



CORPORATE PRESENTATION

December 2021



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 2021 and beyond. 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.



VISION

Enabling the Gigabit and Streaming Transformations

INVESTMENT OPPORTUNITY

The Rise in Broadband and Video Consumption



A TRUSTED PARTNER SERVING THE MEDIA INDUSTRY



INDUSTRY LEADERS



TRUSTED PARTNERSHIPS





CABLE ACCESS & VIDEO

Two market-leading
business units



REVENUE 2021*

\$504M | 33% yoy growth



MARKET CAPITALIZATION**

\$1.1B



SILICON VALLEY

Headquarters



> 5,000 MEDIA CUSTOMERS

Worldwide



CLOUD-NATIVE INNOVATION LEADER



Revolutionizing Broadband Networks and Cloud Streaming



Leading in Multi-Gigabit Broadband

>\$2B addressable market in 2024
>40% CAGR

>\$500M revenue in 2024
>40% CAGR

Transformative cloud-native technology
far ahead of competition

Embraced by **leading**
cable and telecom operators

New fiber, analytics and edge cloud
capabilities expand opportunity



Enabling Premium Video Streaming

Targeting **rapidly growing streaming infrastructure** market >\$1B in 2024

Technologically leading SaaS streaming platform seeing rapid customer adoption

30%+ annual growth rates will lead to **\$100M** in streaming revenue in 2024

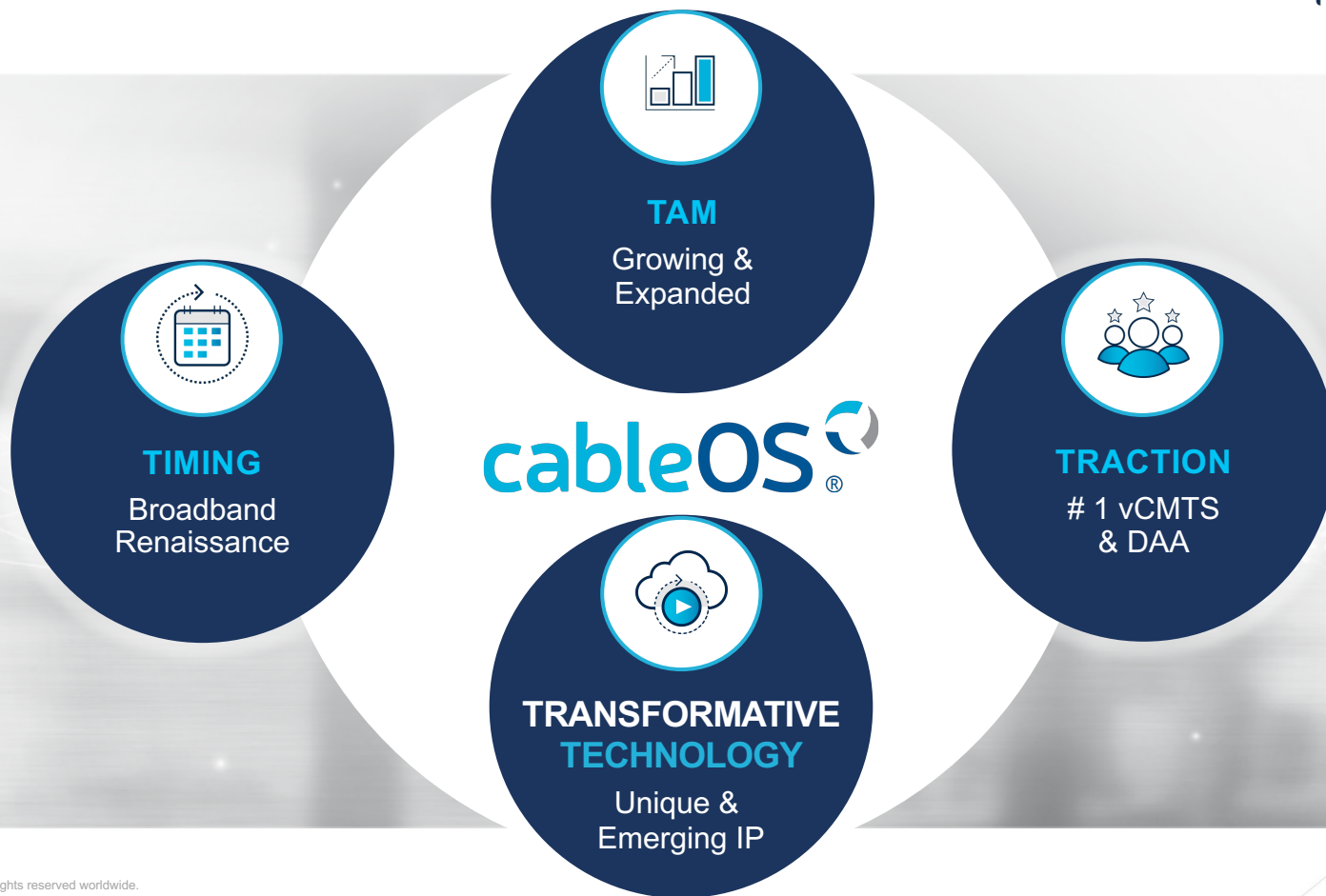
50% of overall revenue recurring by 2024

Capitalize on historic brand to **take market share in traditional broadcast** market



CABLE ACCESS BUSINESS OVERVIEW

HARMONIC'S BROADBAND GROWTH OPPORTUNITY



KEY TRENDS IMPACTING BROADBAND MARKET



CONSUMPTION SURGING

Capacity and peak speed



SERVICE PROVIDER COMPETITION

5G and fiber



GOVERNMENT ENGAGEMENT

Regulatory intervention resulting in investment cycle (E.g.: RDOF, municipal fiber, city carriers)



