Ribbon Communications

Second Quarter 2022 Results

July 27, 2022

Note Regarding Forward-Looking Statements and Non-GAAP Financial Measures

This presentation contains “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, which are subject to a number of risks and uncertainties. All statements other than statements of historical facts contained in this presentation, including without limitation statements regarding the projected financial results for the third quarter 2022, full year 2022 and beyond, costs and savings associated with our strategic restructuring, customer engagement and momentum, expected supply-chain related constraints and related costs; our capital structure and credit facility; plans and objectives for future operations; and plans for future product development and manufacturing and the expected benefits therefrom, are forward-looking statements. Without limiting the foregoing, the words “believes”, “estimates”, “expects”, “expectations”, “intends”, “may”, “plans”, “projects” and other similar language, are intended to identify forward-looking statements.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated in these forward-looking statements due to various risks, uncertainties and other important factors, including, among others, risks related to supply chain disruptions, including lack of component availability; the effects of geopolitical instabilities and disputes, including between Russia and Ukraine, the impact of sanctions imposed as a result thereof; risks related to the continuing COVID-19 pandemic, including delays in customer deployments as a result of rises in cases; risks that we will not realize the anticipated benefits from the acquisition of ECI; risks that we will not realize the estimated cost savings and/or anticipated benefits from our strategic restructuring; the impact of restructuring and cost-containment activities; unpredictable fluctuations in quarterly revenue and operating results; risks related to the terms of our credit agreement including compliance with the financial covenants; risks related to cybersecurity and data intrusion; failure to compete successfully against telecommunications equipment and networking companies; failure to grow our customer base or generate recurring business from our existing customers; credit risks; the timing of customer purchasing decisions and our recognition of revenues; macroeconomic conditions, including inflation; litigation; market acceptance of our products and services; our ability to protect our intellectual property rights and obtain necessary licenses; our ability to maintain partner, reseller, distribution and vendor support and supply relationships; the potential for defects in our products; increases in tariffs, trade restrictions or taxes on our products; and currency fluctuations.

Any forward-looking statements represent our views only as of the date on which such statement is made and should not be relied upon as representing our views as of any subsequent date. While we may elect to update forward-looking statements at some point, we specifically disclaim any obligation to do so, except as may be required by law.

This presentation also includes certain non-GAAP financial measures in addition to the U.S. GAAP financials. Our management believes that presenting certain non-GAAP financial measures provides meaningful information to investors in understanding our operating results and may enhance investors' ability to analyze financial and business trends including the ability to compare period to period more easily by excluding items that could have a disproportionately negative or positive impact on results in a given financial period. The non-GAAP measures have limitations as analytical tools and you should not consider them in isolation or as a substitute for the most directly comparable financial measures prepared in accordance with U.S. GAAP. We urge you to review the reconciliation of our non-GAAP financial measures to the most directly comparable GAAP financial measures set forth in the Appendix to this presentation, and not to rely on any single financial measure to evaluate our business.

Please note that as part of the basis of presentation, totals may not sum due to rounding.

Second Quarter 2022 Business Overview

Bruce McClelland, President & CEO

Mick Lopez, Executive Vice President & CFO

ribbon®

Second Quarter 2022 Business Highlights | Cloud & Edge

Verizon: Business voice modernization projects, and Verizon Wireless SBC and Policy capacity expansions

Paritel: First STIR/SHAKEN call identification assurance win in Europe to mitigate fraudulent and nuisance calls

Liberty: Selected Ribbon Analytics for voice network fraud mitigation

Lebara: European Mobile Virtual Network Operator (MVNO) selected Ribbon VoLTE IMS Access SBC with IMS core

Hong Kong Broadband: Telco Cloud Virtual C20 win

Second Quarter 2022 Business Highlights | IP Optical

Rogers: Expanding business to include wavelength services and last mile connections to large Enterprises

Cheyenne River Sioux Tribe Telephone Authority: Packet and ROADM solution for broadband aggregation and transport

Tri-County Rural Electric Cooperative: IP network for EVPN services

Viaero: Continued growth and investment in IP Optical network for 4G/5G mobile backhaul

Taiwan Mobile: IP Optical access and metro network for delivering leased line business services and supporting backbone

Converge: Ongoing optical network expansion for the fastest growing fiber-based SP provider in the Philippines

Lepida: Partnered with TIM Group business division to expand regional Italian DWDM backbone

BoFiNet: Nationwide OTN/DWDM network that supports over 75 operators and ISPs across Botswana

MEPSO: Multiservice IP access network and optical transport for an electrical utility in Macedonia

LitRail: IP Optical network for the national railway of Lithuania as a technology partner to Telia Lietuva

Second Quarter 2022 Business Highlights | Enterprise

Insurance	Liberty Mutual	Continued modernization of Liberty's voice network with addition of Analytics
Finance	Principal	Tech refresh of Ribbon SBCs and PSX implementation as part of customer's MS-Teams expansion
	bread financial	Ribbon SBCs chosen to support upgrades for their US Call Centers
Education	ATM	Campus-wide upgrade of existing network and private 5G expansion with Neptune
Others	LexisNexis	Global Microsoft Teams project; upgrade and expansion of Ribbon SBCs, PSX, and analytics
	giant eagle	National Microsoft Teams migration with Ribbon SBCs for high security capabilities and resiliency
	EASTMAN	SBC infrastructure platform for global Microsoft Team Migration
Partners	poly, TD SYNNEX	Ribbon partnership with Poly and TD SYNNEX to launch the "Get Connected" Microsoft Teams bundle

