



EARNINGS CONFERENCE CALL

FIRST QUARTER 2025

Nimrod Ben-Natan, President & CEO
Walter Jankovic, CFO

April 28, 2025

FORWARD-LOOKING STATEMENTS



During the course of this presentation, we will provide projections and other forward-looking statements regarding future events or the future financial performance of Harmonic, including expectations concerning our business strategy for 2025 and beyond, our new stock repurchase program, and our Q2 2025 guidance. Such statements are only current expectations and actual events or results may differ materially. We refer you to Harmonic’s filings with the SEC, particularly our most recent Reports on Form 10-K, Form 10-Q and Form 8-K. These documents identify important risk factors that could cause actual results to differ materially from our projections or other forward-looking statements. We will also present financial metrics determined on a “non-GAAP” basis. These items, together with the corresponding GAAP numbers and a reconciliation to GAAP, are contained in this presentation and the related earnings press release on our website at www.harmonicinc.com.



BROADBAND & VIDEO

Two market-leading
business units



Q1 2025 REVENUE

\$133.1M
Broadband: \$84.9M
Video: \$48.3M



MARKET CAPITALIZATION¹

\$1.0B



SILICON VALLEY

Headquarters



CLOUD NATIVE INNOVATION LEADER



MARKET-LEADING CUSTOMERS

Worldwide



Revolutionizing Broadband Networks and Cloud Streaming

¹ Market Capitalization as of April 25, 2025

OVERVIEW

EXECUTING TOWARDS OUR LONG-TERM GROWTH PLAN



Delivered on Q1 2025 Commitments

- Broadband revenues in-line and profitability exceeded expectations
- Video exceeded revenue and Adj. EBITDA expectations as the business gains momentum

Navigating Tariffs & Shift to Unified DOCSIS 4.0 in 2025

- Below revenue trend year expected in Broadband due to Unified 4.0 timing and potential tariff sensitivity
- Technology and market share leadership position on Unified 4.0, progress to date as expected

Leading with a Strong Operating Model

- Robust cash flow in Q1 2025 resulting in cash balance of \$149 million
- \$36 million in Q1 2025 share repurchases

Positioned for Above Market Trend Growth in 2026

- Expect resumed revenue growth in 2026 with Unified 4.0 and existing customer ramps
- Dell'Oro analyst report* supports future long-term growth outlook

* Source: Dell'Oro Group, January 23, 2025

Accelerate the adoption of next-generation, virtualized broadband networks for speed, reliability, and simplicity, over DOCSIS and Fiber

Customer Diversification

- Seven new customer wins in Q1 including two US Tier-1 cable operators
- Strong Rest of World (ROW) bookings in Q1
- ROW significant growth expected in 2025

Technology Leadership

- DOCSIS 4.0 Unified Core and Devices (FDX & FDD)
- cOS platform orchestrating all formats of DOCSIS and Fiber
- Differentiated fiber offering with our Open ONU, versatile OLT, and virtual platform

Fiber Growth

- ROW wins included a LATAM Tier 1 Telco and two other new customers
- Record Fiber bookings in Q1

Cloud Services Expansion

- 58% year-over-year growth in Q1 with this SaaS offering
- Beacon Speed Maximizer now deployed with eight customers

VIDEO MARKET TRENDS

HARMONIC IS WELL POSITIONED TO LEAD

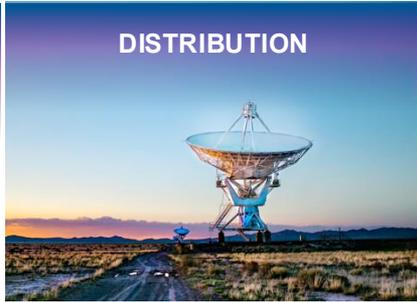


Leading Video Appliances

TRANSFORMING BROADCAST TV



DISTRIBUTION



- Unified signal for all viewers
- 24/7 linear channels
- Mature segment with “Broadcast” standards

