



CORPORATE OVERVIEW

August 2020



CABLE ACCESS & VIDEO

Two market-leading
business units

REVENUE 2019

\$403M

SILICON VALLEY

Headquarters

BLUE CHIP CUSTOMERS

>5000 media and
service provider
customers worldwide

INNOVATION VELOCITY

>40 patents filed in
last 24 months

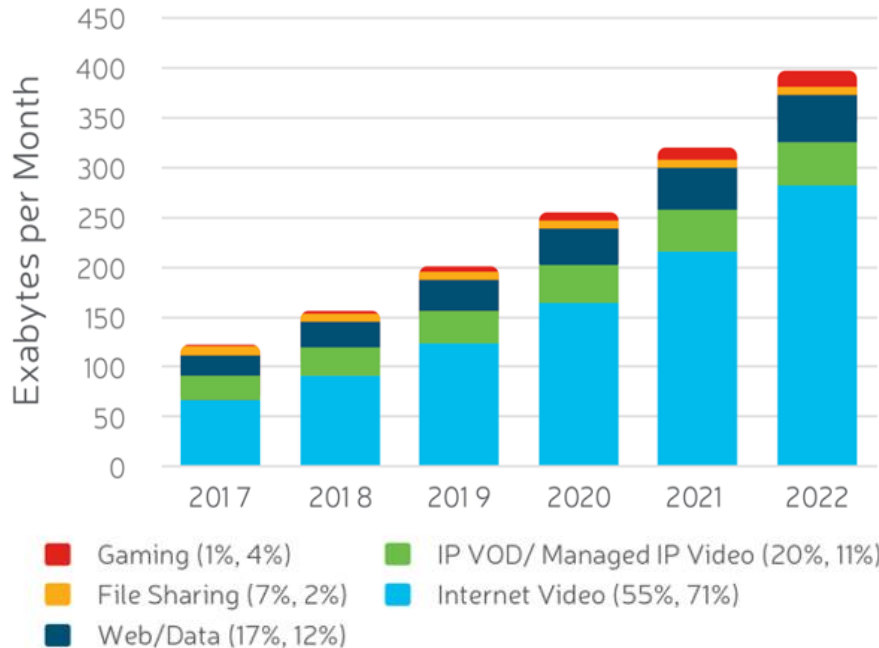
Market Leader in Virtualized Cable Access & Live Video Streaming

