



# Ciena Corporation

## Investor Presentation

Winter 2023 - 2024

# Forward-looking statements and non-GAAP measures

You are encouraged to review the Investors section of our website, where we routinely post press releases, Securities and Exchange Commission (SEC) filings, recent news, financial results, supplemental financial information, and other announcements. From time to time, we exclusively post material information to this website along with other disclosure channels that we use. Information in this presentation and related comments of presenters contain a number of 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 Ciena's prospective financial results, return of 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 relating to Ciena's business, including: the effect of broader economic and market conditions on our customers, their spending, and their businesses and markets; our ability to execute our business and growth strategies; the impact of macroeconomic conditions and global supply chain constraints or disruptions, including increased supply costs and lead times; the impact of the introduction of new technologies by us or our competitors; seasonality and the timing and size of customer orders, their delivery dates, and our ability to recognize revenue relating to such sales; the level of competitive pressure we encounter; the product, customer and geographic mix of sales within the period; changes in foreign currency exchange rates; factors beyond our control such as natural disasters, climate change, acts of war or terrorism, geopolitical tensions or events, including but not limited to the ongoing conflicts between Ukraine and Russia and Israel and Hamas, and public health emergencies or epidemics, including the COVID-19 pandemic; changes in tax or trade regulations, including the imposition of tariffs, duties or efforts to withdraw from or materially modify international trade agreements; cyberattacks, data breaches or other security incidents involving our enterprise network environment or our products; regulatory changes, litigation involving our intellectual property or government investigations; and the other risk factors disclosed in Ciena's periodic reports filed with the Securities and Exchange Commission (SEC) including Ciena's Quarterly Report on Form 10-Q filed with the SEC on September 6, 2023 and Ciena's Annual Report on Form 10-K filed with the SEC on December 15, 2023.

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 report on 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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# Our Pedigree



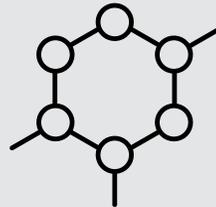
# Overview

**Ciena is an industry-leading global networking systems, services, and software company with a strong track record of creating shareholder value**



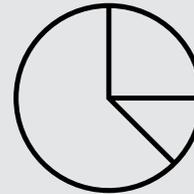
## Leading technology and innovation<sup>1</sup>

- R&D spend ~17% of total revenue
- ~4,100 R&D specialists
- DWDM pioneer, first to market with 40G, 100G, 400G and 800G technology
- In FYQ2'23, announced WaveLogic™ 6 to support up to 1.6Tbps single-carrier wavelengths
- ~2,100 issued patents



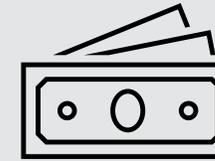
## Diversification and scale<sup>1</sup>

- 45% revenue from non-telco customers
- 1,500+ customers
- Operations in 30+ countries
- Top 10 customers in FY23 included four cloud providers, three US service providers, one international service providers, one cable operator, and one enterprise



## Market leadership

- Recognized as the market leader in our space
- #1 or #2 market share across our Optical markets<sup>2</sup>



## Strong balance sheet

- Our balance sheet represents a competitive advantage
- \$1.25B in cash and investments at FYE23
- \$1.0B share repurchase program including a \$250M accelerated share repurchase (ASR) announced in December 2021



## Strong ESG progress

- Published updated Sustainability Report
- Two greenhouse gas reduction goals approved by Science-based Targets initiative (SBTi)
- ISS Governance Score 1 out of 10
- Ecovadis Platinum Medal (Top 1%)

<sup>1</sup> Statistics based on FY 2023, unless otherwise noted

<sup>2</sup> As cited by Omdia, Dell'Oro Group and Cignal AI for different markets, ex-China

# Our portfolio uniquely enables our customers



## SOFTWARE CONTROL AND AUTOMATION

**Blue Planet®** multi-domain orchestration, federated inventory, and service order management solutions support service lifecycle automation across multi-layer, multi-vendor networks.

**Ciena's Manage, Control and Plan (MCP)** domain controller provides intelligent, data-driven, software-defined programmability to lifecycle network operations across multi-layer Ciena-based infrastructure.



## ANALYTICS AND INTELLIGENCE

**Blue Planet®** Unified Assurance and Analytics and Route Optimization and Analysis software unify multi-layer, multi-domain assurance, with AI-powered analytics to provide strategic insights that transform and streamline business, IT, and network operations.

**MCP Advanced Apps** enhance operations and simplify user experience for optimization of multi-layer network performance, featuring Liquid Spectrum™ for increased optical network capacity and service availability, and Adaptive IP™ Apps for advanced real-time visualization and analysis of multi-vendor IP networks.



## PROGRAMMABLE INFRASTRUCTURE

**Converged Packet Optical Networking:** Full suite of compact modular and converged software-programmable platforms and pluggables, featuring Ciena's award-winning WaveLogic™ Coherent Optics, fully instrumented, reconfigurable line systems and agnostic packet/OTN switching, designed to maximize scale, flexibility, and open networking. Delivers optimal network performance across applications from metro to submarine, and is the dominant platform used globally for Data Center Interconnect.

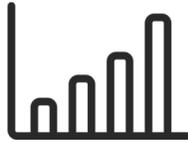
**Routing and Switching:** Purpose-built routing, switching, and x86 VNF hosting platforms—leveraging Service-Aware Operating System (SAOS), virtualized software, and WaveLogic Coherent Optics—provide the building blocks for low-touch, high-velocity IP, Segment Routing, Ethernet, MPLS, vBNG, and pluggable PON for next-generation broadband access, aggregation, and metro networks.