Leading Agnostic Video SaaS Provider

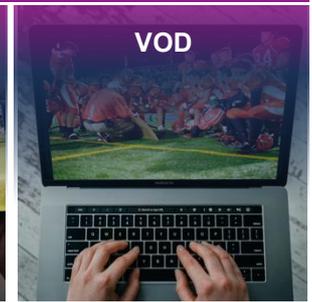
ENABLING PREMIUM STREAMING



TV EVERYWHERE



VOD



- Dedicated stream per viewer including targeted ads
- On-demand viewing
- Growing and evolving

HYBRID SOLUTIONS IN DEMAND

Appliance Profitability

- Winning and executing on increased level of larger refresh deals
- Strong pipeline of opportunities
- Demonstrated strong margins in Q1

SaaS Transformation

- Q1 SaaS revenue \$14.8M
- Expansion of sports streaming with existing customers
- Strong Tier 1 Pipeline
- Expected 2025 growth

Strong Operating Leverage



FIRST QUARTER 2025

FINANCIAL RESULTS AND OUTLOOK

Walter Jankovic, CFO

CONSOLIDATED RESULTS

- Revenue of \$133.1 million, up 9.1% to prior year
- EPS of \$0.11, up \$0.11 from prior year
- Cash \$148.7 million, up \$47.3 million from Q4'24

BROADBAND RESULTS

- Revenue of \$84.9 million, up 7.6% from prior year
- Adj. EBITDA of \$15.9 million, up 52.9% from prior year

VIDEO RESULTS

- Revenue \$48.3 million, up 11.8% from prior year
- SaaS revenue \$14.8 million, up 15% from prior year
- Adj. EBITDA \$5.3 million, up \$11.7 million from prior year

* Non-GAAP

CAPITAL ALLOCATION PRIORITIES

Organic Growth

- ROW growth investments
- Working capital for growth
- Additional service offerings

\$200M Stock Repurchase Authorization

- \$36M in stock repurchases during Q1 2025
- Expected strong free cash flow over next 3 years

Inorganic Expansion Opportunities

- Leverage our growing footprint in Broadband

Strong Liquidity Position with \$149M in Cash and \$82M in Undrawn Credit Facility

Q1 2025 REVENUE & GROSS MARGIN HIGHLIGHTS*



Financial Metric (\$ Millions)	Q1 2025	Q4 2024	Q1 2024	Q1/Q4 Change	Q1 Y/Y Change
Total Net Revenue	\$133.1	\$222.2	\$122.1	(40.1)%	9.1%
Broadband Revenue	\$84.9	\$171.0	\$78.9	(50.4)%	7.6%
Video Revenue	\$48.3	\$51.1	\$43.2	(5.6)%	11.8%
Gross Margin (%)	59.4%	56.1%	52.5%	3.3%	6.9%
Broadband Gross Margin (%)	55.5%	52.7%	47.5%	2.8%	8.0%
Video Gross Margin (%)	66.4%	67.4%	61.6%	(1.0)%	4.8%

* Non-GAAP. Components may not sum to total due to rounding

Q1 2025 EARNINGS AND BOOKINGS HIGHLIGHTS*



Financial Metric \$ Millions (except EPS)	Q1 2025	Q4 2024	Q1 2024	Q1/Q4 Change	Q1 Y/Y Change
Operating Expenses	\$60.5	\$61.5	\$62.8	\$(1.0)	\$(2.3)
Adj. EBITDA	\$21.1	\$71.8	\$4.1	\$(50.7)	\$17.0
Broadband Adj. EBITDA	\$15.9	\$64.1	\$10.4	\$(48.2)	\$5.5
Video Adj. EBITDA	\$5.3	\$7.8	\$(6.4)	\$(2.5)	\$11.7
EPS	\$0.11	\$0.45	\$0.00	\$(0.34)	\$0.11
Share Count	117.0	117.7	118.1	(0.7)	(1.1)
Bookings	\$113.7	\$150.0	\$146.1	\$(36.3)	\$(32.4)
Book to Bill Ratio	0.9	0.7	1.2	0.2	(0.3)

