



# **EARNINGS CONFERENCE CALL**

## **SECOND QUARTER 2025**

Nimrod Ben-Natan, President & CEO

Walter Jankovic, CFO

July 28, 2025

# FORWARD-LOOKING STATEMENTS



During the course of this presentation, we will provide projections and other forward-looking statements regarding future events or the future financial performance of Harmonic, including expectations concerning our business strategy for 2025 and beyond, our new stock repurchase program, and our Q3 2025 guidance. Such statements are only current expectations and actual events or results may differ materially. We refer you to Harmonic's filings with the SEC, particularly our most recent Reports on Form 10-K, Form 10-Q and Form 8-K. These documents identify important risk factors that could cause actual results to differ materially from our projections or other forward-looking statements. We will also present financial metrics determined on a “non-GAAP” basis. These items, together with the corresponding GAAP numbers and a reconciliation to GAAP, are contained in this presentation and the related earnings press release on our website at [www.harmonicinc.com](http://www.harmonicinc.com).



## BROADBAND & VIDEO

Two market-leading  
business units



## Q2 2025 REVENUE

\$138.0M  
Broadband: \$86.9M  
Video: \$51.1M



## MARKET CAPITALIZATION<sup>1</sup>

\$1.0B



## SILICON VALLEY

Headquarters



## CLOUD NATIVE INNOVATION LEADER



## MARKET-LEADING CUSTOMERS

Worldwide



# Revolutionizing Broadband Networks and Cloud Streaming

<sup>1</sup> Market Capitalization as of July 25, 2025

# OVERVIEW

## EXECUTING TOWARDS OUR LONG-TERM GROWTH PLAN



### Delivered on Q2 2025 Commitments

- Broadband revenues and profitability exceeded expectations with strong execution and bookings
- Video exceeded revenue and profitability expectations as the business demonstrates consistent performance

### Navigating Tariffs & Shift to Unified DOCSIS 4.0 in 2025

- Below revenue trend year expected in Broadband due to Unified 4.0 timing and potential tariff sensitivity
- Technology and market share leadership position on Unified 4.0, with initial Node shipments late in 2025

### Leading with a Strong Operating Model

- Cash balance of \$124 million, compared to prior year of \$46M
- \$14 million in Q2 2025 share repurchases, bringing our 2025 year-to-date share repurchases to \$50 million

### Positioned for Above Market Trend Growth in 2026

- Expect resumed revenue growth in 2026 with Unified 4.0, accelerating customer ramps, and recent wins
- Dell'Oro analyst report\* supports future long-term growth outlook

\* Source: Dell'Oro Group, January 23, 2025

Accelerate the adoption of next-generation, virtualized broadband networks for speed, reliability, and simplicity, over DOCSIS and Fiber



## Customer Diversification

- Four new customer wins and several past wins starting to deploy in Q2
- Strong Rest of World (ROW) bookings in Q2
- ROW record revenue in Q2, and continue to expect significant growth in 2025

## Technology Leadership

- cOS orchestrating DOCSIS and Fiber
- DOCSIS 4.0 Unified speed breakthrough (14G)
- Recent innovations:
  - SeaStar™ Optical Node for MDUs,
  - PTP-less for simplified DOCSIS operations
  - L4S to enhance quality of experience

## Fiber Growth

- ROW wins included two Fiber customers
- Record Fiber revenue in Q2 including revenue from a recent Tier 1 win

## Cloud Services Expansion

- Signed up two Tier-1 customers to the platform
- Beacon continues to gain traction, with additional customers adopting the service

# VIDEO MARKET TRENDS

## HARMONIC IS WELL POSITIONED TO LEAD

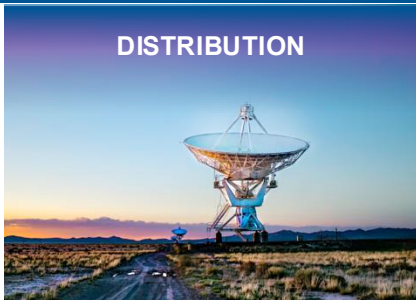


### *Leading Video Appliances*

#### TRANSFORMING BROADCAST TV



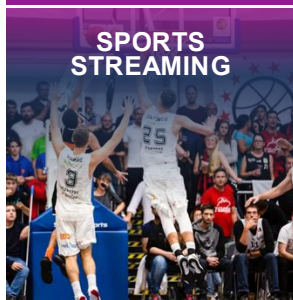
#### DISTRIBUTION



- Unified signal for all viewers
- 24/7 linear channels
- Mature segment with “Broadcast” standards

