



# EARNINGS CONFERENCE CALL

## FOURTH QUARTER 2024

Nimrod Ben-Natan, President & CEO

Walter Jankovic, CFO

February 10, 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 Q1 and full-year 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](http://www.harmonicinc.com).



## BROADBAND & VIDEO

Two market-leading  
business units



## 2024 REVENUE

\$679M  
Broadband: \$488M  
Video: \$191M



## MARKET CAPITALIZATION<sup>1</sup>

\$1.3B



## SILICON VALLEY

Headquarters



## CLOUD NATIVE INNOVATION LEADER



## MARKET-LEADING CUSTOMERS

Worldwide



Revolutionizing Broadband Networks and Cloud Streaming

<sup>1</sup> Market Capitalization as of February 7, 2025

# OVERVIEW

## EXECUTING ON OUR LONG-TERM GROWTH PLAN



### Delivered on 2024 Commitments

- Growth in Broadband segment and leadership position in DOCSIS 4.0
- Returned Video segment to profitability

### Navigating Shift to Unified DOCSIS 4.0 in 2025

- Below revenue trend year expected in Broadband due to Unified 4.0 timing
- Technology and market share leadership position on Unified 4.0

### Leading with a Strong Operating Model

- Strong cash flow expected in 2025, despite Broadband revenue timing headwinds
- New \$200M 3-year share repurchase authorization

### Positioned for Above Market Trend Growth in 2026

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

# 2024 HIGHLIGHTS

*Record 2024  
Financial  
Performance*



Demonstrated strong ability to ramp in Q3 & Q4  
Positions us well for future growth



Delivered on expectations for Q4 and full year 2024  
Expanded our footprint with DOCSIS 4.0 and Fiber penetration



Q4 Broadband Rest of World customer growth of over 50%  
from prior quarter - as we focus on customer diversification



Akamai partnership expands opportunities for Video SaaS  
growth

# BROADBAND BUSINESS STATE OF PLAY



Undisputed technology leader in next-generation Cable Access

Strong track record of multi-year growth and execution

Market share leader serving the world's largest MSOs

Positive long-term market growth, despite near-term customer timing delays impacting all vendors in 2025

Prudently guiding 2025 based on market forecasts

Best positioned to capitalize on market growth in 2026 and beyond



\* Dell'Oro Group market share as published during last four quarters (Q4'23 to Q3'24)

Source: Dell'Oro Group Report, 2023

Dell'Oro Group does not endorse any vendor, product or service depicted in its research publications. The Dell'Oro Group Market Share Leader Badge is used herein with permission. All rights reserved.

# SERVICE PROVIDER COMPETITION CABLE MUST EVOLVE THE NETWORK

## Competitive pressure

FWA



Fiber



## Broadband cable under competitive pressure



**Majority** of cable networks are still based on aging CMTS chassis, lower splits and analog optics transport

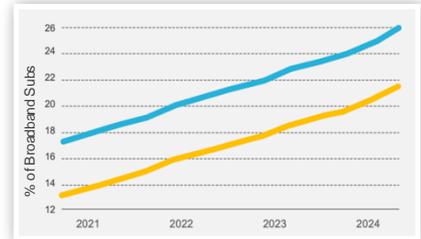
### Critical Events:

