



CORPORATE PRESENTATION

May 2023



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 2023 and beyond, and our Q2 and full-year 2023 guidance. Such statements are only current expectations and actual events or results may differ materially. We refer you to Harmonic's filings with the SEC, particularly our most recent Reports on Form 10-K, Form 10-Q and Form 8-K. These documents identify important risk factors that could cause actual results to differ materially from our projections or other forward-looking statements. We will also present financial metrics determined on a "non-GAAP" basis. These items, together with the corresponding GAAP numbers and a reconciliation to GAAP, are contained in this presentation and the related earnings press release on our website at www.harmonicinc.com.



BROADBAND & VIDEO

Two market-leading
business units



REVENUE 2022

\$625M | 23% yoy growth



MARKET CAPITALIZATION*

\$1.9B



SILICON VALLEY

Headquarters



CLOUD NATIVE INNOVATION LEADER



MARKET-LEADING CUSTOMERS

Worldwide



Revolutionizing broadband networks and cloud streaming

A TRUSTED PARTNER SERVING THE MEDIA INDUSTRY



INDUSTRY-LEADING CUSTOMERS



INDUSTRY-LEADING PARTNERS





Accelerating broadband and streaming video consumption



COMMITTED TO A MORE **EQUITABLE, JUST & SUSTAINABLE** WORLD



Environmental Responsibility

100% of electronic waste recycled

22% reduction in energy consumption between 2019 and 2021 at Harmonic three main sites

23% of our electricity from renewable sources

11% Scope 2 emissions reduction between 2019 and 2021



People and Community

19% of global employees self-identified as women

39% of U.S. employees self-identified as racially/ethnically diverse

87% of employees reported high engagement and satisfaction in their roles, their management and Company leadership in 2021

Employees and contractors spent **11,500+ hours** learning

Community engagement

Initiatives in different regions engage under-resourced and diverse youth in technology



Governance and Ethics

100% of employees completed Code of Conduct and Ethics training

50% of Board Directors self-identified as women

87.5% Board Director Independence

A short, solid blue vertical line is positioned to the left of the section header.

BROADBAND BUSINESS



Leading in Multi-Gigabit Broadband

~\$2B addressable market in 2025
>30% CAGR

>\$800M revenue in 2025
>30% CAGR

Transformative cloud-native technology
far ahead of competition

Embraced by growing number of **leading
Broadband operators**

Fiber, analytics & cloud services
expanding opportunity



TAM

Growing & Expanded



TRACTION

1 vCMTS & DAA



TIMING

Broadband Renaissance

cableOS

TRANSFORMATIVE & UNIQUE TECHNOLOGY



KEY TRENDS DRIVING BROADBAND MARKET



HIGH SPEED BROADBAND AS A NECESSITY

Ever higher speeds and reliability being demanded



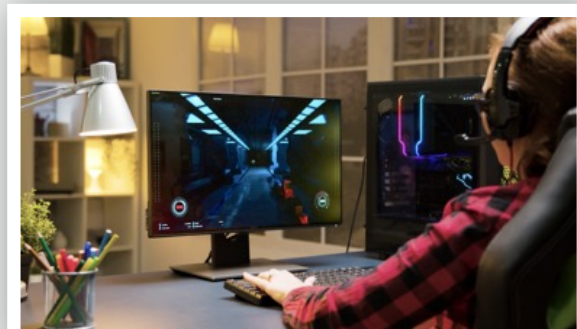
SERVICE PROVIDER COMPETITION

Fiber & 5G/Fixed Wireless heating up

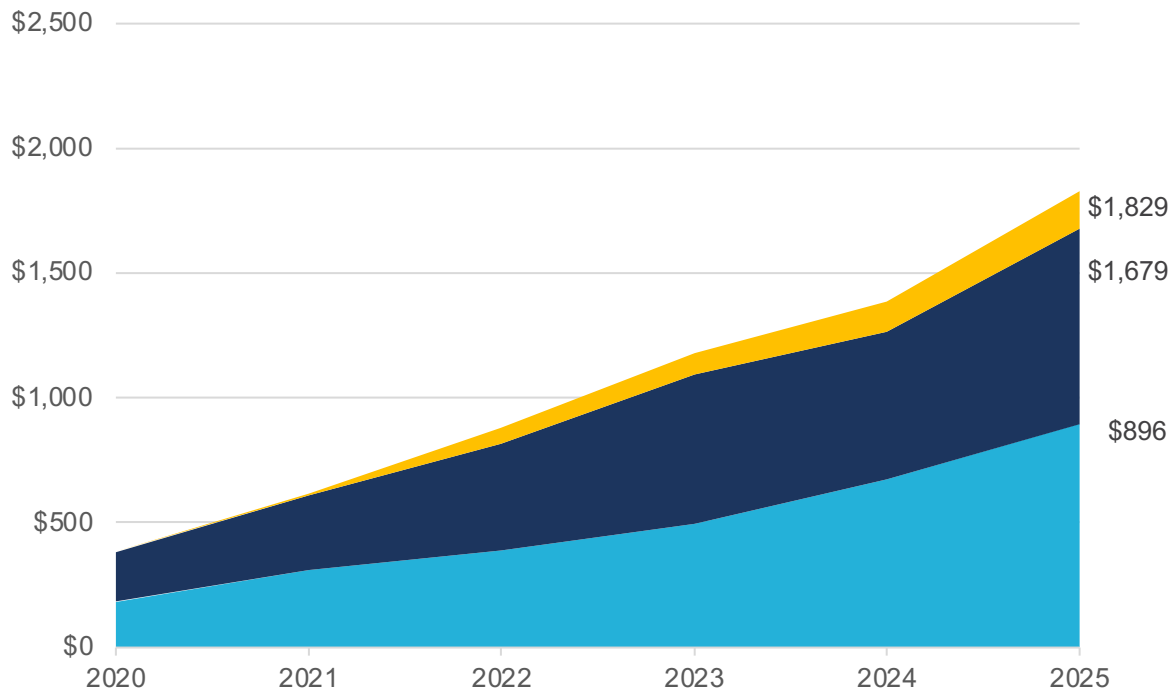


GOVERNMENT INVESTMENT IN BROADBAND

RDOF, RBB, municipal fiber, & city carriers ramping



A GROWING ADDRESSABLE MARKET (\$ in millions)



Source: Dell'Oro, Omdia and Harmonic Internal Estimates, July 2022

VIRTUALIZATION AND DAA “CROSSING THE CHASM”



