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Harmonic, Inc. (HLIT)

Q2 2026 Earnings Call

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MANAGEMENT DISCUSSION SECTION

Operator: Welcome to the Second Quarter 2026 Harmonic's Earnings Conference Call. My name is Lisa and I will be your operator for today's call. At this time, all participants are in a listen-only mode. After the speakers' presentation, there'll be a question-and-answer session. [Operator Instructions]

I'd now like to turn the call over to David Hanover, Investor Relations. David, you may begin.

David Hanover

Senior Vice President, KCSA Strategic Communications

Thank you, operator. Hello, everyone, and thank you for joining us today for Harmonic's second quarter 2026 financial results conference call. With me today are Nimrod Ben-Natan, President and CEO; and Walter Jankovic, Chief Financial Officer.

Before we begin, I'd like to point out that in addition to the audio portion of the webcast, we have also provided slides for this webcast, which you may view by going to our webcast on our Investor Relations website.

Now, turning to slide 2. During this call, we will provide projections and other forward-looking statements regarding future events or future financial performance of the company. Such statements are only current expectations, and actual events or results may differ materially. We refer you to documents harmonic filed with the SEC, including our most recent 10-Q and 10-K reports and the forward-looking statement section of today's preliminary results press release. These documents identify important risk factors, which can cause actual results to differ materially from those contained in our projections or forward-looking statements.

And please note that unless otherwise indicated, the financial metrics we provide you on this call are determined on a non-GAAP basis. These metrics, together with corresponding GAAP numbers and a reconciliation to GAAP, are contained in today's press release, which we have posted on our website and filed with the SEC on Form 8-K.

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We will also discuss historical, financial and other statistical information regarding our business and operation, and some of this information is included in the press release. The remainder of the information will be available on a recorded version of this call or on our website.

And now, I'll turn the call over to our CEO, Nimrod Ben-Natan. Nimrod?

Nimrod Ben-Natan

President, Chief Executive Officer & Director, Harmonic, Inc.

Thanks, David, and welcome, everyone, to our second quarter 2026 earnings call. Q2 was another strong quarter, both financially and in terms of the progress we've made on our strategic imperatives. We saw continued strength in Rest-of-Market demand and accelerating pace of fiber deployments and encouraging results from our new intelligence layer. In June, we completed the sale of our video business, marking the completion of our transformation to a pure-play broadband company.

With the momentum and improved visibility we achieved in the first half of the year, we are once again raising our full year 2026 broadband revenue outlook. Driving this momentum is an important theme we have been building toward for several years. Operators no longer have to settle the network architectures question before they can move forward because our converged cOS platform supports all access architectures: DOCSIS 3.1+, DOCSIS 4.0, distributed, centralized and fiber. Operators are deploying cOS knowing it will evolve as their priorities do. For more upstream capacity now to an accelerated fiber overlay over time. This is more important than ever for operators as network traffic is not just growing, it is changing shape.

OpenVault's latest data show upspring traffic now growing more than 3 times faster than downstream, the third consecutive year that gap has widened. AI pushes the same way. Agents and connected devices tilt traffic upstream and run around the clock, not just at the evening peak, which is what legacy broadband networks were engineered around. The critical constraint is upstream capacity and there is more than one way to relieve it, DOCSIS 4.0, a high-split upgrade, or fiber. The unique strength of our platform is that it enables all of these options with the same software at the same time.

Cable One's CEO captured this well at the independent show in July, describing network topology as the biggest question broadband operators face and saying his plan is to trial DOCSIS 3.1 splits, DOCSIS 3.1+, DOCSIS 4.0, and fiber side by side. All of these options are commercially available and deployed with cOS today, making this entire evaluation possible with a single platform.

This flexibility matters more than ever as legacy platforms are both constrained on upstream capacity and approaching the end of their useful life. For a growing number of global operators, those legacy systems are an increasing security and maintenance liability. And as they weigh their options, cOS and Harmonic are uniquely positioned as the platform and company enabling them to modernize across current and future architectures. This is the dynamic that is now driving our market momentum worldwide.

Turning to our financials results highlights on slide 5. Q2 revenue grew 54% year-over-year to $133.5 million, above the high end of our guidance and our strongest second quarter ever. Rest-of-Market revenue grew 44% year-over-year to nearly $50 million. Looking at the six months ended July 3, this revenue surpassed $100 million, approximately 60% higher than in the first half of last year.