Second Quarter 2022 Financial Highlights

2Q22 Revenue

$206M Up 19% QoQ
International 52% of Sales
Service Provider 80% of Sales

Balance Sheet

$38M Ending Cash
Amended credit facility
Average interest rate **4.40%**

Profitability Metrics

$21M Adjusted EBITDA
$0.06 Non-GAAP EPS

Cloud and Edge

Network Modernization

21% YoY growth in NTR product revenue

Software 58% of total Cloud and Edge product revenue

Enterprise 26% growth QoQ

Continued Profitability

68% Non-GAAP Gross Margin

Non-GAAP OpEx $2M lower YoY

31% Adj. EBITDA Margin

IP Optical Networks

Revenue Growth

Up 8% QoQ

Americas **up 5% QoQ** and **YoY**
Europe **up 34% QoQ** and **13% YoY**

IP Product revenue **up 25% YoY**

Market Momentum

18 active Tier 1 RFPs

81 Trials YTD, above FY21 levels

IP Routing momentum

ribbon

Second Quarter 2022 GAAP Financial Summary

	2Q21	1Q22	2Q22
Revenue	$211M	$173M	$206M
Gross margin	56%	45%	51%
OPEX	$106M	$117M	$112M
Income (loss) from operations	$13M	($39M)	($7M)
Other income (expense), net	$17M	($29M)	($10M)
Net income (loss)	$23M	($70M)	($30M)
Diluted EPS	$0.15	($0.47)	($0.20)

2Q22 includes a $12M non-cash loss associated with the quarterly mark-to-market of the AVCT investment and an EPS impact of ($0.08), similar to adjustments in previous quarters

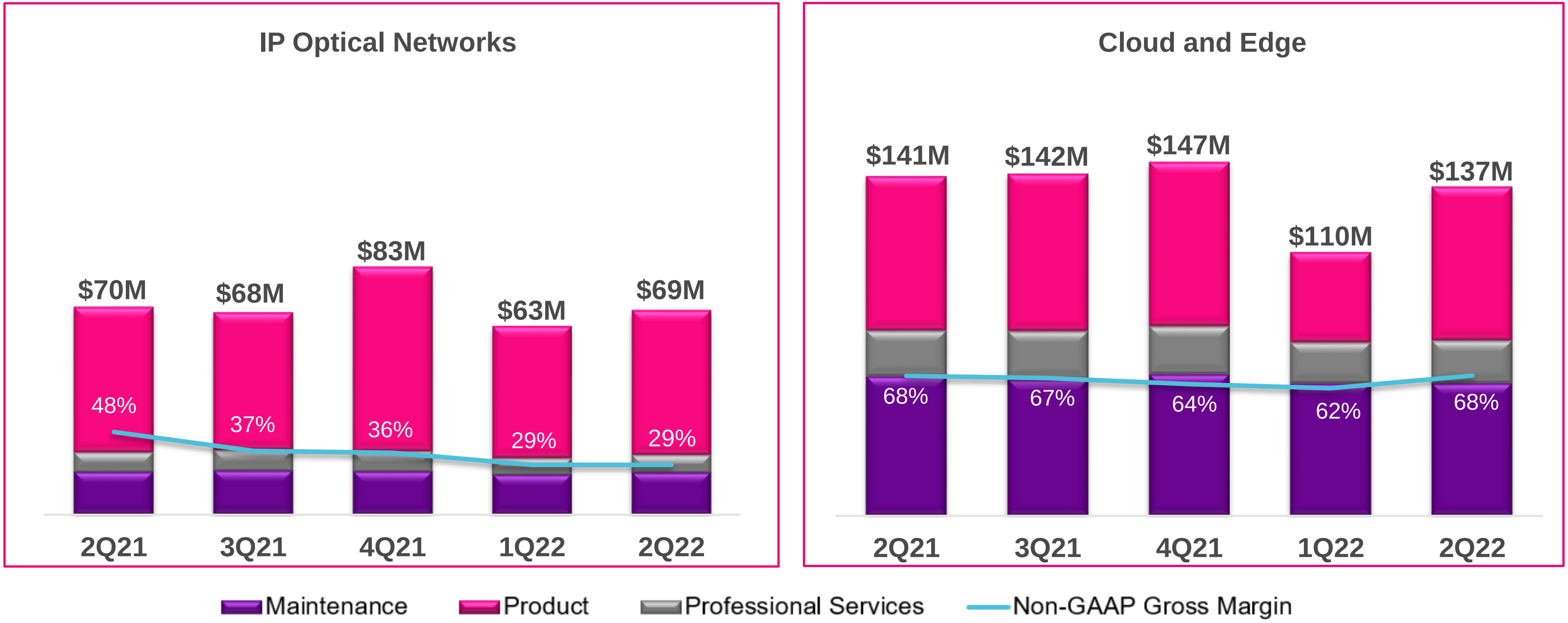
Second Quarter 2022 Non-GAAP Financial Summary

	2Q21	1Q22	2Q22
Revenue	$211M	$173M	$206M
Gross margin	61%	50%	55%
OPEX	$90M	$99M	$96M
Operating margin	18%	(7%)	8%
Adjusted EBITDA	$43M	($9M)	$21M
Diluted EPS	$0.17	($0.08)	$0.06

Second Quarter 2022 Non-GAAP Segment Summary

	Cloud and Edge	IP Optical Networks	Consolidated
Revenue	$137M	$69M	$206M
Gross margin	68%	29%	55%
Adjusted EBITDA	$43M	($22M)	$21M

Quarterly Performance: Revenue & Non-GAAP Gross Margins



Second Quarter 2022 Key Metrics

Pipeline

2Q22 Book to Revenue[1] Ratio of 1.0x

93% of 2022 maintenance renewals completed as of mid-July

Revenue Mix

38% Software Revenue[2]

34% Maintenance Revenue[3]

Top 10 Customers Revenue 50%[3]

Enterprise 20%[2]
Service Provider 80%[2]

Domestic 48%[3]
International 52%[3]

Balance Sheet

Cash Balance $38M

Debt[5] $340M

Current Annualized Weighted Interest Rate 4.40%

Covenant Ratio Metrics[4]
Leverage 4.83x vs 5.25x max.
FCCR 1.30x vs 1.10x min.

