



# CORPORATE OVERVIEW

November 2020



## CABLE ACCESS & VIDEO

Two market-leading  
business units

## REVENUE 2019

\$403M

## SILICON VALLEY

Headquarters

## BLUE CHIP CUSTOMERS

>5000 media and  
service provider  
customers worldwide

## INNOVATION VELOCITY

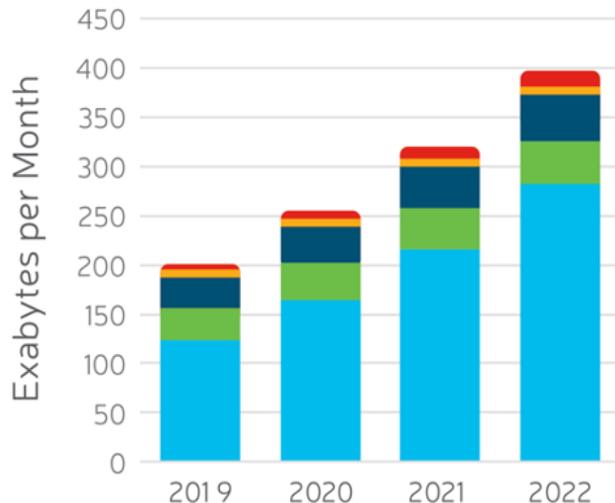
>40 patents filed in  
last 24 months

**Market Leader in Virtualized Cable Access & Live Video Streaming**

# GIGABIT ACCESS & STREAMING VIDEO GROWTH

TWO MAJOR MARKET TRANSFORMATION OPPORTUNITIES

25% CAGR | 2019-2022



**IP traffic** expected to nearly **double** from 2019 to 2022



**Streaming video** expected to account for **>80%**

\*Figures (n) refer to 2019, 2022 traffic share | Source: Cisco VNI Global IP Traffic Forecast, 2017-2022

# TWO FOCUSED BUSINESS UNITS

## ADDRESSING GIGABIT AND STREAMING GROWTH



### CABLE ACCESS

- Invented and leading virtualized cable access
- Foundational deployments with industry leaders
- Strong cable customer relationships



### VIDEO

- Market leader in premium live video
- Leading live OTT streaming transformation
- Strong media customer relationships