 LightReading

US cable to face stiffer fiber competition as telcos get more aggressive →

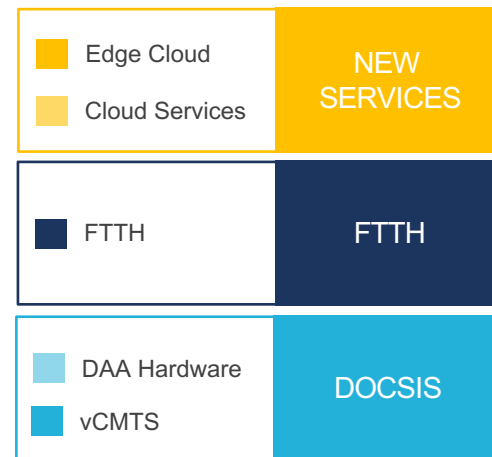
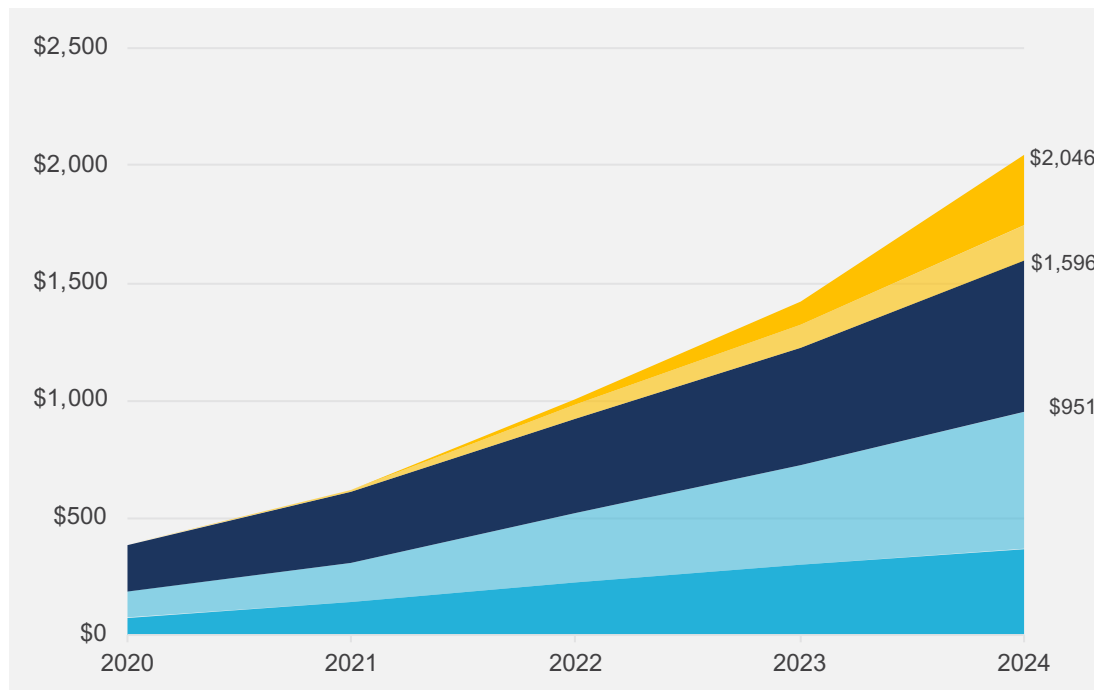
 FIERCE
Telecom

AT&T eyes multi-gig move as part of fiber plan →

BROADBAND WORLD NEWS

US cable operators face rising fiber threat →

A GROWING ADDRESSABLE MARKET (\$ in millions)