Cash Flow

($39M) Cash from Operations

$15M principal debt paydown (includes $10M voluntary prepayment)

$340M term loan outstanding after 1H debt payments of $35M

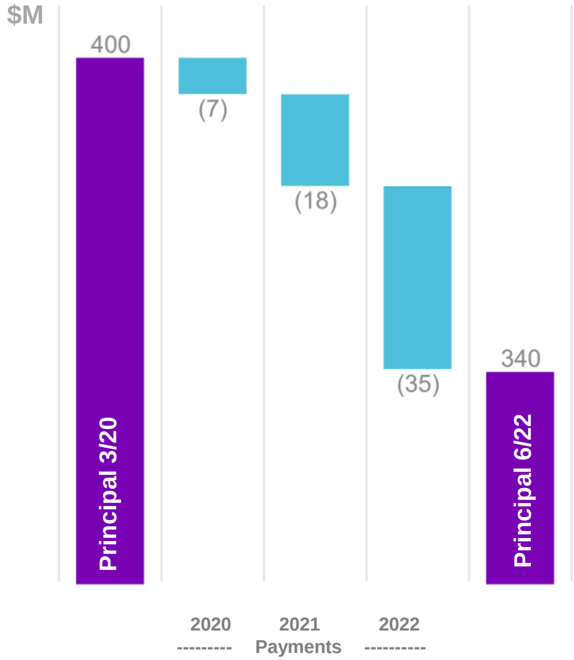
$3M Capex

Notes:

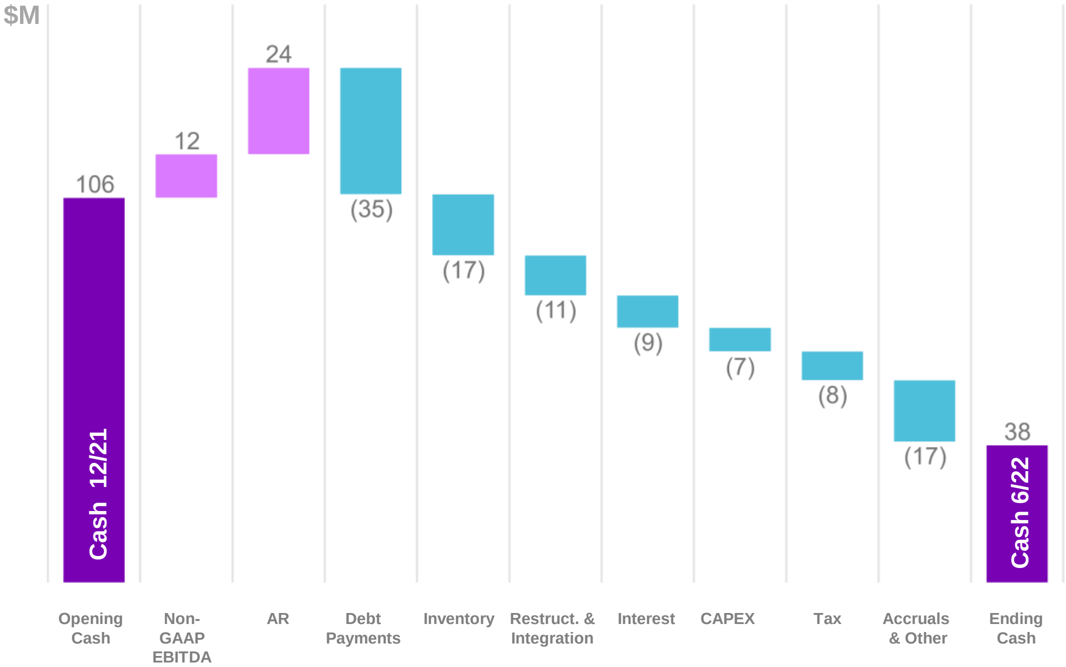
1. Product and Professional Services (excluding maintenance) Bookings divided by Product and Professional Services Revenue (excluding maintenance) for the three months ended June 30, 2022.
2. As a percentage of total product revenue.
3. As a percentage of total revenue.
4. Calculated in accordance with the Amended and Restated Credit Agreement.
5. Principal balance outstanding.

Capital Structure and Cash Investments 2022 YTD

Term Loan 2020-2022



Cash Balance and Investments 2021-2022 YTD



Note: The Term Loan maturity date is March 3, 2025

Key Trends and Outlook

New Product Highlights

CLOUD
&
EDGE

Call Trust - Nuisance and Fraud Call Mitigation

- Cloud-based identity management, supporting reputation scoring and machine learning via Ribbon Analytics
- Global adoption of STIR/SHAKEN industry standard
- Ribbon Portfolio Solution SBC, PSX, C20, STI, Analytics

Virtualization of Soft Switch Environments - C20 & C3

- Accelerating adoption of Telco Cloud solution
- Demonstrates technology leadership in transition to the Cloud

Ribbon Connect for Microsoft Operator Connect

- Solution architecture favors Ribbon’s strong presence with global service providers
- Platform is rapidly being extended to provide support for additional cloud UC providers (Zoom, RingCentral, Webex, Genesys, etc.)

Application Server - Service Anywhere

- Major enhancements in support of nomadic user services, targeting service providers, government agencies & large enterprises

New Product Highlights

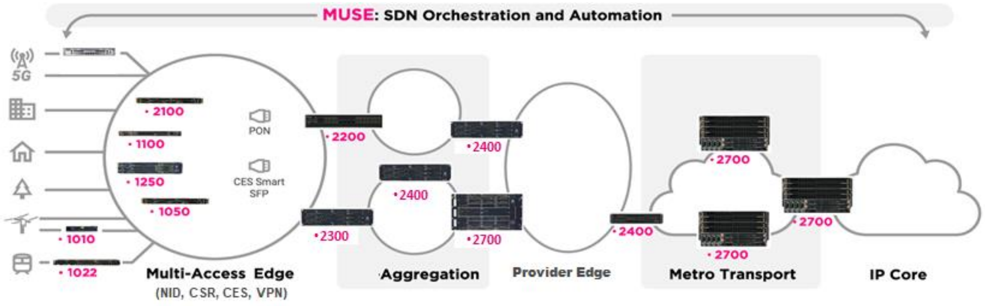
IP Optical Networks

Ribbon IP Wave rNOS

- Telco-grade NOS provides flexibility for integrated and disaggregated routing solutions
- Enables industry-standard Disaggregated Cell-Site Gateway (DCSG) and enhanced access, aggregation, and transport solutions
- Leverages Muse SDN orchestrator to deliver advanced automation applications