### *Leading Agnostic Video SaaS Provider*

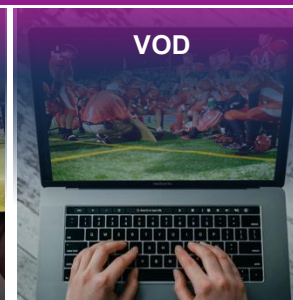
#### ENABLING PREMIUM STREAMING



#### SPORTS STREAMING



#### TV EVERYWHERE



#### VOD

- Dedicated stream per viewer including targeted ads
- On-demand viewing
- Growing and evolving

**HYBRID SOLUTIONS IN DEMAND**

## Appliance Profitability

- Winning and executing on primary distribution and takeout deals
- Strong pipeline and backlog entering Q3'25
- Consistent revenue and profitability performance

## SaaS Transformation

- Q2 SaaS record revenue \$15.4M
- Expansion of sports streaming
- Strong and growing Tier 1 Pipeline
- Akamai partnership driving 2H'25 growth

## Strong Operating Leverage





SECOND QUARTER 2025

# FINANCIAL RESULTS AND OUTLOOK

Walter Jankovic, CFO

# Q2 2025 FINANCIAL HIGHLIGHTS\*



## CONSOLIDATED RESULTS

- Revenue of \$138.0 million, down 0.5% from prior year
- EPS of \$0.09, up \$0.01 from prior year
- Cash \$123.9 million, up \$78.1 million from Q2'24

## BROADBAND RESULTS

- Revenue of \$86.9 million, down 6.5% from prior year
- Adj. EBITDA of \$10.8 million, down \$5.5 million from prior year

## VIDEO RESULTS

- Revenue \$51.1 million, up 11.6% from prior year
- SaaS revenue \$15.4 million, up 10.1% from prior year
- Adj. EBITDA \$6.2 million, up \$6.5 million from prior year

\* Non-GAAP

# CAPITAL ALLOCATION PRIORITIES

## Organic Growth

- ROW growth investments
- Working capital for growth
- Additional service offerings

## \$200M Stock Repurchase Authorization

- \$14M in stock repurchases during Q2 2025
- Expect strong free cash flow over next 3 years

## Inorganic Expansion Opportunities

- Leverage our growing footprint in Broadband

**Strong Liquidity Position with \$124M in Cash and \$82M in Undrawn Credit Facility**

# Q2 2025 REVENUE & GROSS MARGIN HIGHLIGHTS\*



Financial Metric (\$ Millions)	Q2 2025	Q1 2025	Q2 2024	Q2/Q1 Change	Q2 Y/Y Change
Total Net Revenue	\$138.0	\$133.1	\$138.7	3.7%	(0.5)%
Broadband Revenue	\$86.9	\$84.9	\$92.9	2.4%	(6.5)%
Video Revenue	\$51.1	\$48.3	\$45.8	5.9%	11.6%
Gross Margin (%)	54.1%	59.4%	53.1%	(5.3)%	1.0%
Broadband Gross Margin (%)	46.5%	55.5%	47.6%	(9.0)%	(1.1)%
Video Gross Margin (%)	67.0%	66.4%	64.4%	0.6%	2.6%

\* Non-GAAP. Components may not sum to total due to rounding

# Q2 2025 EARNINGS AND BOOKINGS HIGHLIGHTS\*



Financial Metric \$ Millions (except EPS)	Q2 2025	Q1 2025	Q2 2024	Q2/Q1 Change	Q2 Y/Y Change
Operating Expenses	\$60.7	\$60.5	\$61.5	\$0.2	\$(0.8)
Adj. EBITDA	\$17.0	\$21.1	\$16.1	\$(4.1)	\$0.9
Broadband Adj. EBITDA	\$10.8	\$15.9	\$16.3	\$(5.1)	\$(5.5)
Video Adj. EBITDA	\$6.2	\$5.3	\$(0.3)	\$0.9	\$6.5
EPS	\$0.09	\$0.11	\$0.08	\$(0.02)	\$0.01
Share Count	113.5	117.0	116.7	(3.5)	(3.2)
Bookings	\$158.4	\$113.7	\$72.4	\$44.7	\$86.0
Book to Bill Ratio	1.1	0.9	0.5	0.2	0.6