Early Market

85 operators, >60 million subscribers, <20% deployed



2017

Mainstream Market

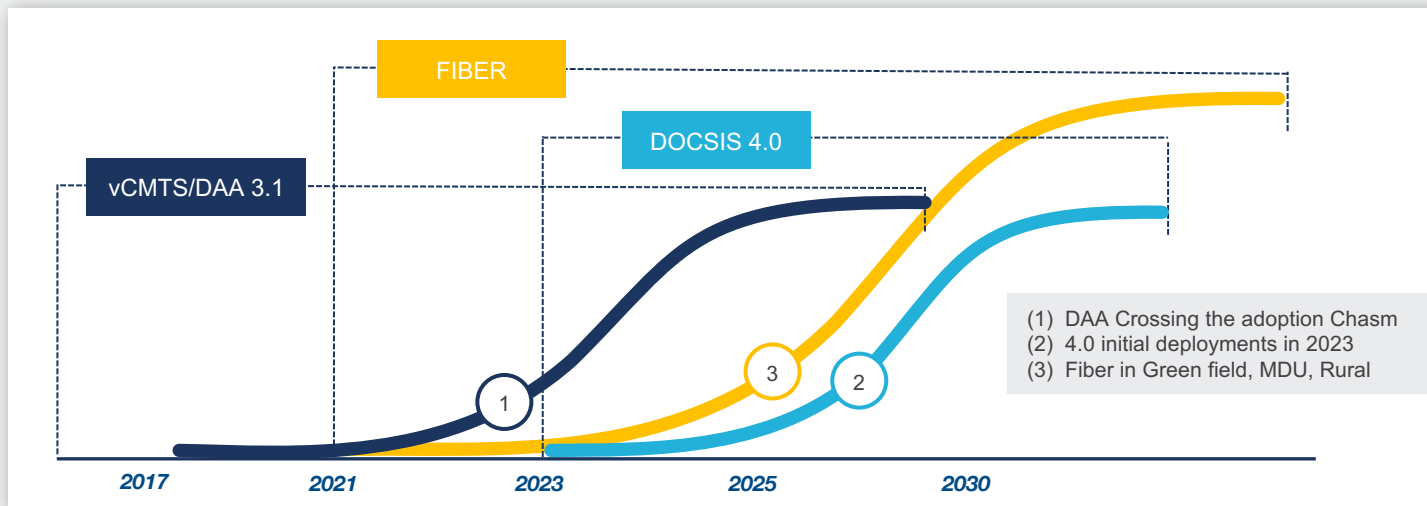
>120 million subscribers

Competition

Success by Early adopters
Leading towards DOCSIS 4.0/Fiber

2023

MULTIPLE WAVES OF UPGRADES



BROADBAND PLATFORM

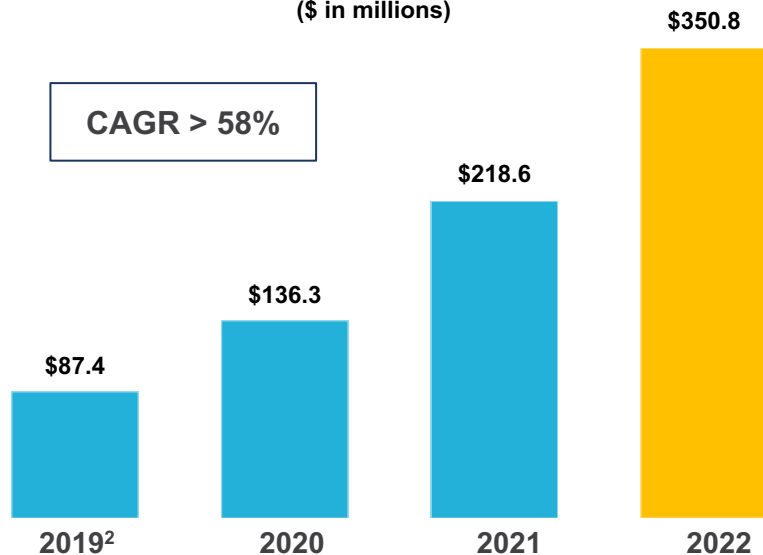
Increased speed tiers (higher splits, node splits, 4.0 and Fiber)
Digital nodes with Digital Optics
vCMTS and vBNG Core
Advanced Telemetry and Analytics
Automation for faster deployments
Operational Excellence

GROWING BROADBAND BUSINESS

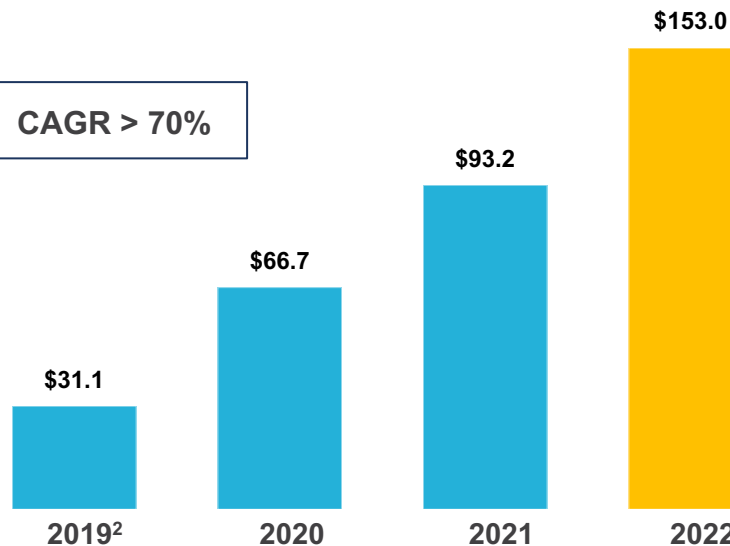


Revenue¹

(\$ in millions)