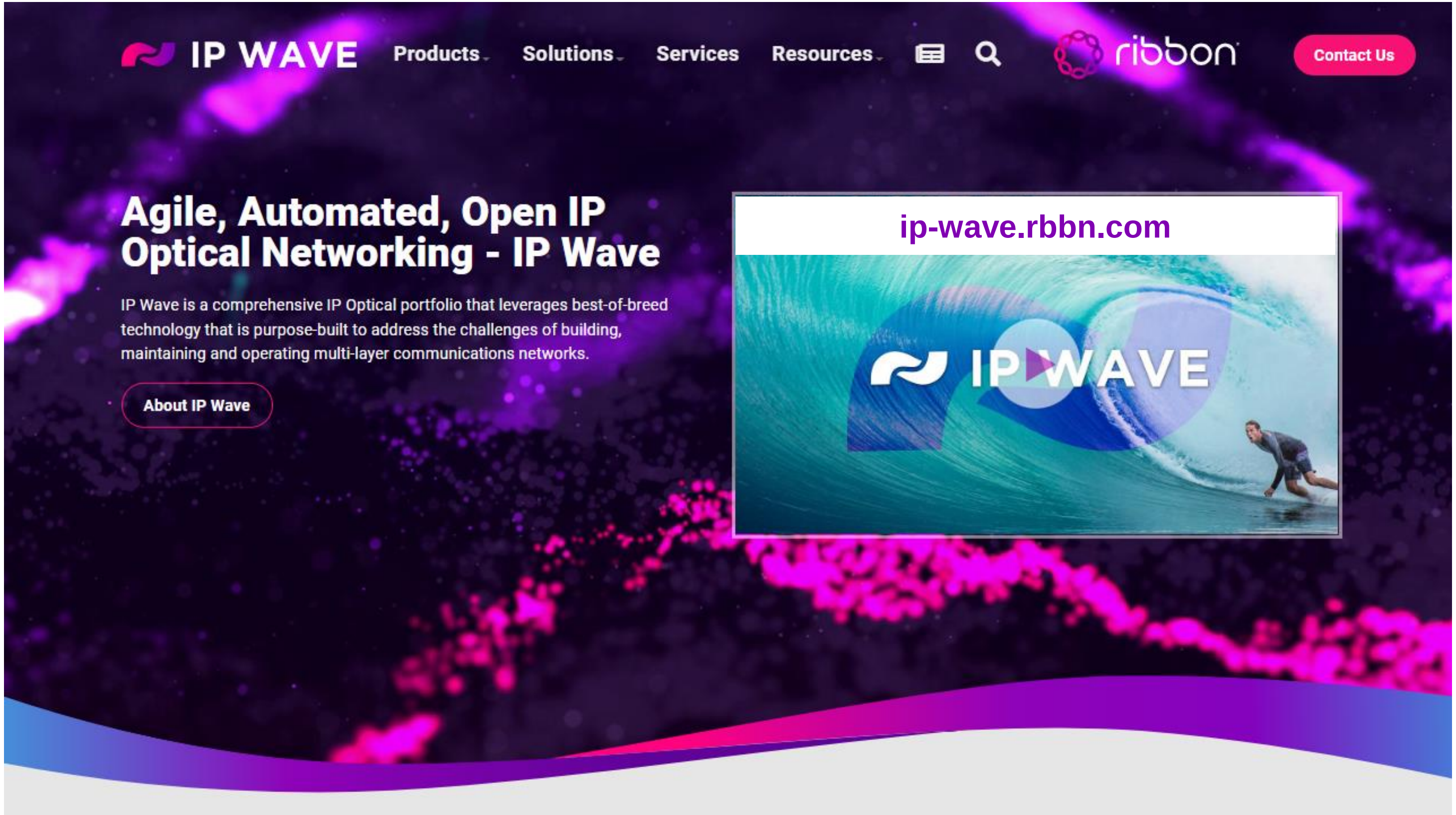
Ribbon Neptune XDR 2100

- First of Ribbon’s FleXible Disaggregated Routers
- With IP Wave rNOS, 800G capacity, and multiservice interfaces in a 1RU form factor, opens up new markets including:
    - 5G xHaul
    - Access Edge for broadband backhaul
    - Aggregation in MSO Distributed Access Architectures



XDR Routers Increasing the Addressable Market

New IP Wave Microsite



Third Quarter and Full Year 2022 Business Outlook

	FY21 (Actual)	3Q22 (Outlook)	FY22 (Outlook)
Revenue	$845M	$210M to $225M	$840M to $870M
Non-GAAP Gross Margin	57%	55.0% to 56.0%	54.0% to 54.5%
Non-GAAP Adjusted EBITDA	$120M	$26M to $34M	$90M to $100M
Non-GAAP Diluted EPS	$0.32	$0.05 to $0.08	$0.18 to $0.22
Interest & Other Expense	($22M)	~($7M)	~($21M)
Non-GAAP Income Taxes	39%	~45%	~45%
Diluted Share Count	155M	~156M	~156M

Appendix

Ribbon Condensed Statements of Operations

USD Millions except percentages and EPS	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22
GAAP FINANCIAL MEASURES							
Product Revenue	98	113	112	130	453	82	113
Service Revenue	95	98	99	100	392	91	93
Total Revenue	**193**	**211**	**210**	**231**	**845**	**173**	**206**
Gross Profit	**100**	**119**	**111**	**115**	**445**	**78**	**105**
Gross Margin %	*52%*	*56%*	*53%*	*50%*	*53%*	*45%*	*51%*
Research and development	47	47	49	52	195	53	51
Selling, general and administrative	53	48	48	55	204	50	49
Amortization of acquired intangible assets	6	7	8	7	28	7	8
Integration and restructuring-related expenses	7	4	4	5	19	7	4
Impairment of goodwill	-	-	-	116	116	-	-
Total Operating Expenses	**113**	**106**	**109**	**235**	**562**	**117**	**112**
Income/(Loss) from Operations	**(13)**	**13**	**2**	**(120)**	**(118)**	**(39)**	**(7)**
Operating Margin %	*-7%*	*6%*	*1%*	*-52%*	*-14%*	*-23%*	*-4%*
Net Income/(Loss)	**(45)**	**23**	**(59)**	**(96)**	**(177)**	**(70)**	**(30)**
Diluted EPS	**($0.31)**	**$0.15**	**($0.40)**	**($0.65)**	**($1.20)**	**($0.47)**	**($0.20)**
Shares used to compute GAAP diluted earnings (loss) per share	146	154	148	149	148	149	150
Cash Flow from Operating Activities	**(6)**	**14**	**-**	**11**	**19**	**15**	**(39)**
NON-GAAP FINANCIAL MEASURE							
Adjusted EBITDA	**20**	**43**	**32**	**26**	**120**	**(9)**	**21**