Reliability  
Lower OPEX  
Platform longevity  
Higher upstream split

BoostD downstream (4xOFDM)  
Advanced features: LLD, PMA  
Fiber optionality

## Fighting with mobile, streaming bundles

### Mobile penetration growth



Comcast Charter Communications

### Streaming video re-bundles



# TRENDS IN BROADBAND EVER-GROWING DEMAND FOR BANDWIDTH AND RELIABILITY



## AI Agents

Significant Upstream Traffic



## Live Sports Streaming

Driving Network Upgrades



## Gaming Releases

Significant Traffic Surges



## Reliability

Increasing NPS



## Low Lag

Consistent Latency



## Security

Network and Subscribers

*Driving significant upstream & downstream traffic*



*Driving platform modernization & advanced tools*

## Virtualized Platform

*Advanced telemetry and traffic management*

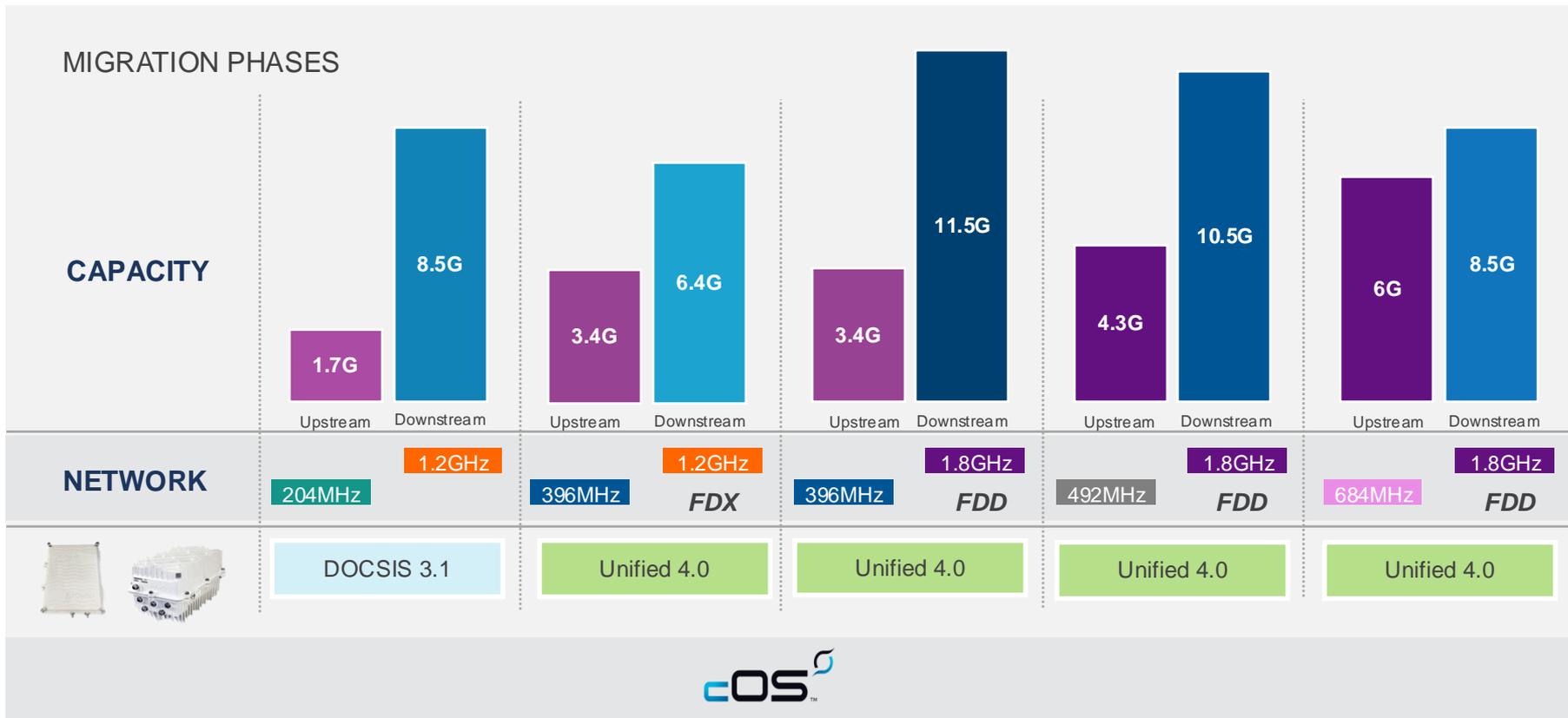
## Unified 4.0

*Fiber-like upstream and downstream speeds*

## Fiber Optionality

*Efficient, surgical, and success-based Fiber to the Home*

# PATH TO UNIFIED DOCSIS 4.0 FOR SYMMETRICAL “FIBER-LIKE” SPEEDS



# FIBER OPTIONALITY

## SEAMLESS TRANSITION SUPPORTING ANY TOPOLOGY, ANY DENSITY



### Hubs & Cabinets

Up to **48x** 10G PON  
Per **1RU Device**



**6144 Subs Per RU**

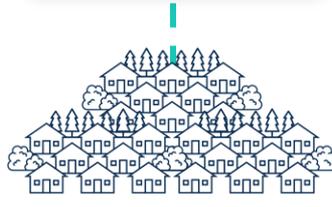


### Large Node

Up to **16x** 10G PON  
Per **Ripple**



**2048 Subs**



### Compact Node

Up to **8x** 10G PON  
Per **Oyster**



**1024 Subs**



### Pluggable

**1x** 10G PON  
Per **Fin**

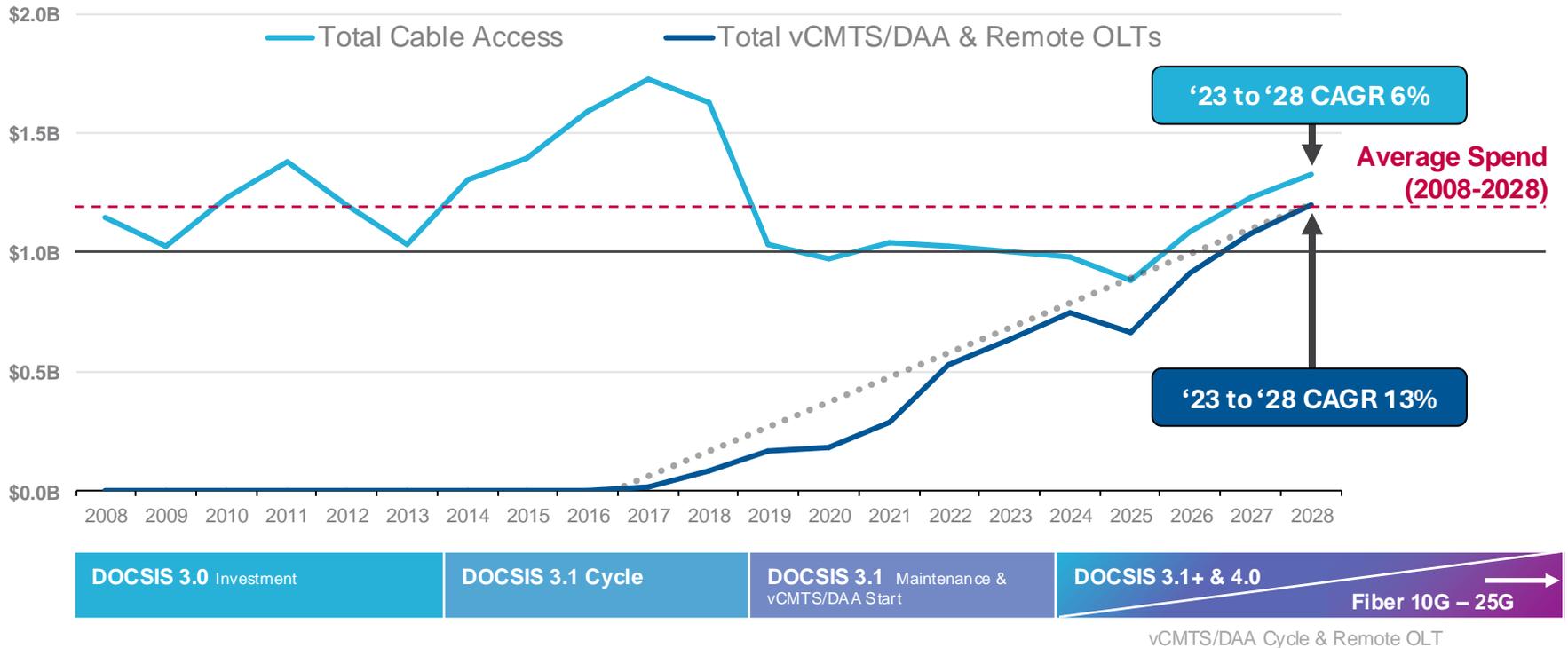


**128 Subs**



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