Gross Profit¹



¹ Non-GAAP

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

WHY WE WIN: TRUE VIRTUALIZED CLOUD-NATIVE SOFTWARE CORE



True Cloud Native

Containerized microservices with horizontal scaling

DOCSIS and Fiber

Multi-Tenancy for Control and Data plane applications

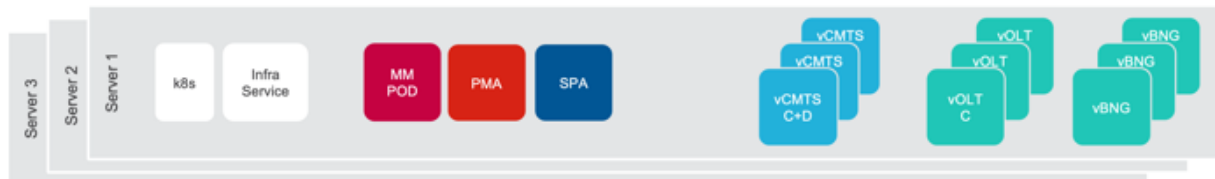
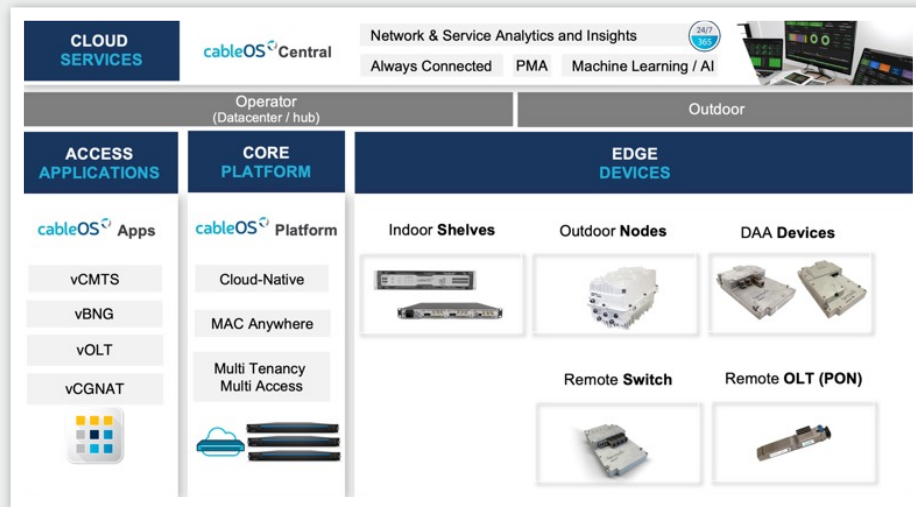
Real time Analytics and Insights

With Streaming Telemetry

Huge space, power saving

Rich Tool set

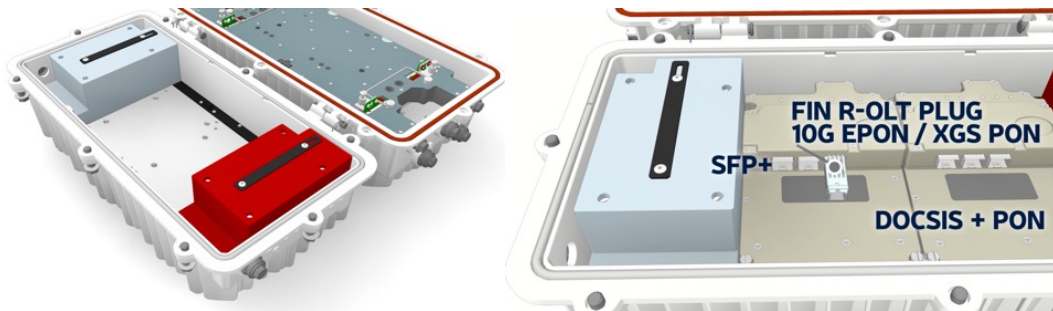
Automated deployments and operational excellence



WHY WE WIN: MODULAR UNIFIED HARDWARE DESIGN

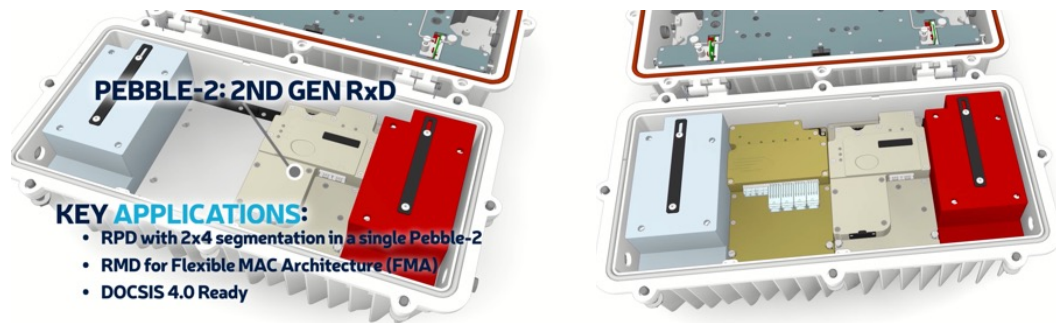


DOCSIS AND FIBER

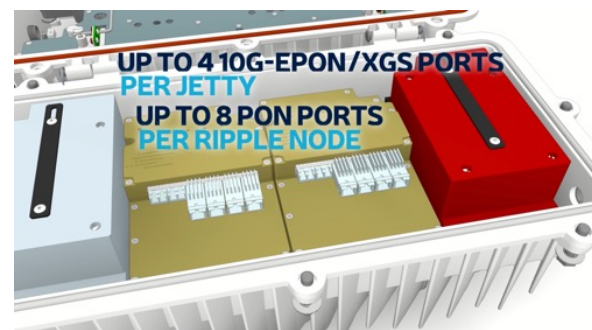


#1 DAA
Features, Density, Power
Any DOCSIS+FIBER

ALL DOCSIS FLAVORS AND FIBER



HIGH DENSITY LOW POWER FIBER



WHY WE WIN: DEPLOYMENT EXPERTISE AND CUSTOMER SUCCESS



94

Global Operators w/
Harmonic Virtualized CMTS
Deployed (45% YoY Growth)

>100K
Managed Devices

>10M
Cable Modems

10 + 1 Major Tier-1

COMCAST

ROGERS

MILLICOM
THE DIGITAL LIFESTYLE



TELE2

Telefónica

vodafone



75%
Global Market
Share*

2025 TARGET OPERATING MODEL*



(In millions, except percentages)

Financial Metric	2020	2022**	2025 Target	3-year CAGR
Revenue	\$136	\$340	\$825+	34%+
DOCSIS	\$136	\$330	\$645+	25%+
Fiber	-	\$10	\$160+	150%+
Cloud Services	-	-	\$20+	-
Gross Margin	48.9%	42.8%	50%+	-
Operating Expenses	\$55	\$97	\$190+	-
Adj EBITDA	\$16	\$55	\$232+	61%+
Adj EBITDA Margin	11.5%	16.0%	28.0%+	-