VIRTUALIZED CABLE ACCESS  
**MADE SMARTER**

harmonic



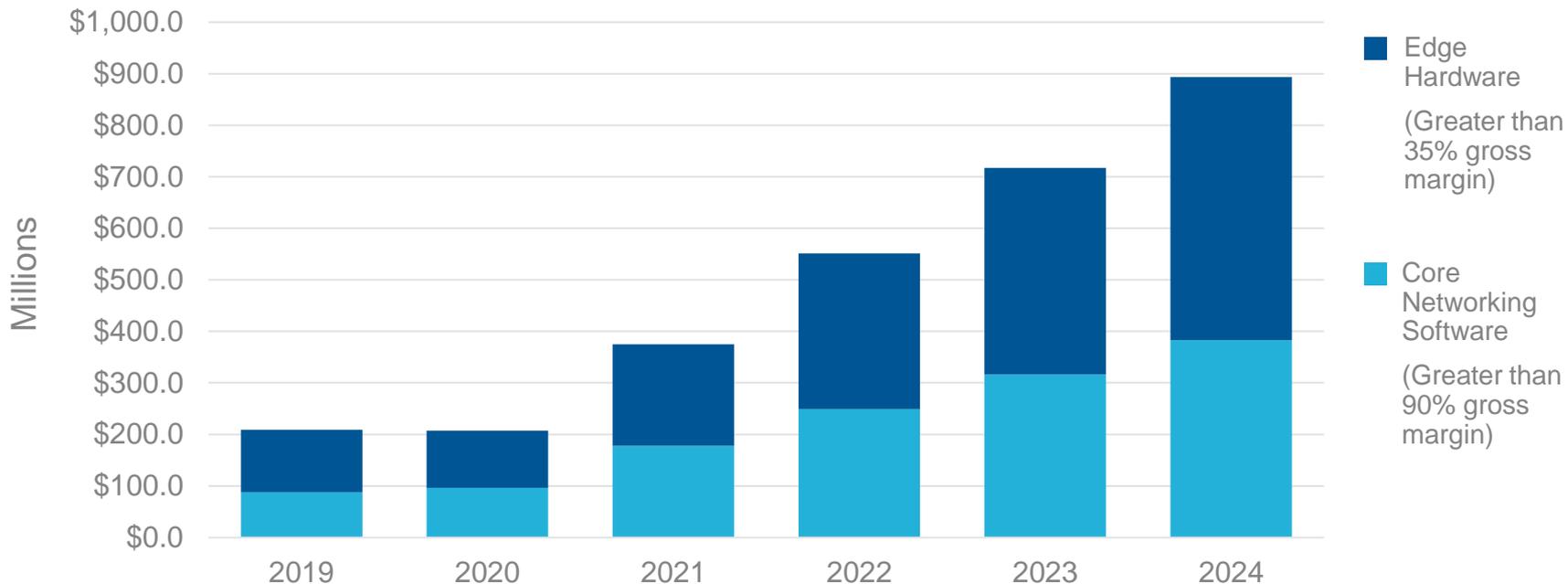
**CABLE ACCESS  
BUSINESS OVERVIEW**

# VIRTUALIZATION MARKET POISED FOR GROWTH

HARMONIC CABLEOS® LEADING THE WAY



## VCMTS & REMOTE PHY REVENUE GROWTH FORECAST

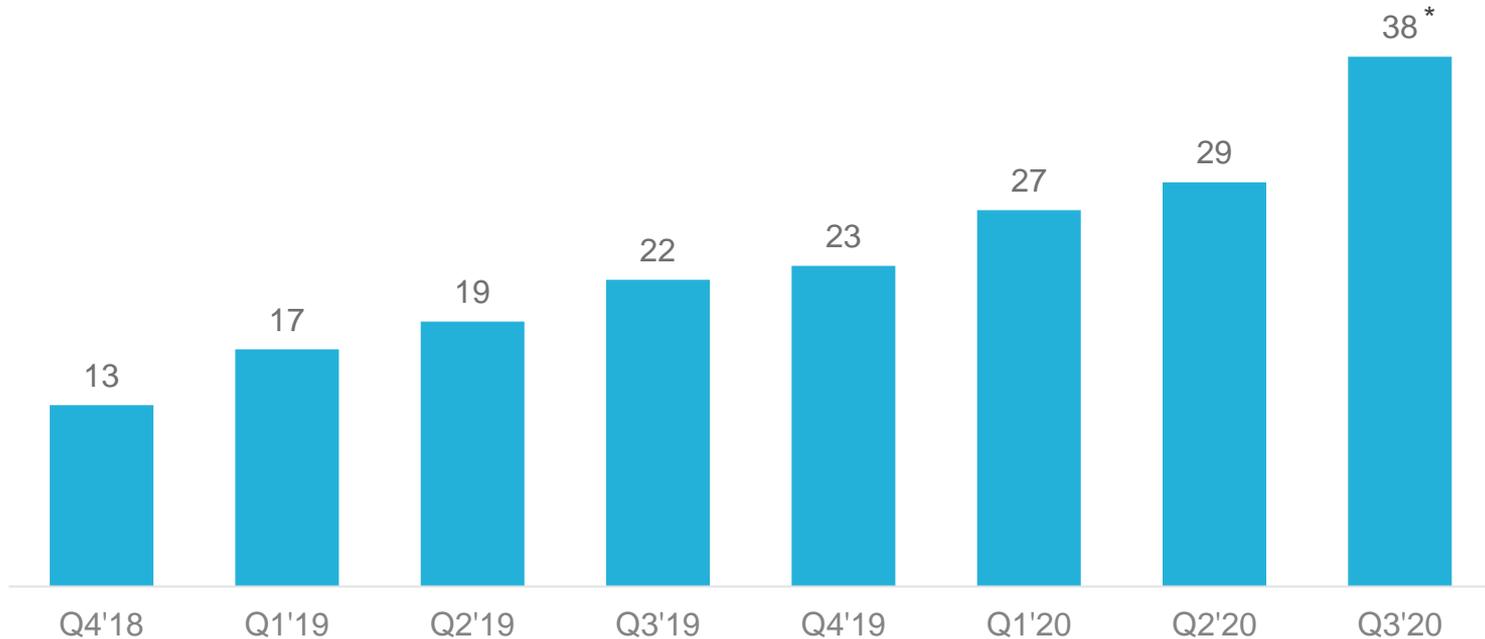


\* Source: Dell'Oro July 2020

# GROWING CABLE ACCESS BUSINESS

## STRONG DESIGN WIN MOMENTUM

### CABLEOS CUSTOMER COUNT



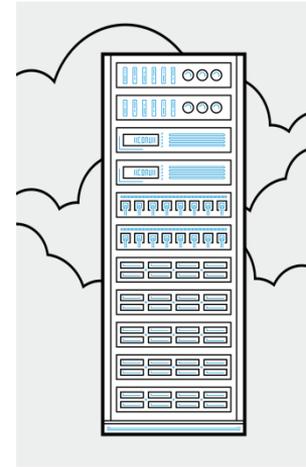
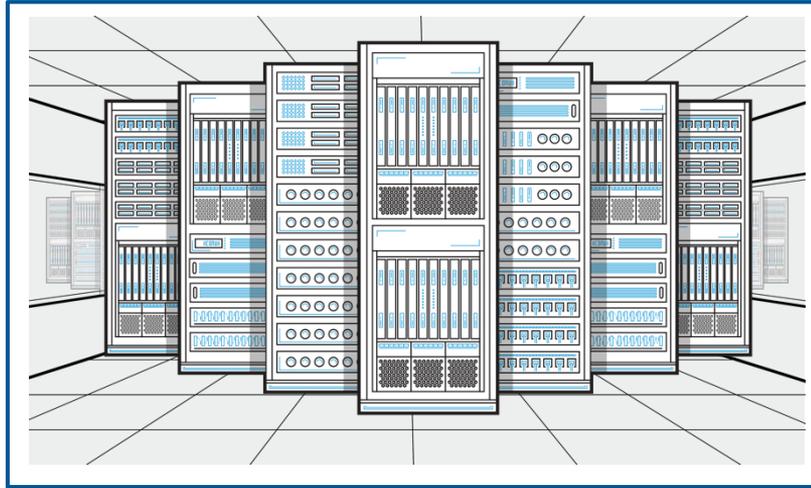
\* As of Cable-Tec Expo 2020, October 14, 2020