## CIENA SERVICES

Enables customers to deliver the exceptional experiences their end users expect. Ciena regional teams partner with customers to build, operate, improve, and transform their network.

Ciena leverages a robust set of services, proven processes, and tools to enable customer success and accelerate their journey to the Adaptive Network.

# Our corporate strategy is multi-faceted



## Lead

Our Core Business

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- Strengthen optical innovation leadership
- Grow optical market share by addressing fast-growing opportunities
- Pursue coherent pluggables and components as an additional consumption model
- Increase international business and grow attached services



## Invest

Next Generation Metro & Edge

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- Expand use cases for Routing & Switching portfolio and addressable market opportunity
- Win the converged IP Optical metro opportunity with Coherent Routing
- Leverage pluggable PON innovation and virtualization for growth in fiber based broadband access



## Expand

Software Led Transformation

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- Drive digital transformation and network automation with Blue Planet and software solutions
- Grow software business opportunities including expansion of virtual routing
- Pursue advanced services led transformation with network migration, optimization, and multi-vendor capabilities

**Our strategy focuses on growth in our foundational businesses and strong TAM expansion**

# FY 2023 key achievements

## We are driving the pace of innovation

- Announced WaveLogic™ 6, our next generation of coherent optics and the industry's first to support up to 1.6Tbps single-carrier wavelengths
- Delivering industry-leading coherent technology with WaveLogic 5 Extreme (WL5e), the most widely deployed 800G solution, and WaveLogic 5 Nano interoperable and performance pluggables
- Launched WaveRouter, a purpose-built Coherent Router and industry-first platform architecture optimally designed for the converged metro
- Offering a fully integrated per port architecture for Broadband Access Solution encompassing products across our Routing and Switching portfolio

## We have a resilient business and financial model

- Delivered revenue growth of 21% over fiscal 2022
- We repurchased approximately 5.7 million shares for \$250 million as part of our \$1 billion stock repurchase program
  - Under this program, we have repurchased a total of 14.1 million shares for \$750 million and we are committed to completing the program by FYE 2024
- Our balance sheet remains a significant differentiator
  - Ended the fiscal quarter with approximately \$1.25B in cash and investments

## We are committed to our people, communities, and the environment

- Released our updated Sustainability Report, detailing our progress and performance across environmental, social, and governance programs
- Obtained approval from the Science Based Target Initiative (SBTi) of new greenhouse gas reduction goals to address our direct operations, as well as our innovative technology solutions, which can reduce the environmental impact of networks across the globe
- Awarded 20 schools with a Ciena Solutions Challenge Sustainability Award, helping them bring to life their innovative solutions to sustainability challenges affecting their local communities