* Non-GAAP. Components may not sum to total due to rounding

Q1 2025 BALANCE SHEET & CASH FLOW HIGHLIGHTS



Financial Metric (\$ Millions)	Q1 2025	Q4 2024	Q1 2024
Cash	\$148.7	\$101.5	\$84.3
Cash Provided by Operations	\$83.6	\$48.5	\$26.8
Free Cash Flow	\$81.7	\$46.2	\$24.9
Accounts Receivable	\$98.6	\$178.0	\$105.9
DSO	67	72	78
Inventory	\$62.1	\$64.0	\$86.6
Inventory Days	103	59	134
Backlog and Deferred Revenue	\$485.1	\$496.3	\$677.8

Q2 2025 FINANCIAL GUIDANCE*



Financial Metric	Broadband	Video	Consolidated
Net Revenue (\$M)	\$75 - \$85	\$45 - \$50	\$120 - \$135
Gross Margin (%)**	44.0% - 45.0%	63.0% - 64.0%	51.1% - 52.0%
Adjusted EBITDA (\$M)	\$2 - \$6	\$2 - \$4	\$4 - \$10
Shares***	n/a	n/a	113.7 - 113.7
EPS	n/a	n/a	\$0.00 - \$0.04

*Non-GAAP

** Includes estimated tariff impacts of approximately \$3 million

*** Diluted shares assumes stock price at \$11.04 (Q1 2025 average price)

CONCLUSION

MARKET LEADER POSITIONED FOR GROWTH

**Q1 2025 Exceeded
Expectations**

**Navigating 2025
Broadband & Tariff
Headwinds**

**Growth Rebound
Expected in 2026**

KEY LONG-TERM CATALYSTS

- Technology leadership positions
- Strong operating model
- Proven execution



WRAP-UP & Q&A

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 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 restructuring and related charges, stock-based compensation expense, lease-related asset impairment and other charges, non-cash interest expenses on convertible notes, adjustments that normalize the tax rate and depreciation.

Q1 2025 GAAP TO NON-GAAP RECONCILIATIONS

(UNAUDITED, IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



	Three Months Ended March 28, 2025					
	Revenue	Gross Profit	Total Operating Expense	Income from Operations	Total Non-operating Expense, net	Net Income
GAAP	\$ 133,135	\$ 78,574	\$ 68,447	\$ 10,127	\$ (1,646)	\$ 5,940
Stock-based compensation	—	561	(7,904)	8,465	—	8,465
Discrete tax items and tax effect of Non-GAAP adjustments	—	—	—	—	—	(1,018)
Total adjustments	—	561	(7,904)	8,465	—	7,447
Non-GAAP	<u>\$ 133,135</u>	<u>\$ 79,135</u>	<u>\$ 60,543</u>	<u>\$ 18,592</u>	<u>\$ (1,646)</u>	<u>\$ 13,387</u>
<i>As a % of revenue (GAAP)</i>		59.0 %	51.4 %	7.6 %	(1.2)%	4.5 %
<i>As a % of revenue (Non-GAAP)</i>		59.4 %	45.5 %	14.0 %	(1.2)%	10.1 %
Diluted net income per share:						
GAAP						<u>\$ 0.05</u>
Non-GAAP						<u>\$ 0.11</u>
Shares used in per share calculation:						
GAAP and Non-GAAP						<u>117,021</u>