# VIRTUALIZATION ENABLING MULTI-GIGABIT BROADBAND

## HARMONIC CUSTOMERS PUBLICLY REPORTING COMPELLING RESULTS



192 Service Groups



**70%**

Power Savings

**20 ⇨ 1**

Rack Reduction

**30m ⇨ 15s**

Mean Time to Detect

**20,000 ⇨ 70**

HHP Reach from  
Targeted SW Upgrades

**2.1 MILLION**

cable modems served,  
up 122% year-over-year



**INNOVATION**

Foundational  
virtualization patent + 41  
unique patent filings



**STRATEGIC  
RELATIONSHIP**

and industry-leading  
deployment



**Harmonic CableOS is Only Virtualized Solution Deployed**

# SCALING GLOBAL CUSTOMER BASE



Largest European Cable  
Operator



Global Industry Leader



European Tier 1 Operator



Leading Provider of Cable &  
Mobile Services in Latin America

**+34\***

Additional **Global Cable  
Operators** Worldwide

VIDEO STREAMING  
**MADE SIMPLER**

harmonic

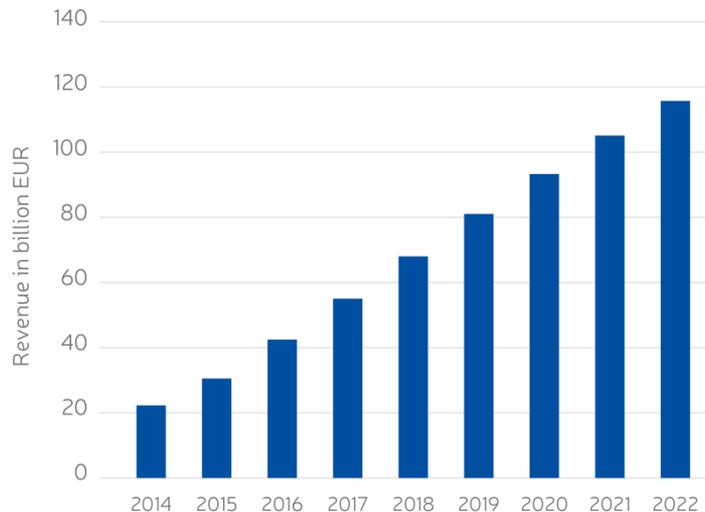
## VIDEO BUSINESS OVERVIEW



# OTT STREAMING CONTINUES TO GAIN GROUND

DRIVING MEDIA TRANSFORMATION AND INVESTMENT

## Global OTT Video Revenue



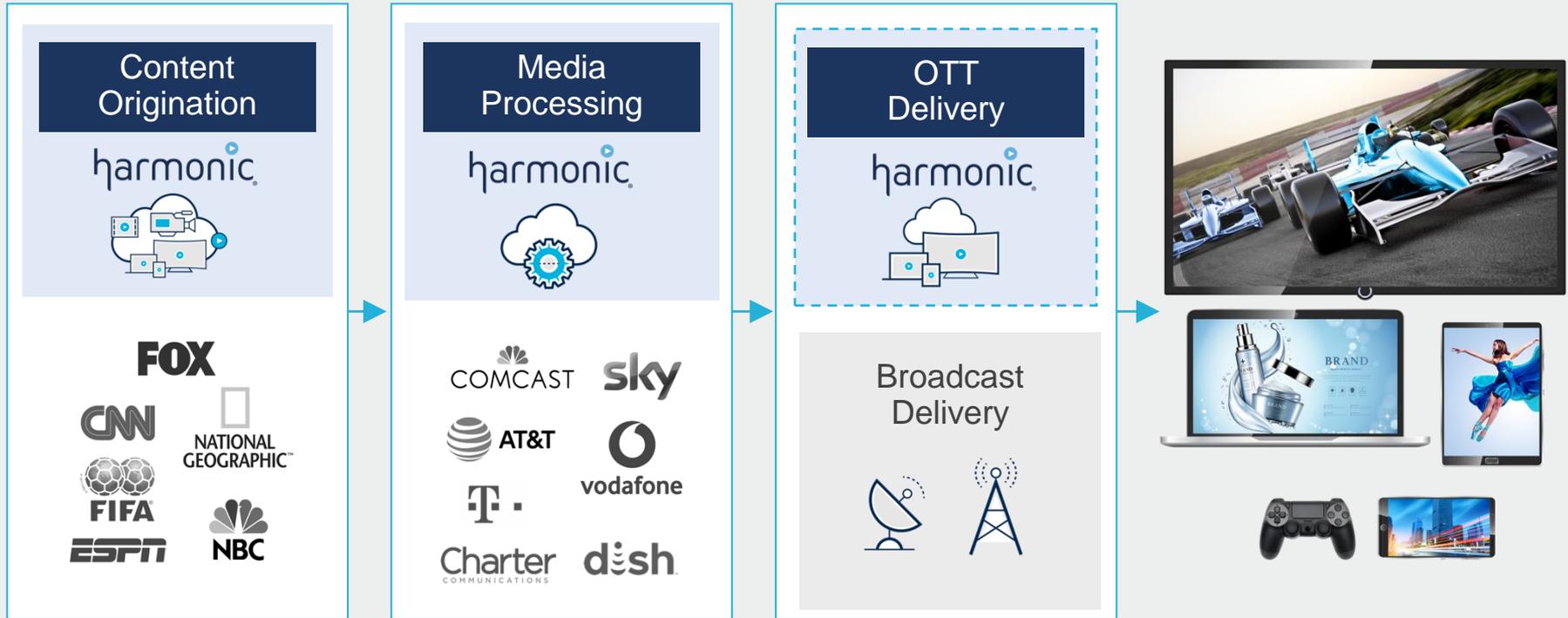
Source: IDATE DigiWorld, World TV & Video Services Markets, August 2018