\* Non-GAAP. Components may not sum to total due to rounding



# Q2 2025 BALANCE SHEET & CASH FLOW HIGHLIGHTS



Financial Metric (\$ Millions)	Q2 2025	Q1 2025	Q2 2024
Cash	\$123.9	\$148.7	\$45.9
Cash Provided by (used in) Operations	\$(11.7)	\$83.6	\$(22.2)
Free Cash Flow	\$(15.5)	\$81.7	\$(24.1)
Accounts Receivable	\$120.7	\$98.6	\$120.0
DSO	79	67	78
Inventory	\$71.1	\$62.1	\$84.1
Inventory Days	101	103	116
Backlog and Deferred Revenue	\$504.5	\$485.1	\$613.1

# Q3 2025 FINANCIAL GUIDANCE\*



Financial Metric	Broadband	Video	Consolidated
Net Revenue (\$M)	\$75 - \$85	\$45 - \$50	\$120 - \$135
Gross Margin (%)**	45.0% - 46.0%	65.0% - 67.0%	52.5% - 53.8%
Adjusted EBITDA (\$M)	\$5 - \$9	\$2 - \$5	\$7 - \$14
Shares***	n/a	n/a	114.7 - 114.7
EPS	n/a	n/a	\$0.02 - \$0.07

\* Non-GAAP

\*\* Includes estimated tariff impacts of approximately \$1 million

\*\*\* Diluted shares assumes stock price at \$9.13 (Q2 2025 average price)

# CONCLUSION

## MARKET LEADER POSITIONED FOR GROWTH



**Q2 2025 Exceeded  
Expectations**

**Navigating 2025  
Broadband & Tariff  
Headwinds**

**Growth Rebound  
Expected in 2026**

### KEY LONG-TERM CATALYSTS

- Technology leadership positions
- Strong operating model
- Proven execution



## WRAP-UP & Q&A

# USE OF NON-GAAP FINANCIAL MEASURES



In establishing operating budgets, managing its business performance, and setting internal measurement targets, the Company excludes a number of items required by GAAP. Management believes that these accounting charges and credits, most of which are non-cash or non-recurring in nature, are not useful in managing its operations and business. Historically, the Company has also publicly presented these supplemental non-GAAP measures in order to assist the investment community to see the Company “through the eyes of management,” and thereby enhance understanding of its operating performance. The non-GAAP measures presented here are gross profit, operating expenses, income (loss) from operations, non-operating expense, net, Adjusted EBITDA, net income (loss) and net income (loss) per diluted share. The presentation of non-GAAP information is not intended to be considered in isolation or as a substitute for results prepared in accordance with GAAP, and is not necessarily comparable to non-GAAP results published by other companies. A reconciliation of the historical and forward-looking non-GAAP financial measures discussed in this presentation to the most directly comparable historical and forward-looking GAAP financial measures is included with the financial information contained in this presentation. The non-GAAP adjustments described below have historically been excluded from our GAAP financial measures. These adjustments are restructuring and related charges, stock-based compensation expense, lease-related asset impairment and other charges, non-cash interest expenses on convertible notes, adjustments that normalize the tax rate and depreciation.



# Q2 2025 GAAP TO NON-GAAP RECONCILIATIONS

(UNAUDITED, IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



## Three Months Ended June 27, 2025

	Revenue	Gross Profit	Total Operating Expense	Income from Operations	Total Non-operating Expense, net	Net Income
<b>GAAP</b>	\$ 138,027	\$ 73,793	\$ 69,923	\$ 3,870	\$ (894)	\$ 2,871
Stock-based compensation	—	868	(6,829)	7,697	—	7,697
Restructuring and related charges	—	—	(650)	650	—	650
Non-recurring advisory fees	—	—	(78)	78	—	78
Lease-related asset impairment and other charges <sup>(1)</sup>	—	—	(1,637)	1,637	—	1,637
Discrete tax items and tax effect of Non-GAAP adjustments	—	—	—	—	—	(2,633)
<b>Total adjustments</b>	—	868	(9,194)	10,062	—	7,429
<b>Non-GAAP</b>	<u>\$ 138,027</u>	<u>\$ 74,661</u>	<u>\$ 60,729</u>	<u>\$ 13,932</u>	<u>\$ (894)</u>	<u>\$ 10,300</u>
<i>As a % of revenue (GAAP)</i>		53.5 %	50.7 %	2.8 %	(0.6)%	2.1 %
<i>As a % of revenue (Non-GAAP)</i>		54.1 %	44.0 %	10.1 %	(0.6)%	7.5 %
<b>Diluted net income per share:</b>						
GAAP						<u>\$ 0.03</u>
Non-GAAP						<u>\$ 0.09</u>
<b>Shares used in per share calculation:</b>						
GAAP and Non-GAAP						<u>113,493</u>