# Market context and Ciena's portfolio



# Mega-trends driving strong network traffic growth

AI & Cloud



Data Center



IoT and Connected Objects



Digital Transformation & Automation



Mobility & 5G



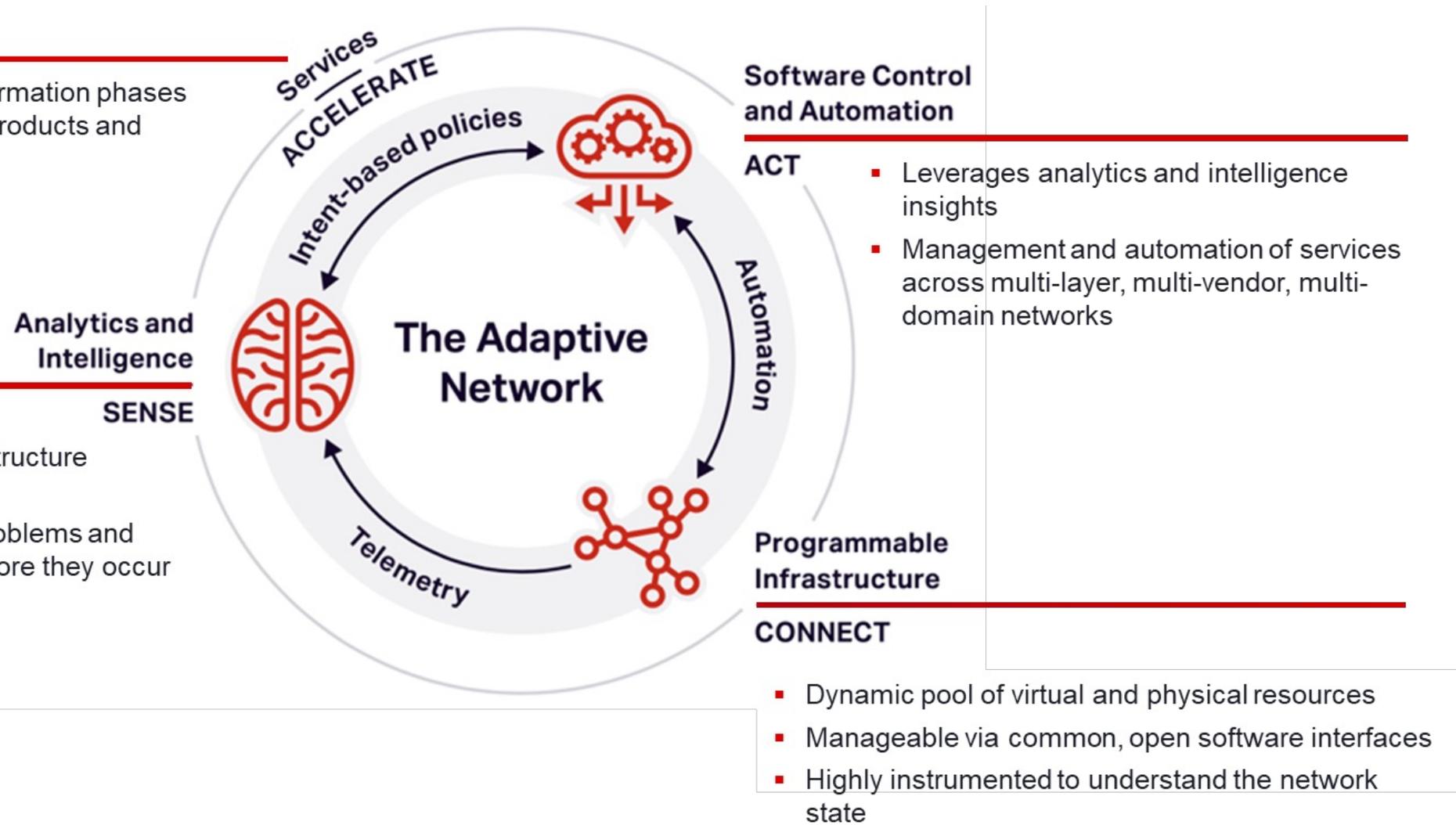
Virtual & Hybrid Lifestyles



# The Adaptive Network enables customers to create flexible, open, and sustainable networks

- Services to support all transformation phases and fill in skills gaps for new products and technologies

- Leverages instrumented infrastructure telemetry
- Proactively predict potential problems and anticipate network trends—before they occur



# Our market leadership



## #1 Globally

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

## #1 N. America

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

## #2 Globally

- Total optical networking

Optical Networking Report, 3Q23  
Service Provider Switching & Routing Report, 3Q23



## #1 Globally

- Purpose-built/compact modular DCI
- Optical for cloud & COLO
- SLTE WDM

## #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
- Packet access

Transport Hardware and Markets Report, 3Q23  
Transport Applications Report, 2Q23



## #1 Globally

- Data center interconnect
- Optical for internet content provider customers
- Optical for cable MSO customers

## #1 N. America

- Data center interconnect
- Total optical networking
- Optical packet

## #2 Globally

- Total optical networking
- Optical packet
- Purpose-built/compact modular DCI
- Communication service provider customers

Optical Transport Report, 3Q23

# Next-Gen Metro and Edge is a strategic growth segment

Fiber Broadband Access is a key driver in this space

## Core Transport

**\$6B → \$7B**  
2020 Future

- High Capacity Converged Packet-Optical Transport
  - Data Center Interconnect
  - Long Haul
  - Subsea

## Software and Related Services

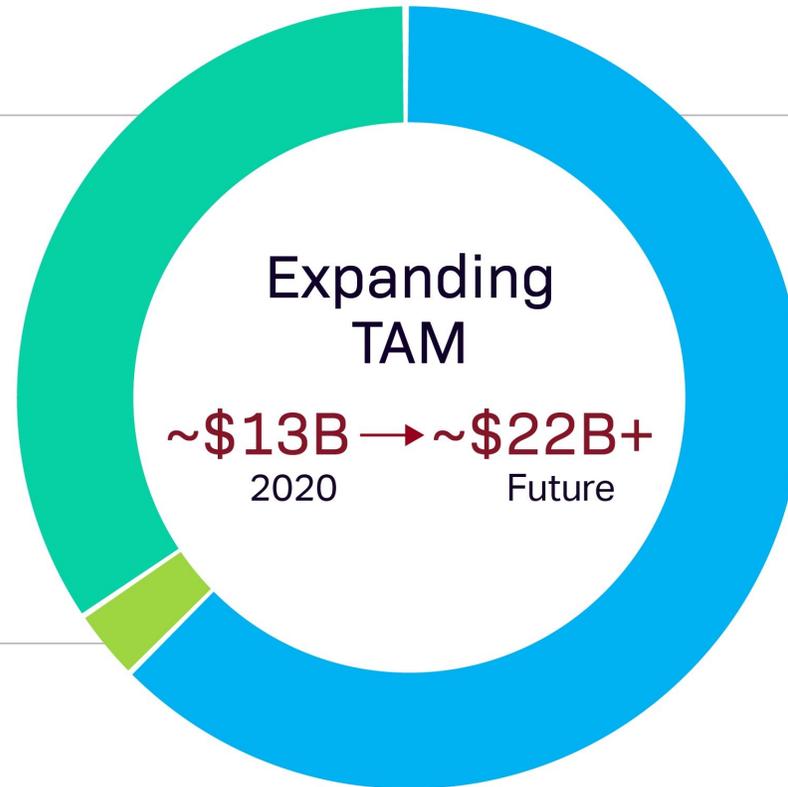
**\$1B+**

- Intelligent Automation
  - Orchestration: MDSO and NFV
  - Order management
  - Inventory
  - Assurance and Analytics

## Next-Generation Metro and Edge

**~\$6B → ~\$14B**  
2020 Future

- Fiber Broadband Access
  - Residential
  - Enterprise services
  - Fixed-mobile access
- Cloud Connectivity
- xHaul Solutions
- Converged IP/Optical Infrastructures
- Software Defined Edge
- Ethernet Data Services



