



# Corporate Overview

November 2019



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# Harmonic-at-a-Glance



## CABLE ACCESS & VIDEO

Two market-leading business units

\$404M

2018 Revenue

## SILICON VALLEY

Headquarters

>5,000

Media & service provider customers

## INNOVATION VELOCITY

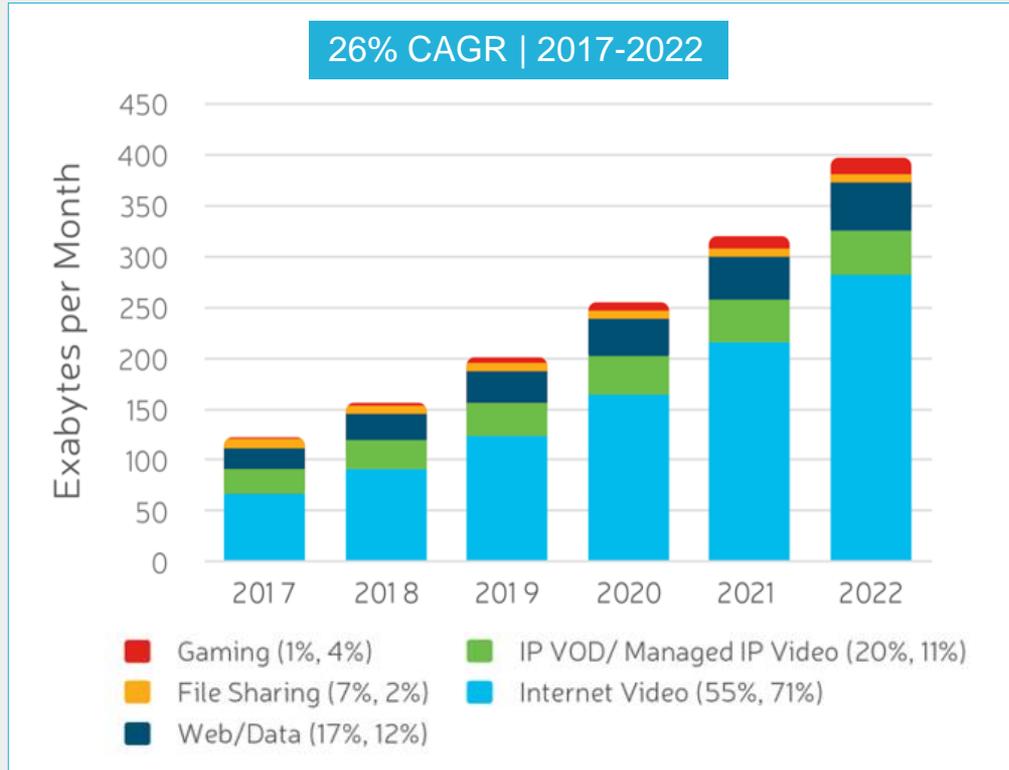
>40 patents filed in last 24 months



Market Leader in Virtualized Cable Access & Live Video Streaming

# Gigabit Access & Streaming Video Growth

## Two Major Market Transformation Opportunities



**IP traffic** expected to nearly **triple** from 2017 to 2022



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

\*Figures (n) refer to 2017, 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