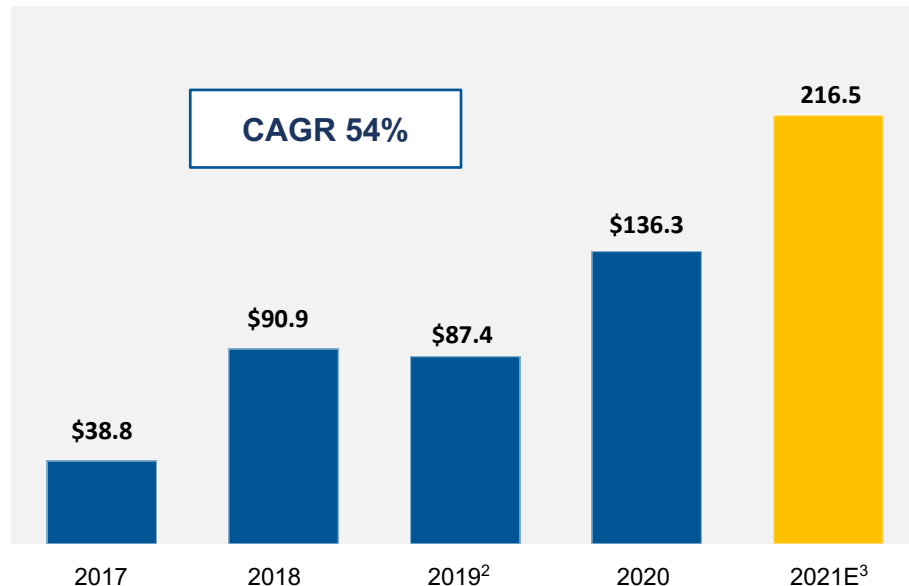


Source: Dell'Oro and Harmonic Internal Estimates, June 2021

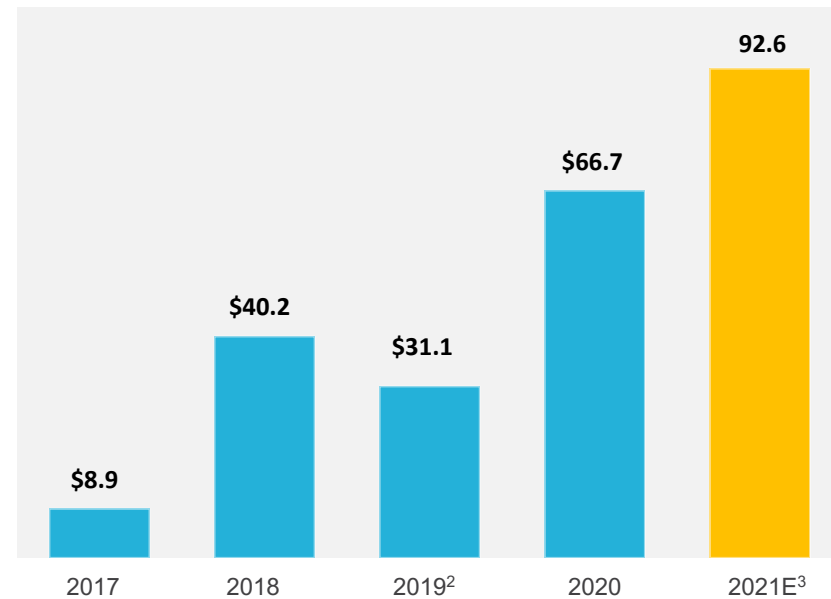
GROWING CABLE ACCESS BUSINESS



Revenue¹
(\$ in millions)



Gross Profit¹
(\$ in millions)



¹ Non-GAAP

² Excludes Impact of One-time \$37.5 Million Software License Revenue in 2019

³ Midpoint of FY2021 Company Guidance

GROWTH THROUGH TRANSFORMATIVE TECHNOLOGIES



EMBRACED BY MARKET LEADING CUSTOMERS WORLDWIDE



68

Operators
Deployed Worldwide

>30k

Managed Remote
Devices

100% | 67%
vCMTS | DAA

Global Market
Share*



9

Major Tier-1 incl.



2024 TARGET OPERATING MODEL



Financial Metric	2020	2024 Target	Growth (CAGR)
Revenue (\$ in millions)	<u>\$136</u>	<u>\$530+</u>	40%+
Software & Services	\$71	\$300+	40%+
Hardware	\$65	\$230+	37%+
Gross Margin*	<u>49%</u>	<u>60%+</u>	-
Software & Services	64%	79%+	-
Hardware	32%	34%+	-
Adjusted EBITDA Margin*	<u>11.2%</u>	<u>20%+</u>	-

* Non-GAAP

SOFTWARE & SERVICE GROWTH

Clear software leadership

HARDWARE GROWTH

Strong DAA market share

IMPROVING GROSS MARGIN

Increasing software and service mix

STRONG ADJUSTED EBITDA

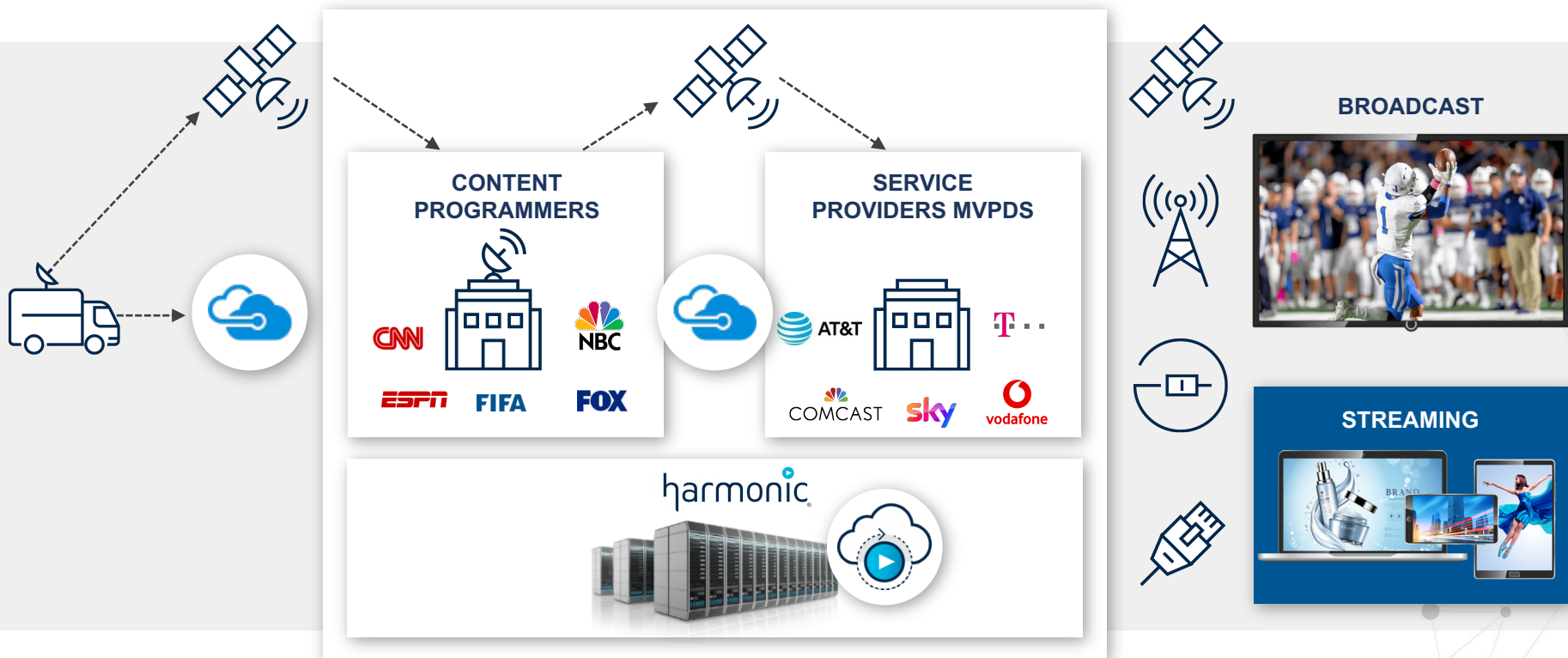
Operating leverage associated with further growth



