

Adtran

Annual general meeting 2024

Report of the management board

28 June, 2024

Cautionary note regarding forward-looking statements

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements that address concepts such as “believe,” “assume” and “expect,” anticipated revenues and earnings, assumed demand for optical network solutions, internal estimates and liquidity development. These forward-looking statements involve a number of unknown risks, uncertainties and other factors that could cause actual results to differ materially. These unknown risks, uncertainties and other factors are discussed in the “Risk report” section of Adtran Networks SE’s 2023 Annual Report.

PRO FORMA CONSOLIDATED FINANCIALS

Adtran Networks SE provides the pro forma consolidated financial measures included in this presentation only as supplemental financial information to assist investors and the financial community in comparing the Group’s operating results over time on a meaningful basis. Adtran Networks believes that these proforma financial measures are helpful because they do not include “non-cash expenses from the stock option programs”, “goodwill amortization” and “amortization of intangible assets from business acquisitions”, which are not relevant to Adtran Networks’ operating results for the period indicated. In addition, one-time expenses incurred in connection with corporate transactions and restructuring measures are not included. This pro forma information has not been prepared in accordance with generally accepted accounting principles (IFRS) and should not be considered a substitute for historical information presented in accordance with IFRS.

Welcome to the 2024 annual general meeting



Tom Stanton

Chairman & CEO

Corporate development
Compliance
Operations, QM
Sales
Services



Christoph Glingener

CTO

R&D, PLM
Global BD
ANS
Employee Board & Works
Council contact



Ulrich Dopfer

CFO

Accounting/Tax,
Decision Support,
Controlling/Risk
CM, Legal, IR
Facilities, IT, HR