# CABLE BROADBAND OPERATOR SPENDING 2026 GROWTH REBOUND EXPECTED



Source: Dell'Oro Group, January 23, 2025

## Customer Diversification

- Rest of World (ROW) Q4 revenue growth of >50% over prior quarter
- 5 New wins including Blue Stream Fiber (USA) and IPKO (EMEA)
- 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

- 30%+ of existing DOCSIS customers are purchasing our fiber solution
- >30 Telco engagements underway

## Cloud Services Expansion

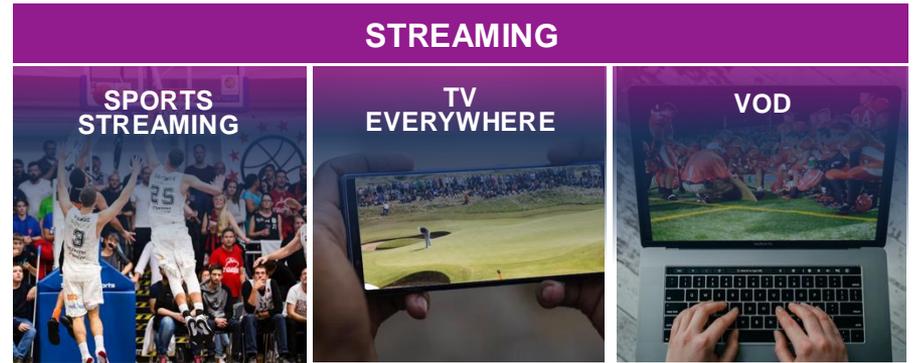
- Increasing revenue with this SaaS offering
- 47% revenue growth FY24 over prior year
- 74% increase in customers during FY24

# VIDEO MARKET TRENDS

## HARMONIC IS WELL POSITIONED TO LEAD

### *Leading Video Appliance Provider*

### *Leading Agnostic Video SaaS Provider*



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

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

**HYBRID SOLUTIONS IN DEMAND**

## Appliance Profitability

- Increased level of larger deals in Q4 2024 and in the 2025 pipeline
- Improved backlog entering 2025

## SaaS Transformation

- Akamai video streaming partnership
- Q4 2024 SaaS revenue \$15.1M
- Strong Tier 1 Pipeline
- Expected 2025 growth

## Strong Operating Leverage



FOURTH QUARTER 2024

# FINANCIAL RESULTS AND OUTLOOK

Walter Jankovic, CFO

## CONSOLIDATED RESULTS

- Record revenue of \$222.2 million, up 33% to prior year
- Record EPS of \$0.45, up 246% to prior year
- Cash \$101.5 million, up \$43.3 million from Q3'24

## BROADBAND RESULTS

- Record revenue of \$171.0 million, up 48% from prior year
- Record EBITDA of \$64.1 million