Ribbon Condensed Balance Sheets

USD Millions	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
ASSETS						
Cash and cash equivalents[1]	109	115	104	106	95	38
Accounts receivable, net	209	220	236	283	221	258
Inventory	45	47	45	54	62	65
Property and equipment, net	49	49	49	48	48	49
Intangible assets, net and Goodwill	818	801	784	652	636	621
Investment (AVCT)	93	106	50	44	17	5
Other Assets	129	121	120	161	185	196
Total Assets	**1,453**	**1,459**	**1,387**	**1,348**	**1,264**	**1,231**
LIABILITIES AND EQUITY						
Liabilities	301	287	287	321	311	318
Deferred revenue	125	124	111	130	128	126
Debt[2]	384	379	375	370	350	335
Stockholders' Equity	643	669	614	527	474	451
Total Liabilities and Equity	**1,453**	**1,459**	**1,387**	**1,348**	**1,264**	**1,231**

Notes:
1. Includes cash, cash equivalents, and restricted cash.
2. Net of debt issuance costs and associated amortization.

Ribbon Condensed Statements of Cash Flows

USD Millions	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22
Cash from Operations	(6)	14	-	11	19	15	(39)
Purchases of property and equipment	(5)	(5)	(4)	(3)	(17)	(3)	(3)
Proceeds from sale of business	-	3	-	-	3	-	-
Borrowings, net	(4)	(5)	(5)	(5)	(19)	(21)	(16)
Other	(12)	(1)	(2)	(1)	(15)	(2)	1
Net Change	**(27)**	**6**	**(11)**	**3**	**(29)**	**(11)**	**(57)**
Cash[1] Beginning of Period	**136**	**109**	**115**	**104**	**136**	**106**	**95**
Cash[1] End of Period	**109**	**115**	**104**	**106**	**106**	**95**	**38**

Note:
1. Includes cash, cash equivalents, and restricted cash.

Ribbon Key Revenue Statistics

USD Millions except for percentages	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22
Revenue							
Product	98	113	112	130	453	82	113
Service	95	98	99	100	392	91	93
Total Revenue	**193**	**211**	**210**	**231**	**845**	**173**	**206**
% of Total Revenue:							
Revenue Mix							
Product	51%	54%	53%	57%	54%	47%	55%
Services	49%	46%	47%	43%	46%	53%	45%
Revenue by Geography							
Domestic	41%	48%	44%	45%	45%	44%	48%
International	59%	52%	56%	55%	55%	56%	52%
Revenue by Channel							
Direct	79%	76%	77%	66%	74%	71%	75%
Indirect	21%	24%	23%	34%	26%	29%	25%
Product Revenue By Market							
Enterprise	23%	22%	18%	34%	25%	27%	20%
Service Providers	77%	78%	82%	66%	75%	73%	80%
10% Total Revenue Customers	Verizon	Verizon	Verizon	Verizon	Verizon	Verizon	Verizon

Basis of Presentation

Totals may not sum due to rounding.

IP Optical Networks relates to the Company’s IP Optical Networks operating segment.

Cloud and Edge relates to the Company’s Cloud and Edge operating segment.

Discussion of Non-GAAP Financial Measures

The Company's management uses several different financial measures, both GAAP and non-GAAP, in analyzing and assessing the overall performance of its business, making operating decisions, planning and forecasting future periods, and determining payments under compensation programs. The Company considers the use of non-GAAP financial measures helpful in assessing the core performance of its continuing operations and when planning and forecasting future periods. The Company's annual financial plan is prepared on a non-GAAP basis and is approved by its board of directors. In addition, budgeting and forecasting for revenue and expenses are conducted on a non-GAAP basis, and actual results on a non-GAAP basis are assessed against the annual financial plan. The Company defines continuing operations as the ongoing results of its business adjusted for certain expenses and credits, as described below. The Company believes that providing non-GAAP information to investors will allow investors to view the financial results in the way its management views them and helps investors to better understand the Company's core financial and operating performance and evaluate the efficacy of the methodology and information used by its management to evaluate and measure such performance.

While the Company's management uses non-GAAP financial measures as tools to enhance its understanding of certain aspects of the Company's financial performance, its management does not consider these measures to be a substitute for, or superior to, GAAP measures. In addition, the Company's presentations of these measures may not be comparable to similarly titled measures used by other companies. These non-GAAP financial measures should not be considered alternatives for, or in isolation from, the financial information prepared and presented in accordance with GAAP. Investors are cautioned that there are material limitations associated with the use of non-GAAP financial measures. In particular, many of the adjustments to the Company's financial measures reflect the exclusion of items that are recurring and will be reflected in its financial results for the foreseeable future.

Discussion of Non-GAAP Financial Measures (continued)

Stock-Based Compensation

The expense related to stock-based awards is generally not controllable in the short-term and can vary significantly based on the timing, size and nature of awards granted. The Company believes that presenting non-GAAP operating results that exclude stock-based compensation provides investors with visibility and insight into its management's method of analysis and its core operating performance.

Amortization of Acquired Technology; Amortization of Acquired Intangible Assets

Amortization amounts are inconsistent in frequency and amount and are significantly impacted by the timing and size of acquisitions. Amortization of acquired technology is reported separately within Cost of revenue and Amortization of acquired intangible assets is reported separately within Operating expenses. These items are reported collectively as Amortization of acquired intangible assets in the accompanying reconciliations of non-GAAP and GAAP financial measures. The Company believes that excluding non-cash amortization of these intangible assets facilitates the comparison of its financial results to its historical operating results and to other companies in its industry as if the acquired intangible assets had been developed internally rather than acquired.

Impairment of Goodwill

The Company performs its annual testing for impairment of goodwill in the fourth quarter each year. For the purpose of testing goodwill for impairment, all goodwill has been assigned to one of the Company's two operating segments. The Company performs a fair value analysis using both an income and market approach, which encompasses a discounted cash flow analysis and a guideline public company analysis using selected multiples. Based on the results of its recently completed impairment test, the Company determined that the carrying value of its IP Optical Networks segment exceeded its fair value, and accordingly, recorded a non-cash impairment charge of $116 million in the fourth quarter of 2021. There was no impairment of the Company's Cloud and Edge segment. The Company believes that such non-cash costs are not part of its core business or ongoing operations. Accordingly, the Company believes that excluding the goodwill impairment charge facilitates the comparison of the Company's financial results to its historical operating results and to other companies in its industry.