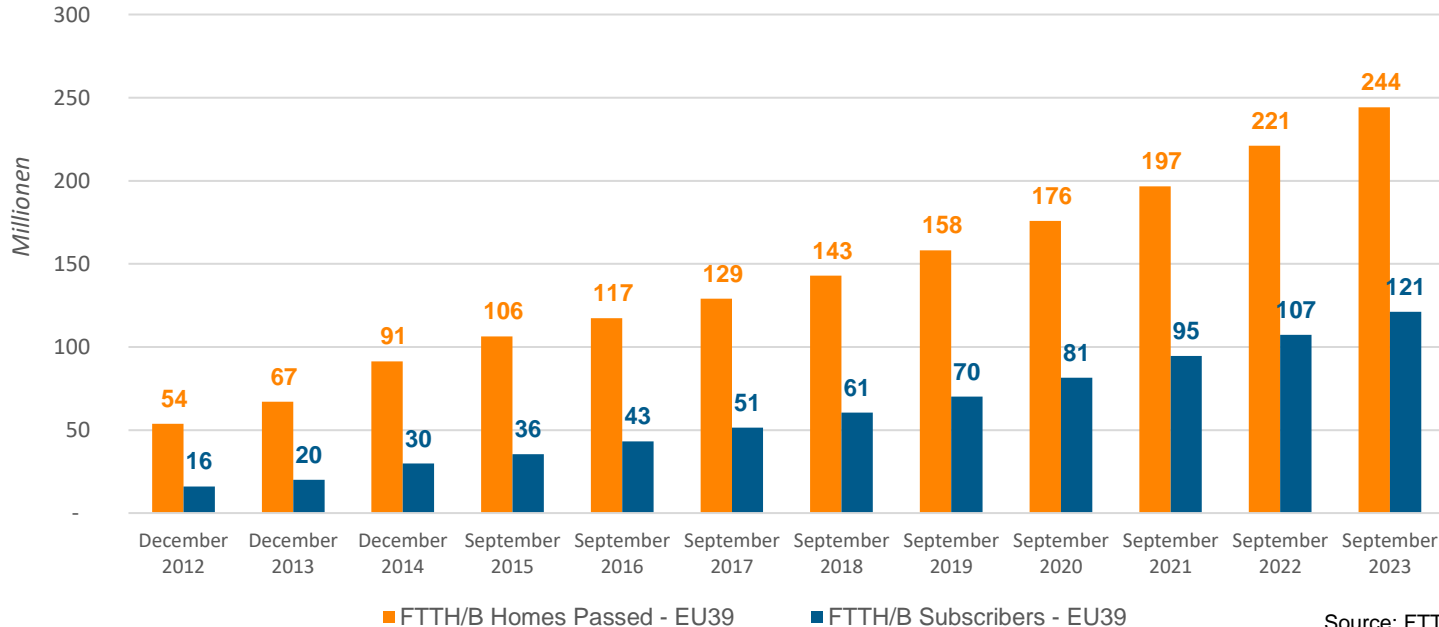
Business overview

MACRO DYNAMICS

Slow demand in 2023, but network expansion continues

FTTH/B European market evolution in EU39 (1):

In terms of homes passed and subscribers (2012-2023)



EUR 27 + UK:

Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom

1) EU39:

EU27 + UK

CIS countries: Kazakhstan, Ukraine, +2

Iceland, Israel, North Macedonia, Norway, Serbia, Switzerland, Turkey

Source: FTTH Council / IDATE; September 2023

MARKET OPPORTUNITY

Long-term growth prospects remain intact

AI drives architecture disruption and capacity expansion
Historic incentives for fiber-based broadband network rollouts
The shift away from high-risk suppliers out of China
Cross-selling with Adtran

Global market uncertainties
Inventory optimization
Higher cost of capital



AI accelerates bandwidth demand



Billion-dollar stimulus programs



~ \$1.5 billion additional market potential through replacing high-risk suppliers



\$60-120 million cross-selling potential



Cautious ordering behavior



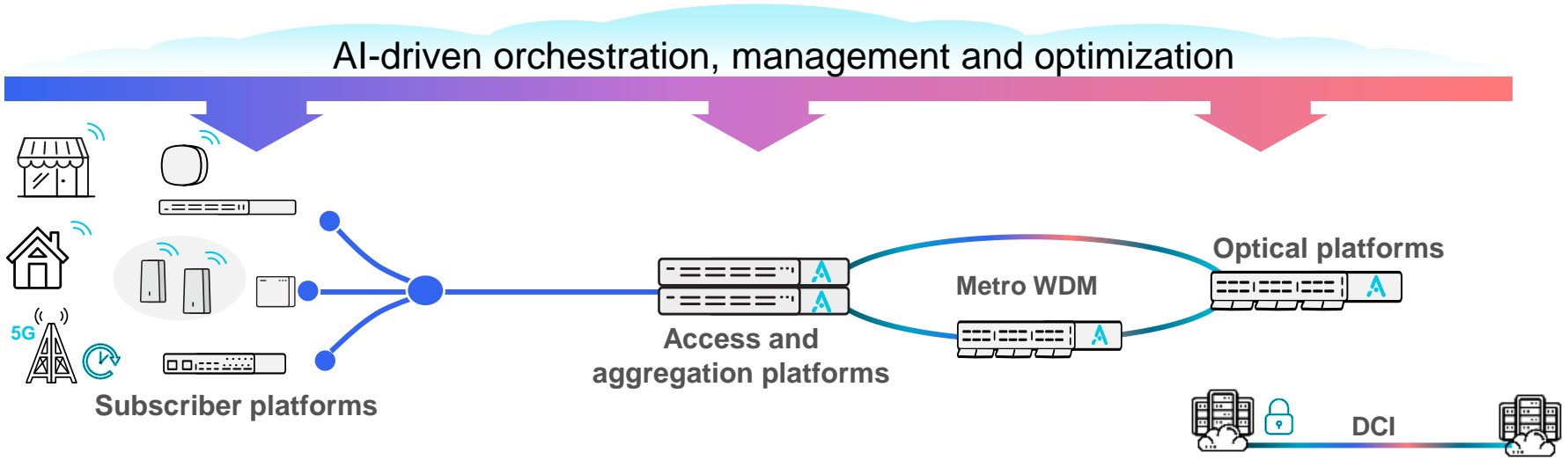
Inventory optimization

Short term

Long term

International investment cycle toward a fiber everywhere future

From the optical core through the door



Open multi-gig PON systems, Carrier Ethernet access, Wi-Fi, routers, switches and more

Fiber access platforms, 1/10/25/100G Ethernet aggregation, network timing and synchronization