\* Market data excludes China, and is based on Omdia, Dell'Oro, Signal AI, and Ciena analysis

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# Fiscal full year 2023 results



# Fiscal FY 2023 comparative financial highlights

|                                    | FY 2023    | FY 2022    |
|------------------------------------|------------|------------|
| <b>Revenue</b>                     | \$4,386.5M | \$3,632.7M |
| <b>Adjusted Gross Margin*</b>      | 43.5%      | 43.6%      |
| <b>Adjusted Operating Expense*</b> | \$1,332.8M | \$1,177.0M |
| <b>Adjusted Operating Margin*</b>  | 13.1%      | 11.2%      |
| <b>Adjusted EBITDA*</b>            | \$665.8M   | \$502.4M   |
| <b>Adjusted EPS*</b>               | \$2.72     | \$1.90     |

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

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# Q4 FY 2023 results



# Q4 FY 2023 key highlights

## Achieving balanced growth

- Non-telco represented a record high 52% of total revenue
  - Direct Cloud Provider revenue more than doubled YoY
- Routing and Switching revenue increased 25% YoY
- APAC revenue increased 46% YoY
- EMEA revenue increased 21% YoY

## Driving the pace of innovation

- Record quarter for both WL5e and 6500 RLS shipments driven by Cloud provider network expansion
- Customer traction continues with WL5e 800G technology, surpassing 100,000 WL5e shipments in the quarter
- Received first submarine order for WaveLogic 6
- Reached a milestone of over 300 Routing and Switching customers and surpassed 50 broadband access customers
- Received initial orders for WaveRouter, an industry-first platform architecture optimally designed for the converged metro

## Prioritizing long term shareholder value

- Total shareholder return five-year CAGR of 8%<sup>1</sup>
- Under our authorized \$1 billion stock repurchase program, repurchased ~4.2 million shares for \$189 million - fulfilling our \$250 million goal for FY 2023

<sup>1</sup> Based on closing share price between 11/27//2018 to 11/27/2023

## Q4 FY 2023 comparative financial highlights

|                                    | Q4 FY 2023 | Q4 FY 2022 |
|------------------------------------|------------|------------|
| <b>Revenue</b>                     | \$1,129.5M | \$971.0M   |
| <b>Adjusted Gross Margin*</b>      | 43.7%      | 45.2%      |
| <b>Adjusted Operating Expense*</b> | \$337.6M   | \$312.8M   |
| <b>Adjusted Operating Margin*</b>  | 13.8%      | 13.0%      |
| <b>Adjusted EBITDA*</b>            | \$178.8M   | \$153.5M   |
| <b>Adjusted EPS*</b>               | \$0.75     | \$0.61     |

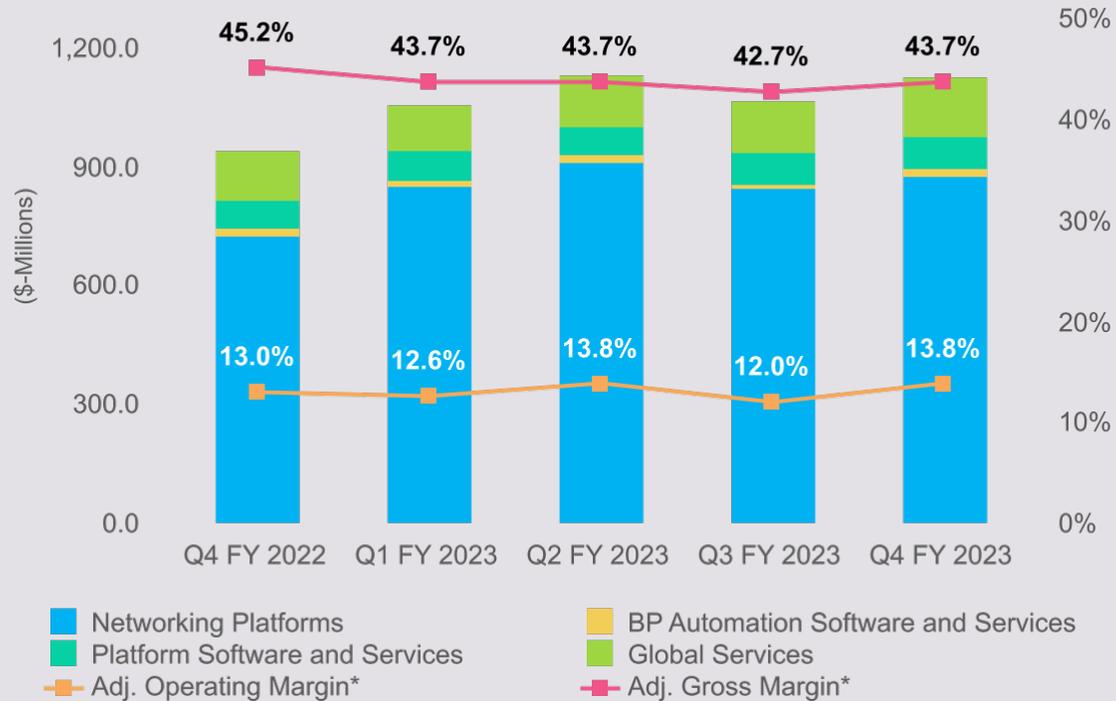
\* Reconciliations of these non-GAAP measures to our GAAP results are included in the Appendix and in the press release for the relative period.