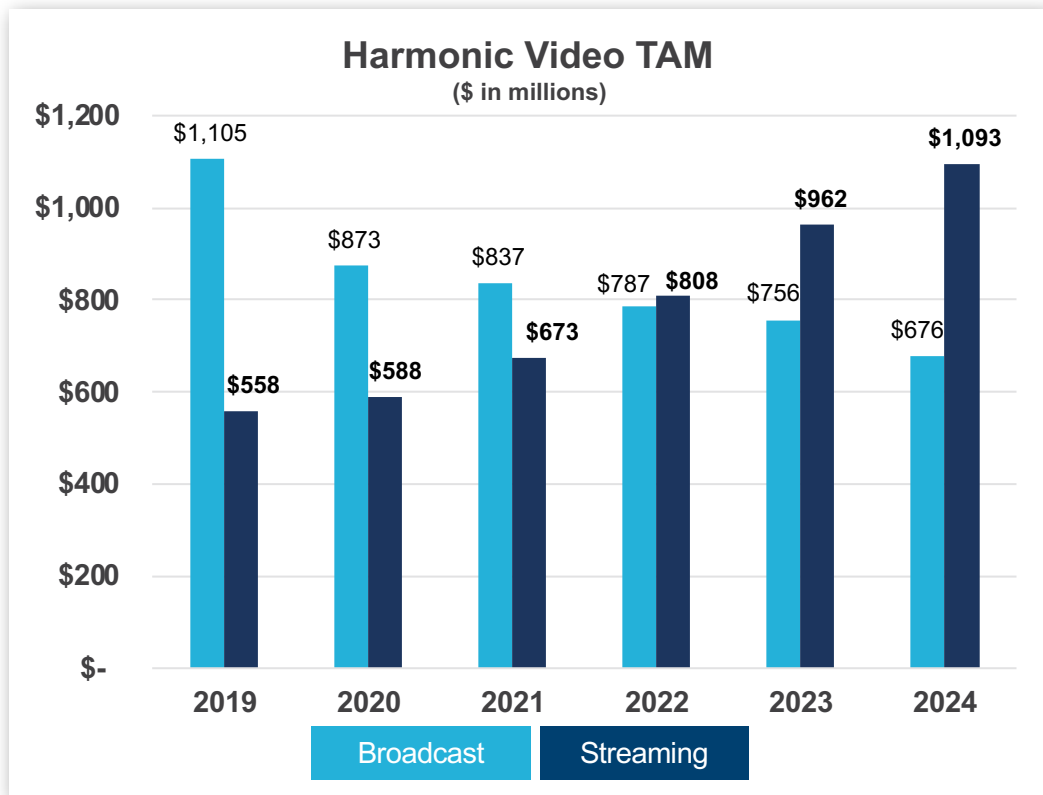
VIDEO BUSINESS OVERVIEW

FROM SOURCE TO SCREEN

harmonic



A RAPIDLY CHANGING MARKET



TIPPING POINT

Streaming will surpass Broadcast in 2022

BROADCAST

Declining but at a steady pace

STREAMING

Healthy growth rates driven by traffic, subscribers and ads

harmonic



Fully managed cloud-native streaming SaaS

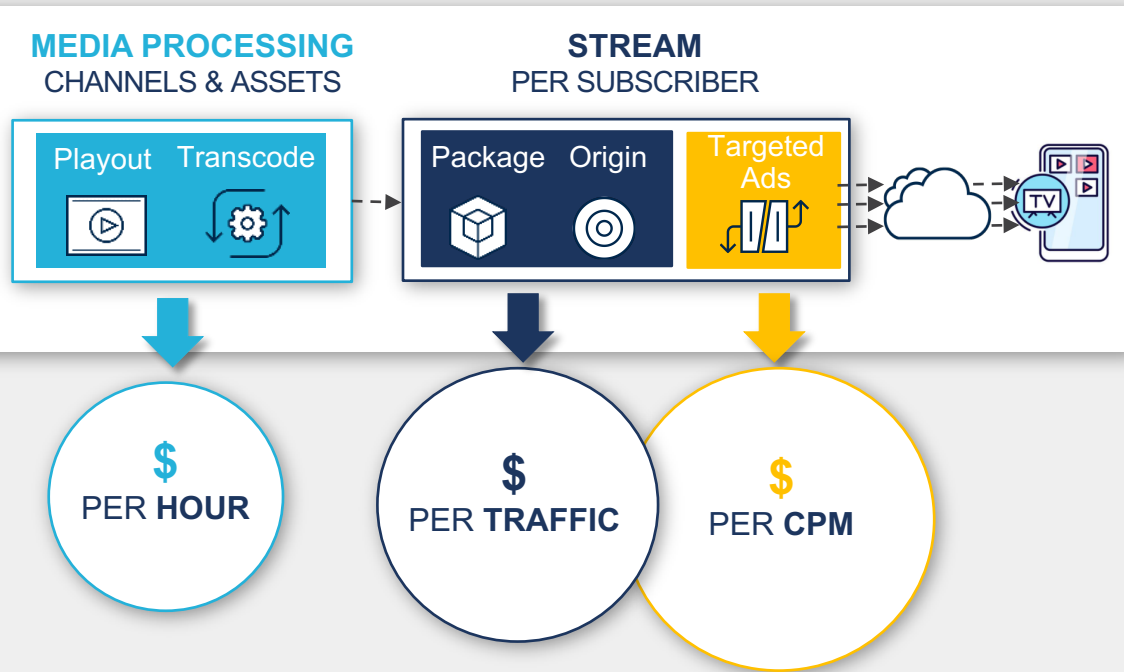
Operates on 3 major clouds

24/7 DevOps support with 70+ engineers

Reliability, Quality, Efficiency

300+ engineers

STREAMING BUSINESS IS THE UNICAST STREAM



BUSINESS MODEL

- OPEX | Usage based (variable)

INFRASTRUCTURE

- SaaS (Cloud) becoming dominant

TOTAL ADDRESSABLE MARKET

= # of linear channels

+ # live events

+ # VOD library

+ # of GB streaming traffic

+ # of CPM (Ad impressions)

2020 SAAS PERFORMANCE



USAGE
UP > **40%**



EGRESS
UP **50%**



CUSTOMERS
UP **92%**



CHANNELS
UP **345%**



CLOUD LOCATIONS
UP **66%**



OPERATIONS OF
>**99.99% UPTIME**

ON-PREMISES VIDEO APPLIANCES



SOFTWARE CORE

Cloud video stack on dedicated COTS server

PACKAGED FOR TARGETED APPLICATIONS

Playout, encoding, multiplexing

SOFTWARE FLEXIBILITY

Quick to adopt to range of needs

LARGE INSTALLED BASE

The worldwide leader in the video appliances business

SIGNIFICANT SERVICE OPPORTUNITIES FOR BROADCAST



STRONG BRAND AWARENESS

Premium services and reliable business partner

LARGE INSTALLED-BASE

Over \$1.5B of installed-based under SLA contracts

GLOBAL SUPPORT

24/7 support with experts across the globe

RECURRING REVENUE

Strong and solid based of service recurring revenue

2024 TARGET OPERATING MODEL



Financial Metric	2020	2024 Target	Growth (CAGR)
Revenue (\$ in millions)	\$243	\$300+	5%+
Broadcast Revenue	\$212	\$200+	< (2)%
Streaming Revenue	\$31	\$100+	33%+
Recurring Revenue	\$95	\$150+	12%+
Gross Margins*	54.5%	60%+	-
EBITDA Margins*	3.5%	12%+	-

* non-GAAP

STREAMING GROWTH

33%+ CAGR

STABLE BROADCAST