GIGABIT ACCESS & STREAMING VIDEO GROWTH

TWO MAJOR MARKET TRANSFORMATION OPPORTUNITIES



26% CAGR | 2017-2022



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



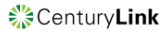
CABLE ACCESS

- 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



VIRTUALIZED CABLE ACCESS
MADE SMARTER



CABLE ACCESS BUSINESS OVERVIEW

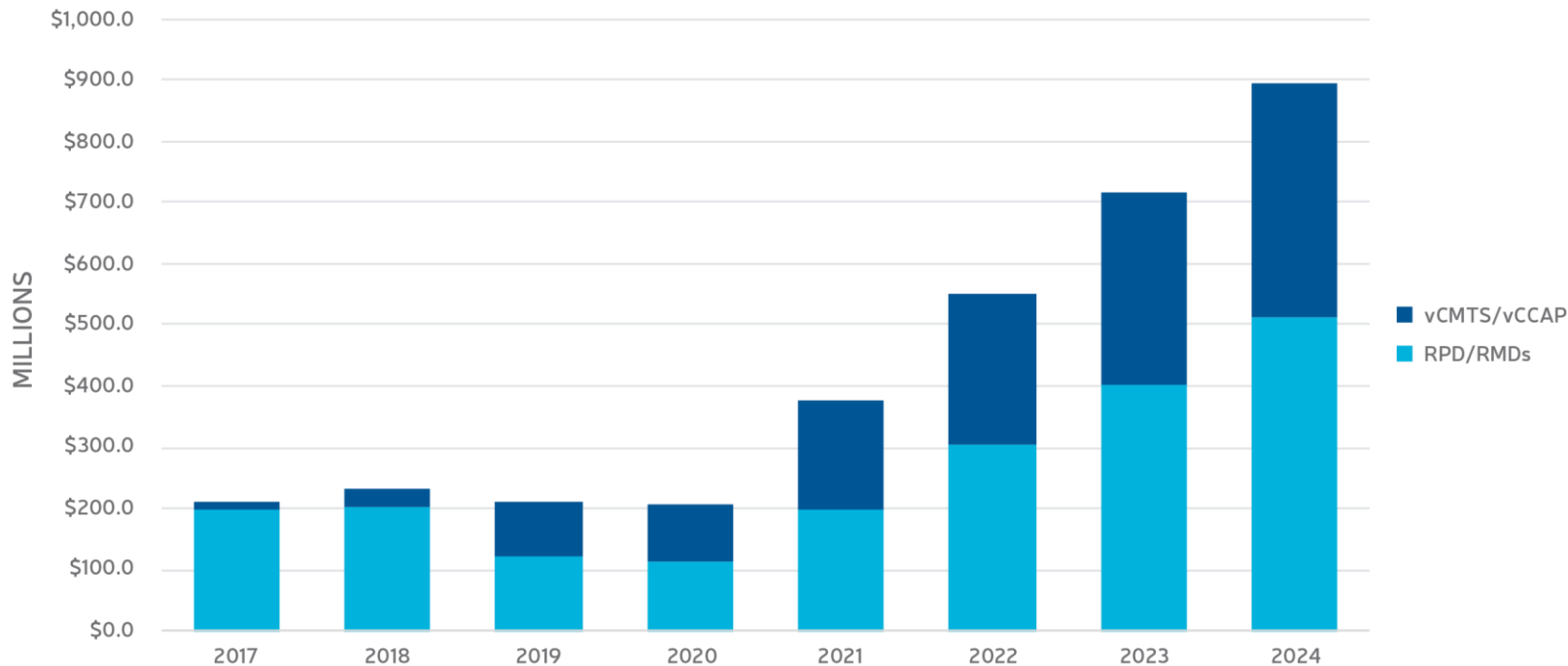


VIRTUALIZATION MARKET POISED FOR GROWTH

HARMONIC CABLEOS® LEADING THE WAY



VCMTS & REMOTE PHY REVENUE GROWTH FORECAST

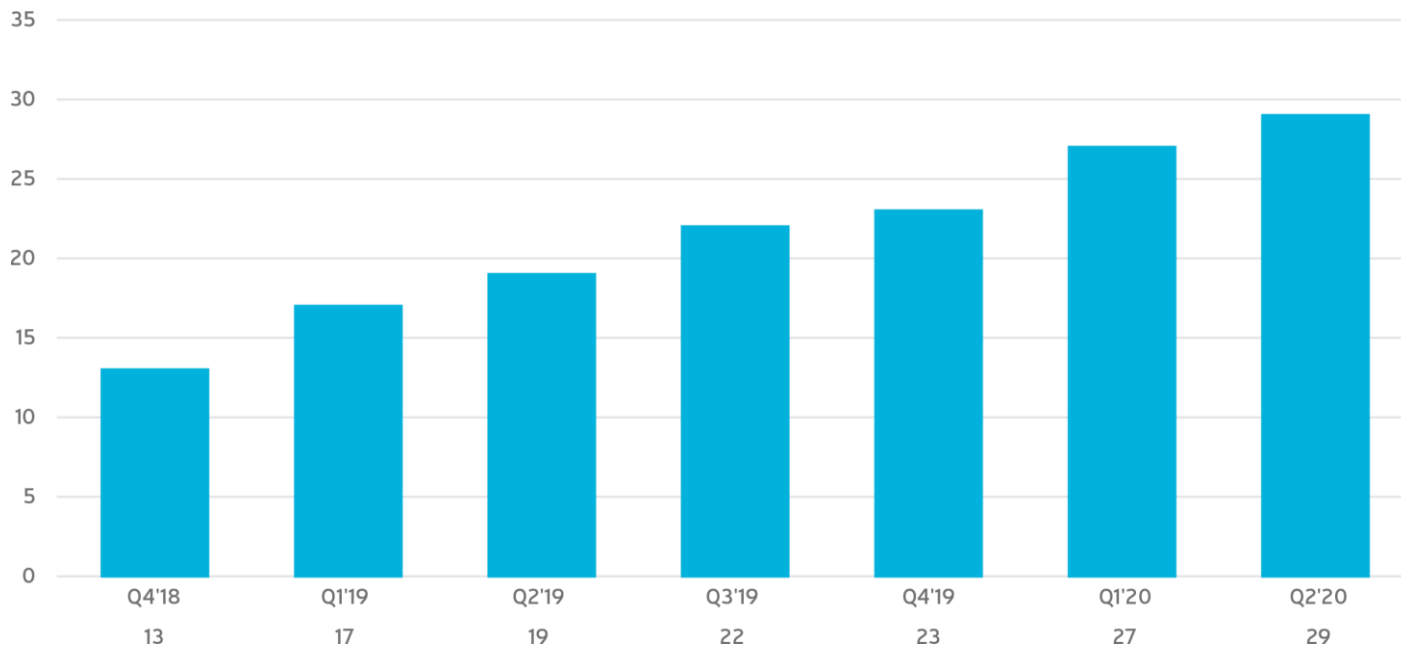


* Source: Dell'Oro July 2020

GROWING CABLE ACCESS BUSINESS

STRONG DESIGN WIN MOMENTUM

CABLEOS CUSTOMER COUNT

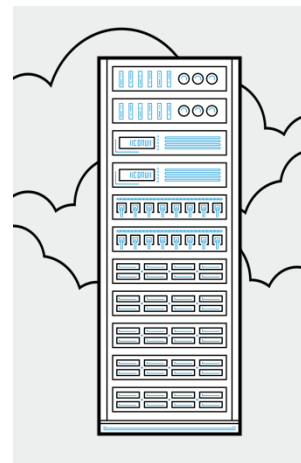
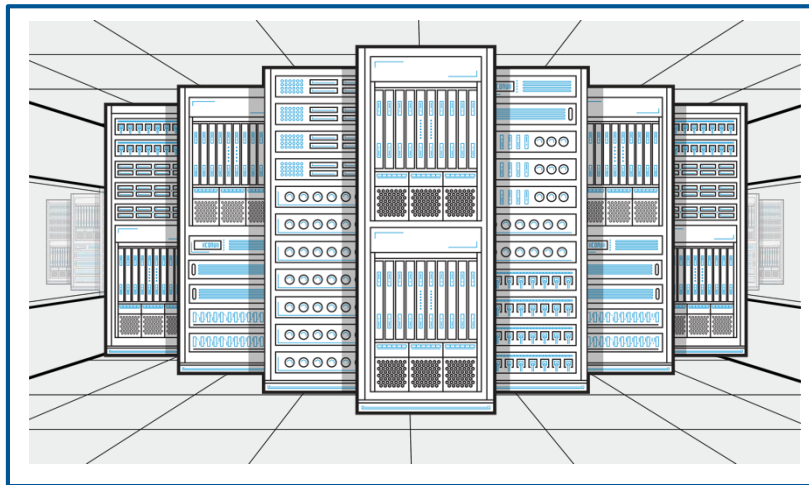