New streaming services enabling access to high-quality content

Greater operational efficiencies with Cloud / SaaS business models

Sports and live events expanding on SVOD model

# TRANSFORMING FROM BROADCAST TO OTT STREAMING



## SCALE

Customers egressing more  
than 100TB per month  
Increased by 200% y/o/y



## PARTNERSHIPS



## PERFORMANCE

Industry-leading  
>99.9999%  
cloud service uptime



# EXPANDING CUSTOMER BASE

## NEW HARMONIC STREAMING CUSTOMER RELATIONSHIPS



New mobile OTT service  
in Indonesia



New live OTT streaming  
of open-wheel racing in North  
America



New subscription-based  
online TV service in the  
United States



New premium and  
24/7 OTT channels on hybrid  
cloud platform



24/7/365 online auction  
shopping network

## SUMMARY



## Market Leader in Virtualized Cable Access & Live Video Streaming

**SUBSTANTIAL  
GROWING MARKET  
OPPORTUNITY**



**INDUSTRY-LEADING  
TECHNOLOGY  
AND IP**



**STRONG  
RELATIONSHIPS  
WITH BLUE-CHIP  
CUSTOMERS**





## Financial

Results exceeded expectations



## Cable Access

Strong growth, extended market leadership



## Video

Solid customer demand and revenue rebound

**Strong Execution and Market Momentum**



## STRONG Q3 GROWTH\*

- Revenue \$40.3 million, operating margin 14.6%
- Commercially deployed with 38 operators, up 100% year over year\*\*
- 2.1 million cable modems served, up 122% year over year



## EXTENDING ADDRESSED MARKET AND COMPETITIVE ADVANTAGE

- New customer wins span the Americas, Asia and Europe
- Announced powerful new cloud-native and symmetric gigabit solutions
- Received first volume fiber-to-the-home order

\* Non-GAAP

\*\* as of Cable-Tec Expo 2020, October 14, 2020



## SOLID Q3 FINANCIAL\* PERFORMANCE AND OUTLOOK

- Revenue \$54.6 million, up 15% sequentially
- Gross margin 54.6%
- Q4 revenue guidance \$80 - \$85 million
  - Return to strong operating profit



## GROWTH INITIATIVES LEADING H2 RECOVERY

- Streaming business steadily expanding
  - Nine new cloud streaming customers
  - Over 48,000 streaming channels deployed, up 15% year over year
- First multi-million-dollar order received for 5G bandwidth reclamation solution

\* Non-GAAP



## Cable Access

1. Scale Tier-1 CableOS deployments
2. Secure additional CableOS design wins
3. Launch new FTTH & cloud-native solutions



## Video

1. Scale live streaming deployments
2. Expand addressed market via Cloud & 5G
3. Deliver segment profitability

Focused on growth, employee wellbeing, and value creation



# FINANCIAL RESULTS



# Q3 2020 REVENUE & GROSS MARGIN HIGHLIGHTS\*



Financial Metric (\$ Millions)	Q3 2020	Q2 2020	Q3 2019**	Q3/Q2 Change	Q3 Y/Y Change**
Total Net Revenue	\$94.9	\$74.0	\$78.2**	28.2%	21.3%
Cable Access Revenue	\$40.3	\$26.5	\$18.2**	51.7%	121.5%
Video Revenue	\$54.6	\$47.5	\$60.0	15.1%	(9.0)%
Gross Margin %	52.2%	51.6%	51.2%**	0.6%	1.0%
Cable Access Gross Margin%	48.9%	45.7%	29.9%**	3.2%	19.0%
Video Gross Margin%	54.6%	54.8%	57.7%	(0.2)%	(3.1)%
Total Net Revenue	\$94.9	\$74.0	\$78.2**	28.2%	21.3%
Appliance and integration	\$63.3	\$42.2	\$45.6**	49.8%	38.8%
SaaS and service	\$31.6	\$31.8	\$32.6	(0.4)%	(3.1)%
SaaS and service revenue %	33.3%	42.9%	41.7%**	(9.6)%	(8.4)%
SaaS and service gross margin %	57.7%	58.3%	60.6%	(0.6)%	(2.9)%