* Non-GAAP

** At midpoint of 2022 guidance

REVENUE

Growth driven by strong demand and technology leadership position

GROSS MARGIN

Improvement driven by Fiber mix and supply chain improvements

EBITDA

Growth driven by revenue growth and operating leverage



VIDEO BUSINESS



Leading in Cloud SaaS for Premium Streaming

Targeting new **Cloud SaaS** market,
growing to >\$1.3B in 2025

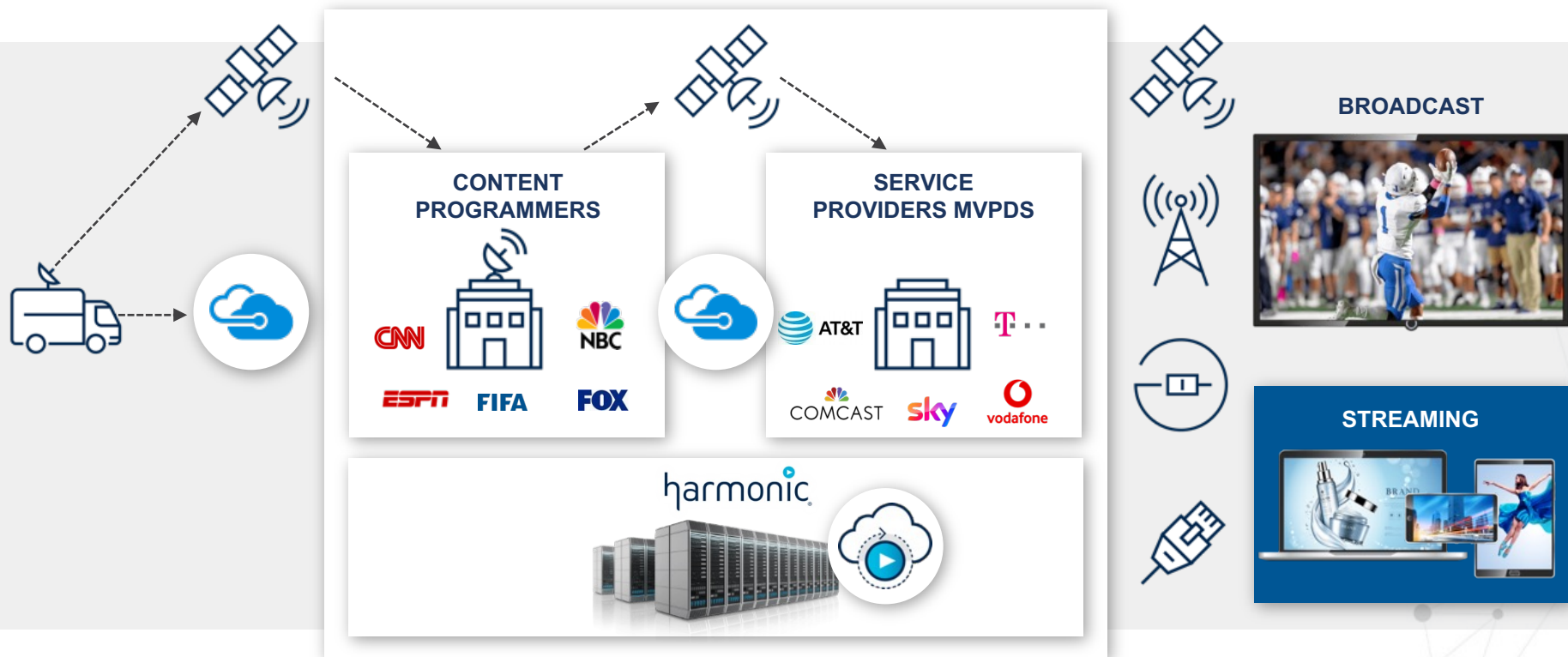
>**\$110M SaaS revenue** in 2025,
>45% CAGR

>**14% EBITDA Margin** by 2025,
>23% CAGR

Industry leading video streaming technology,
esp. for **Live Sports**

Confidence bolstered by several **Tier 1
streaming media wins** over past year

FROM SOURCE TO SCREEN



VIDEO INFRASTRUCTURE HAS EVOLVED



BROADCAST

BROADCAST



PAY TV



BROADCAST TECH'

- Unified signal for all viewers
- 24/7 linear channels



BROADCAST INFRASTRUCTURE

- HW/SW appliances in private facilities

STREAMING

SVOD



TV EVERYWHERE



SPORTS STREAMING



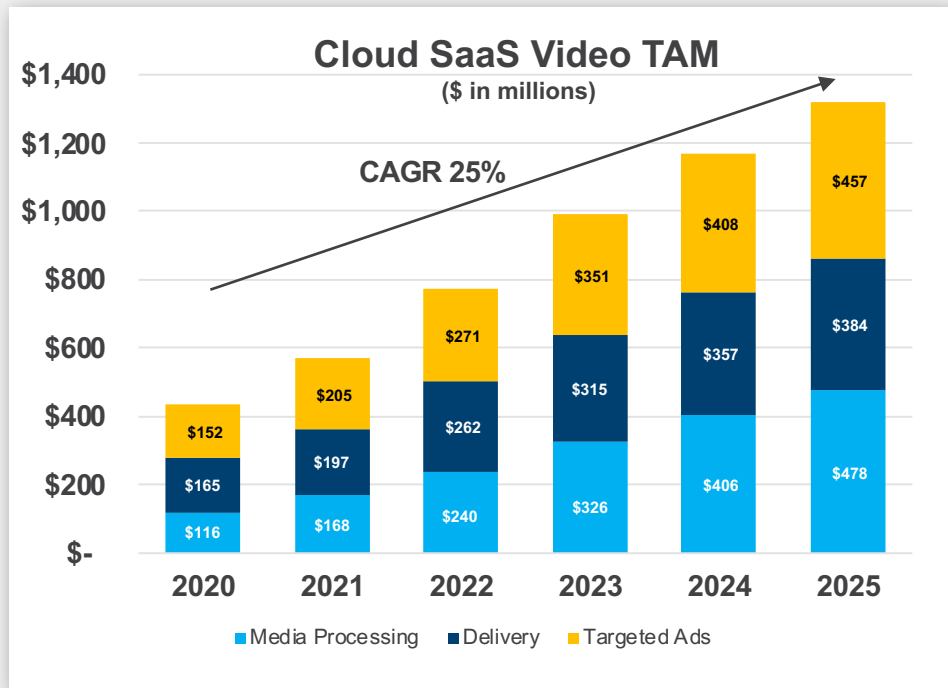
STREAMING TECH'