Q4 2024 GAAP TO NON-GAAP RECONCILIATIONS

(UNAUDITED, IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



	Three Months Ended December 31, 2024					
	Revenue	Gross Profit	Total Operating Expense	Income from Operations	Total Non-operating Income, net	Net Income
GAAP	\$ 222,166	\$ 124,651	\$ 71,783	\$ 52,868	\$ 3,232	\$ 38,120
Stock-based compensation	—	—	(8,486)	8,486	—	8,486
Restructuring and related charges	—	—	(1,173)	1,173	—	1,173
Asset impairment and related charges ⁽¹⁾	—	—	(610)	610	—	610
Discrete tax items and tax effect of Non-GAAP adjustments	—	—	—	—	—	4,043
Total adjustments	—	—	(10,269)	10,269	—	14,312
Non-GAAP	<u>\$ 222,166</u>	<u>\$ 124,651</u>	<u>\$ 61,514</u>	<u>\$ 63,137</u>	<u>\$ 3,232</u>	<u>\$ 52,432</u>
	<i>As a % of revenue (GAAP)</i>	<i>56.1 %</i>	<i>32.3 %</i>	<i>23.8 %</i>	<i>1.5 %</i>	<i>17.2 %</i>
	<i>As a % of revenue (Non-GAAP)</i>	<i>56.1 %</i>	<i>27.7 %</i>	<i>28.4 %</i>	<i>1.5 %</i>	<i>23.6 %</i>
Diluted net income per share:						
GAAP						<u>\$ 0.32</u>
Non-GAAP						<u>\$ 0.45</u>
Shares used in per share calculation:						
GAAP and Non-GAAP						<u>117,699</u>

Q1 2024 GAAP TO NON-GAAP RECONCILIATIONS

(UNAUDITED, IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



Three Months Ended March 29, 2024

	Revenue	Gross Profit	Total Operating Expense	Income (Loss) from Operations	Total Non-operating Expense, net	Net Income (Loss)
GAAP	\$ 122,060	\$ 63,081	\$ 72,607	\$ (9,526)	\$ (1,012)	\$ (8,089)
Stock-based compensation	—	522	(6,401)	6,923	—	6,923
Restructuring and related charges	—	460	(3,037)	3,497	11	3,508
Non-recurring advisory fees	—	—	(349)	349	—	349
Non-cash interest expense related to convertible notes	—	—	—	—	229	229
Discrete tax items and tax effect of Non-GAAP adjustments	—	—	—	—	—	(2,538)
Total adjustments	—	982	(9,787)	10,769	240	8,471
Non-GAAP	\$ 122,060	\$ 64,063	\$ 62,820	\$ 1,243	\$ (772)	\$ 382
<i>As a % of revenue (GAAP)</i>		<i>51.7 %</i>	<i>59.5 %</i>	<i>(7.8)%</i>	<i>(0.8)%</i>	<i>(6.6)%</i>
<i>As a % of revenue (Non-GAAP)</i>		<i>52.5 %</i>	<i>51.5 %</i>	<i>1.0 %</i>	<i>(0.6)%</i>	<i>0.3 %</i>
Diluted net income (loss) per share:						
GAAP						\$ (0.07)
Non-GAAP						\$ 0.00
Shares used in per share calculation:						
GAAP						112,350
Non-GAAP						118,107

ADJ. EBITDA CALCULATIONS

(UNAUDITED, IN THOUSANDS)



Three Months Ended March 28, 2025

	Three Months Ended March 28, 2025	
	Broadband	Video
Income from operations	\$ 14,021	\$ 4,571
Depreciation	1,964	756
Other non-operating expense, net	(124)	(48)
Adjusted EBITDA⁽¹⁾	\$ 15,861	\$ 5,279
Revenue	\$ 84,878	\$ 48,257
<i>Adjusted EBITDA margin %⁽¹⁾</i>	<i>18.7 %</i>	<i>10.9 %</i>

Three Months Ended December 31, 2024

	Three Months Ended December 31, 2024	
	Broadband	Video
Income from operations	\$ 57,787	\$ 5,350
Depreciation	2,133	835
Other non-operating income, net	4,130	1,595
Adjusted EBITDA⁽¹⁾	\$ 64,050	\$ 7,780
Revenue	\$ 171,028	\$ 51,138
<i>Adjusted EBITDA margin %⁽¹⁾</i>	<i>37.5 %</i>	<i>15.2 %</i>

Three Months Ended March 29, 2024

	Three Months Ended March 29, 2024	
	Broadband	Video
Income (loss) from operations	\$ 8,594	\$ (7,351)
Depreciation	1,986	1,099
Other non-operating expense, net	(179)	(99)
Adjusted EBITDA⁽¹⁾	\$ 10,401	\$ (6,351)
Revenue	\$ 78,897	\$ 43,163
<i>Adjusted EBITDA margin %⁽¹⁾</i>	<i>13.2 %</i>	<i>(14.7)%</i>