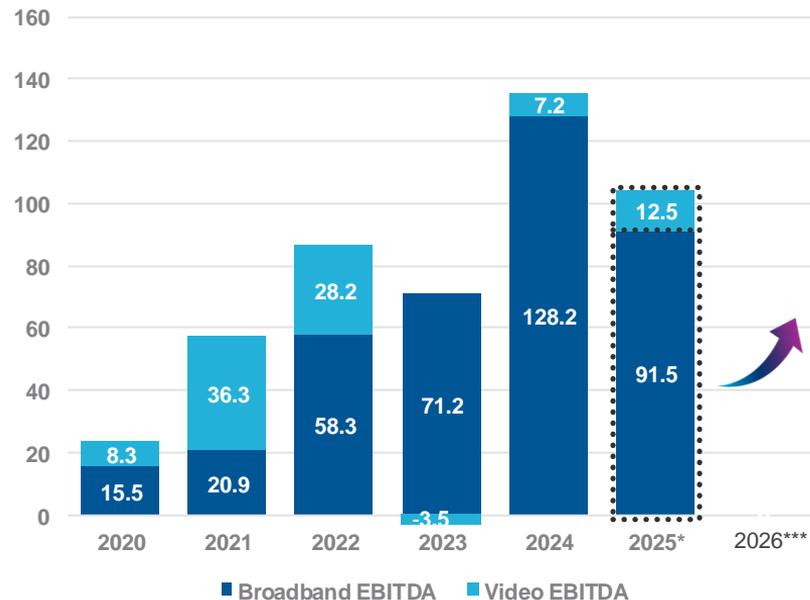
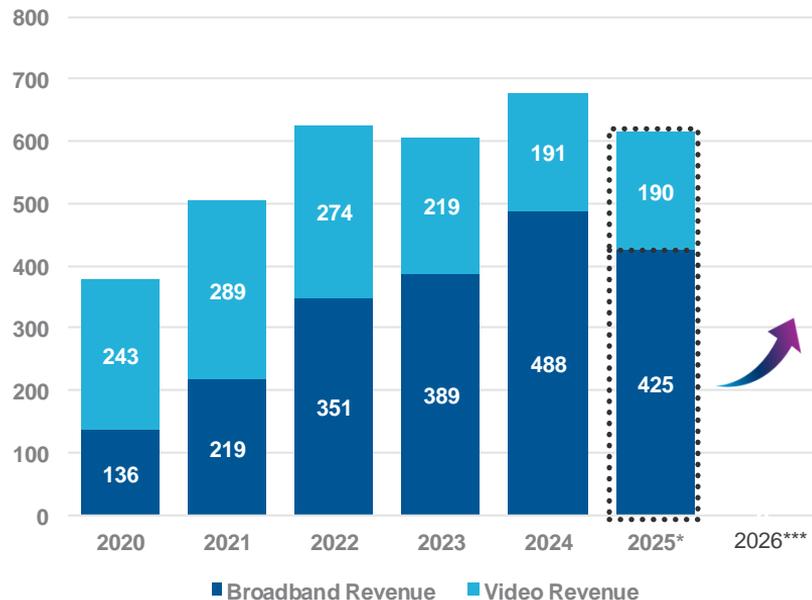
## VIDEO RESULTS

- Revenue \$51.1 million, down 1% compared to prior year
- SaaS revenue \$15.1 million
- EBITDA \$7.8 million

\* Non-GAAP

# LONG-TERM REVENUE AND EBITDA IMPROVEMENT\*\*

## 2026 BROADBAND GROWTH REBOUND EXPECTED



\* Midpoint of FY2025 guidance (February 10, 2025)

\*\* Non-GAAP

\*\*\* Broadband growth rebound expected per Industry Analyst projections

# CAPITAL ALLOCATION PRIORITIES

## Organic Growth

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

## \$200M Stock Repurchase Authorization

- Doubled size of prior repurchase program
- Expected strong free cash flow over next 3 years

## Inorganic Expansion Opportunities

- Leverage our growing footprint in Broadband

**Strong Liquidity Position with \$101.5M in Cash and \$82M in Undrawn Credit Facility**

# Q4 2024 REVENUE & GROSS MARGIN HIGHLIGHTS\*



| Financial Metric<br>(\$ Millions) | Q4<br>2024 | Q3<br>2024 | Q4<br>2023 | Q4/Q3<br>Change | Q4 Y/Y<br>Change |
|-----------------------------------|------------|------------|------------|-----------------|------------------|
| Total Net Revenue                 | \$222.2    | \$195.8    | \$167.1    | 13.5%           | 33.0%            |
| Broadband Revenue                 | \$171.0    | \$145.3    | \$115.2    | 17.7%           | 48.4%            |
| Video Revenue                     | \$51.1     | \$50.4     | \$51.9     | 1.4%            | (1.4)%           |
| Gross Margin (%)                  | 56.1%      | 53.7%      | 49.3%      | 2.4%            | 6.8%             |
| Broadband Gross Margin (%)        | 52.7%      | 48.3%      | 42.4%      | 4.4%            | 10.3%            |
| Video Gross Margin (%)            | 67.4%      | 69.0%      | 64.6%      | (1.6)%          | 2.8%             |