- Dedicated stream per viewer
- On-demand viewing



STREAMING INFRASTRUCTURE

- Public cloud for scalability and dynamism



BUSINESS MODEL

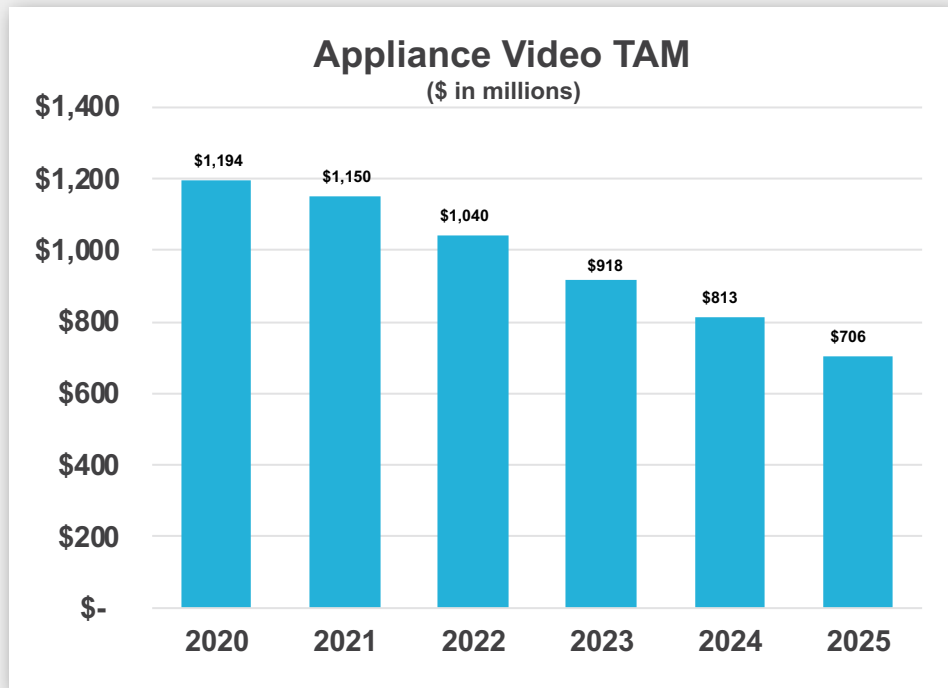
- OPEX | Usage based (variable)

INFRASTRUCTURE

- Public Cloud, SaaS

TRENDS

- Predominantly for Streaming market
- Growing # of platforms & content
 - Expanding with premium sports
- Growing engagement leads to higher traffic and targeted ads



BUSINESS MODEL

- CAPEX | Per channel with recurring SLA

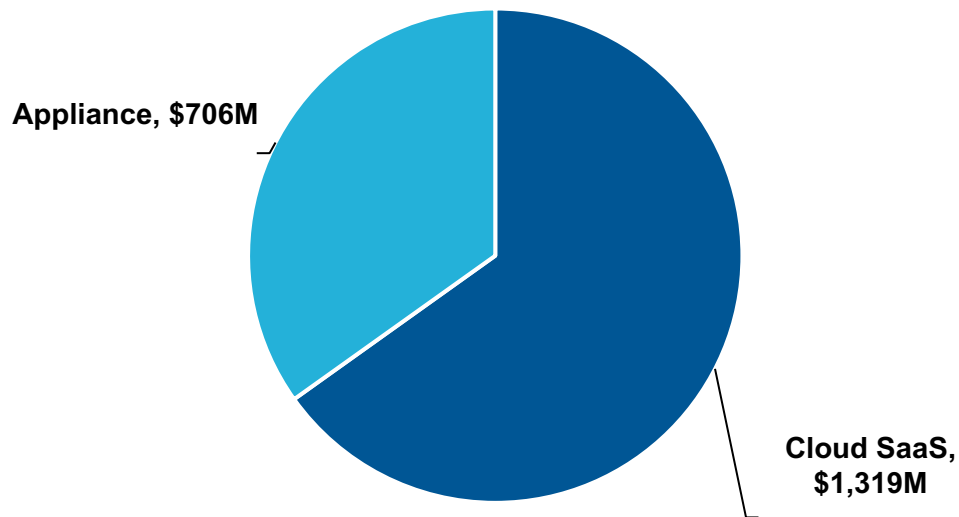
INFRASTRUCTURE

- On-premises deployments

TRENDS

- Predominantly for Broadcast workflows
- Linear channel is the foundation
- Highly profitable market for media com'
- Multi-Billion \$ install base
- Focus on efficiency and cost reduction

**Harmonic Overall TAM
in 2025**



TOTAL

- ~2B addressable market and growing

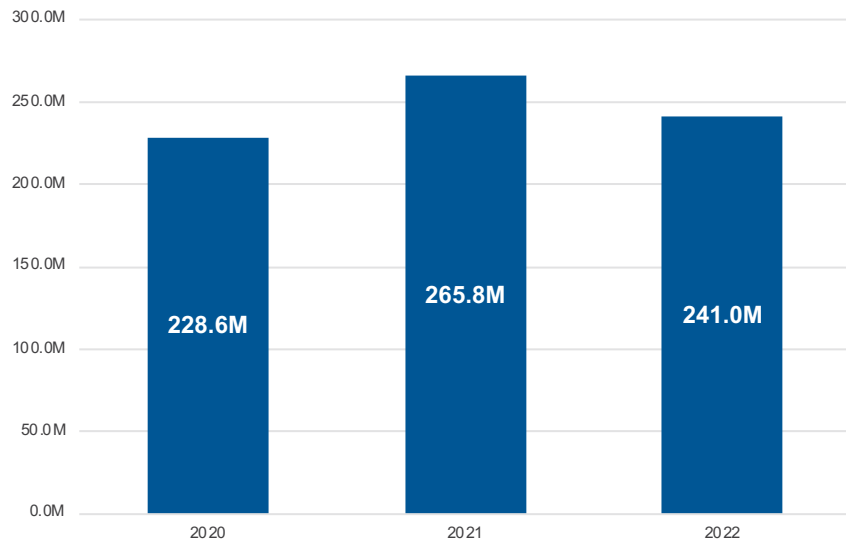
CLOUD SAAS

- >\$1.3B in total
- Streaming is dominant workflow
- Broadcast workflows growing