\*Non-GAAP

\*\* Excludes impact of one-time \$37.5 million Cable Access software license revenue in Q3 2019

# Q3 2020 FINANCIAL HIGHLIGHTS\*



Financial Metric \$ Millions (except EPS)	Q3 2020	Q2 2020	Q3 2019**	Q3/Q2 Change	Q3 Y/Y Change**
Operating Expenses	\$45.3	\$43.3	\$47.7	4.8%	(4.9)%
Operating Income (Loss)	\$4.2	\$(5.1)	\$(7.6)**	\$9.3	\$11.8
Cable Access Operating Income (Loss)	\$5.9	\$(0.9)	\$(5.9)**	\$6.8	\$11.8
Video Operating Income (Loss)	\$(1.7)	\$(4.2)	\$(1.7)	\$2.5	-
Adjusted EBITDA	\$7.2	\$(2.8)	\$(5.5)**	\$10.0	\$12.7
Cable Access Adjusted EBITDA	\$6.9	-	\$(5.9)**	\$6.9	\$12.8
Video Adjusted EBITDA	\$0.3	\$(2.8)	\$0.4	\$3.1	\$(0.1)
EPS	\$0.03	\$(0.06)	\$(0.09)**	\$0.09	\$0.12
Share Count	98.4	96.7	97.6	1.7	0.8
Bookings	\$100.7	\$77.0	\$89.0**	30.7%	13.1%
Book to bill ratio	1.06	1.04	1.1**	1.9%	(3.0)%

\*Non-GAAP

\*\*Excludes impact of one-time \$37.5 million Cable Access software license revenue in Q3 2019

# Q3 2020 BALANCE SHEET & CASH FLOW HIGHLIGHTS



Financial Metric (\$ Millions)	Q3 2020	Q2 2020	Q3 2019
Cash	\$70.8	\$77.7	\$66.7
Cash Provided by (Used in) Operations	\$(3.3)	\$11.9	\$5.8
Accounts Receivable	\$81.4	\$74.8	\$100.9
DSO	77	91	78
Inventories	\$36.8	\$32.1	\$29.0
Inventory Days	73	81	68
Backlog and Deferred Revenue	\$216.2	\$210.2	\$192.5

# FULL YEAR 2020 FINANCIAL GUIDANCE\*



Financial Metric	Prior Guidance	Updated Guidance	Midpoint Difference
Total Revenue (\$M)	\$349.5 - \$381.5	\$367.5 - \$377.5	\$7.0
Video Segment (\$M)	\$229.0 - \$246.0	\$236.5 - \$241.5	\$1.5
Cable Access Segment (\$M)	\$120.5 - \$135.5	\$131.0 - \$136.0	\$5.5
Gross Margin	50.0% - 51.5%	51.0% - 52.0%	0.8%
Operating Expenses (\$M)	\$181.5 - \$187.5	\$184.5 - \$186.5	\$1.0
Operating Income (\$M)	\$ (7.5) - \$11.5	\$3.0 - \$10.0	\$4.5
Adjusted EBITDA (\$M)	\$3.0 - \$22.0	\$13.5 - \$20.5	\$4.5
EPS	\$(0.12) - \$0.05	\$(0.03) - \$0.04	\$0.04
Cash (\$M)	\$80 - \$90	\$80 - \$90	-

\* Non-GAAP

# Q4 2020 FINANCIAL GUIDANCE\*



Financial Metric	Prior Guidance	Updated Guidance	Midpoint Difference
Total Revenue (\$M)	\$122.0 - \$142.0	\$120.0 - \$130.0	\$(7.0) ↓
Video Segment (\$M)	\$87.0 - \$97.0	\$80.0 - \$85.0	\$(9.5) ↓
Cable Access Segment (\$M)	\$35.0 - \$45.0	\$40.0 - \$45.0	\$2.5 ↑
Gross Margin	50.0% - 53.0%	50.5% - 54.5%	1.0% ↑
Operating Expenses (\$M)	\$45.0 - \$49.5	\$48.0 - \$50.0	\$1.8 ↑
Operating Income (\$M)	\$16.0 - \$26.0	\$12.5 - \$21.0	\$(4.3) ↓
Adjusted EBITDA (\$M)	\$19.0 - \$29.0	\$15.5 - \$24.0	\$(4.3) ↓
EPS	\$0.13 - \$0.22	\$0.10 - \$0.18	\$(0.04) ↓
Cash (\$M)	\$80 - \$90	\$80 - \$90	-

\* Non-GAAP

## APPENDIX



# 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 revenue, segment revenue, 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 acquisition accounting impacts to restructuring and related charges, Cable Access inventory charge, accounting impact related to warrant amortization, stock-based compensation expense, amortization of intangibles, loss on debt extinguishment, non-cash interest and other expenses on convertible notes and other debt, and adjustments that normalize the tax rate.