Taking share during industry transition

STRONG RECURRING REVENUE GROWTH

Half of total revenue in 2024

IMPROVING GROSS MARGIN

As streaming revenues scale

HIGH OPERATING LEVERAGE

R&D, marketing and G&A costs are relatively flat



SUMMARY

Market Leader in Cloud-Native Cable Access & Live Video Streaming

**SUBSTANTIAL
GROWING MARKET
OPPORTUNITY**



**INDUSTRY-LEADING
TECHNOLOGY
AND IP**



**STRONG
RELATIONSHIPS
WITH BLUE-CHIP
CUSTOMERS**





RECENT FINANCIAL RESULTS & OUTLOOK



SOLID FINANCIAL RESULTS*

- Revenue \$126.3 million, up 33.1% year over year
- Gross Margin 52.8%, up 60 basis points year over year
- Adj. EBITDA \$14.8 million, 11.7% of revenue, up 106% year over year
- Non-GAAP EPS \$0.09, up 200% year over year
- Backlog and Deferred Revenue \$333.3 million, up 54.1% year over year
- Cash \$128.4 million, up 81% year over year



INCREASED ANNUAL GUIDANCE FOR KEY FINANCIAL METRICS

- FY'21 Revenue, Adj. EBITDA, EPS ranges increased

* Non-GAAP

Q3 2021 REVENUE & GROSS MARGIN HIGHLIGHTS*



Financial Metric (\$ Millions)	Q3 2021	Q2 2021	Q3 2020	Q3/Q2 Change	Q3 Y/Y Change
Total Net Revenue	\$126.3	\$113.4	\$94.9	11.4%	33.1%
Cable Access Revenue	\$57.6	\$50.1	\$40.3	15.0%	42.9%
Video Revenue	\$68.7	\$63.3	\$54.6	8.5%	25.8%
Gross Margin %	52.8%	53.9%	52.2%	(1.1)%	0.6%
Cable Access Gross Margin %	42.0%	47.0%	48.9%	(5.0)%	(6.9)%
Video Gross Margin %	61.9%	59.3%	54.6%	2.6%	7.3%

*Non-GAAP

Q3 2021 EARNINGS AND BOOKINGS HIGHLIGHTS*



Financial Metric \$ Millions (except EPS)	Q3 2021	Q2 2021	Q3 2020	Q3/Q2 Change	Q3 Y/Y Change
Operating Expenses	\$54.9	\$54.6	\$45.3	0.5%	21.2%
Adj. EBITDA	\$14.8	\$9.5	\$7.2	55.8%	105.6%
Cable Access Adj. EBITDA	\$5.1	\$6.1	\$6.9	(16.4)%	(26.1)%
Video Adj. EBITDA	\$9.7	\$3.4	\$0.3	185.3%	3133.3%
EPS	\$0.09	\$0.05	\$0.03	80.0%	200.0%
Share Count	106.4	103.8	98.4	2.5%	8.1%
Bookings	\$114.3	\$186.9	\$100.7	(38.8)%	13.5%
Book to bill ratio	0.9	1.6	1.06	(43.8)%	(15.1)%