Optical access and transport, data center interconnect, advanced pluggable optics, assurance and monitoring, encryption and security

Differentiation across all our technology segments



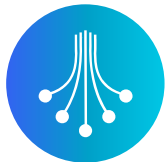
Subscriber solutions

- Launch of latest Wi-Fi 6, 6E and 7 platforms driving growth opportunities
- Dozens of customer have adopted Intellifi, our SaaS application for cloud-managed Wi-Fi



Access and aggregation solutions

- Continued to scale SDX 6330 deployments across several large service providers in EMEA
- Secured strategic software award with multi-national operator for packet edge routers



Optical networking solutions

- Launched M-Flex800 platform, an ideal fit for service providers upgrading their transport to 400 or 800 Gig
- Continued success with securing packet optical wins with traditional Adtran broadband customers



Software platforms

Added 36 Mosaic One customers this past quarter. We now have 400 customers that have adopted Mosaic One.



Professional services

Scalable in-region services, including planning, deployment, and maintenance

A global vendor with scale and diversity



Portfolio differentiation

- Optical core to customer premise
- End-to-end automation & insights
- Enhanced security and assurance



Customer diversity

- Balanced mix of national and regional service providers, government and enterprise customers
- Growth opportunities in each segment



Geographic diversity

- Balanced mix of U.S. and non-U.S. business
- Strong growth opportunities in focus regions



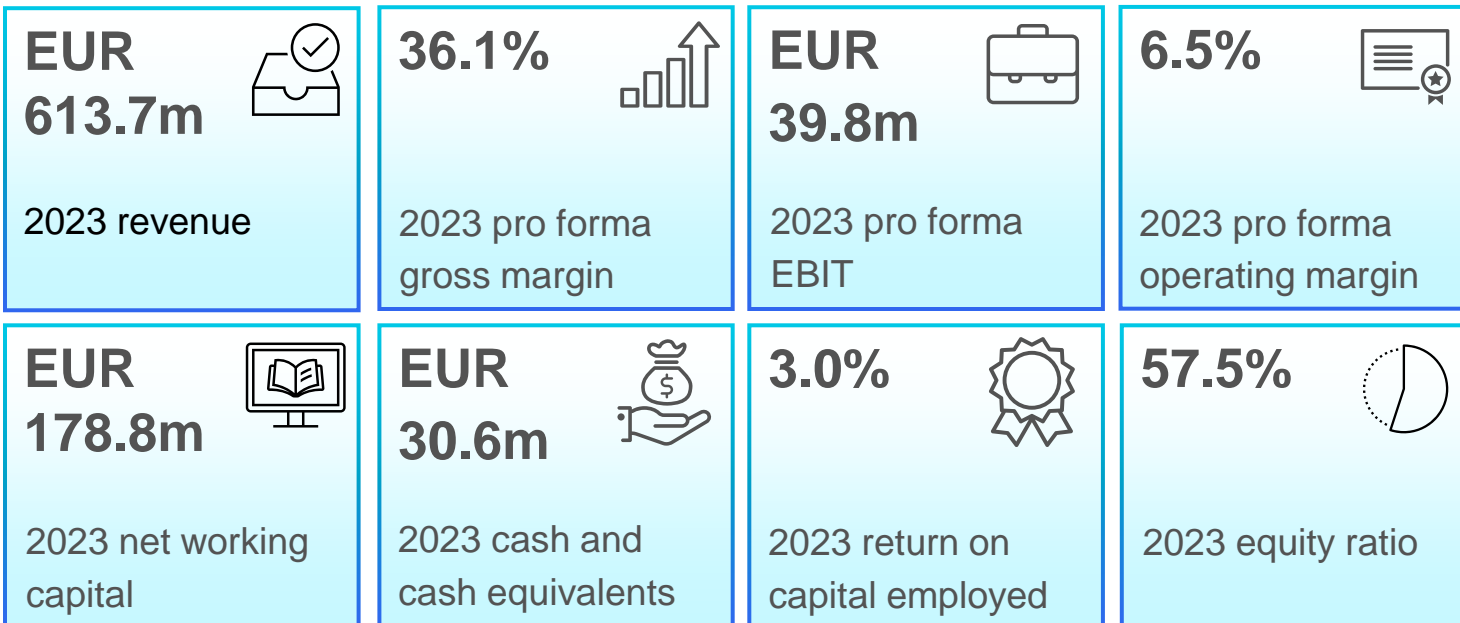
Strength in focus markets

- Full range of R&D, pre-sales, post-sales and services support in focus regions
- Strong market share in growth products in focus regions