# Q1 2025 GAAP TO NON-GAAP RECONCILIATIONS

(UNAUDITED, IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



	Three Months Ended March 28, 2025					
	Revenue	Gross Profit	Total Operating Expense	Income from Operations	Total Non-operating Expense, net	Net Income
<b>GAAP</b>	\$ 133,135	\$ 78,574	\$ 68,447	\$ 10,127	\$ (1,646)	\$ 5,940
Stock-based compensation	—	561	(7,904)	8,465	—	8,465
Discrete tax items and tax effect of Non-GAAP adjustments	—	—	—	—	—	(1,018)
<b>Total adjustments</b>	—	561	(7,904)	8,465	—	7,447
<b>Non-GAAP</b>	<u>\$ 133,135</u>	<u>\$ 79,135</u>	<u>\$ 60,543</u>	<u>\$ 18,592</u>	<u>\$ (1,646)</u>	<u>\$ 13,387</u>
<i>As a % of revenue (GAAP)</i>		59.0 %	51.4 %	7.6 %	(1.2)%	4.5 %
<i>As a % of revenue (Non-GAAP)</i>		59.4 %	45.5 %	14.0 %	(1.2)%	10.1 %
<b>Diluted net income per share:</b>						
GAAP						<u>\$ 0.05</u>
Non-GAAP						<u>\$ 0.11</u>
<b>Shares used in per share calculation:</b>						
GAAP and Non-GAAP						<u>117,021</u>

# Q2 2024 GAAP TO NON-GAAP RECONCILIATIONS

(UNAUDITED, IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



## Three Months Ended June 28, 2024

	Revenue	Gross Profit	Total Operating Expense	Income (Loss) from Operations	Total Non-operating Expense, net	Net Income (Loss)
<b>GAAP</b>	\$ 138,740	\$ 73,457	\$ 89,087	\$ (15,630)	\$ (805)	\$ (12,532)
Stock-based compensation	—	273	(6,681)	6,954	—	6,954
Restructuring and related charges	—	—	(11,482)	11,482	—	11,482
Non-recurring advisory fees	—	—	(406)	406	—	406
Lease-related asset impairment and other charges	—	—	(9,000)	9,000	—	9,000
Non-cash interest expense related to convertible notes	—	—	—	—	338	338
Discrete tax items and tax effect of non-GAAP adjustments	—	—	—	—	—	(6,369)
<b>Total adjustments</b>	—	273	(27,569)	27,842	338	21,811
<b>Non-GAAP</b>	<u>\$ 138,740</u>	<u>\$ 73,730</u>	<u>\$ 61,518</u>	<u>\$ 12,212</u>	<u>\$ (467)</u>	<u>\$ 9,279</u>
<i>As a % of revenue (GAAP)</i>		52.9 %	64.2 %	(11.3)%	(0.6)%	(9.0)%
<i>As a % of revenue (Non-GAAP)</i>		53.1 %	44.3 %	8.8 %	(0.3)%	6.7 %
<b>Diluted net income (loss) per share:</b>						
GAAP						<u>\$ (0.11)</u>
Non-GAAP						<u>\$ 0.08</u>
<b>Shares used in per share calculation:</b>						
GAAP						<u>115,030</u>
Non-GAAP						<u>116,690</u>

# ADJ. EBITDA CALCULATIONS

(UNAUDITED, IN THOUSANDS)



Three Months Ended June 27, 2025		
	Broadband	Video
Income from operations	\$ 8,585	\$ 5,347
Depreciation	1,929	743
Other non-operating income, net	255	104
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$ 10,769</b>	<b>\$ 6,194</b>
Revenue	\$ 86,918	\$ 51,109
<i>Adjusted EBITDA margin %<sup>(1)</sup></i>	<i>12.4 %</i>	<i>12.1 %</i>

Three Months Ended March 28, 2025		
	Broadband	Video
Income from operations	\$ 14,021	\$ 4,571
Depreciation	1,964	756
Other non-operating expense, net	(124)	(48)
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$ 15,861</b>	<b>\$ 5,279</b>
Revenue	\$ 84,878	\$ 48,257
<i>Adjusted EBITDA margin %<sup>(1)</sup></i>	<i>18.7 %</i>	<i>10.9 %</i>