## Q4 FY 2023 comparative operating metrics

|                                       | Q4 FY 2023 | Q4 FY 2022 |
|---------------------------------------|------------|------------|
| <b>Cash and investments</b>           | \$1.25B    | \$1.18B    |
| <b>Cash from (used in) operations</b> | \$196M     | \$(15)M    |
| <b>DSO</b>                            | 92.0       | 100.0      |
| <b>Inventory Turns</b>                | 2.0        | 1.9        |
| <b>Gross Leverage</b>                 | 2.44x      | 2.25x      |
| <b>Net Cash (Debt)</b>                | \$(373)M   | \$51M      |

# Revenue by segment

(Amounts in millions)



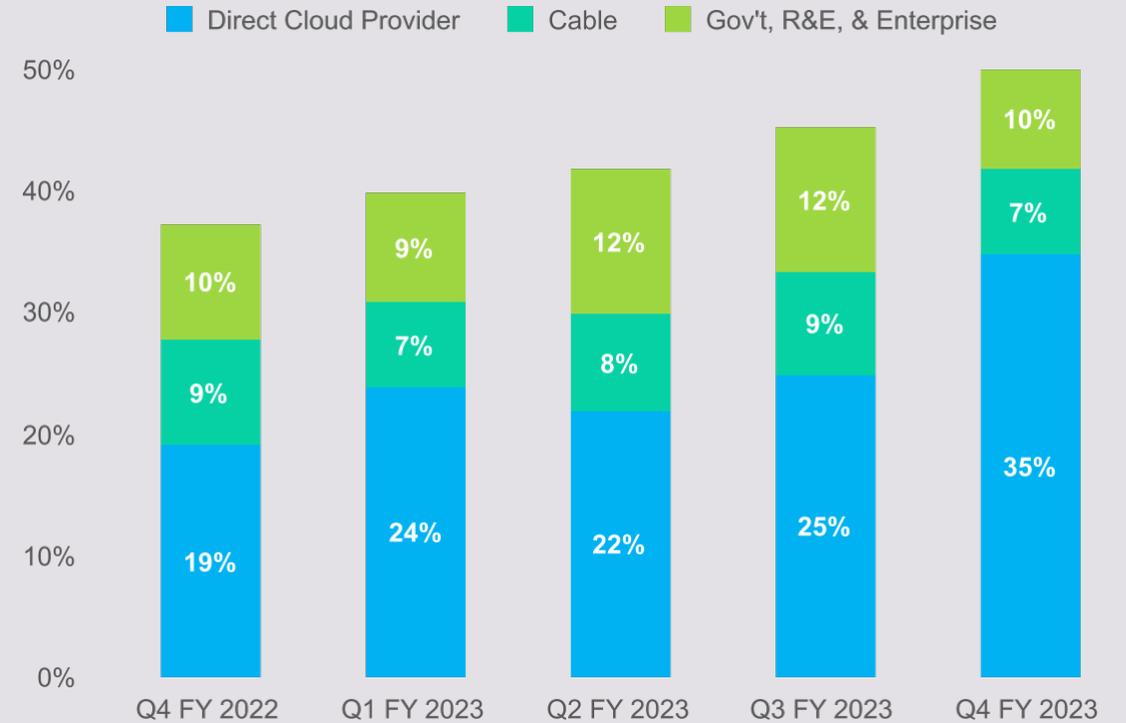
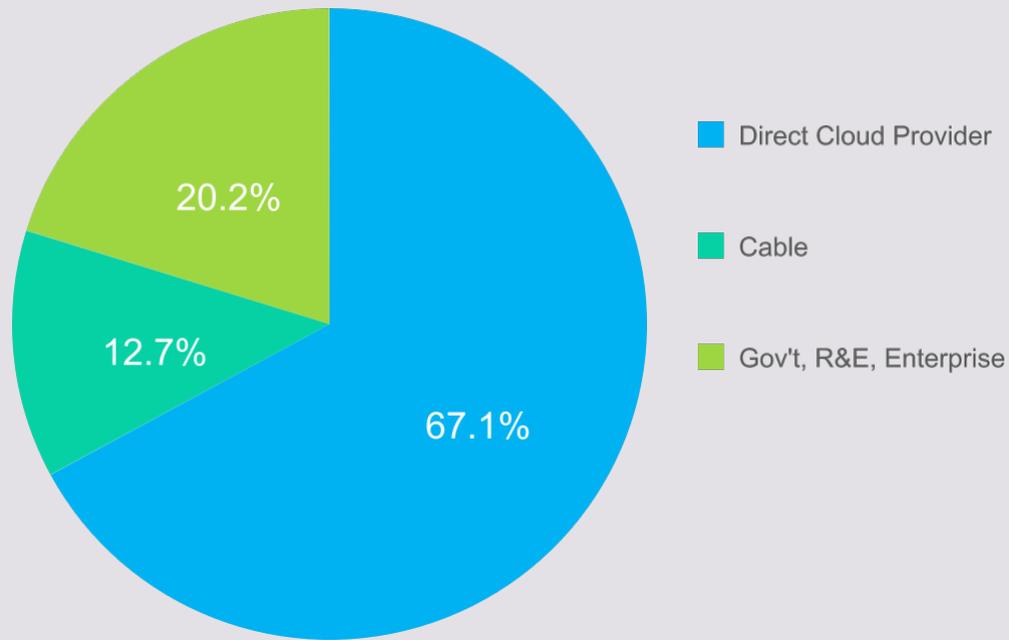
|   | Q4 FY 2023       |              | Q4 FY 2022     |              |
|---|------------------|--------------|----------------|--------------|
|   | Revenue          | %**          | Revenue        | %**          |
| <b>Networking Platforms</b>                         |                  |              |                |              |
| Optical Networking                                  | \$748.0          | 66.2         | \$649.9        | 66.9         |
| Routing and Switching                               | 128.9            | 11.4         | 102.8          | 10.6         |
| <b>Total Networking Platforms</b>                   | <b>876.9</b>     | <b>77.6</b>  | <b>752.7</b>   | <b>77.5</b>  |
| <b>Platform Software and Services</b>               | <b>82.1</b>      | <b>7.3</b>   | <b>71.6</b>    | <b>7.4</b>   |
| <b>Blue Planet Automation Software and Services</b> | <b>20.0</b>      | <b>1.8</b>   | <b>21.2</b>    | <b>2.2</b>   |
| <b>Global Services</b>                              |                  |              |                |              |
| Maintenance Support and Training                    | 74.4             | 6.6          | 73.1           | 7.5          |
| Installation and Deployment                         | 60.1             | 5.3          | 36.9           | 3.8          |
| Consulting and Network Design                       | 16.0             | 1.4          | 15.5           | 1.6          |
| <b>Total Global Services</b>                        | <b>150.5</b>     | <b>13.3</b>  | <b>125.5</b>   | <b>12.9</b>  |
| <b>Total</b>  | <b>\$1,129.5</b> | <b>100.0</b> | <b>\$971.0</b> | <b>100.0</b> |