APPLIANCE

- >\$0.7B in total
- Overwhelming majority for broadcast

APPLIANCE REVENUE



TOP LINE

- Stable and consistent

GROSS MARGINS

- Resilient at 60% despite supply chain headwinds

RECURRING REVENUE

- Support contracts for >\$1B of install base

APPLIANCE APPLICATIONS & CUSTOMERS



CHANNEL ORIGATION

WarnerMedia



SINCLAIR
BROADCAST GROUP

TV5



Televisa

PAY TV



Charter
COMMUNICATIONS



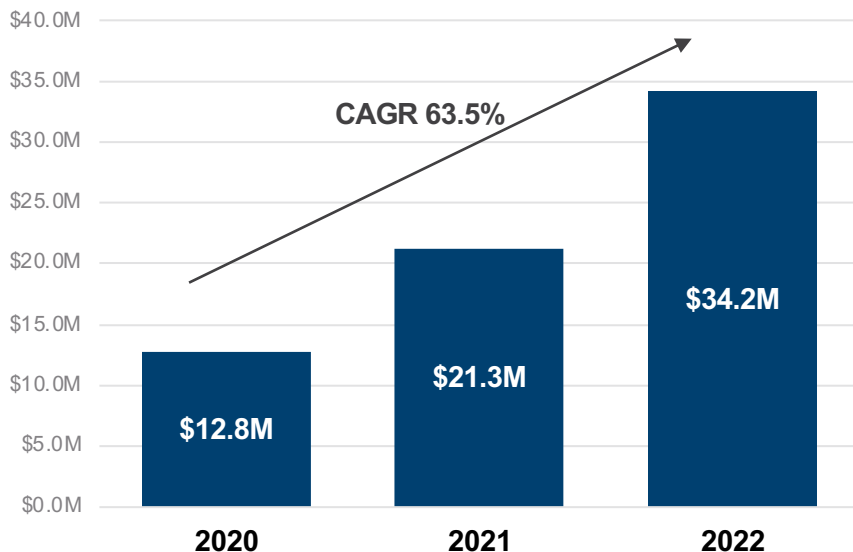
CONTENT DISTRIBUTION

(Example: C-BAND)

WarnerMedia



SAAS SUBSCRIPTION REVENUE



RAPID GROWTH

- 63.5% CAGR (2020-22)

MARGIN EXPANSION

- Long term GM% target of 75%
- GM% >50% in 2022

GROWTH DRIVERS

- Rapid adoption of cloud for streaming workflows fueled by sports streaming

SAAS CLOUD APPLICATIONS & CUSTOMERS



LIVE SPORTS

FORTUNE 100
COMPANY (2)



AVG MRR \$100K
(42% OF SAAS REV)

TV EVERYWHERE (LINEAR/VOD)



AVG MRR \$25K
(48% OF SAAS REV)

BROADCAST CLOUD MIGRATION

(Overlap with Appliance business)



AVG MRR \$30K
(10% OF SAAS REV)

STREAMING (LIVE SPORTS, TV EVERYWHERE)

EXCEPTIONAL VIDEO QUALITY & LATENCY



SPORTS SPECIFIC FEATURES



ECO-SYSTEM PARTNERS

deltatre

DIAGNAL

SeaChange

firstlight
MEDIA

VO
viaccess-orca

COMCAST
TECHNOLOGY SOLUTIONS

NAGRA

ALPHANETWORKS

UNPARLLELED RESILIENCY WITH 24/7 DEVOPS



BROADCAST CLOUD MIGRATION



RICH BROADCAST FEATURE SET



CLOUD MATURITY



>3,000 BROADCAST CUSTOMERS

2025 TARGET OPERATING MODEL*



(In millions, except percentages)

Financial Metric	2020	2022**	2025 Target	3-year CAGR
Revenue	\$243	\$277	\$290+	1.5%+
Appliance	\$229	\$241	\$180+	< (10)%
SaaS***	\$14	\$36	\$110+	45%+
Gross Margin	54.5%	58.9%	62%+	-
Operating Expenses	\$131	\$147	\$147+	-
Adj EBITDA	\$8	\$22	\$42+	24%+
Adj EBITDA Margin	3.4%	8.1%	14%+	-

* Non-GAAP

** At midpoint of 2022 guidance

*** Including SaaS services

SAAS

Growth driven by live streaming and broadcast migration to cloud

APPLIANCE

Remains healthy and profitable

GROSS MARGIN

Continued improvement driven by SaaS scale

EBITDA

Improvement driven by SaaS growth



RECENT FINANCIAL RESULTS & OUTLOOK





STRONG FINANCIAL RESULTS*

- Revenue \$157.6 million, up 6.9% year over year
- EPS \$0.12, up 50.0% year over year
- Bookings \$325.5 million, book to bill ratio of 2.1
- Record Backlog and Deferred Revenue \$623.5 million, up 25.4% year over year



INCREASED ANNUAL GUIDANCE FOR KEY FINANCIAL METRICS

- Net revenue, Adj. EBITDA, EPS ranges increased

* Non-GAAP

Q1 2023 REVENUE & GROSS MARGIN HIGHLIGHTS*



Financial Metric (\$ Millions)	Q1 2023	Q4 2022	Q1 2022	Q1/Q4 Change	Q1 Y/Y Change
Total Net Revenue	\$157.6	\$164.3	\$147.4	(4.1)%	6.9%
Broadband Revenue	\$100.4	\$96.0	\$81.6	4.5%	23.0%
Video Revenue	\$57.3	\$68.3	\$65.8	(16.1)%	(13.0)%
Gross Margin (%)	53.9%	52.7%	47.3%	1.2%	6.6%
Broadband Gross Margin (%)	50.1%	47.6%	38.0%	2.5%	12.1%
Video Gross Margin (%)	60.4%	59.9%	58.8%	0.5%	1.6%

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

Q1 2023 EARNINGS AND BOOKINGS HIGHLIGHTS*



Financial Metric \$ Millions (except EPS)	Q1 2023	Q4 2022	Q1 2022	Q1/Q4 Change	Q1 Y/Y Change
Operating Expenses	\$66.2	\$63.0	\$58.4	5.2%	13.4%
Adj. EBITDA	\$21.4	\$26.6	\$14.5	(19.3)%	48.3%
Broadband Adj. EBITDA	\$21.6	\$20.2	\$9.7	6.8%	123.7%
Video Adj. EBITDA	\$(0.2)	\$6.4	\$4.8	(102.6)%	(103.4)%
EPS	\$0.12	\$0.17	\$0.08	(29.4)%	50.0%
Share Count	117.8	117.3	110.6	0.4%	6.5%
Bookings	\$325.5	\$130.2	\$205.5	150.0%	58.4%
Book to Bill Ratio	2.1	0.8	1.4	160.0%	47.8%