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

# Q4 2024 EARNINGS AND BOOKINGS HIGHLIGHTS\*



| Financial Metric<br>\$ Millions (except EPS) | Q4<br>2024 | Q3<br>2024 | Q4<br>2023 | Q4/Q3<br>Change | Q4 Y/Y<br>Change |
|----------------------------------------------|------------|------------|------------|-----------------|------------------|
| Operating Expenses                           | \$61.5     | \$60.5     | \$63.4     | \$1.0           | \$(1.9)          |
| Adj. EBITDA                                  | \$71.8     | \$43.4     | \$21.7     | \$28.4          | \$50.1           |
| Broadband Adj. EBITDA                        | \$64.1     | \$37.5     | \$21.9     | \$26.6          | \$42.2           |
| Video Adj. EBITDA                            | \$7.8      | \$6.0      | \$(0.2)    | \$1.8           | \$8.0            |
| EPS                                          | \$0.45     | \$0.26     | \$0.13     | \$0.19          | \$0.32           |
| Share Count                                  | 117.7      | 117.4      | 115.7      | 0.3             | 2.0              |
| Bookings                                     | \$150.0    | \$171.4    | \$196.5    | \$(21.4)        | \$(46.5)         |
| Book to Bill Ratio                           | 0.7        | 0.9        | 1.2        | (0.2)           | (0.5)            |

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

# Q4 2024 BALANCE SHEET & CASH FLOW HIGHLIGHTS



| Financial Metric<br>(\$ Millions) | Q4<br>2024 | Q3<br>2024 | Q4<br>2023 |
|-----------------------------------|------------|------------|------------|
| Cash                              | \$101.5    | \$58.2     | \$84.3     |
| Cash Provided by Operations       | \$48.5     | \$8.7      | \$6.3      |
| Free Cash Flow                    | \$46.2     | \$5.7      | \$3.5      |
| Accounts Receivable               | \$178.0    | \$173.7    | \$141.5    |
| DSO                               | 72         | 80         | 76         |
| Inventory                         | \$64.0     | \$73.9     | \$84.0     |
| Inventory Days                    | 59         | 73         | 89         |
| Backlog and Deferred Revenue      | \$496.3    | \$584.7    | \$653.2    |

# Q1 & 2025 FINANCIAL GUIDANCE | BY SEGMENT\*



| Financial Metric - Broadband | Q1 2025 Guidance | 2025 Guidance |
|------------------------------|------------------|---------------|
| Net Revenue (\$M)            | \$80 - \$90      | \$400 - \$450 |
| Gross Margin (%)             | 52.0% - 54.0%    | 51.0% - 54.0% |
| Adjusted EBITDA (\$M)        | \$9 - \$15       | \$77 - \$106  |

| Financial Metric - Video | Q1 2025 Guidance | 2025 Guidance |
|--------------------------|------------------|---------------|
| Net Revenue (\$M)        | \$40 - \$45      | \$185 - \$195 |
| Gross Margin (%)         | 64.0% - 65.0%    | 63.0% - 65.0% |
| Adjusted EBITDA (\$M)    | \$0 - \$2        | \$8 - \$17    |

\* Non-GAAP

# Q1 & 2025 FINANCIAL GUIDANCE | CONSOLIDATED\*



| Financial Metric      | Q1 2025 Guidance | 2025 Guidance   |
|-----------------------|------------------|-----------------|
| Total Revenue (\$M)   | \$120 - \$135    | \$585 - \$645   |
| Gross Margin (%)      | 56.0% - 57.7%    | 54.8% - 57.3%   |
| Adjusted EBITDA (\$M) | \$9 - \$17       | \$85 - \$123    |
| Shares**              | 118.5 - 118.5    | 119.1 - 119.1   |
| EPS                   | \$0.02 - \$0.08  | \$0.43 - \$0.68 |

\* Non-GAAP

\*\* Diluted shares assumes stock price at \$13.07 (Q4 2024 average price).

# CONCLUSION

## MARKET LEADER POSITIONED FOR GROWTH

**Record 2024**

**Navigating 2025  
Broadband 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.

# 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       |
|-----------------------------------------------------------|-------------------|-------------------|-------------------------|------------------------|---------------------------------|------------------|
| <b>GAAP</b>                                               | \$ 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 <sup>(1)</sup>       | —                 | —                 | (610)                   | 610                    | —                               | 610              |
| Discrete tax items and tax effect of non-GAAP adjustments | —                 | —                 | —                       | —                      | —                               | 4,043            |
| <b>Total adjustments</b>                                  | —                 | —                 | (10,269)                | 10,269                 | —                               | 14,312           |
| <b>Non-GAAP</b>                                           | <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>                           |                   | 56.1 %            | 32.3 %                  | 23.8 %                 | 1.5 %                           | 17.2 %           |
| <i>As a % of revenue (Non-GAAP)</i>                       |                   | 56.1 %            | 27.7 %                  | 28.4 %                 | 1.5 %                           | 23.6 %           |
| <b>Diluted net income per share:</b>                      |                   |                   |                         |                        |                                 |                  |
| GAAP                                                      |                   |                   |                         |                        |                                 | <u>\$ 0.32</u>   |
| Non-GAAP                                                  |                   |                   |                         |                        |                                 | <u>\$ 0.45</u>   |
| <b>Shares used in per share calculation:</b>              |                   |                   |                         |                        |                                 |                  |
| GAAP and Non-GAAP                                         |                   |                   |                         |                        |                                 | <u>117,699</u>   |