Broad technology spectrum and strong presence in growth markets

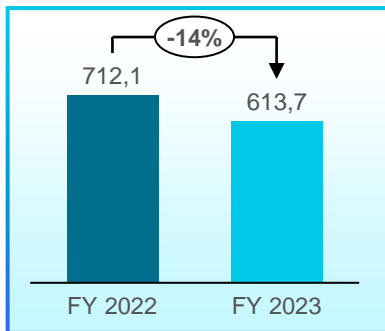
Financial update

2023 full-year overview

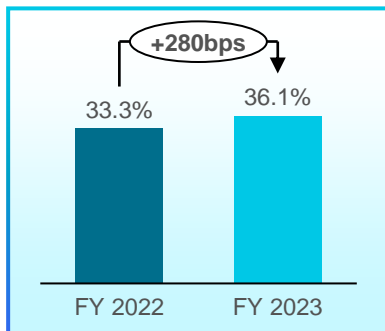


2023 financial performance

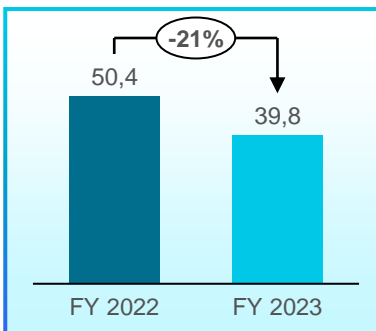
Revenue (€m)



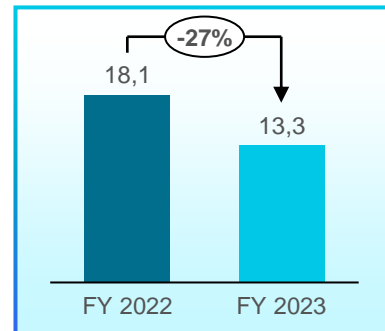
Pro forma gross margin



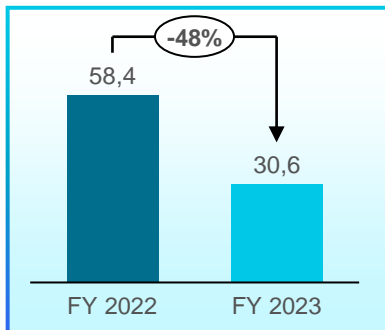
Pro forma EBIT (€m)



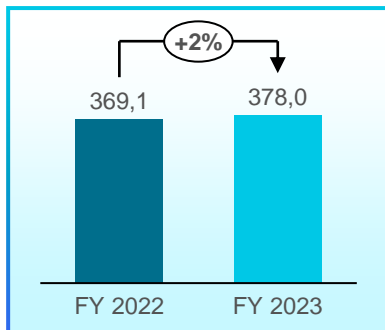
Operating income (IFRS)



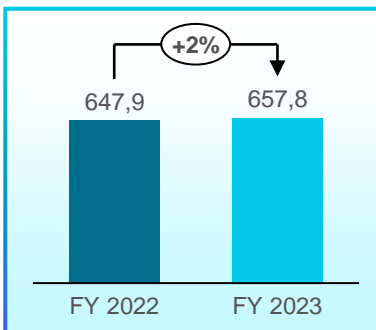
Cash and cash equivalents (€m)



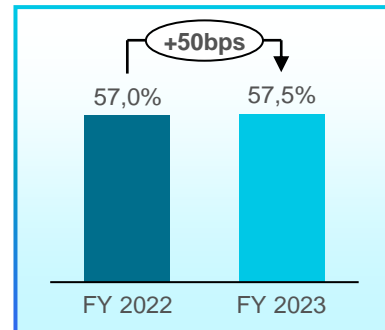
Shareholder's equity



Total asset (€m)



Equity ratio



Thank you