* Non-GAAP

Q1 2023 BALANCE SHEET & CASH FLOW HIGHLIGHTS



Financial Metric (\$ Millions)	Q1 2023	Q4 2022	Q1 2022
Cash	\$90.9	\$89.6	\$100.7
Cash Provided by (used in) Operations	\$6.3	\$19.4	\$(27.5)
Accounts Receivable	\$88.1	\$108.4	\$115.6
DSO	50	59	71
Inventory	\$131.6	\$120.9	\$81.8
Inventory Days	163	140	95
Backlog and Deferred Revenue	\$623.5	\$457.1	\$497.3
Free cash flow	\$3.9	\$17.5	\$(29.9)

FULL YEAR 2023 FINANCIAL GUIDANCE

Improved Gross Profit, Adj. EBITDA and EPS ranges



FY2023 Financial Metric	Guidance*	Prior Guidance*	Midpoint Difference
Total Revenue (\$M)	\$705 - \$740	\$695 - \$735	↑
Gross Margin (%)	50.9% - 51.9%	49.8% - 51.3%	↑
Gross Profit (\$M)	\$359 - \$384	\$346 - \$377	↑
Operating Expenses (\$M)	\$262 - \$271	\$260 - \$267	↑
Adjusted EBITDA (\$M)	\$108 - \$125	\$98 - \$122	↑
Shares**	118.1	118.3	↓
EPS	\$0.63 - \$0.74	\$0.56 - \$0.72	↑
Cash (\$M)	\$125 - \$135	\$90 - \$100	↑

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

** Diluted shares assumes Harmonic stock price at \$13.79 (Q1 2023 average price)

Q2 2023 FINANCIAL GUIDANCE



Q2 2023 Financial Metric	Guidance*
Total Revenue (\$M)	\$161 - \$171
Gross Margin (%)	51.8% - 52.9%
Gross Profit (\$M)	\$83 - \$91
Operating Expenses (\$M)	\$66 - \$68
Adjusted EBITDA (\$M)	\$20 - \$25
Shares**	117.8
EPS	\$0.11 - \$0.15
Cash (\$M)	\$90 - \$100

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

** Diluted shares assumes Harmonic stock price at \$13.79 (Q1 2023 average price)

2023 FINANCIAL GUIDANCE | BROADBAND SEGMENT



FY2023 Financial Metric	Guidance*	Prior Guidance*	Midpoint Difference
Net Revenue (\$M)	\$450 - \$470	\$445 - \$465	↑
Gross Margin (%)	46.0% - 47.0%	45.0% - 46.0%	↑
Gross Profit (\$M)	\$207 - \$221	\$200 - \$214	↑
Operating Expenses (\$M)	\$123 - \$128	\$120 - \$123	↑
Adjusted EBITDA (\$M)	\$90 - \$99	\$86 - \$97	↑

Q2 2023 Financial Metric	Guidance*
Net Revenue (\$M)	\$101 - \$106
Gross Margin (%)	47.0% - 48.0%
Gross Profit (\$M)	\$47 - \$51
Operating Expenses (\$M)	\$31 - \$32
Adjusted EBITDA (\$M)	\$18 - \$20

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

2023 FINANCIAL GUIDANCE | VIDEO SEGMENT



FY2023 Financial Metric	Guidance*	Prior Guidance*	Midpoint Difference
Net Revenue (\$M)	\$255 - \$270	\$250 - \$270	↑
Gross Margin (%)	59.5% - 60.5%	58.5% - 60.5%	↑
Gross Profit (\$M)	\$152 - \$163	\$146 - \$163	↑
Operating Expenses (\$M)	\$139 - \$143	\$140 - \$144	↓
Adjusted EBITDA (\$M)	\$18 - \$26	\$12 - \$25	↑

Q2 2023 Financial Metric	Guidance*
Net Revenue (\$M)	\$60 - \$65
Gross Margin (%)	60.0% - 61.0%
Gross Profit (\$M)	\$36 - \$40
Operating Expenses (\$M)	\$35 - \$36
Adjusted EBITDA (\$M)	\$2 - \$5

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



FINANCIAL 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 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, non-cash interest and other expenses on convertible notes and other debt, adjustments that normalize the tax rate and depreciation.

Q1 2023 GAAP TO NON-GAAP RECONCILIATIONS

(UNAUDITED, IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



Three Months Ended March 31, 2023

	Revenue	Gross Profit	Total Operating Expense	Income from Operations	Total Non-operating Expense, net	Net Income
GAAP	\$ 157,649	\$ 84,054	\$ 72,874	\$ 11,180	\$ (999)	\$ 5,093
Stock-based compensation	—	850	(6,574)	7,424	—	7,424
Restructuring and related charges	—	—	(83)	83	—	83
Non-cash interest and other expenses related to convertible notes	—	—	—	—	223	223
Discrete tax items and tax effect of non-GAAP adjustments	—	—	—	—	—	1,506
Total adjustments	—	850	(6,657)	7,507	223	9,236
Non-GAAP	<u>\$ 157,649</u>	<u>\$ 84,904</u>	<u>\$ 66,217</u>	<u>\$ 18,687</u>	<u>\$ (776)</u>	<u>\$ 14,329</u>
<i>As a % of revenue (GAAP)</i>		53.3 %	46.2 %	7.1 %	(0.6)%	3.2 %
<i>As a % of revenue (Non-GAAP)</i>		53.9 %	42.0 %	11.9 %	(0.5)%	9.1 %
Diluted net income per share:						
GAAP						<u>\$ 0.04</u>
Non-GAAP						<u>\$ 0.12</u>
Shares used in per share calculation:						
GAAP and Non-GAAP						<u>117,758</u>

Q4 2022 GAAP TO NON-GAAP RECONCILIATIONS

(UNAUDITED, IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



Three Months Ended December 31, 2022

	Revenue	Gross Profit	Total Operating Expense	Income from Operations	Total Non-operating Expense, net	Net Income
GAAP	\$ 164,334	\$ 85,697	\$ 69,220	\$ 16,477	\$ (1,141)	\$ 6,131
Stock-based compensation	—	541	(5,050)	5,591	—	5,591
Restructuring and related charges	—	442	(1,205)	1,647	17	1,664
Non-cash interest and other expenses related to convertible notes	—	—	—	—	274	274
Discrete tax items and tax effect of non-GAAP adjustments	—	—	—	—	—	6,233
Total adjustments	—	983	(6,255)	7,238	291	13,762
Non-GAAP	<u>\$ 164,334</u>	<u>\$ 86,680</u>	<u>\$ 62,965</u>	<u>\$ 23,715</u>	<u>\$ (850)</u>	<u>\$ 19,893</u>
<i>As a % of revenue (GAAP)</i>		52.1 %	42.1 %	10.0 %	(0.7)%	3.7 %
<i>As a % of revenue (Non-GAAP)</i>		52.7 %	38.3 %	14.4 %	(0.5)%	12.1 %
Diluted net income per share:						
GAAP						<u>\$ 0.05</u>
Non-GAAP						<u>\$ 0.17</u>
Shares used in per share calculation:						
GAAP and Non-GAAP						<u>117,301</u>