Bookings were again strong in the quarter, reaching $144 million, led by Rest-of-Market, which represented approximately 60% of total bookings in the quarter. Also, we exited the quarter with backlog and deferred revenue of $588 million. This continues to improve our visibility. And it is a key reason we are raising our full year outlook.

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Rest-of-Market continued in the quarter – our momentum continued in the quarter. And behind the revenue is an expanding base of customers. Our deployed cOS footprint now includes 161 customers, serving 48.2 million CPE devices. Bluepeak is a good illustration of why operators are choosing us and it goes directly to the theme I opened with. Two years ago, they selected our distributed access platform to expand their DOCSIS network. Partway through, their strategy evolved and they begun overbuilding parts of their footprint with fiber.

In the words of their Vice President of Technology and Engineering, Eric Fligel, because of the platform they had already deployed, they were able to quickly make a technology shift, utilize the same housing, the same infrastructure, the same backhaul, and start deploying XGS-PON very quickly. Today, they decide service area by service area where to run DOCSIS and where to run fiber. That is the pattern we are seeing repeatedly. Operators start with one use case and expand over time across DOCSIS and/or fiber and increasingly add network intelligence, which I will come back to shortly. And they do it by leveraging the cOS platform underneath.

Fiber momentum continued to build with Q2 setting a record Rest-of-Market fiber bookings. Deployments are ramping alongside the bookings. SeaStar, our MDU optical node, went live at DNA Finland, the European operator behind a sizable booking we highlighted last quarter. They are now bringing multi-gigabit service into apartment buildings that were previously uneconomic to upgrade by reusing the existing in-building network.

We're also seeing fiber used in ways that extend our market beyond residential broadband. Inter Venezuela, the largest private ISP in the country, is building a nationwide XGS-PON service on our platform for mobile backhaul, using fiber as carrier infrastructure for mobile operators preparing for 5G. The new product portfolio we previewed at Fiber Connect last quarter is already converting to orders. We secured our first multimillion-dollar order for the Pearl-1XL and Oyster+, which together deliver high port density and keeps service running through extended power outages, the leading cause of downtime in outdoor deployments.

Their outdoor design lets operators keep the street cabinet all together – skip the street cabinet altogether, consolidating that capacity into one compact power protector device that deploys faster, costs less to install, and takes up far less space in the communities they serve. Together, our record fiber bookings, expanding portfolio, and converged architecture position us to keep gaining share as operators look for more flexible, reliable, and cost effective ways to expand fiber.

The DOCSIS 4.0 ecosystem took an important step forward. In June, cable modems from six suppliers across two chipset vendors cleared the first CableLabs interoperability milestone on the path to DOCSIS 4.0 certification. With multi-vendor modem supply now coming into place, operators can move ahead on DOCSIS 4.0 with greater confidence. We are shipping unified DOCSIS 4.0 nodes in volume across a broad range of customers as they ramp their upgrades. We also won a new DOCSIS 4.0 customer in Europe during the quarter. With DOCSIS 4.0, operators can deliver fiber-like upstream speeds over the plan they already have, which is what an AI era applications increasingly demand.

Turning to our new intelligence area, we continue to see adoption building. Beacon is now live with approximately 20 customers and our broader intelligence platform is expanding, with newer offerings now running with about 10 operators. Early deployments continue to show significant value, including a reduction in subscribers calls to service providers by more than 30% as we discussed last quarter. Amply, which extends real-time visibility into the amplifier plant, is now in beta with several operators, running with amplifiers from two different vendors. That matters as many operators run multi-vendor amplifier strategy for supply chain flexibility and assurance.

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A recent Dell'Oro report projects that nearly 10 million of the amplifiers deployed in the industry's current upgrade cycle will be smart amplifiers. In other words, the outside plant is being instrumented by the upgrade cycle itself, generating the kind of granular real-time data our intelligence layer is built to use. That is a significant expansion of the opportunity ahead of us. These outcomes and our customer-first approach show up in how our customers rate us. Our customer NPS reached 87 in the second quarter.

Turning to slide 6. Stepping back, there are four things driving the growth of Harmonic, and during the second quarter, we made significant progress on each of them. First, DOCSIS and fiber on a single converged architecture, which is increasingly why operators select us in the first place; second, a global customer base that keeps widening beyond our largest accounts; third, new intelligence products and services where adoption is building across our customer base; and fourth, operating leverage, which is increasingly visible in our financial performance.