*Non-GAAP

Q3 2021 BALANCE SHEET & CASH FLOW HIGHLIGHTS



Financial Metric (\$ Millions)	Q3 2021	Q2 2021	Q3 2020
Cash	\$128.4	\$115.2	\$70.8
Cash Provided by (Used in) Operations	\$15.2	\$16.8	\$(3.3)
Accounts Receivable	\$75.4	\$100.6	\$81.4
DSO	54	80	77
Inventory	\$51.9	\$43.0	\$36.8
Inventory Days	78	74	73
Backlog and Deferred Revenue	\$333.3	\$347.2	\$216.2

2021 FINANCIAL GUIDANCE* CABLE SEGMENT



Financial Metric	Updated Q4 Guidance	Prior Q4 Guidance	Q4 Midpoint Difference	Updated FY Guidance	Prior FY Guidance	FY Midpoint Difference
Net Revenue (\$M)	\$65.0 - \$70.0	\$50.0 - \$60.0	\$12.5	\$214.0 - \$219.0	\$192.0 - \$207.0	\$17.0
Gross Margin %	40.0% - 41.0%	45.0% - 47.0%	550 Bps	42.6% - 42.9%	44.0% - 45.0%	175 Bps
Adj. EBITDA (\$M)	\$7.4 - \$9.1	\$4.9 - \$7.6	\$2.0	\$21.6 - \$23.3	\$18.7 - \$21.9	\$2.2

2021 FINANCIAL GUIDANCE* VIDEO SEGMENT

Financial Metric	Updated Q4 Guidance	Prior Q4 Guidance	Q4 Midpoint Difference	FY Updated Guidance	FY Prior Guidance	FY Midpoint Difference
Net Revenue (\$M)	\$82.0 - \$87.0	\$82.0 - \$87.0		\$285.0 - \$290.0	\$278.0 - \$288.0	\$4.5
Gross Margin %	54.5% - 55.5%	54.0% - 56.0%		57.3% - 57.7%	55.5% - 57.0%	125 bps
Adj. EBITDA (\$M)	\$9.6 - \$12.7	\$11.0 - \$15.0	\$1.9	\$28.9 - \$32.0	\$21.7 - \$29.5	\$4.9

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

2021 FINANCIAL GUIDANCE* TOTAL COMPANY



Financial Metric	Updated Q4 Guidance	Prior Q4 Guidance	Q4 Midpoint Difference	FY Updated Guidance	FY Prior Guidance	FY Midpoint Difference
Net Revenue (\$M)	\$147.0 – \$157.0	\$133.0 - \$148.0	\$11.5	\$499.0 - \$509.0	\$470.0 - \$495.0	\$21.5
Gross Margin %	47.8% - 49.0%	50.8% - 51.5%	275 Bps	51.0% - 51.3%	51.2% - 51.6%	25 Bps
Adj. EBITDA (\$M)	\$17.0 - \$21.8	\$15.9 - \$22.6	\$0.2	\$50.5 - \$55.3	\$40.4 - \$51.4	\$7.0
EPS (\$)	\$0.10 - \$0.14	\$0.09 – \$0.15		\$0.28 - \$0.32	\$0.19 – \$0.29	\$0.06
Cash (\$M)	\$125.0 - \$135.0	\$125.0 - \$145.0	\$5.0	\$125.0 - \$135.0	\$125.0 - \$145.0	\$5.0

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



harmonic[®]

APPENDIX

USE OF NON-GAAP FINANCIAL MEASURES



In establishing operating budgets, managing its business performance, and setting internal measurement targets, the Company excludes a number of items required by GAAP. Management believes that these accounting charges and credits, most of which are non-cash or non-recurring in nature, are not useful in managing its operations and business. Historically, the Company has also publicly presented these supplemental non-GAAP measures in order to assist the investment community to see the Company “through the eyes of management,” and thereby enhance understanding of its operating performance. The non-GAAP measures presented here are revenue, segment revenue, gross profit, operating expenses, income (loss) from operations, non-operating expense, net, Adjusted EBITDA, net income (loss) and net income (loss) per diluted share. The presentation of non-GAAP information is not intended to be considered in isolation or as a substitute for results prepared in accordance with GAAP, and is not necessarily comparable to non-GAAP results published by other companies. A reconciliation of the historical and forward-looking non-GAAP financial measures discussed in this presentation to the most directly comparable historical and forward-looking GAAP financial measures is included with the financial information contained in this presentation. The non-GAAP adjustments described below have historically been excluded from our GAAP financial measures. These adjustments are restructuring and related charges, stock-based compensation expense, amortization of intangibles, loss on convertible debt extinguishment, non-cash interest and other expenses on convertible notes and other debt, adjustments that normalize the tax rate and depreciation.