Q1 2022 GAAP TO NON-GAAP RECONCILIATIONS

(UNAUDITED, IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



Three Months Ended April 1, 2022

	Revenue	Gross Profit	Total Operating Expense	Income from Operations	Total Non-operating expense, net	Net Income (loss)
GAAP	\$ 147,439	\$ 69,182	\$ 66,646	\$ 2,536	\$ (1,371)	\$ (1,529)
Stock-based compensation	—	527	(7,059)	7,586	—	7,586
Restructuring and related charges	—	(14)	(1,170)	1,156	—	1,156
Non-cash interest and other expenses related to convertible notes	—	—	—	—	297	297
Discrete tax items and tax effect of non-GAAP adjustments	—	—	—	—	—	1,367
Total adjustments	—	513	(8,229)	8,742	297	10,406
Non-GAAP	<u>\$ 147,439</u>	<u>\$ 69,695</u>	<u>\$ 58,417</u>	<u>\$ 11,278</u>	<u>\$ (1,074)</u>	<u>\$ 8,877</u>
<i>As a % of revenue (GAAP)</i>		46.9 %	45.2 %	1.7 %	(0.9)%	(1.0)%
<i>As a % of revenue (Non-GAAP)</i>		47.3 %	39.6 %	7.6 %	(0.7)%	6.0 %
Diluted net income (loss) per share:						
GAAP						<u>\$ (0.01)</u>
Non-GAAP						<u>\$ 0.08</u>
Shares used in per share calculation:						
GAAP						<u>103,994</u>
Non-GAAP						<u>110,563</u>

ADJ. EBITDA RECONCILIATIONS

(UNAUDITED, IN THOUSANDS)



	Three Months Ended		
	March 31, 2023	December 31, 2022	April 1, 2022
Net income (loss) - GAAP	\$ 5,093	\$ 6,131	\$ (1,529)
Provision for income taxes	5,088	9,205	2,694
Interest expense, net	706	929	1,433
Depreciation	3,030	3,035	3,111
EBITDA	13,917	19,300	5,709
<i>Adjustments</i>			
Stock-based compensation	7,424	5,591	7,586
Restructuring and related charges	83	1,664	1,156
Adjusted EBITDA	\$ 21,424	\$ 26,555	\$ 14,451

2023 GUIDANCE GAAP TO NON-GAAP RECONCILIATIONS

(UNAUDITED, IN MILLIONS, EXCEPT EPS AND PERCENTAGES)



	2023 Financial Guidance ⁽¹⁾			
	Revenue	Gross Profit	Total Operating Expense	Net Income
GAAP	\$ 705 to \$ 740	\$ 357 to \$ 382	\$ 289 to \$ 298	\$ 31 to \$ 39
Stock-based compensation expense	—	2	(26)	28
Restructuring and related charges	—	—	(1)	1
Non-cash interest and other expenses related to convertible notes	—	—	—	1
Gain on sale of equity investment	—	—	—	(3)
Tax effect of non-GAAP adjustments	—	—	—	17 to 22
Total adjustments	—	2	(27)	44 to 49
Non-GAAP	<u>\$ 705 to \$ 740</u>	<u>\$ 359 to \$ 384</u>	<u>\$ 262 to \$ 271</u>	<u>\$ 75 to \$ 88</u>
<i>As a % of revenue (GAAP)</i>		50.6% to 51.6%	41.0% to 40.3%	4.4% to 5.3%
<i>As a % of revenue (Non-GAAP)</i>		50.9% to 51.9%	37.2% to 36.6%	10.6% to 11.9%
Diluted net income per share:				
GAAP				<u>\$ 0.26 to \$ 0.33</u>
Non-GAAP				<u>\$ 0.63 to \$ 0.74</u>
Shares used in per share calculation:				
GAAP and Non-GAAP				<u>118.1</u>

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

Q2 2023 GUIDANCE GAAP TO NON-GAAP RECONCILIATIONS

(UNAUDITED, IN MILLIONS, EXCEPT EPS AND PERCENTAGES)



Q2 2023 Financial Guidance ⁽¹⁾				
	Revenue	Gross Profit	Total Operating Expense	Net Income
GAAP	\$ 161 to \$ 171	\$ 83 to \$ 91	\$ 73 to \$ 75	\$ 4 to \$ 7
Stock-based compensation expense	—	—	(7)	7
Tax effect of non-GAAP adjustments	—	—	—	2 to 3
Total adjustments	—	—	(7)	9 to 10
Non-GAAP	<u>\$ 161 to \$ 171</u>	<u>\$ 83 to \$ 91</u>	<u>\$ 66 to \$ 68</u>	<u>\$ 13 to \$ 17</u>
<i>As a % of revenue (GAAP)</i>		51.7% to 52.8%	45.3% to 43.9%	2.7% to 3.9%
<i>As a % of revenue (Non-GAAP)</i>		51.8% to 52.9%	41.0% to 39.8%	8.3% to 10.2%
Diluted net income per share:				
GAAP				<u>\$ 0.04 to \$ 0.06</u>
Non-GAAP				<u>\$ 0.11 to \$ 0.15</u>
Shares used in per share calculation:				
GAAP and Non-GAAP				<u>117.8</u>

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

2023 ADJ. EBITDA GUIDANCE RECONCILIATIONS

(UNAUDITED, IN MILLIONS)



	Q2 2023 Financial Guidance		2023 Financial Guidance	
Net income - GAAP	\$	4 to \$ 7	\$	31 to \$ 39
Provision for income taxes		5 7		36 45
Interest expense, net		1 1		3 3
Depreciation		3 3		12 12
EBITDA	\$	13 to \$ 18	\$	82 to \$ 99
<i>Adjustments</i>				
Stock-based compensation		7 7		28 28
Restructuring and related charges		— —		1 1
Gain on sale of equity investment		— —		(3) (3)
Adjusted EBITDA	\$	20 to \$ 25	\$	108 to \$ 125

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



THANK YOU.