We are looking forward to sharing more with you at our upcoming Investor Day on September 15, including our updated view of the market opportunity, our longer term strategy, and growth plans, and much more on the intelligence opportunity. I hope many of you will be able to join us.

That concludes my opening remarks. With that, I will turn the call over to Walter to walk you through our financials in more detail.

Walter F. Jankovic

Chief Financial Officer, Harmonic, Inc.

Thanks, Nimrod, and thank you all for joining us today. Before I discuss our quarterly results and outlook, I'd like to remind everyone the financial results I'll be referring to on this call are provided on a non-GAAP basis. As David mentioned earlier, our Q2 press release and earnings presentation include reconciliations of our non-GAAP to GAAP financial measures. Both of these are available on our website.

As previously announced, we completed the sale of our video business to MediaKind on June 16 of this year. Proceeds from the sale were $137.9 million paid at closing, subject to final post-closing adjustments under the terms of the APA. As a result, Harmonic now operates as a pure-play broadband company with a single reportable segment, broadband. With this context, I'm pleased to report that our strong business momentum continued into the second quarter, with broadband revenue increasing 54% year-over-year, including 44% growth in Rest-of-Market.

In addition, we had strong quarterly bookings and once again closed the quarter with record backlog and deferred revenue. Notably, approximately 60% of bookings in the quarter came from the Rest-of-Market, where book-to-bill was well over 1.5. Given these results and leading indicators, we are once again raising our full year guidance, with broadband revenue now expected at $505 million to $525 million, up from our prior range of $475 million to $495 million. I'll provide a more detailed breakout of our guidance shortly.

Let's move to slide 8, where we have the financial highlights for the quarter. Broadband revenue was $133.5 million, well above our guidance range of $115 million to $125 million. Gross margin for the quarter was 53%, consistent with our guidance, and the net unrecovered memory cost impact remained well below $1 million. Operating expenses were higher this quarter, mainly due to company incentive-based accruals tied to our improved full year 2026 financial performance forecast.

Moving to the bottom line, EPS was $0.21, again above our guidance range of $0.15 to $0.19, and operating profit was $31.3 million, exceeding our guidance of $23 million to $28 million. These results include $2.3 million in

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stranded costs related to the video business sale. The revenue upside was broad-based and included a number of Rest-of-Market customers ramping their deployments during the quarter.

In Q2, two customers each accounted for more than 10% of revenue, together representing 63% of total revenue. Our Q2 Rest-of-Market revenue showed very strong year-over-year growth of 44%, representing 37% of total revenue, underscoring our progress in expanding our customer diversification. As a reminder, Rest-of-Market revenue describes all revenue that is not from our two largest customers, as measured by subscriber count.

Turning to slide 9, you can see our balance sheet and cash flow highlights. The closing of the video transaction gave our already healthy balance sheet a strong capital infusion, bringing cash and cash equivalents to $231.9 million at quarter end. That inflow drove the sequential change in cash, partially offset by negative free cash flow of $7 million for the quarter, which was primarily due to an increase in memory inventory as we took early delivery to secure supply for growth.

DSO at the end of Q2 was 61 compared to 62 in Q1 2026 and 72 in Q2 2025. We expect DSO to trend back to the low-70s going forward, based on our customer mix. Inventory increased $15.3 million in the quarter and our days inventory on hand increased to 95 days from 80 days last quarter. Our overall book-to-bill was 1.1 in Q2, with Rest-of-Market significantly above 1 as previously mentioned.

At the end of Q2, broadband backlog and deferred revenue reached a record $587.6 million, up 71% year-over-year, of which 73% is expected to convert to revenue within the next 12 months. This gives us increased visibility for the remainder of 2026 and into 2027.

As shown on slide 10, we believe we have ample liquidity to support our capital allocation priorities with $232 million in cash and an $85 million undrawn credit facility. This significant increase in cash gives us the financial flexibility to execute our capital allocation plan. Our capital allocation priorities remain unchanged: invest in organic growth and diversification, return capital to our shareholders, and pursue strategic M&A to further enhance growth and diversification in our business.

In line with our first key priority, we plan to keep investing in organic growth. This will increase our inventory over the next several quarters, including advancing memory purchases to secure supply. As discussed on prior calls, these organic broadband opportunities are in both our intelligence platform and fiber portfolio.