Discussion of Non-GAAP Financial Measures (continued)

Acquisition-, Disposal- and Integration-Related

The Company considers certain acquisition-, disposal- and integration-related costs to be unrelated to the organic continuing operations of its acquired businesses and the Company. Such costs are generally not relevant to assessing or estimating the long-term performance of the acquired assets. The Company excludes such acquisition-, disposal- and integration-related costs to allow more accurate comparisons of its financial results to its historical operations and the financial results of less acquisitive peer companies and allows management and investors to consider the ongoing operations of the business both with and without such expenses.

Restructuring and Related

The Company has recorded restructuring and related expense to streamline operations and reduce operating costs by closing and consolidating certain facilities and reducing its worldwide workforce. The Company believes that excluding restructuring and related expense facilitates the comparison of its financial results to its historical operating results and to other companies in its industry, as there are no future revenue streams or other benefits associated with these costs.

Interest Income on Debentures

The Company recorded paid-in-kind interest income on the AVCT Series A-1 convertible debentures (the "Debentures") it received as consideration in connection with the Kandy Sale through September 8, 2021, when the Debentures were converted to shares of AVCT common stock (the "Debenture Shares"), which increased their fair value. The Company excludes this interest income because it believes that such a gain is not part of its core business or ongoing operations.

Discussion of Non-GAAP Financial Measures (continued)

Gain on Sale of Business

On May 12, 2021, the Company sold its QualiTech business, which it had acquired as part of the ECI Acquisition, to Hermon Laboratories, Ltd. As consideration, the Company received $2.9 million of cash and recorded a gain on the sale of $2.8 million. On December 1, 2020, the Company completed the sale of Kandy to AVCT. As consideration, the Company received units of AVCT securities, comprised of the Debentures and warrants to purchase shares of AVCT's common stock ("Warrants"), with an aggregate fair value approximating $84 million on the date of sale, and recorded a gain of $84 million. The Debentures were converted to the Debenture Shares on September 8, 2021. The Company excludes these gains because it believes that such gains are not part of its core business or ongoing operations.

Decrease in Fair Value of Investments

The Company calculates the fair values of the Debentures and the Warrants (prior to September 8, 2021) and the Debenture Shares and Warrants (effective September 8, 2021) at each quarter-end and records any adjustments to their fair values in Other (expense) income, net. The Company excludes these and any subsequent gains and losses from the change in fair value of this investment because it believes that such gains or losses are not part of its core business or ongoing operations.

Tax Effect of Non-GAAP Adjustments

The Non-GAAP income tax benefit (provision) is presented based on an estimated tax rate applied against forecasted annual non-GAAP income. The Non-GAAP income tax benefit (provision) assumes no available net operating losses or valuation allowances for the U.S. because of reporting significant cumulative non-GAAP income over the past several years. The Company is reporting its non-GAAP quarterly income taxes by computing an annual rate for the Company and applying that single rate (rather than multiple rates by jurisdiction) to its consolidated quarterly results. The Company expects that this methodology will provide a consistent rate throughout the year and allow investors to better understand the impact of income taxes on its results. Due to the methodology applied to its estimated annual tax rate, the Company's estimated tax rate on non-GAAP income will differ from its GAAP tax rate and from its actual tax liabilities.

Discussion of Non-GAAP Financial Measures (continued)

Adjusted EBITDA

The Company uses Adjusted EBITDA as a supplemental measure to review and assess its performance. The Company calculates Adjusted EBITDA by excluding from Income (loss) from operations: depreciation; amortization of acquired intangible assets; stock-based compensation; impairment of goodwill; acquisition-, disposal- and integration-related expense; and restructuring and related expense. In general, the Company excludes the expenses that it considers to be non-cash and/or not part of its ongoing operations. The Company may exclude other items in the future that have those characteristics. Adjusted EBITDA is a non-GAAP financial measure that is used by the investing community for comparative and valuation purposes. The Company discloses this metric to support and facilitate dialogue with research analysts and investors. Other companies may calculate Adjusted EBITDA differently than the Company does, limiting its usefulness as a comparative measure.