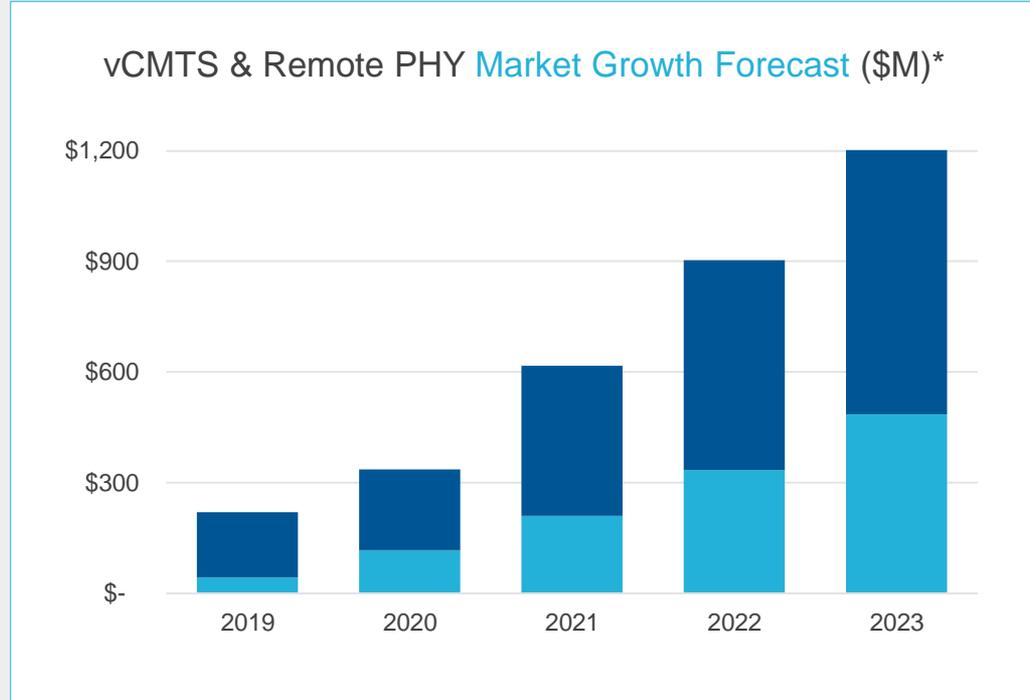
## Cable Access Business Overview

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# Virtualized Cable Access Poised For Growth

## Harmonic CableOS™ Leading the Way

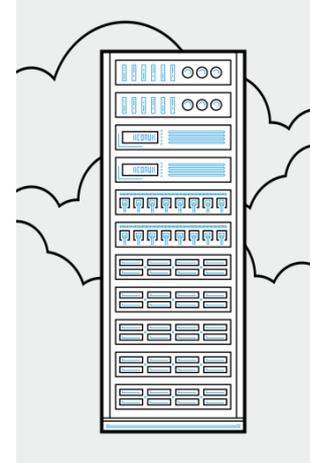
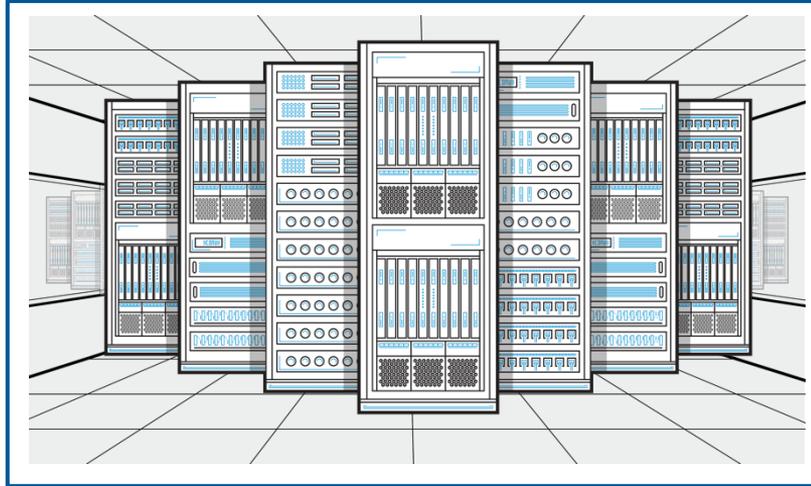


\*Source: Dell'Oro | July 2019 Report

# 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

# Leading Virtualized Cable Access Market

Harmonic Invented the Category



> 935,000

Cable modems served,  
up >95% year-over-year



1 | 30

Foundational **virtualization**  
**patent** + 30 **unique patent**  
**filings**



**Strategic relationship** and  
industry-leading deployment

# Scaling Global Customer Base

Harmonic CableOS Is Only Virtualized Solution Deployed



Innovative US Tier 2 Operator



Global Industry Leader



European Tier 1 Operator



Innovative US Tier 3 Operator

+15

Additional **Global Cable Operators** Worldwide



## Video Business Overview

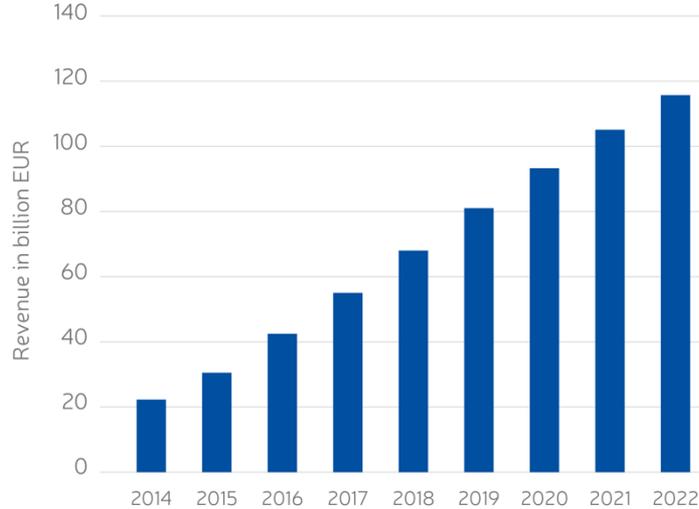
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# OTT Streaming Continues to Gain Ground