# Q3 2024 GAAP TO NON-GAAP RECONCILIATIONS

(UNAUDITED, IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



|                                                           | Three Months Ended September 27, 2024 |                   |                         |                        |                                  |                  |
|-----------------------------------------------------------|---------------------------------------|-------------------|-------------------------|------------------------|----------------------------------|------------------|
|                                                           | Revenue                               | Gross Profit      | Total Operating Expense | Income from Operations | Total Non-operating Expense, net | Net Income       |
| <b>GAAP</b>                                               | \$ 195,756                            | \$ 104,732        | \$ 69,308               | \$ 35,424              | \$ (6,618)                       | \$ 21,718        |
| Stock-based compensation                                  | —                                     | 294               | (5,416)                 | 5,710                  | —                                | 5,710            |
| Restructuring and related charges                         | —                                     | —                 | (281)                   | 281                    | —                                | 281              |
| Asset impairment and related charges <sup>(1)</sup>       | —                                     | —                 | (3,103)                 | 3,103                  | —                                | 3,103            |
| Discrete tax items and tax effect of non-GAAP adjustments | —                                     | —                 | —                       | —                      | —                                | (871)            |
| <b>Total adjustments</b>                                  | —                                     | 294               | (8,800)                 | 9,094                  | —                                | 8,223            |
| <b>Non-GAAP</b>                                           | <u>\$ 195,756</u>                     | <u>\$ 105,026</u> | <u>\$ 60,508</u>        | <u>\$ 44,518</u>       | <u>\$ (6,618)</u>                | <u>\$ 29,941</u> |
| <i>As a % of revenue (GAAP)</i>                           |                                       | 53.5 %            | 35.4 %                  | 18.1 %                 | (3.4)%                           | 11.1 %           |
| <i>As a % of revenue (Non-GAAP)</i>                       |                                       | 53.7 %            | 30.9 %                  | 22.7 %                 | (3.4)%                           | 15.3 %           |
| <b>Diluted net income per share:</b>                      |                                       |                   |                         |                        |                                  |                  |
| GAAP                                                      |                                       |                   |                         |                        |                                  | <u>\$ 0.19</u>   |
| Non-GAAP                                                  |                                       |                   |                         |                        |                                  | <u>\$ 0.26</u>   |
| <b>Shares used in per share calculation:</b>              |                                       |                   |                         |                        |                                  |                  |
| GAAP and Non-GAAP                                         |                                       |                   |                         |                        |                                  | <u>117,358</u>   |

# Q4 2023 GAAP TO NON-GAAP RECONCILIATIONS

(UNAUDITED, IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



Three Months Ended December 31, 2023

|                                                           | Revenue   | Gross Profit | Total Operating Expense | Income from Operations | Total Non-operating Expense, net | Net Income |
|-----------------------------------------------------------|-----------|--------------|-------------------------|------------------------|----------------------------------|------------|
| <b>GAAP</b>                                               | \$167,092 | \$81,867     | \$72,234                | \$9,633                | \$(820)                          | \$83,841   |
| Stock-based compensation                                  | —         | 454          | (6,151)                 | 6,605                  | —                                | 6,605      |
| Restructuring and related charges                         | —         | (27)         | —                       | (27)                   | —                                | (27)       |
| Non-recurring advisory fee                                | —         | —            | (2,702)                 | 2,702                  | —                                | 2,702      |
| Non-cash interest expense related to convertible notes    | —         | —            | —                       | —                      | 233                              | 233        |
| Discrete tax items and tax effect of non-GAAP adjustments | —         | —            | —                       | —                      | —                                | (78,693)   |
| <b>Total adjustments</b>                                  | —         | 427          | (8,853)                 | 9,280                  | 233                              | (69,180)   |
| <b>Non-GAAP</b>                                           | \$167,092 | \$82,294     | \$63,381                | \$18,913               | \$(587)                          | \$14,661   |
| <i>As a % of revenue (GAAP)</i>                           |           | 49.0%        | 43.2%                   | 5.8%                   | (0.5)%                           | 50.2%      |
| <i>As a % of revenue (Non-GAAP)</i>                       |           | 49.3%        | 37.9%                   | 11.3%                  | (0.4)%                           | 8.8%       |
| <b>Diluted net income per share:</b>                      |           |              |                         |                        |                                  |            |
| GAAP                                                      |           |              |                         |                        |                                  | \$0.72     |
| Non-GAAP                                                  |           |              |                         |                        |                                  | \$0.13     |
| <b>Shares used in per share calculation:</b>              |           |              |                         |                        |                                  |            |
| GAAP and Non-GAAP                                         |           |              |                         |                        |                                  | 115,691    |

# ADJ. EBITDA CALCULATIONS

(UNAUDITED, IN THOUSANDS)



## Three Months Ended December 31, 2024

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

## Three Months Ended September 27, 2024

|                                               | Broadband        | Video           |
|-----------------------------------------------|------------------|-----------------|
| Income from operations                        | \$ 38,192        | \$ 6,326        |
| Depreciation                                  | 2,001            | 859             |
| Other non-operating expenses, net             | (2,733)          | (1,199)         |
| <b>Adjusted EBITDA<sup>(1)</sup></b>          | <b>\$ 37,460</b> | <b>\$ 5,986</b> |
| Revenue                                       | \$ 145,338       | \$ 50,418       |
| <i>Adjusted EBITDA margin %<sup>(1)</sup></i> | <i>25.8 %</i>    | <i>11.9 %</i>   |