GAAP to Non-GAAP Reconciliation

$000's	1Q21			2Q21			3Q21			4Q21			FY21		
	Cloud and Edge	IP Optical Networks	Consolidated	Cloud and Edge	IP Optical Networks	Consolidated	Cloud and Edge	IP Optical Networks	Consolidated	Cloud and Edge	IP Optical Networks	Consolidated	Cloud and Edge	IP Optical Networks	Consolidated
Revenue	$ 125,422	$ 67,350	$ 192,772	$ 141,421	$ 69,789	$ 211,210	$ 142,437	$ 67,961	$ 210,398	$ 147,376	$ 83,201	$ 230,577	$ 556,656	$ 288,301	$ 844,957
GAAP Gross profit	$ 77,523	$ 22,963	$ 100,486	$ 88,836	$ 29,891	$ 118,727	$ 89,000	$ 21,654	$ 110,654	$ 88,105	$ 26,688	$ 114,793	$ 343,464	$ 101,196	$ 444,660
GAAP Gross margin (Gross profit/Revenue)	61.8%	34.1%	52.1%	62.8%	42.8%	56.2%	62.5%	31.9%	52.6%	59.8%	32.1%	49.8%	61.7%	35.1%	52.6%
Stock-based compensation	0.1%	0.1%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.2%	0.3%	0.2%	0.2%	0.2%
Amortization of acquired technology	5.3%	5.1%	5.2%	4.7%	4.4%	4.6%	4.6%	4.5%	4.6%	3.9%	3.7%	3.8%	4.6%	4.4%	4.6%
Non-GAAP Gross margin	67.2%	39.3%	57.5%	67.8%	47.5%	61.1%	67.4%	36.7%	57.5%	64.0%	36.0%	53.9%	66.5%	39.7%	57.4%
GAAP Income (loss) from operations	$ 4,693	$ (17,297)	$ (12,604)	$ 24,931	$ (11,979)	$ 12,952	$ 26,361	$ (24,369)	$ 1,992	$ 20,371	$ (140,507)	$ (120,136)	$ 76,356	$ (194,152)	$ (117,796)
Depreciation	3,137	1,089	4,226	3,142	1,107	4,249	3,018	1,191	4,209	2,972	1,306	4,278	12,269	4,693	16,962
Amortization of acquired intangible assets	11,305	4,518	15,823	11,300	5,881	17,181	11,340	5,881	17,221	10,519	5,882	16,401	44,464	22,162	66,626
Stock-based compensation	3,334	1,726	5,060	3,039	1,751	4,790	2,936	1,625	4,561	3,199	1,808	5,007	12,508	6,910	19,418
Impairment of goodwill	-	-	-	-	-	-	-	-	-	-	116,000	116,000	-	116,000	116,000
Acquisition-, disposal- and integration-related	241	956	1,197	29	1,023	1,052	165	1,790	1,955	46	3,382	3,428	481	7,151	7,632
Restructuring and related	5,620	330	5,950	1,095	1,735	2,830	1,125	642	1,767	215	891	1,106	8,055	3,598	11,653
Non-GAAP Adjusted EBITDA	$ 28,330	$ (8,678)	$ 19,652	$ 43,536	$ (482)	$ 43,054	$ 44,945	$ (13,240)	$ 31,705	$ 37,322	$ (11,238)	$ 26,084	$ 154,133	$ (33,638)	$ 120,495
Adjusted EBITDA Margin (Adjusted EBITDA/Revenue):															
GAAP Income (loss) from operations	3.7%	-25.7%	-6.5%	17.6%	-17.2%	6.1%	18.5%	-35.9%	0.9%	13.8%	-168.9%	-52.1%	13.7%	-67.3%	-13.9%
Depreciation	2.5%	1.6%	2.2%	2.2%	1.6%	2.0%	2.1%	1.8%	2.0%	2.0%	1.6%	1.9%	2.2%	1.6%	2.0%
Amortization of acquired intangible assets	9.0%	6.7%	8.2%	8.1%	8.4%	8.2%	8.0%	8.7%	8.3%	7.2%	7.0%	7.0%	8.1%	7.7%	7.9%
Stock-based compensation	2.7%	2.6%	2.6%	2.1%	2.5%	2.3%	2.1%	2.4%	2.2%	2.2%	2.2%	2.2%	2.2%	2.4%	2.3%
Impairment of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	139.4%	50.3%	0.0%	40.2%	13.7%
Acquisition-, disposal- and integration-related	0.2%	1.4%	0.6%	*	1.5%	0.5%	0.1%	2.6%	0.9%	*	4.1%	1.5%	0.1%	2.5%	0.9%
Restructuring and related	4.5%	0.5%	3.1%	0.8%	2.5%	1.3%	0.8%	0.9%	0.8%	0.1%	1.1%	0.5%	1.4%	1.2%	1.4%
Non-GAAP Adjusted EBITDA Margin	22.6%	-12.9%	10.2%	30.8%	-0.7%	20.4%	31.6%	-19.5%	15.1%	25.3%	-13.5%	11.3%	27.7%	-11.7%	14.3%

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GAAP to Non-GAAP Reconciliation (Continued)

$000's	1Q22			2Q22			2Q22 YTD		
	Cloud and Edge	IP Optical Networks	Consolidated	Cloud and Edge	IP Optical Networks	Consolidated	Cloud and Edge	IP Optical Networks	Consolidated
Revenue	$ 109,806	$ 63,392	$ 173,198	$ 137,080	$ 68,716	$ 205,796	$ 246,886	$ 132,108	$ 378,994
GAAP Gross profit	$ 62,732	$ 15,323	$ 78,055	$ 88,250	$ 16,300	$ 104,550	$ 150,982	$ 31,623	$ 182,605
GAAP Gross margin (Gross profit/Revenue)	57.1%	24.2%	45.1%	64.4%	23.7%	50.8%	61.2%	23.9%	48.2%
Stock-based compensation	0.4%	0.0%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Amortization of acquired technology	4.7%	4.9%	4.8%	3.5%	4.6%	3.8%	4.0%	4.7%	4.3%
Non-GAAP Gross margin	62.2%	29.1%	50.2%	68.2%	28.6%	54.9%	65.5%	28.9%	52.8%
GAAP Loss from operations	$ (2,347)	$ (36,707)	$ (39,054)	$ 25,953	$ (33,192)	$ (7,239)	$ 23,606	$ (69,899)	$ (46,293)
Depreciation	2,715	1,170	3,885	2,685	1,203	3,888	5,400	2,373	7,773
Amortization of acquired intangible assets	9,528	6,014	15,542	9,118	6,283	15,401	18,646	12,297	30,943
Stock-based compensation	2,665	1,590	4,255	2,646	1,753	4,399	5,311	3,343	8,654
Acquisition-, disposal- and integration-related	44	1,805	1,849	70	1,465	1,535	114	3,270	3,384
Restructuring and related	3,366	1,448	4,814	2,321	573	2,894	5,687	2,021	7,708
Non-GAAP Adjusted EBITDA	$ 15,971	$ (24,680)	$ (8,709)	$ 42,793	$ (21,915)	$ 20,878	$ 58,764	$ (46,595)	$ 12,169
Adjusted EBITDA Margin (Adjusted EBITDA/Revenue):									
GAAP Loss from operations	-2.1%	-57.9%	-22.5%	18.9%	-48.3%	-3.5%	9.6%	-52.9%	-12.2%
Depreciation	2.5%	1.8%	2.2%	2.0%	1.8%	1.9%	2.2%	1.8%	2.0%
Amortization of acquired intangible assets	8.6%	9.6%	8.9%	6.6%	9.1%	7.5%	7.6%	9.3%	8.2%
Stock-based compensation	2.4%	2.5%	2.5%	1.9%	2.6%	2.1%	2.1%	2.5%	2.3%
Acquisition-, disposal- and integration-related	*	2.8%	1.1%	0.1%	2.1%	0.7%	*	2.5%	0.9%
Restructuring and related	3.1%	2.3%	2.8%	1.7%	0.8%	1.4%	2.3%	1.5%	2.0%
Non-GAAP Adjusted EBITDA Margin	14.5%	-38.9%	-5.0%	31.2%	-31.9%	10.1%	23.8%	-35.3%	3.2%