Three Months Ended June 28, 2024		
	Broadband	Video
Income (loss) from operations	\$ 13,781	\$ (1,569)
Depreciation	2,133	1,093
Other non-operating income, net	406	213
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$ 16,320</b>	<b>\$ (263)</b>
Revenue	\$ 92,937	\$ 45,803
<i>Adjusted EBITDA margin %<sup>(1)</sup></i>	<i>17.6 %</i>	<i>(0.6)%</i>

# ADJ. EBITDA RECONCILIATIONS

(UNAUDITED, IN THOUSANDS)



	Three Months Ended		
	June 27, 2025	March 28, 2025	June 28, 2024
<b>Net income (loss) (GAAP)</b>	\$ 2,871	\$ 5,940	\$ (12,532)
Provision for (benefit from) income taxes	105	2,541	(3,903)
Interest expense, net	1,253	1,474	1,424
Depreciation	2,672	2,720	3,226
<b>EBITDA</b>	6,901	12,675	(11,785)
<i>Adjustments</i>			
Stock-based compensation	7,697	8,465	6,954
Restructuring and related charges	650	—	11,482
Non-recurring advisory fees	78	—	406
Lease-related asset impairment and other charges	1,637	—	9,000
<b>Total consolidated segment adjusted EBITDA (Non-GAAP)</b>	\$ 16,963	\$ 21,140	\$ 16,057
<b>Revenue</b>	\$ 138,027	\$ 133,135	\$ 138,740
<i>Net income (loss) margin (GAAP)</i>	2.1 %	4.5 %	(9.0)%
<i>Consolidated segment Adjusted EBITDA margin (Non-GAAP)</i>	12.3 %	15.9 %	11.6 %



# GUIDANCE GAAP TO NON-GAAP RECONCILIATIONS

(UNAUDITED, IN MILLIONS, EXCEPT EPS AND PERCENTAGES)



## Q3 2025 Financial Guidance <sup>(1)</sup>

	Revenue		Gross Profit		Total Operating Expense		Income from Operations		Net Income (Loss)	
<b>GAAP</b>	\$ 120	to \$ 135	\$ 63	to \$ 73	\$ 68	to \$ 70	\$ (5)	to \$ 3	\$ (4)	to \$ —
Stock-based compensation expense	—		—		(8)		8		8	
Restructuring and related charges	—		—		(1)		1		1	
Tax effect of Non-GAAP adjustments	—		—		—		—		(3)	to (1)
<b>Total adjustments</b>	—		—		(9)		9		6	to 8
<b>Non-GAAP</b>	\$ 120	to \$ 135	\$ 63	to \$ 73	\$ 59	to \$ 61	\$ 4	to \$ 11	\$ 2	to \$ 8
<i>As a % of revenue (GAAP)</i>			52.5 %	to 53.8 %	56.7 %	to 51.9 %	(4.2)%	to 2.2 %	(3.3)%	to — %
<i>As a % of revenue (Non-GAAP)</i>			52.5 %	to 53.8 %	49.2 %	to 45.2 %	3.3 %	to 8.1 %	1.7 %	to 5.9 %
<b>Diluted net income (loss) per share:</b>										
GAAP									\$ (0.04)	to \$ —
Non-GAAP									\$ 0.02	to \$ 0.07
<b>Shares used in per share calculation:</b>										
GAAP									113.9	to 114.7
Non-GAAP									114.7	

(1) Components may not sum to total due to rounding.

# GUIDANCE ADJ. EBITDA CALCULATIONS

(UNAUDITED, IN MILLIONS)



	Q3 2025 Financial Guidance			
	Broadband		Video	
Income from operations	\$	3 to \$ 7	\$	1 to \$ 4
Depreciation		2		1
<b>Segment adjusted EBITDA<sup>(2)</sup></b>	<b>\$</b>	<b>5 to \$ 9</b>	<b>\$</b>	<b>2 to \$ 5</b>

# GUIDANCE ADJ. EBITDA RECONCILIATIONS

(UNAUDITED, IN MILLIONS)



	<b>Q3 2025 Financial Guidance</b>	
<b>Net income (loss) (GAAP)</b>	\$ (4) to \$	—
Provision for (benefit from) income taxes	(2)	1
Interest expense, net	1	1
Depreciation	3	3
<b>EBITDA</b>	(2) to	5
<i>Adjustments</i>		
Stock-based compensation	8	8
Restructuring and related charges	1	1
<b>Total consolidated segment adjusted EBITDA (Non-GAAP)</b>	\$ 7 to \$	14

(1) Components may not sum to total due to rounding.



THANK YOU.