# Q3 2020 GAAP TO NON-GAAP RECONCILIATIONS

(IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



	Three months ended September 25, 2020						
	Revenue	Gross Profit	Total Operating Expense	Income (Loss) from Operations	Total Non-operating expense, net	Net Income (Loss)	
<b>GAAP</b>	\$ 94,892	\$ 48,924	\$ 50,545	\$ (1,621)	\$ (2,974)	\$ (5,381)	
Stock-based compensation	—	281	(3,649)	3,930	—	3,930	
Amortization of intangibles	—	—	(752)	752	—	752	
Restructuring and related charges	—	302	(814)	1,116	—	1,116	
Non-cash interest and other expenses related to convertible notes and other debt	—	—	—	—	1,666	1,666	
Discrete tax items and tax effect of non-GAAP adjustments	—	—	—	—	—	499	
<b>Total adjustments</b>	—	583	(5,215)	5,798	1,666	7,963	
<b>Non-GAAP</b>	\$ 94,892	\$ 49,507	\$ 45,330	\$ 4,177	\$ (1,308)	\$ 2,582	
	<i>As a % of revenue (GAAP)</i>		51.6%	53.3%	(1.7)%	(3.1)%	(5.7)%
	<i>As a % of revenue (Non-GAAP)</i>		52.2%	47.8%	4.4 %	(1.4)%	2.7 %
<b>Diluted net income (loss) per share:</b>							
Basic net loss per share-GAAP							\$ (0.06)
Diluted net income per share-Non-GAAP							\$ 0.03
<b>Shares used to compute diluted net income (loss) per share:</b>							
GAAP							97,563
Non- GAAP							98,361

# Q2 2020 GAAP TO NON-GAAP RECONCILIATIONS

(IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



Three months ended June 26, 2020							
	Revenue	Gross Profit	Total Operating Expense	Loss from Operations	Total Non-operating expense, net	Net Loss	
<b>GAAP</b>	\$ 73,994	\$ 37,773	\$ 47,327	\$ (9,554)	\$ (4,269)	\$ (15,401)	
Stock-based compensation	—	312	(3,236)	3,548	—	3,548	
Amortization of intangibles	—	65	(742)	807	—	807	
Restructuring and related charges	—	2	(82)	84	—	84	
Loss on convertible debt extinguishment	—	—	—	—	834	834	
Non-cash interest and other expenses related to convertible notes and other debt	—	—	—	—	1,950	1,950	
Discrete tax items and tax effect of non-GAAP adjustments	—	—	—	—	—	2,238	
<b>Total adjustments</b>	—	379	(4,060)	4,439	2,784	9,461	
<b>Non-GAAP</b>	\$ 73,994	\$ 38,152	\$ 43,267	\$ (5,115)	\$ (1,485)	\$ (5,940)	
	<i>As a % of revenue (GAAP)</i>		51.0%	64.0%	(12.9)%	(5.8)%	(20.8)%
	<i>As a % of revenue (Non-GAAP)</i>		51.6%	58.5%	(6.9)%	(2.0)%	(8.0)%
<b>Diluted net loss per share:</b>							
Diluted net loss per share-GAAP						\$ (0.16)	
Diluted net loss per share-Non-GAAP						\$ (0.06)	
<b>Shares used to compute diluted net loss per share:</b>							
GAAP and Non-GAAP						96,727	

# Q3 2019 GAAP TO NON-GAAP RECONCILIATIONS

(IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



	Three months ended September 27, 2019					
	Revenue	Gross Profit	Total Operating Expense	Loss from Operations	Total Non-operating Expense, net	Net Income
<b>GAAP</b>	\$ 115,725	\$ 75,540	\$ 52,991	\$ 22,549	\$ (10,289)	\$ 11,657
Stock-based compensation	—	405	(3,689)	4,094	—	4,094
Amortization of intangibles	—	1,295	(785)	2,080	—	2,080
Restructuring and related charges	—	331	(861)	1,192	—	1,192
Loss on convertible debt extinguishment	—	—	—	—	5,695	5,695
Non-cash interest and other expenses related to convertible notes	—	—	—	—	2,625	2,625
Discrete tax items and tax effect of non-GAAP adjustments	—	—	—	—	—	(2,751)
<b>Total adjustments</b>	\$ —	\$ 2,031	\$ (5,335)	\$ 7,366	\$ 8,320	\$ 12,935
<b>Non-GAAP</b>	\$ 115,725	\$ 77,571	\$ 47,656	\$ 29,915	\$ (1,969)	\$ 24,592
	<i>As a % of revenue (GAAP)</i>	65.3%	45.8%	19.5 %	(8.9)%	10.1 %
	<i>As a % of revenue (Non-GAAP)</i>	67.0%	41.2%	25.9 %	(1.7)%	21.3 %
<b>Diluted net income per share:</b>						
	Diluted net income per share-GAAP					\$ 0.12
	Diluted net income per share-Non-GAAP					\$ 0.25
<b>Shares used to compute diluted net loss per share:</b>						
	GAAP and Non-GAAP					97,596