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GAAP to Non-GAAP Reconciliation (Continued)

$000s	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	2Q22 YTD
GAAP Operating expenses	$ 113,090	$ 105,775	$ 108,662	$ 234,929	$ 562,456	$ 117,109	$ 111,789	$ 228,898
Stock-based compensation	(4,798)	(4,228)	(3,973)	(4,422)	(17,421)	(3,675)	(3,798)	(7,473)
Amortization of acquired intangible assets	(5,762)	(7,481)	(7,547)	(7,493)	(28,283)	(7,275)	(7,513)	(14,788)
Impairment of goodwill	-	-	-	(116,000)	(116,000)	-	-	-
Acquisition-, disposal- and integration-related	(1,197)	(1,052)	(1,955)	(3,428)	(7,632)	(1,849)	(1,535)	(3,384)
Restructuring and related	(5,950)	(2,830)	(1,767)	(1,106)	(11,653)	(4,814)	(2,894)	(7,708)
Non-GAAP Operating expenses	$ 95,383	$ 90,184	$ 93,420	$ 102,480	$ 381,467	$ 99,496	$ 96,049	$ 195,545
(Loss) income from operations as a percentage of revenue ("Operating margin"):								
GAAP Operating margin	-6.5%	6.1%	0.9%	-52.1%	-13.9%	-22.5%	-3.5%	-12.2%
Stock-based compensation	2.6%	2.3%	2.2%	2.2%	2.3%	2.5%	2.1%	2.3%
Amortization of acquired intangible assets	8.2%	8.2%	8.3%	7.1%	7.9%	8.9%	7.6%	8.2%
Impairment of goodwill	0.0%	0.0%	0.0%	50.3%	13.7%	0.0%	0.0%	0.0%
Acquisition-, disposal- and integration-related	0.6%	0.5%	0.9%	1.5%	0.9%	1.1%	0.7%	0.9%
Restructuring and related	3.1%	1.3%	0.8%	0.5%	1.4%	2.7%	1.4%	2.0%
Non-GAAP Operating margin	8.0%	18.4%	13.1%	9.5%	12.3%	-7.3%	8.3%	1.2%

GAAP to Non-GAAP Reconciliation (Continued)

	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	2Q22 YTD
GAAP Diluted (loss) earnings per share	$ (0.31)	$ 0.15	$ (0.40)	$ (0.65)	$ (1.20)	$ (0.47)	$ (0.20)	$ (0.67)
Stock-based compensation	0.03	0.03	0.03	0.03	0.14	0.03	0.03	0.06
Amortization of acquired intangible assets	0.11	0.11	0.12	0.12	0.44	0.11	0.10	0.21
Impairment of goodwill	-	-	-	0.77	0.77	-	-	-
Acquisition-, disposal- and integration-related	0.01	0.01	0.01	0.02	0.05	0.01	0.01	0.02
Restructuring and related	0.05	0.02	0.01	0.01	0.08	0.03	0.02	0.05
Interest income on debentures	(0.01)	(0.01)	(0.01)	-	(0.02)	-	-	-
Gain on sale of business	-	(0.02)	-	-	(0.02)	-	-	-
Decrease (increase) in fair value of investments	0.16	(0.08)	0.38	0.04	0.50	0.18	0.08	0.26
Tax effect of non-GAAP adjustments	(0.01)	(0.04)	(0.03)	(0.33)	(0.42)	0.03	0.02	0.06
Non-GAAP Diluted earnings (loss) per share	$ 0.03	$ 0.17	$ 0.11	$ 0.01	$ 0.32	$ (0.08)	$ 0.06	$ (0.01)
Weighted average shares used to compute diluted earnings (loss) per share (000's):								
Shares used to compute **GAAP** diluted (loss) earnings per share	145,936	154,160	148,184	148,675	147,575	149,167	150,190	149,681
Shares used to compute **non-GAAP** diluted earnings (loss) per share	155,032	154,160	154,061	153,898	154,527	149,167	154,035	149,681

GAAP to Non-GAAP Reconciliation (Continued)

Outlook	Three months ending September 30, 2022 Range		Year ending December 31, 2022 Range	
Revenue ($ millions)	$ 210	$ 225	$ 840	$ 870
Gross margin:				
GAAP outlook	51.0%	52.3%	50.0%	50.7%
Stock-based compensation	0.4%	0.3%	0.3%	0.3%
Amortization of acquired technology	3.6%	3.4%	3.6%	3.5%
Non-GAAP outlook	55.0%	56.0%	54.0%	54.5%
Earnings (loss) per share:				
GAAP outlook	$ (0.09)	$ (0.04)	$ (0.73)	$ (0.66)
Stock-based compensation	0.04	0.04	0.13	0.13
Amortization of acquired intangible assets	0.10	0.10	0.39	0.39
Acquisition-, disposal- and integration-related	0.01	0.01	0.03	0.03
Restructuring and related	0.01	0.01	0.11	0.11
Decrease in fair value of investments	-	-	0.25	0.25
Tax effect of non-GAAP adjustments	(0.02)	(0.04)	-	(0.03)
Non-GAAP outlook	$ 0.05	$ 0.08	$ 0.18	$ 0.22
Weighted average shares used to compute GAAP diluted loss per share (in thousands)	150,000	150,000	150,000	150,000
Weighted average shares used to compute Non-GAAP diluted earnings per share (in thousands)	156,000	156,000	156,000	156,000
Adjusted EBITDA ($ millions):				
GAAP income from operations	$ (1.6)	$ 6.4	$ (28.1)	$ (18.1)
Depreciation	4.1	4.1	16.2	16.2
Amortization of acquired intangible assets	15.2	15.2	60.4	60.4
Stock-based compensation	5.5	5.5	19.7	19.7
Acquisition-, disposal- and integration-related	0.8	0.8	4.4	4.4
Restructuring and related	2.0	2.0	17.4	17.4
Non-GAAP outlook	$ 26.0	$ 34.0	$ 90.0	$ 100.0

Thank you

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