

# Adtran Networks SE announces results for Q2 2024

- Quarterly revenues at EUR 108.2 million
- Pro forma EBIT at negative EUR 2.5 million (-2.3% of revenues)

**Munich, Germany. August 6, 2024.** Adtran Networks SE (ISIN: DE0005103006, FSE: ADV), a leading provider of open networking solutions for the delivery of cloud and mobile services, reported financial results for Q2 2024 ended on June 30, 2024. The results have been prepared in accordance with International Financial Reporting Standards (IFRS).

## Q2 2024 financial summary<sup>1</sup>

(in thousands of EUR)	Q2 2024	Q2 2023	Change	Q1 2024	Change
<b>Revenues</b>	<b>108,165</b>	<b>170,188</b>	<b>-36.4%</b>	<b>109,606</b>	<b>-1.3%</b>
Pro forma gross profit	38,179	60,232	-36.6%	39,738	-3.9%
<b>in % of revenues</b>	<b>35.3%</b>	<b>35.4%</b>	<b>-0.1pp</b>	<b>36.3%</b>	<b>-1.0pp</b>
Pro forma EBIT	-2,481	12,092	n.a.	-3,403	n.a.
<b>in % of revenues</b>	<b>-2.3%</b>	<b>7.1%</b>	<b>-9.4pp</b>	<b>-3.1%</b>	<b>0.8pp</b>
Operating income <sup>2</sup>	-5,341	8,033	n.a.	-8,848	n.a.
Net income/loss	-826	3,288	n.a.	-1,208	n.a.

  

(in thousands of EUR)	Jun. 30, 2024	Jun. 30, 2023	Change	Mar. 31, 2024	Change
Cash and cash equivalents	41,476	48,595	-14.6%	32,943	25.9%
Net cash (+) / Net debt (-) <sup>3</sup>	-33,199	-33,457	n.a.	-35,960	n.a.

<sup>1</sup> Potential difference due to rounding

<sup>2</sup> Q2 2024 including EUR 1.1 million, Q1 2024 including EUR 3.7 million, Q2 2023 including EUR 1.7 million extraordinary expenses

<sup>3</sup> Q2 2024 including EUR 70.1 million new financial liabilities to banks and EUR 15.5 million loan to Adtran Holdings, Inc., Q1 2024 including EUR 53.2 million financial liabilities to Adtran Holdings, Inc., Q2 2023 including EUR 10.0 million financial liabilities to banks and EUR 53.0 million financial liabilities to Adtran Holdings, Inc., Q2 2024 and Q1 2024 further including EUR 23.9 million receivables to Adtran Holdings, Inc., due to DPLTA

## Q2 2024 IFRS financial results

Revenue in Q2 2024 was down 1.3% to EUR 108.2 million from EUR 109.6 million in Q1 2024 and was also down 36.4% compared to EUR 170.2 million in Q2 2023. The lower revenues were due to reduced customer spending driven by the uncertain macroeconomic environment and elevated customer inventory levels impacting customer spending behavior.

Pro forma gross profit in Q2 2024 was EUR 38.2 million (35.3% of revenues), down 3.9% from EUR 39.7 million (36.3% of revenues) in Q1 2024 and decreased by 36.6% from EUR 60.2 million (35.4% of revenues) in Q2 2023.

Pro forma EBIT in Q2 2024 was negative EUR 2.5 million (-2.3% of revenues) compared to negative EUR 3.4 million (-3.1% of revenues) in Q1 2024 and EUR 12.1 million (7.1% of revenues) in Q2 2023 respectively.

Q2 2024 operating loss was EUR 5.3 million compared to an operating income of EUR 8.0 million in Q2 2023 and improved by EUR 3.5 million compared to an operating loss of EUR 8.8 million in Q1 2024. The operating loss was due to the lower level of revenues partially offset by lower extraordinary expenses related to the cost efficiency measures.

Net loss was EUR 0.8 million in Q2 2024, compared to a net loss of EUR 1.2 million in Q1 2024 and to a net income of EUR 3.3 million in Q2 2023. The substantially lower net loss compared to the operating loss is in particular due to recorded tax benefit of EUR 6.4 million in Q2 2024.

The company's cash and cash equivalents increased by EUR 8.5 million to EUR 41.5 million in Q2 2024 compared to EUR 32.9 million at the end of Q1 2024 and decreased by EUR 7.1 million compared to EUR 48.6 million in Q2 2023.

The company's net debt decreased by EUR 2.8 million from EUR 36.0 million in Q1 2024 to EUR 33.2 million in Q2 2024 and improved slightly by EUR 0.3 million compared to a net debt of EUR 33.5 million at the end of Q2 2023.

## **Management commentary**

“Our business continued to be impacted by elevated customer inventory levels and higher interest rates,” explained Tom Stanton, CEO of Adtran Networks SE. “While the market conditions still remain challenging, we remain focused on our operating efficiency and are optimistic about the mid-term prospects from global expansion opportunities, and we are strategically positioned to benefit from the market recovery.”

The company will publish its financial results for Q3 2024 on November 7, 2024.

The complete half-year report 2024 (January – June) will be published on August 12, 2024, on [Adtran Networks SE Financial Results](#).

## **Forward-looking statements**

The economic projections and forward-looking statements contained in this document relate to future facts. Such projections and forward-looking statements are subject to risks that cannot be foreseen and that are beyond the control of Adtran Networks SE. Adtran Networks SE is therefore not in a position to make any representation as to the accuracy of economic projections and forward-looking statements or their impact on the financial situation of Adtran Networks SE or the market in the shares of Adtran Networks SE.

## **Use of pro forma financial information**

Adtran Networks SE provides consolidated pro forma financial results in this press release solely as supplemental financial information to help investors and the financial community make meaningful

comparisons of Adtran Networks SE operating results from one financial period to another. Adtran Networks SE believes that these pro forma consolidated financial results are helpful because they exclude non-cash charges related to the stock option programs and amortization and impairment of goodwill and acquisition-related intangible assets, which are not reflective of the company's operating results for the period presented. Additionally, non-recurring expenses relating to M&A restructuring measures are not included. This pro forma information is not prepared in accordance with IFRS and should not be considered a substitute for the historical information presented in accordance with IFRS.

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#### **About Adtran Networks SE**

Adtran Networks SE is a company founded on innovation and focused on helping our customers succeed. Our technology forms the building blocks of a shared digital future and empowers networks across the globe. We're continually developing breakthrough hardware and software that leads the networking industry and creates new business opportunities. It's these open connectivity solutions that enable our customers to deliver the cloud and mobile services that are vital to today's society and for imagining new tomorrows. Together, we're building a truly connected and sustainable future. For more information on how we can help you, please visit us at [www.adva.com](http://www.adva.com).

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