Under our current $200 million share repurchase program, to date, we have already repurchased $122 million of our outstanding shares. We did not repurchase shares during the second quarter. As we stated previously, we expect to fund ongoing repurchases through both current cash and strong free cash flow generation over the next several years, with a minimum goal of purchasing enough shares each year to offset any dilution from equity compensation awards. In addition, with the substantial cash infusion from the sale of video, we are well-positioned to explore additional inorganic growth opportunities that would further diversify our business and accelerate our growth strategy.

Turning to guidance on slide 11. Here, we provide our continuing operations non-GAAP financial guidance for Q3 2026 and full year 2026, which reflects our raised full year outlook. We continue to take a measured approach to guidance for both revenue and margins. We believe this is prudent given external factors such as the situation in the Middle East and, secondarily, component supply dynamics and pricing. Our full year margin guidance incorporates the current market pricing for memory.

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Now, let me walk you through our guidance. For Q3 2026, we expect to deliver broadband revenue between $125 million and $135 million; gross margins between 51% and 52%, reflecting the elevated memory costs; operating profit between $23 million and $28 million; and EPS of between $0.15 and $0.19. As our guidance shows, we expect strong year-over-year revenue growth in Q3. Q3 operating profit includes approximately $2.3 million in stranded costs.

For the full year 2026, we expect broadband revenue between $505 million and $525 million, up $30 million or 6.2% from the midpoint of our prior guidance; gross margins between 51% and 52%, an improvement over prior guidance based on customer mix and the mitigation of supply chain impacts; operating profit between $99 million and $111 million; and EPS between $0.67 and $0.75, up approximately $0.09 or 14.5% from the midpoint of our prior guidance.

As we noted last quarter, we have built approximately $3 million per quarter into our second half guidance for the net increased memory costs that are not expected to be passed on. Our team has done a terrific job securing memory supply for the rest of 2026 and into 2027.

Additionally, full year broadband operating profit includes approximately $10 million in stranded costs. And to reiterate what we said last quarter, we continue to believe approximately 30% of these stranded costs are temporary and will be eliminated within one year of the video sale closing. Please note that our expected non-GAAP tax rate for full year 2026 has been reduced to 23% from 24.5% previously, reflecting our updated view of profitability.

In summary, in the second quarter, we delivered results that once again significantly exceeded our expectations, with broadband revenue growing 54% year-over-year. Our record broadband backlog and deferred revenue and supply availability give us increased visibility, enabling us to raise our full year guidance. With the sale of our video business now behind us, we are well-positioned, focused, and have considerable capital to further accelerate our growth in the rapidly growing broadband sector.

Thank you for your attention. And now, I'll turn it back to Nimrod for closing remarks before we open up the call for questions.

Nimrod Ben-Natan

President, Chief Executive Officer & Director, Harmonic, Inc.

Thanks, Walter. To close, Q2 was a strong quarter across virtually every measure, our strongest second quarter ever on revenue, continued strength in Rest-of-Market growth, a faster pace of fiber deployment, and wider adoption of our intelligence portfolio. We are raising our outlook for the second time this year as the visibility we have built supports it.

Operators keep choosing Harmonic for the same reason: Harmonic lets them evolve their network without regrettable spend. We will have a great deal more to say about where that leads at the upcoming Investor Day next month.

That concludes our prepared remarks. Walter and I are now happy to take your questions.

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QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] Our first question will be coming from the line of Victor Chiu of Raymond James. Please go ahead.

Victor Chiu
Analyst, Raymond James & Associates, Inc.

Q

Hi, guys. This is Victor in for Simon. Thanks for taking the question. Can you just provide some color around the demand dynamics from the rest of the market? Are we seeing an inflection here now where smaller regional MSOs are starting to follow through with the Comcast/Charter upgrade playbook? And in addition to that, are these still kind of lab trials, or are we seeing the first phases of their actual upgrades now?

Nimrod Ben-Natan
President, Chief Executive Officer & Director, Harmonic, Inc.

A

Yeah, Victor, let me take that. So, as we previously discussed, this is a growing list of customers, many of which we announced last year and early this year. This is way past the lab trials. This is ramping deployments across the board. And as much as we talked about DOCSIS 4.0, we also see customers that are doing what's called the DOCSIS 3.1+, kind of the extended version of DOCSIS and fiber. So, it's really across the board, all the use cases that we have. And it's really coming, as you indicated, outside of the top two customers.