## Three Months Ended December 31, 2023

|                                               | Broadband        | Video           |
|-----------------------------------------------|------------------|-----------------|
| Income (loss) from operations                 | \$ 20,268        | \$ (1,355)      |
| Depreciation                                  | 1,794            | 1,283           |
| Other non-operating expenses, net             | (160)            | (89)            |
| <b>Adjusted EBITDA<sup>(1)</sup></b>          | <b>\$ 21,902</b> | <b>\$ (161)</b> |
| Revenue                                       | \$ 115,229       | \$ 51,863       |
| <i>Adjusted EBITDA margin %<sup>(1)</sup></i> | <i>19.0 %</i>    | <i>(0.3)%</i>   |

# ADJ. EBITDA RECONCILIATIONS

(UNAUDITED, IN THOUSANDS)



|                                                               | Three Months Ended |                    |                   |
|---------------------------------------------------------------|--------------------|--------------------|-------------------|
|                                                               | December 31, 2024  | September 27, 2024 | December 31, 2023 |
| <b>Net income (GAAP)</b>                                      | \$ 38,120          | \$ 21,718          | \$ 83,841         |
| Provision for (benefit from) income taxes                     | 17,980             | 7,088              | (75,028)          |
| Interest expense, net                                         | 2,493              | 2,686              | 571               |
| Depreciation                                                  | 2,968              | 2,860              | 3,077             |
| <b>EBITDA</b>                                                 | <b>61,561</b>      | <b>34,352</b>      | <b>12,461</b>     |
| <i>Adjustments</i>                                            |                    |                    |                   |
| Stock-based compensation                                      | 8,486              | 5,710              | 6,605             |
| Restructuring and related charges                             | 1,173              | 281                | (27)              |
| Non-recurring advisory fees                                   | —                  | —                  | 2,702             |
| Asset impairment and related charges                          | 610                | 3,103              | —                 |
| <b>Total consolidated segment adjusted EBITDA (Non-GAAP)</b>  | <b>\$ 71,830</b>   | <b>\$ 43,446</b>   | <b>\$ 21,741</b>  |
| <b>Revenue</b>                                                | <b>\$ 222,166</b>  | <b>\$ 195,756</b>  | <b>\$ 167,092</b> |
| <i>Net income margin (GAAP)</i>                               | <i>17.2 %</i>      | <i>11.1 %</i>      | <i>50.2 %</i>     |
| <i>Consolidated segment adjusted EBITDA margin (Non-GAAP)</i> | <i>32.3 %</i>      | <i>22.2 %</i>      | <i>13.0 %</i>     |

# GUIDANCE GAAP TO NON-GAAP RECONCILIATIONS

(UNAUDITED, IN MILLIONS, EXCEPT EPS AND PERCENTAGES)



## Q1 2025 Financial Guidance <sup>(1)</sup>

|                                       | Revenue                 | Gross Profit          | Total Operating Expense | Income (Loss) from Operations | Net Income (Loss)           |
|---------------------------------------|-------------------------|-----------------------|-------------------------|-------------------------------|-----------------------------|
| GAAP                                  | \$ 120 to \$ 135        | \$ 67 to \$ 77        | \$ 71 to \$ 73          | \$ (4) to \$ 4                | \$ (6) to \$ 1              |
| Stock-based compensation expense      | —                       | 1                     | (9)                     | 10                            | 10                          |
| Tax effect of non-GAAP adjustments    | —                       | —                     | —                       | —                             | (1) to (2)                  |
| Total adjustments                     | —                       | 1                     | (9)                     | 10                            | 9 to 8                      |
| Non-GAAP                              | <u>\$ 120 to \$ 135</u> | <u>\$ 68 to \$ 78</u> | <u>\$ 62 to \$ 64</u>   | <u>\$ 6 to \$ 14</u>          | <u>\$ 3 to \$ 9</u>         |
| <i>As a % of revenue (GAAP)</i>       |                         | 55.8 % to 57.0 %      | 59.2 % to 54.1 %        | (3.3)% to 3.0 %               | (5.0)% to 0.7 %             |
| <i>As a % of revenue (Non-GAAP)</i>   |                         | 56.0 % to 57.7 %      | 51.7 % to 47.4 %        | 5.0 % to 10.4 %               | 2.5 % to 6.7 %              |
| Diluted net income (loss) per share:  |                         |                       |                         |                               |                             |
| GAAP                                  |                         |                       |                         |                               | <u>\$ (0.05) to \$ 0.01</u> |
| Non-GAAP                              |                         |                       |                         |                               | <u>\$ 0.02 to \$ 0.08</u>   |
| Shares used in per share calculation: |                         |                       |                         |                               |                             |
| GAAP                                  |                         |                       |                         |                               | <u>117.4 to 118.5</u>       |
| Non-GAAP                              |                         |                       |                         |                               | <u>118.5</u>                |

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

# GUIDANCE GAAP TO NON-GAAP RECONCILIATIONS

(UNAUDITED, IN MILLIONS, EXCEPT EPS AND PERCENTAGES)