Q3 2021 GAAP TO NON-GAAP RECONCILIATIONS

(IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



Three Months Ended October 1, 2021

	Revenue	Gross Profit	Total Operating Expense	Income from Operations	Total Non-operating expense, net	Net Income
GAAP	\$ 126,321	\$ 66,154	\$ 60,783	\$ 5,371	\$ (2,899)	\$ 1,530
Stock-based compensation	—	545	(5,891)	6,436	—	6,436
Non-cash interest and other expenses related to convertible notes	—	—	—	—	1,592	1,592
Discrete tax items and tax effect of non-GAAP adjustments	—	—	—	—	—	(108)
Total adjustments	—	545	(5,891)	6,436	1,592	7,920
Non-GAAP	\$ 126,321	\$ 66,699	\$ 54,892	\$ 11,807	\$ (1,307)	\$ 9,450
<i>As a % of revenue (GAAP)</i>		52.4 %	48.1 %	4.3 %	(2.3)%	1.2 %
<i>As a % of revenue (Non-GAAP)</i>		52.8 %	43.5 %	9.3 %	(1.0)%	7.5 %
Diluted net income per share:						
GAAP						\$ 0.01
Non-GAAP						\$ 0.09
Shares used in per share calculation:						
GAAP and Non-GAAP						106,421

Q2 2021 GAAP TO NON-GAAP RECONCILIATIONS

(IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



Three Months Ended July 2, 2021

	Revenue	Gross Profit	Total Operating Expense	Income from Operations	Total Non-operating expense, net	Net Income (Loss)
GAAP	\$ 113,448	\$ 60,505	\$ 58,369	\$ 2,136	\$ (2,777)	\$ (2,009)
Stock-based compensation	—	222	(3,811)	4,033	—	4,033
Restructuring and related charges	—	382	—	382	—	382
Non-cash interest and other expenses related to convertible notes	—	—	—	—	1,560	1,560
Discrete tax items and tax effect of non-GAAP adjustments	—	—	—	—	—	836
Total adjustments	—	604	(3,811)	4,415	1,560	6,811
Non-GAAP	<u>\$ 113,448</u>	<u>\$ 61,109</u>	<u>\$ 54,558</u>	<u>\$ 6,551</u>	<u>\$ (1,217)</u>	<u>\$ 4,802</u>
<i>As a % of revenue (GAAP)</i>		53.3 %	51.5 %	1.9 %	(2.4)%	(1.8)%
<i>As a % of revenue (Non-GAAP)</i>		53.9 %	48.1 %	5.8 %	(1.1)%	4.2 %
Diluted net income (loss) per share:						
GAAP						<u>\$ (0.02)</u>
Non-GAAP						<u>\$ 0.05</u>
Shares used in per share calculation:						
GAAP						<u>101,218</u>
Non-GAAP						<u>103,825</u>

Q3 2020 GAAP TO NON-GAAP RECONCILIATIONS

(IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



Three Months Ended September 25, 2020

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

YTD Q3 2021 GAAP TO NON-GAAP RECONCILIATIONS

(IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



Nine Months Ended October 1, 2021

	Revenue	Gross Profit	Total Operating Expense	Income from Operations	Total Non-operating expense, net	Net Income (Loss)
GAAP	\$ 351,345	\$ 181,804	\$ 178,141	\$ 3,663	\$ (7,260)	\$ (6,603)
Stock-based compensation	—	1,840	(17,027)	18,867	—	18,867
Amortization of intangibles	—	—	(507)	507	—	507
Restructuring and related charges	—	346	(43)	389	—	389
Non-cash interest and other expenses related to convertible notes	—	—	—	—	4,684	4,684
Discrete tax items and tax effect of non-GAAP adjustments	—	—	—	—	—	922
Total adjustments	—	2,186	(17,577)	19,763	4,684	25,369
Non-GAAP	\$ 351,345	\$ 183,990	\$ 160,564	\$ 23,426	\$ (2,576)	\$ 18,766
<i>As a % of revenue (GAAP)</i>		<i>51.7 %</i>	<i>50.7 %</i>	<i>1.0 %</i>	<i>(2.1)%</i>	<i>(1.9)%</i>
<i>As a % of revenue (Non-GAAP)</i>		<i>52.4 %</i>	<i>45.7 %</i>	<i>6.7 %</i>	<i>(0.7)%</i>	<i>5.3 %</i>
Diluted net income (loss) per share:						
GAAP						\$ (0.07)
Non-GAAP						\$ 0.18
Shares used in per share calculation:						
GAAP						101,057
Non-GAAP						104,474

YTD Q3 2020 GAAP TO NON-GAAP RECONCILIATIONS

(IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



Nine Months Ended September 25, 2020

	Revenue	Gross Profit	Total Operating Expense	Loss from Operations	Total Non-operating expense, net	Net Loss
GAAP	\$ 247,303	\$ 123,435	\$ 152,659	\$ (29,224)	\$ (10,419)	\$ (42,736)
Stock-based compensation	—	1,364	(12,373)	13,737	—	13,737
Amortization of intangibles	—	950	(2,264)	3,214	—	3,214
Restructuring and related charges	—	231	(1,572)	1,803	—	1,803
Loss on convertible debt extinguishment	—	—	—	—	834	834
Non-cash interest and other expenses related to convertible notes	—	—	—	—	5,451	5,451
Discrete tax items and tax effect of non-GAAP adjustments	—	—	—	—	—	4,553
Total adjustments	—	2,545	(16,209)	18,754	6,285	29,592
Non-GAAP	<u>\$ 247,303</u>	<u>\$ 125,980</u>	<u>\$ 136,450</u>	<u>\$ (10,470)</u>	<u>\$ (4,134)</u>	<u>\$ (13,144)</u>
<i>As a % of revenue (GAAP)</i>		49.9 %	61.7 %	(11.8)%	(4.2)%	(17.3)%
<i>As a % of revenue (Non-GAAP)</i>		50.9 %	55.2 %	(4.2)%	(1.7)%	(5.3)%
Diluted net loss per share:						
GAAP						<u>\$ (0.44)</u>
Non-GAAP						<u>\$ (0.14)</u>
Shares used in per share calculation:						
GAAP and Non-GAAP						<u>96,623</u>