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

\*\* Denotes % of total revenue

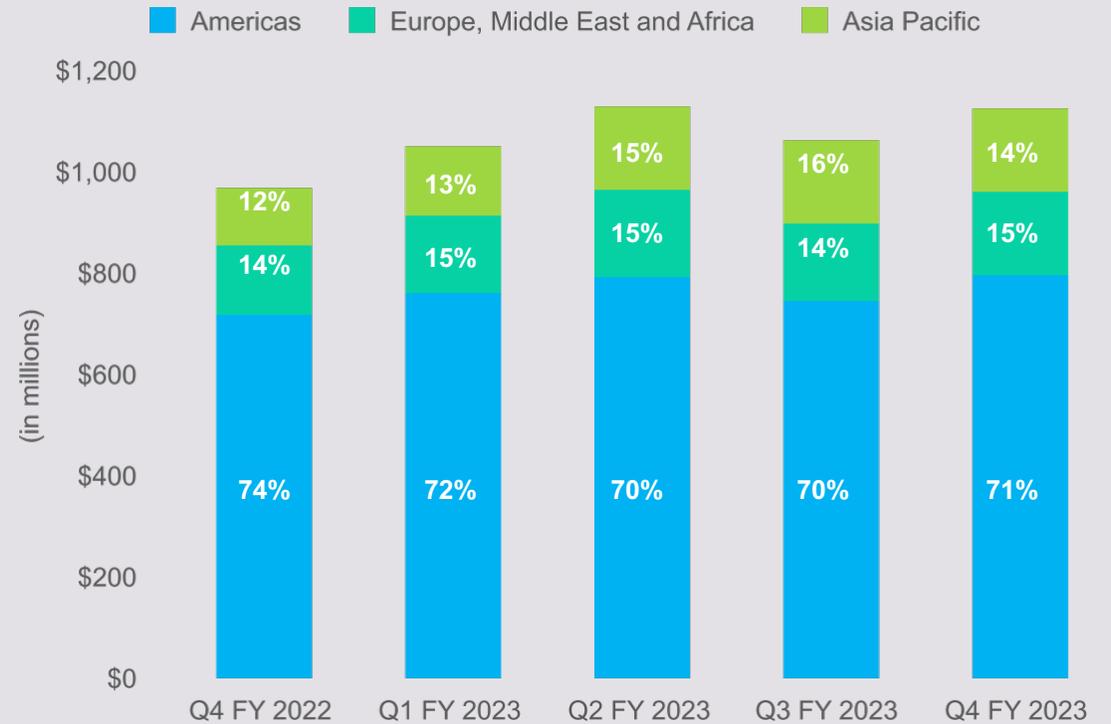
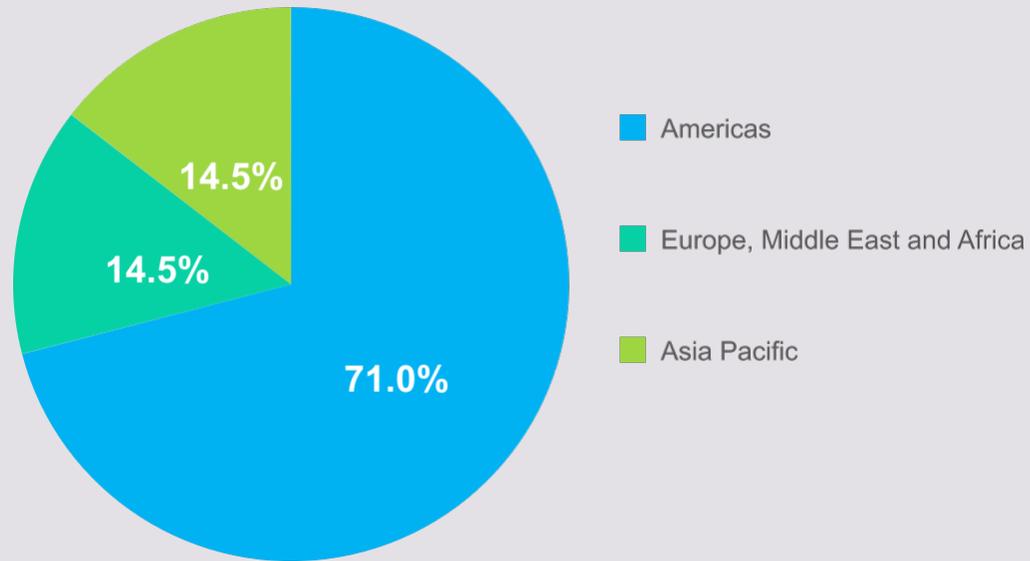
# Record revenue derived from non-telco customers