## Driving Media Transformation and Investment

### Global OTT Video Revenue



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

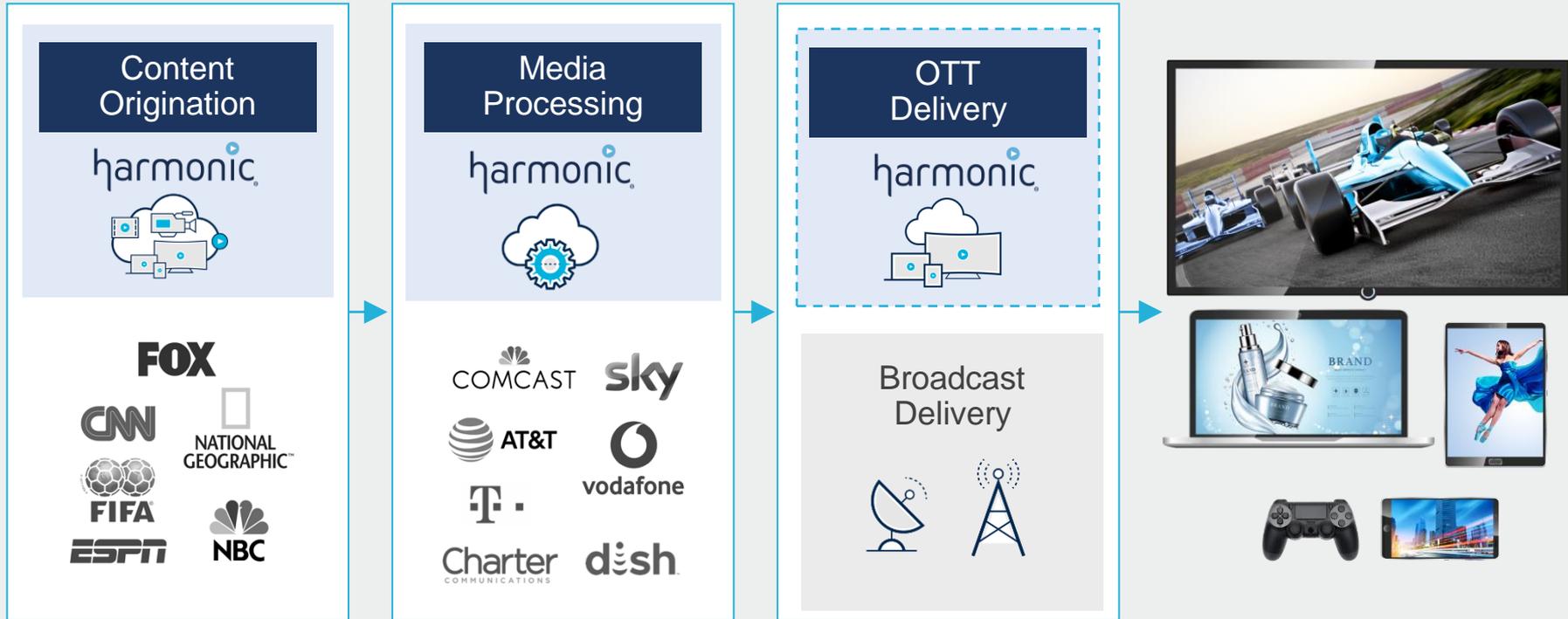
New streaming services enabling access to high-quality content

Greater operational efficiencies with Cloud / SaaS business models

Sports and live events expanding on SVOD model

# Harmonic Leads in Premium Live Video

## Transforming from Broadcast to OTT Streaming



# Next Wave of OTT Revolution is Live Video

## Harmonic Leading the Live OTT Charge



**> 42,000**

OTT channels deployed globally by Harmonic



**> 6.5 million**

Subscribers managed by Harmonic Video SaaS



**> 140%**

Harmonic SaaS customer base increase year over year

# 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

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

Substantial **growing market** opportunity



**Industry-leading** technology and IP



**Strong relationships** with blue-chip customers





## Appendix

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Record financial results

Extended CableOS leadership

Executing Video transformation

Refinanced convertible debt





## Record Revenue and Profit\*

- \$55.7 million revenue
- \$42.9 million gross profit
- Full year guidance raised



## Executing Growth Strategy

- Commercially deployed with 19 customers
  - 935,000+ cable modems served globally, up 20% sequentially
- International Tier 1 revenue ramps in Q4
- Expanding addressed market with FTTH + DOCSIS convergence
- Leading industry transformation

\* Non-GAAP



## Solid Financial Outlook\*

- Revenue \$60.0 million
- Gross margin 57.7%, reflecting software transition
- Raising Q4 guidance, full-year profit plan on track



## Executing Live Streaming Growth Strategy

- Live streaming business continues to grow, offsetting declining broadcast sales
- Added 8 new SaaS streaming customers, total up 29% sequentially and 140% year over year
- New CDN optimization solution for live streaming expands addressed market

\* Non-GAAP



**Thank You**

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