# YTD Q3 2020 GAAP TO NON-GAAP RECONCILIATIONS

(IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



Nine months ended September 25, 2020						
	Revenue	Gross Profit	Total Operating Expense	Loss from Operations	Total Non-operating Expense	Net Loss
<b>GAAP</b>	\$ 247,303	\$ 123,435	\$ 152,659	\$ (29,224)	\$ (10,419)	\$ (42,736)
Stock-based compensation	—	1,364	(12,373)	13,737	—	13,737
Amortization of intangibles	—	950	(2,264)	3,214	—	3,214
Restructuring and related charges	—	231	(1,572)	1,803	—	1,803
Loss on convertible debt extinguishment	—	—	—	—	834	834
Non-cash interest and other expenses related to convertible notes and other debt	—	—	—	—	5,451	5,451
Discrete tax items and tax effect of non-GAAP adjustments	—	—	—	—	—	4,553
<b>Total adjustments</b>	—	2,545	(16,209)	18,754	6,285	29,592
<b>Non-GAAP</b>	\$ 247,303	\$ 125,980	\$ 136,451	\$ (10,470)	\$ (4,134)	\$ (13,144)
	<i>As a % of revenue (GAAP)</i>	49.9%	61.7%	(11.8)%	(4.2)%	(17.3)%
	<i>As a % of revenue (Non-GAAP)</i>	50.9%	55.2%	(4.2)%	(1.7)%	(5.3)%
<b>Diluted net loss per share:</b>						
	Diluted net loss per share-GAAP					\$ (0.44)
	Diluted net loss per share-Non-GAAP					\$ (0.14)
<b>Shares used to compute diluted net loss per share:</b>						
	GAAP and Non-GAAP					96,623

# YTD Q3 2019 GAAP TO NON-GAAP RECONCILIATIONS

(IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



	Nine months ended September 27, 2019					
	Revenue	Gross Profit	Total Operating Expense	Income from Operations	Total Non-operating Expense	Net Income (Loss)
<b>GAAP</b>	\$ 280,696	\$ 161,317	\$ 154,940	\$ 6,377	\$ (16,890)	\$ (11,494)
Accounting impact related to warrant amortization	48	48	—	48	—	48
Stock-based compensation	—	823	(7,894)	8,717	—	8,717
Amortization of intangibles	—	3,885	(2,357)	6,242	—	6,242
Restructuring and related charges	—	723	(1,195)	1,918	—	1,918
Loss on debt extinguishment	—	—	—	—	5,695	5,695
Non-cash interest and other expenses related to convertible notes	—	—	—	—	5,887	5,887
Discrete tax items and tax effect of non-GAAP adjustments	—	—	—	—	—	(1,179)
<b>Total adjustments</b>	<b>\$ 48</b>	<b>\$ 5,479</b>	<b>\$ (11,446)</b>	<b>\$ 16,925</b>	<b>\$ 11,582</b>	<b>\$ 27,328</b>
<b>Non-GAAP</b>	<b>\$ 280,744</b>	<b>\$ 166,796</b>	<b>\$ 143,494</b>	<b>\$ 23,302</b>	<b>\$ (5,308)</b>	<b>\$ 15,834</b>
	<i>As a % of revenue (GAAP)</i>	57.5%	55.2%	2.3 %	(6.0)%	(4.1)%
	<i>As a % of revenue (Non-GAAP)</i>	59.4%	51.1%	8.3 %	(1.9)%	5.6 %
<b>Diluted net income (loss) per share:</b>						
	Diluted net loss per share-GAAP					\$ (0.13)
	Diluted net income per share-Non-GAAP					\$ 0.17
<b>Shares used to compute diluted net income (loss) per share:</b>						
	GAAP					89,030
	Non-GAAP					92,579

# ADJUSTED EBITDA RECONCILIATION

(IN THOUSANDS)



	Three months ended		
	September 25, 2020	June 26, 2020	September 27, 2019
<b>Net loss - GAAP</b>	\$ (5,381)	\$ (15,401)	\$ 11,657
Provision for income taxes	786	1,578	603
Interest expense, net	2,807	3,062	3,000
Depreciation	3,148	2,692	2,764
Amortization of intangibles	752	807	2,080
<b>EBITDA</b>	2,112	(7,262)	20,104
<i>Adjustments</i>			
Stock-based compensation	3,930	3,548	4,094
Loss on convertible debt extinguishment	—	834	5,695
Non-cash expenses related to convertible note	—	—	927
Restructuring and related charges	1,116	84	1,192
<b>Adjusted EBITDA</b>	<b>\$ 7,158</b>	<b>\$ (2,796)</b>	<b>\$ 32,012</b>

# ADJUSTED EBITDA RECONCILIATION

(IN THOUSANDS)



	Nine months ended	
	September 25, 2020	September 27, 2019
<b>Net loss - GAAP</b>	\$ (42,736)	\$ (11,494)
Provision for income taxes	3,093	981
Interest expense, net	8,772	8,862
Depreciation	8,683	8,480
Amortization of intangibles	3,214	6,242
<b>EBITDA</b>	(18,974)	13,071
<i>Adjustments</i>		
Accounting impact related to warrant amortization	—	48
Stock-based compensation	13,737	8,717
Loss on convertible debt extinguishment	834	5,695
Non-cash expenses related to convertible note	—	927
Restructuring and related charges	1,803	1,918
<b>Adjusted EBITDA</b>	<b>\$ (2,600)</b>	<b>\$ 30,376</b>