Q4 FY 2023  
Approx. 52% of total revenue



# Revenue by geographic region

Q4 FY 2023





# Business outlook

# Economic considerations and assumptions in our fiscal 2024 outlook

## Business Assumptions

- Macro environment does not significantly worsen and any adverse effects on our business, including with respect to our customers' capex priorities
- 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
- Huawei displacement opportunities and government infrastructure spending provide growth tailwinds
- We continue to benefit from strong demand dynamics in our industry given our distinct competitive advantages

## Revenue Assumptions

- As lead times have shortened and customer advance orders have decreased, we secure increased book-to-revenue orders, particularly from our Service Provider customers, which represent a more typical composition of our quarterly revenue
- We do not experience significant deferrals of delivery of our existing backlog and our Service Provider customers are able to absorb existing equipment orders
- We are able to deliver new products according to our roadmap and customer adoption of these products continues to be consistent with our expectations

## Profitability Assumptions

- Operating expense increases 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 margins as supply and logistics costs continue to ease as we move through the fiscal year
- Our product mix shifts to include a more balanced proportion of higher margin line cards for capacity adds

# Business outlook<sup>1</sup>

## Q1 FY 2024

**Revenue** \$980M to \$1.06B

**Adjusted Gross Margin** Mid 40s%

**Adjusted Operating Expense** Approximately \$350M

## Fiscal full year 2024

**Revenue growth** 1% to 4%

**Adjusted Gross Margin** Mid 40s%

**Adjusted Operating Expense** Approximately \$355M average per quarter

<sup>1</sup> Projections or outlook with respect to future operating results are only as of December 7, 2023, 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.

# Long-term Targets<sup>1</sup>

## Long-Term Targets

**Revenue growth through 2026**

Average annual three-year growth of 6% to 8%

**Adjusted Operating Margin**

15% to 17%

<sup>1</sup> Projections or outlook with respect to future operating results are only as of December 7, 2023, 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.



# Q4 FY 2023 appendix

## Gross Profit Reconciliation (Amounts in thousands)

|  | Q4 FY 2023       | Q3 FY 2023       | Q2 FY 2023       | Q1 FY 2023       | Q4 FY 2022       |
|--|------------------|------------------|------------------|------------------|------------------|
| GAAP gross profit                                  | \$486,281        | \$448,941        | \$487,683        | \$455,946        | \$433,597        |
| Share-based compensation-products                  | 1,194            | 1,118            | 1,155            | 1,051            | 907              |
| Share-based compensation-services                  | 2,827            | 2,687            | 2,659            | 2,297            | 2,066            |
| Amortization of intangible assets                  | 2,763            | 3,187            | 3,431            | 2,883            | 2,005            |
| Total adjustments related to gross profit          | 6,784            | 6,992            | 7,245            | 6,231            | 4,978            |
| <b>Adjusted (non-GAAP) gross profit</b>            | <b>\$493,065</b> | <b>\$455,933</b> | <b>\$494,928</b> | <b>\$462,177</b> | <b>\$438,575</b> |
| <b>Adjusted (non-GAAP) gross profit percentage</b> | <b>43.7 %</b>    | <b>42.7 %</b>    | <b>43.7 %</b>    | <b>43.7 %</b>    | <b>45.2 %</b>    |

## Operating Expense Reconciliation (Amounts in thousands)

|   | Q4 FY 2023       | Q3 FY 2023       | Q2 FY 2023       | Q1 FY 2023       | Q4 FY 2022       |
|---|------------------|------------------|------------------|------------------|------------------|
| GAAP operating expense                                | \$394,979        | \$370,727        | \$384,870        | \$370,730        | \$356,329        |
| Share-based compensation-research and development     | 11,412           | 10,954           | 10,731           | 9,234            | 8,507            |
| Share-based compensation-sales and marketing          | 9,187            | 8,770            | 8,755            | 8,424            | 8,084            |
| Share-based compensation-general and administrative   | 10,274           | 9,377            | 8,468            | 9,468            | 7,610            |
| Significant asset impairments and restructuring costs | 7,209            | 4,174            | 8,153            | 4,298            | 13,621           |
| Amortization of intangible assets                     | 10,578           | 9,487            | 9,845            | 7,441            | 5,754            |
| Acquisition and integration costs                     | —                | 59               | 857              | 2,558            | —                |
| Legal Settlement                                      | 8,750            | —                | —                | —                | —                |
| Total adjustments related to operating expense        | 57,410           | 42,821           | 46,809           | 41,423           | 43,576           |
| <b>Adjusted (non-GAAP) operating expense</b>          | <b>\$337,569</b> | <b>\$327,906</b> | <b>\$338,061</b> | <b>\$329,307</b> | <b>\$312,753</b> |

