	144,240	144,394
Weighted average diluted potential common shares outstanding ⁽¹⁾	144,499	144,972	145,944	146,487	145,361

Net Income per Common Share

	Q3 FY 2025	Q2 FY 2025	Q1 FY 2025	Q4 FY 2024	Q3 FY 2024
GAAP diluted net income per potential common share	\$ 0.35	\$ 0.06	\$ 0.31	\$ 0.25	\$ 0.10
Adjusted (non-GAAP) diluted net income per potential common share	\$ 0.67	\$ 0.42	\$ 0.64	\$ 0.54	\$ 0.35

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 2025 includes 2.7 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>	Q3 FY 2025	Q2 FY 2025	Q1 FY 2025	Q4 FY 2024	Q3 FY 2024
Net income (GAAP)	\$50,308	\$8,969	\$44,572	\$37,028	\$14,230
Add: Interest expense	22,806	21,697	22,918	24,990	24,401
Less: Interest and other income, net	15,090	7,871	11,578	13,801	14,013
Add: Loss on extinguishment and modification of debt	—	—	729	—	—
Add: Provision for income taxes	15,511	10,047	24,022	10,993	2,125
Add: Depreciation of equipment, building, furniture and fixtures, and amortization of leasehold improvements	26,866	25,092	24,679	23,849	22,981
Add: Amortization of intangible assets	8,788	8,777	8,778	9,949	9,949
EBITDA	\$109,189	\$66,711	\$114,120	\$93,008	\$59,673
Add: Share-based compensation expense	47,003	48,024	40,816	41,068	37,472
Add: Significant asset impairments and restructuring expense	1,770	1,948	1,544	2,605	1,361
Adjusted EBITDA	\$157,962	\$116,683	\$156,480	\$136,681	\$98,506