Victor Chiu
Analyst, Raymond James & Associates, Inc.

Q

Great. And just a quick follow-up. What percentage of the rest of the market would you say, in your estimation, has kind of started ramping now and started full-on deploying for these upgrades?

Nimrod Ben-Natan
President, Chief Executive Officer & Director, Harmonic, Inc.

A

It is a growing percentage of the rest of the market. We never broke it down exactly, and not all of them are at the same stage. Clearly, some of them are further along than others. But it's certainly a growing percentage that we see out there. And there is more to come, as there is a longer list of customers that are either making a decision or made a decision and are going through the different stages in the lab testing, field trial before they ramp up. So, what you see every quarter is a growing blend of those that are ramping up, those that are just starting. And behind the scene, as we keep announcing new wins, these are opportunities and customers that are coming up to speed with their rollouts.

Victor Chiu
Analyst, Raymond James & Associates, Inc.

Q

Great. That's very helpful. Thank you very much.

Walter F. Jankovic
Chief Financial Officer, Harmonic, Inc.

A

Yeah. And just to add to Nimrod's comments around the Rest-of-Market, that revenue is well-diversified across a broad set of customers. So, to Nimrod's point, more customers are coming on board and, therefore, when you look at the makeup of that revenue, it is well-diversified across many customers.

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Victor Chiu
Analyst, Raymond James & Associates, Inc.

Q

Thank you. That's very helpful.

Operator: Thank you. One moment for the next question. Our next question is coming from the line of Steven Frankel of Rosenblatt Securities. You may proceed. Steven, your line is open.

Steven Frankel
Analyst, Rosenblatt Securities, Inc.

Q

Good afternoon. Thank you. Could we just talk in general about what's the potential for these intelligence platforms in terms of kind of raising the recurring revenue portion of your business? Is this something that could be material in two or three years, or is it going to take longer than that for this stream of revenue to build up?

Nimrod Ben-Natan
President, Chief Executive Officer & Director, Harmonic, Inc.

A

It will certainly be material for what we report today on recurring revenue. It will also be very sticky to the service that we provide. We think it's going to take time. And we plan on sharing more details on what exactly we do there and kind of what's the road ahead, but we certainly see that as a growing and an area that will be material to our recurring revenue kind of category that we report and for the overall business.

Steven Frankel
Analyst, Rosenblatt Securities, Inc.

Q

Okay. And then you've done a great job battling rising memory costs, which seem to be really impacting everyone. Do you think you can keep this up throughout this year and into next year? Or do you think that you just got ahead of your growth curve this year, which bought you some cushion?

Walter F. Jankovic
Chief Financial Officer, Harmonic, Inc.

A

Steve, it is Walter. So, first of all, with regards to memory, we've already procured all the memory that we need for FY 2026. And our team's done a good job kind of early days, when this was becoming an issue, to front run and get supply. And so, now, you're seeing in the second half, some of that supply, from a cost standpoint, obviously is reflecting closer to the market price of that product, as we had already procured it. And I mentioned during the opening remarks that we built in about $3 million per quarter in terms of the impact of the memory costs. And so, that's where it's increasing and that's reflected now into the memory – sorry, into the gross margin guidance that we've provided for Q3 as well as the full year. And so, yes, the team's done a great job. We've mitigated certain risks. And today, you saw in our guidance for the full year, we actually raised our gross margin guidance for that period.

Steven Frankel
Analyst, Rosenblatt Securities, Inc.

Q

Okay. Great. I'll jump back in the queue. Thank you.

Walter F. Jankovic
Chief Financial Officer, Harmonic, Inc.

A

Okay. Thanks, Steve.

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Operator: Thank you. [Operator Instructions] One moment for the next question. And our question is coming from the line of Ryan Koontz of Needham & Company. Please go ahead.

Ryan Koontz
Analyst, Needham & Co. LLC

Q

Great. Thanks for the question. I'm going to ask a little bit about Rest-of-Market maybe in a different angle here. Number one, any color on different geographies relative to Rest-of-Market traction and adoption? And secondly, are there any particular unlocks that you've achieved to allow them to operationalize virtual CMTS and DAA, which has been going on for many years of struggles? So, any color you can share with us about that?

Nimrod Ben-Natan
President, Chief Executive Officer & Director, Harmonic, Inc.