## 2025 Financial Guidance <sup>(1)</sup>

|                                              | Revenue       |                  | Gross Profit  |                  | Total Operating Expense |                  | Income from Operations |                  | Net Income    |                  |
|----------------------------------------------|---------------|------------------|---------------|------------------|-------------------------|------------------|------------------------|------------------|---------------|------------------|
| <b>GAAP</b>                                  | \$ 585        | to \$ 645        | \$ 319        | to \$ 368        | \$ 281                  | to \$ 292        | \$ 38                  | to \$ 76         | \$ 22         | to \$ 53         |
| Stock-based compensation expense             | —             |                  | 2             |                  | (34)                    |                  | 36                     |                  | 36            |                  |
| Tax effect of non-GAAP adjustments           | —             |                  | —             |                  | —                       |                  | —                      |                  | (7)           | to (8)           |
| <b>Total adjustments</b>                     | —             |                  | 2             |                  | (34)                    |                  | 36                     |                  | 29            | to 28            |
| <b>Non-GAAP</b>                              | <u>\$ 585</u> | <u>to \$ 645</u> | <u>\$ 321</u> | <u>to \$ 370</u> | <u>\$ 247</u>           | <u>to \$ 258</u> | <u>\$ 74</u>           | <u>to \$ 112</u> | <u>\$ 51</u>  | <u>to \$ 81</u>  |
| <i>As a % of revenue (GAAP)</i>              |               |                  | <i>54.5 %</i> | <i>to 57.1 %</i> | <i>48.0 %</i>           | <i>to 45.3 %</i> | <i>6.5 %</i>           | <i>to 11.8 %</i> | <i>3.8 %</i>  | <i>to 8.2 %</i>  |
| <i>As a % of revenue (Non-GAAP)</i>          |               |                  | <i>54.8 %</i> | <i>to 57.3 %</i> | <i>42.2 %</i>           | <i>to 40.0 %</i> | <i>12.6 %</i>          | <i>to 17.4 %</i> | <i>8.7 %</i>  | <i>to 12.6 %</i> |
| <b>Diluted net income per share:</b>         |               |                  |               |                  |                         |                  |                        |                  |               |                  |
| GAAP                                         |               |                  |               |                  |                         |                  |                        |                  | <u>\$0.19</u> | <u>to \$0.45</u> |
| Non-GAAP                                     |               |                  |               |                  |                         |                  |                        |                  | <u>\$0.43</u> | <u>to \$0.68</u> |
| <b>Shares used in per share calculation:</b> |               |                  |               |                  |                         |                  |                        |                  |               |                  |
| GAAP and Non-GAAP                            |               |                  |               |                  |                         |                  |                        |                  | <u>119.1</u>  |                  |

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

# GUIDANCE ADJ. EBITDA CALCULATIONS

(UNAUDITED, IN MILLIONS)



|                                              | Q1 2025 Financial Guidance |                 |             |                |
|----------------------------------------------|----------------------------|-----------------|-------------|----------------|
|                                              | Broadband                  |                 | Video       |                |
| Income (loss) from operations                | \$ 7                       | to \$ 13        | \$ (1)      | to \$ 1        |
| Depreciation                                 | 2                          | 2               | 1           | 1              |
| <b>Segment adjusted EBITDA<sup>(2)</sup></b> | <b>\$ 9</b>                | <b>to \$ 15</b> | <b>\$ —</b> | <b>to \$ 2</b> |

|                                              | 2025 Financial Guidance |                  |             |                 |
|----------------------------------------------|-------------------------|------------------|-------------|-----------------|
|                                              | Broadband               |                  | Video       |                 |
| Income from operations                       | \$ 69                   | to \$ 98         | \$ 5        | to \$ 14        |
| Depreciation                                 | 10                      | 10               | 3           | 3               |
| Other non-operating expenses                 | (2)                     | (2)              | —           | —               |
| <b>Segment adjusted EBITDA<sup>(2)</sup></b> | <b>\$ 77</b>            | <b>to \$ 106</b> | <b>\$ 8</b> | <b>to \$ 17</b> |

# GUIDANCE ADJ. EBITDA RECONCILIATIONS

(UNAUDITED, IN MILLIONS)



|                                                                             | Q1 2025 Financial Guidance |    | 2025 Financial Guidance |     |
|-----------------------------------------------------------------------------|----------------------------|----|-------------------------|-----|
| <b>Net income (loss) (GAAP)</b>                                             | \$ (6) to \$               | 1  | \$ 22 to \$             | 53  |
| Provision for (benefit from) income taxes                                   | —                          | 1  | 6                       | 13  |
| Interest expense, net                                                       | 2                          | 2  | 8                       | 8   |
| Depreciation                                                                | 3                          | 3  | 13                      | 13  |
| <b>EBITDA</b>                                                               | \$ (1) to \$               | 7  | \$ 49 to \$             | 87  |
| <i>Adjustments</i>                                                          |                            |    |                         |     |
| Stock-based compensation                                                    | 10                         | 10 | 36                      | 36  |
| <b>Total consolidated segment adjusted EBITDA (Non-GAAP) <sup>(2)</sup></b> | \$ 9 to \$                 | 17 | \$ 85 to \$             | 123 |



**THANK YOU.**