ADJ. EBITDA RECONCILIATIONS

(IN THOUSANDS)



Three Months Ended

	October 1, 2021	July 2, 2021	September 25, 2020
Net income (loss) - GAAP	\$ 1,530	\$ (2,009)	\$ (5,381)
Provision for income taxes	942	1,368	786
Interest expense, net	2,686	2,630	2,807
Depreciation	3,231	3,107	3,148
Amortization of intangibles	—	—	752
EBITDA	8,389	5,096	2,112
<i>Adjustments</i>			
Stock-based compensation	6,436	4,033	3,930
Restructuring and related charges	—	382	1,116
Adjusted EBITDA	\$ 14,825	\$ 9,511	\$ 7,158

ADJ. EBITDA RECONCILIATIONS

(IN THOUSANDS)



	Nine Months Ended	
	October 1, 2021	September 25, 2020
Net loss - GAAP	\$ (6,603)	\$ (42,736)
Provision for income taxes	3,006	3,093
Interest expense, net	7,919	8,772
Depreciation	9,395	8,683
Amortization of intangibles	507	3,214
EBITDA	14,224	(18,974)
<i>Adjustments</i>		
Stock-based compensation	18,867	13,737
Loss on convertible debt extinguishment	—	834
Restructuring and related charges	389	1,803
Adjusted EBITDA	\$ 33,480	\$ (2,600)

Q4 2021 GUIDANCE GAAP TO NON-GAAP RECONCILIATIONS

(IN MILLIONS, EXCEPT EPS AND PERCENTAGES)



Q4 2021 Financial Guidance ⁽¹⁾				
	Revenue	Gross Profit	Income from Operations	Net Income
GAAP	\$147.0 to \$157.0	\$69.5 to \$76.3	\$7.3 to \$12.1	\$3.0 to \$7.8
Stock-based compensation expense	—	0.3	5.1	5.1
Restructuring and related charges	—	0.4	0.8	0.8
Non-cash interest and other expenses related to convertible notes	—	—	—	1.6
Tax effect of non-GAAP adjustments	—	—	—	\$(0.1) to \$(0.5)
Total adjustments	—	0.7	5.9	\$7.4 to \$7.0
Non-GAAP	<u>\$147.0 to \$157.0</u>	<u>\$70.2 to \$77.0</u>	<u>\$13.2 to \$18.0</u>	<u>\$10.4 to \$14.8</u>
<i>As a % of revenue (GAAP)</i>		47.3% to 48.6%	5.0% to 7.7%	2.0% to 5.0%
<i>As a % of revenue (Non-GAAP)</i>		47.8% to 49.0%	9.0% to 11.5%	7.1% to 9.4%
Diluted net income per share:				
GAAP				<u>\$0.03 to \$0.07</u>
Non-GAAP				<u>\$0.10 to \$0.14</u>
Shares used in per share calculation:				
GAAP and Non-GAAP				<u>106.9</u>

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

2021 GUIDANCE GAAP TO NON-GAAP RECONCILIATIONS

(IN MILLIONS, EXCEPT EPS AND PERCENTAGES)



2021 Financial Guidance ⁽¹⁾				
	Revenue	Gross Profit	Income from Operations	Net Income (Loss)
GAAP	\$498.0 to \$508.0	\$251.2 to \$258.0	\$10.9 to \$15.7	\$(3.7) to \$1.1
Stock-based compensation expense	—	2.2	24.0	24.0
Amortization of intangibles	—	—	0.5	0.5
Restructuring and related charges	—	0.7	1.2	1.2
Non-cash interest and other expenses related to convertible notes	—	—	—	6.3
Tax effect of non-GAAP adjustments	—	—	—	\$0.9 to \$0.5
Total adjustments	—	2.9	25.7	\$32.9 to \$32.5
Non-GAAP	<u>\$498.0 to \$508.0</u>	<u>\$254.1 to \$260.9</u>	<u>\$36.6 to \$41.4</u>	<u>\$29.2 to \$33.6</u>
<i>As a % of revenue (GAAP)</i>		50.4% to 50.8%	2.2% to 3.1%	(0.7)% to 0.2%
<i>As a % of revenue (Non-GAAP)</i>		51.0% to 51.4%	7.3% to 8.1%	5.9% to 6.6%
Diluted net income (loss) per share:				
GAAP				<u>\$(0.04) to \$0.01</u>
Non-GAAP				<u>\$0.28 to \$0.32</u>
Shares used in per share calculation:				
GAAP				<u>101.5 105.1</u>
Non-GAAP				<u>105.1</u>

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

2021 ADJ. EBITDA GUIDANCE RECONCILIATIONS

(IN THOUSANDS)



Harmonic Inc.
Adjusted EBITDA Reconciliation on Financial Guidance (Unaudited)⁽¹⁾
(In millions)

	Q4 2021 Financial Guidance			2021 Financial Guidance		
Net income (loss) - GAAP	\$3.0	to	\$7.8	\$(3.7)	to	\$1.1
Provision for income taxes			1.1			4.2
Interest expense, net			2.6			10.5
Depreciation			4.4			13.8
Amortization of intangibles			—			0.5
EBITDA	\$11.1	to	\$15.9	\$25.3	to	\$30.1
<i>Adjustments</i>						
Stock-based compensation			5.1			24.0
Restructuring and related charges			0.8			1.2
Adjusted EBITDA	<u>\$17.0</u>	to	<u>\$21.8</u>	<u>\$50.5</u>	to	<u>\$55.3</u>

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



THANK YOU.