A

Yeah. So, on the first question, clearly, majority of the business is in North America, although you have to look at Canada and Mexico separately. We've got customers in both. There are a growing number of opportunities that we've either announced or in the pipeline in both Latin America, Asia, and a sizable number of opportunities in Europe. So, when you think about Rest-of-Market, if you exclude the top two and you kind of look at the mix, there is definitely a bigger contribution coming outside of North America.

To your second question, look, it took a while. Obviously, it's kind of a distributed architecture, but I think we did a good job over the years to simplify that and train our customers. We've got great experts helping our customers with services. And the one thing I can say, even though our platform under the hood has all the bells and whistles of Kubernetes and kind of a scale out microservices architectures, our customers do not have to know all of that when they operate our platform. They really look at that as an appliance. So, I think this is clearly not kind of a headwind to our business growth at the moment, from kind of a complexity of deployment point of view.

Ryan Koontz
Analyst, Needham & Co. LLC

Q

Super helpful. And then maybe on the cost side as it relates to solutions and your requirements to deliver servers and networking and other parts of the complete solution, I'm sure you're seeing some cost pressures there. And are you seeing any of those being impediments to your customers' deployments relative to just raw hardware costs for off-the-shelf kind of private [ph] cloud (00:34:07)?

Nimrod Ben-Natan
President, Chief Executive Officer & Director, Harmonic, Inc.

A

Yeah. The short answer is no, but I'm going to let Walter expand on that.

Walter F. Jankovic
Chief Financial Officer, Harmonic, Inc.

A

Yeah. I think from anything that we provide, from a third-party in terms of switches and servers, we mentioned it during the last quarter's call that that is one of the things that we do for some of our Rest-of-Market customers. We procure those items as well. Obviously, the prices of those have gone up and impact customers out there. But from the perspective of that's – its materiality to our business is very small. And so far, we really haven't seen any impact from a supply standpoint. It's more around the price of these items.

Ryan Koontz
Analyst, Needham & Co. LLC

Q

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Terrific. Thanks, guys. Maybe if I can squeeze one more in. A question about the fiber market, how you think about that? How you're thinking about BEAD? And any catalysts out there that you think would shift cable operators to more aggressively rehab coax versus upgrade to fiber, from your perspective?

Nimrod Ben-Natan
President, Chief Executive Officer & Director, Harmonic, Inc.

A

Yeah. So, let me start, and then Walter will chime in on the BEAD. So, we do see cable operators do fiber, but very few are doing wholesale overbuild up themselves. They will do everything to grow fiber to address MDUs or certain applications. But some of them – and I did mention Bluepeak as an example – will do an overbuild, and that's the beauty of our platform that it lets them kind of make the transition in a very seamless way. We expect, over the next couple of years, some will be more aggressive, some less about this migration. And this is clearly something that we see as a great opportunity for our business being a converged platform.

We also think that our fiber portfolio is very attractive for the broader fiber market outside of cable. I did mention the win that we had with the new Pearl-XL that has this unique power protection capabilities. This is going for the broader fiber market, not specific to cable. And it really provide a significant value for those that are doing these deployments relative to the traditional street cabinet architecture, et cetera. So, we're excited about what we have and expecting to keep growing this business. Walter, please address the BEAD question.

Walter F. Jankovic
Chief Financial Officer, Harmonic, Inc.

A

Certainly. So, Ryan, BEAD, in terms of our guidance, it's a modest part of our overall revenue guidance. I think we've mentioned previously that we've received orders and are ready to ship out in terms of BEAD product, in terms of having the supply chain all set up. As Nimrod pointed out, we've got some very unique products for that market in terms of ruggedized OLT type of infrastructure, which is playing really well into that market. So, right now, it's moving as planned. It's not a significant part of our guidance this year.

Ryan Koontz
Analyst, Needham & Co. LLC

Q

Helpful, guys. Really appreciate it. Nice quarter.

Walter F. Jankovic
Chief Financial Officer, Harmonic, Inc.

A

Ryan.

Operator: Thank you. And this concludes today's Q&A session. I would now like to turn the call back to Nimrod for closing remarks. Please go ahead.

Nimrod Ben-Natan
President, Chief Executive Officer & Director, Harmonic, Inc.

We appreciate your continued interest in Harmonic and look forward to updating you on our progress in the near future. Thank you all for joining the call. Have a good day.

Operator: This concludes today's conference call. Thank you so much for joining. You may now disconnect.

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