ADJ. EBITDA RECONCILIATIONS

(UNAUDITED, IN THOUSANDS)



	Three Months Ended		
	March 28, 2025	December 31, 2024	March 29, 2024
Net income (loss) (GAAP)	\$ 5,940	\$ 38,120	\$ (8,089)
Provision for (benefit from) income taxes	2,541	17,980	(2,449)
Interest expense, net	1,474	2,493	723
Depreciation	2,720	2,968	3,085
EBITDA	12,675	61,561	(6,730)
<i>Adjustments</i>			
Stock-based compensation	8,465	8,486	6,923
Restructuring and related charges	—	1,173	3,508
Non-recurring advisory fees	—	—	349
Asset impairment and related charges	—	610	—
Total consolidated segment adjusted EBITDA (Non-GAAP)	\$ 21,140	\$ 71,830	\$ 4,050
Revenue	\$ 133,135	\$ 222,166	\$ 122,060
<i>Net income (loss) margin (GAAP)</i>	<i>4.5 %</i>	<i>17.2 %</i>	<i>(6.6)%</i>
<i>Consolidated segment Adjusted EBITDA margin (Non-GAAP)</i>	<i>15.9 %</i>	<i>32.3 %</i>	<i>3.3 %</i>

GUIDANCE GAAP TO NON-GAAP RECONCILIATIONS

(UNAUDITED, IN MILLIONS, EXCEPT EPS AND PERCENTAGES)



	Q2 2025 Financial Guidance ⁽¹⁾				
	Revenue	Gross Profit	Total Operating Expense	Income from Operations	Net Income (Loss)
GAAP	\$ 120 to \$ 135	\$ 61 to \$ 70	\$ 67 to \$ 70	\$ (6) to \$ —	\$ (5) to \$ (1)
Stock-based compensation expense	—	—	(7)	7	7
Tax effect of Non-GAAP adjustments	—	—	—	—	(2) to (2)
Total adjustments	—	—	(7)	7	5 to 5
Non-GAAP	<u>\$ 120 to \$ 135</u>	<u>\$ 61 to \$ 70</u>	<u>\$ 60 to \$ 63</u>	<u>\$ 1 to \$ 7</u>	<u>\$ — to \$ 4</u>
<i>As a % of revenue (GAAP)</i>		50.8% to 51.9%	55.8% to 51.9%	(5.0)% to —%	(4.2)% to (0.7)%
<i>As a % of revenue (Non-GAAP)</i>		51.1% to 52.0%	50.0% to 46.7%	0.8% to 5.2%	—% to 3.0%
Diluted net income (loss) per share:					
GAAP					<u>\$ (0.04) to \$ (0.01)</u>
Non-GAAP					<u>\$ — to \$ 0.04</u>
Shares used in per share calculation:					
GAAP					<u>113.4</u>
Non-GAAP					<u>113.7</u>

(1) Components may not sum to total due to rounding.

GUIDANCE ADJ. EBITDA CALCULATIONS

(UNAUDITED, IN MILLIONS)



	Q2 2025 Financial Guidance			
	Broadband		Video	
Income from operations	\$	— to \$ 4	\$	1 to \$ 3
Depreciation		2 2		1 1
Segment adjusted EBITDA⁽²⁾	\$	2 to \$ 6	\$	2 to \$ 4

GUIDANCE ADJ. EBITDA RECONCILIATIONS

(UNAUDITED, IN MILLIONS)



	Q2 2025 Financial Guidance	
Net loss (GAAP)	\$ (5) to \$	(1)
Benefit from income taxes	(3)	(1)
Interest expense, net	2	2
Depreciation	3	3
EBITDA	(3) to	3
<i>Adjustments</i>		
Stock-based compensation	7	7
Total consolidated segment adjusted EBITDA (Non-GAAP) ⁽²⁾	\$ 4 to \$	10



harmonic

THANK YOU.