## Income from Operations Reconciliation (Amounts in thousands)

|  | Q4 FY 2023       | Q3 FY 2023       | Q2 FY 2023       | Q1 FY 2023       | Q4 FY 2022       |
|--|------------------|------------------|------------------|------------------|------------------|
| GAAP income from operations                            | \$91,302         | \$78,214         | \$102,813        | \$85,216         | \$77,268         |
| Total adjustments related to gross profit              | 6,784            | 6,992            | 7,245            | 6,231            | 4,978            |
| Total adjustments related to operating expense         | 57,410           | 42,821           | 46,809           | 41,423           | 43,576           |
| Total adjustments related to income from operations    | 64,194           | 49,813           | 54,054           | 47,654           | 48,554           |
| <b>Adjusted (non-GAAP) income from operations</b>      | <b>\$155,496</b> | <b>\$128,027</b> | <b>\$156,867</b> | <b>\$132,870</b> | <b>\$125,822</b> |
| <b>Adjusted (non-GAAP) operating margin percentage</b> | <b>13.8 %</b>    | <b>12.0 %</b>    | <b>13.8 %</b>    | <b>12.6 %</b>    | <b>13.0 %</b>    |

## Net Income Reconciliation (Amounts in thousands)

|   | Q4 FY 2023       | Q3 FY 2023      | Q2 FY 2023       | Q1 FY 2023      | Q4 FY 2022      |
|---|------------------|-----------------|------------------|-----------------|-----------------|
| GAAP net income   | \$91,199         | \$29,733        | \$57,654         | \$76,241        | \$57,645        |
| Exclude GAAP provision (benefit) for income taxes                           | (20,681)         | 34,608          | 29,821           | 25,078          | 7,735           |
| Income before income taxes  | 70,518           | 64,341          | 87,475           | 101,319         | 65,380          |
| Total adjustments related to income from operations                         | 64,194           | 49,813          | 54,054           | 47,654          | 48,554          |
| Loss on extinguishment and modification of debt                             | 7,874            | —               | —                | —               | —               |
| (Gain) loss on cost method equity investment                                | —                | 87              | —                | (26,455)        | —               |
| Adjusted income before income taxes   | 142,586          | 114,241         | 141,529          | 122,518         | 113,934         |
| Non-GAAP tax provision on adjusted income before income taxes               | 31,369           | 25,133          | 31,136           | 26,954          | 23,015          |
| <b>Adjusted (non-GAAP) net income</b>                                       | <b>\$111,217</b> | <b>\$89,108</b> | <b>\$110,393</b> | <b>\$95,564</b> | <b>\$90,919</b> |
| Weighted average basic common shares outstanding                            | 147,437          | 149,690         | 149,616          | 149,081         | 148,548         |
| Weighted average diluted potential common shares outstanding <sup>(1)</sup> | 147,891          | 149,977         | 150,147          | 149,551         | 149,111         |

## Net Income per Common Share

|  | Q4 FY 2023     | Q3 FY 2023     | Q2 FY 2023     | Q1 FY 2023     | Q4 FY 2022     |
|--|----------------|----------------|----------------|----------------|----------------|
| GAAP diluted net income per potential common share                       | \$ 0.62        | \$ 0.20        | \$ 0.38        | \$ 0.51        | \$ 0.39        |
| <b>Adjusted (non-GAAP) diluted net income per potential common share</b> | <b>\$ 0.75</b> | <b>\$ 0.59</b> | <b>\$ 0.74</b> | <b>\$ 0.64</b> | <b>\$ 0.61</b> |

1. Weighted average dilutive potential common shares outstanding used in calculating Adjusted (non-GAAP) diluted net income per potential common share for the fourth quarter of fiscal 2023 includes 0.5 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)  | Q4 FY 2023       | Q3 FY 2023       | Q2 FY 2023       | Q1 FY 2023       | Q4 FY 2022       |
|--|------------------|------------------|------------------|------------------|------------------|
| Net income (GAAP)  | \$91,199         | \$29,733         | \$57,654         | \$76,241         | \$57,645         |
| Add: Interest expense  | 24,207           | 24,060           | 23,889           | 15,870           | 13,775           |
| Less: Interest and other income, net   | 11,297           | 10,187           | 8,551            | 31,973           | 1,887            |
| Add: Loss on extinguishment and modification of debt   | 7,874            | —                | —                | —                | —                |
| Add: Provision (benefit) for income taxes  | (20,681)         | 34,608           | 29,821           | 25,078           | 7,735            |
| Add: Depreciation of equipment, building, furniture and fixtures, and amortization of leasehold improvements | 23,351           | 23,310           | 23,695           | 22,208           | 27,642           |
| Add: Amortization of intangible assets   | 13,342           | 12,674           | 13,275           | 10,325           | 7,759            |
| <b>EBITDA</b>  | <b>\$127,995</b> | <b>\$114,198</b> | <b>\$139,783</b> | <b>\$117,749</b> | <b>\$112,669</b> |
| Add: Share-based compensation cost   | 34,894           | 32,906           | 31,768           | 30,474           | 27,174           |
| Add: Significant asset impairments and restructuring costs   | 7,209            | 4,174            | 8,153            | 4,298            | 13,621           |
| Add: Acquisition and integration costs   | —                | 59               | 857              | 2,558            | —                |
| Add: Legal settlement  | 8,750            | —                | —                | —                | —                |
| <b>Adjusted EBITDA</b>   | <b>\$178,848</b> | <b>\$151,337</b> | <b>\$180,561</b> | <b>\$155,079</b> | <b>\$153,464</b> |

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**Thank You**