# Q4 2020 GUIDANCE GAAP TO NON-GAAP RECONCILIATIONS

(IN MILLIONS, EXCEPT EPS AND PERCENTAGES)



	Q4 2020 Financial Guidance					
	Revenue	Gross Profit	Total Operating Expense	Income from Operations	Total Non-operating Expense, net	Net Income
<b>GAAP</b>	\$120.0 to \$130.0	\$59.7 to \$70.0	\$53.0 to \$55.0	\$6.5 to \$15.0	\$(3.3)	\$3.0 to \$11.3
Stock-based compensation	—	0.3	(3.7)	4.0	—	4.0
Amortization of intangibles	—	—	(0.8)	0.8	—	0.8
Restructuring and related charges	—	0.6	(0.5)	1.1	—	1.1
Non-cash interest and other expenses related to convertible notes and other debt	—	—	—	—	1.7	1.7
Tax effect of non-GAAP adjustments	—	—	—	—	—	\$(1.5) to \$(0.7)
<b>Total adjustments</b>	—	0.9	(5.0)	5.9	1.7	\$6.1 to \$6.9
<b>Non-GAAP</b>	\$120.0 to \$130.0	\$60.6 to \$70.9	\$48.0 to \$50.0	\$12.5 to \$21.0	\$(1.6)	\$9.9 to \$17.4
<i>As a % of revenue (GAAP)</i>		50.0% to 54.0%	44.2% to 42.3%	5.5% to 11.5%	(2.5)% to (2.8)%	2.5% to 8.7%
<i>As a % of revenue (Non-GAAP)</i>		50.5% to 54.5%	40.0% to 38.5%	10.5% to 16.1%	(1.2)% to (1.3)%	8.3% to 13.4%
<b>Diluted net income per share:</b>						
Diluted net income per share-GAAP						\$0.03 to \$0.11
Diluted net income per share-Non-GAAP						\$0.10 to \$0.18
<b>Shares used to compute diluted net income per share:</b>						
GAAP and Non-GAAP						98.8

# 2020 GUIDANCE GAAP TO NON-GAAP RECONCILIATIONS

(IN MILLIONS, EXCEPT EPS AND PERCENTAGES)



	2020 Financial Guidance					
	Revenue	Gross Profit	Total Operating Expense	Income (Loss) from Operations	Total Non-operating Expense, net	Net Income (Loss)
<b>GAAP</b>	\$367.5 to \$377.5	\$183.7 to \$192.6	\$205.5 to \$207.5	\$(22.0) to \$(15.0)	\$(13.8)	\$(39.1) to \$(32.2)
Stock-based compensation	—	1.7	(16.1)	17.8	—	17.8
Amortization of intangibles	—	1.0	(3.0)	4.0	—	4.0
Restructuring and related charges	—	0.9	(2.1)	3.0	—	3.0
Non-cash interest and other expenses related to convertible notes and other debt	—	—	—	—	7.2	7.2
Loss on debt extinguishment	—	—	—	—	0.8	0.8
Tax effect of non-GAAP adjustments	—	—	—	—	—	\$3.1 to \$3.7
<b>Total adjustments</b>	—	3.6	(21.2)	24.8	8.0	\$35.9 to \$36.5
<b>Non-GAAP</b>	\$367.5 to \$377.5	\$187.3 to \$196.2	\$184.5 to \$186.5	\$3.0 to \$10.0	\$(5.8)	\$(2.6) to \$3.7
<i>As a % of revenue (GAAP)</i>		50.0% to 51.0%	56.0% to 55.0%	(6.0)% to (4.0)%	(3.7)% to (3.8)%	(10.6)% to (8.5)%
<i>As a % of revenue (Non-GAAP)</i>		51.0% to 52.0%	50.2% to 49.4%	0.8% to 2.6%	(1.5)% to (1.6)%	(0.7)% to 1.0%
<b>Diluted net income (loss) per share:</b>						
Diluted net loss per share-GAAP						<u>\$(0.40) to \$(0.33)</u>
Diluted net income (loss) per share-Non-GAAP						<u>\$(0.03) to \$0.04</u>
<b>Shares used to compute diluted net income (loss) per share:</b>						
GAAP and Non-GAAP						<u>97.0</u>
Non-GAAP						<u>98.2</u>

# ADJUSTED EBITDA RECONCILIATION ON FINANCIAL GUIDANCE

(IN MILLIONS)

## Harmonic Inc. Adjusted EBITDA Reconciliation on Financial Guidance (In millions)

	Q4 2020 Financial Guidance	2020 Financial Guidance
<b>Net income (loss) - GAAP</b>	\$3.0 to \$11.3	\$(39.1) to \$(32.2)
Provision for income taxes	0.3	3.4
Interest expense, net	2.8	11.6
Depreciation	3.3	11.9
Amortization of intangibles	0.8	4.0
<b>EBITDA</b>	\$10.2 to \$18.5	\$(8.2) to \$(1.3)
<i>Adjustments</i>		
Stock-based compensation	4.0	17.8
Restructuring and related charges	1.2	3.0
Loss on debt extinguishment	—	0.8
<b>Adjusted EBITDA</b>	\$15.5 to \$24.0	\$13.5 to \$20.5