VIRTUALIZATION ENABLING MULTI-GIGABIT BROADBAND

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

>1.7 MILLION

cable modems served,
up 116% year-over-year



INNOVATION

Foundational
virtualization patent + 30
unique patent filings



**STRATEGIC
RELATIONSHIP**

and industry-leading
deployment



Harmonic CableOS is Only Virtualized Solution Deployed

SCALING GLOBAL CUSTOMER BASE



Largest European Cable
Operator



Global Industry Leader



European Tier 1 Operator



Leading Provider of Cable &
Mobile Services in Latin America

+25

Additional **Global Cable
Operators** Worldwide

VIDEO STREAMING
MADE SIMPLER

harmonic.

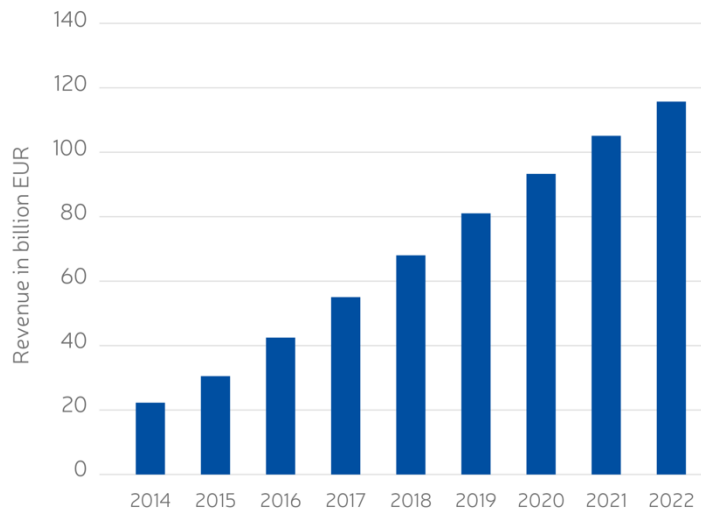
VIDEO BUSINESS OVERVIEW



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

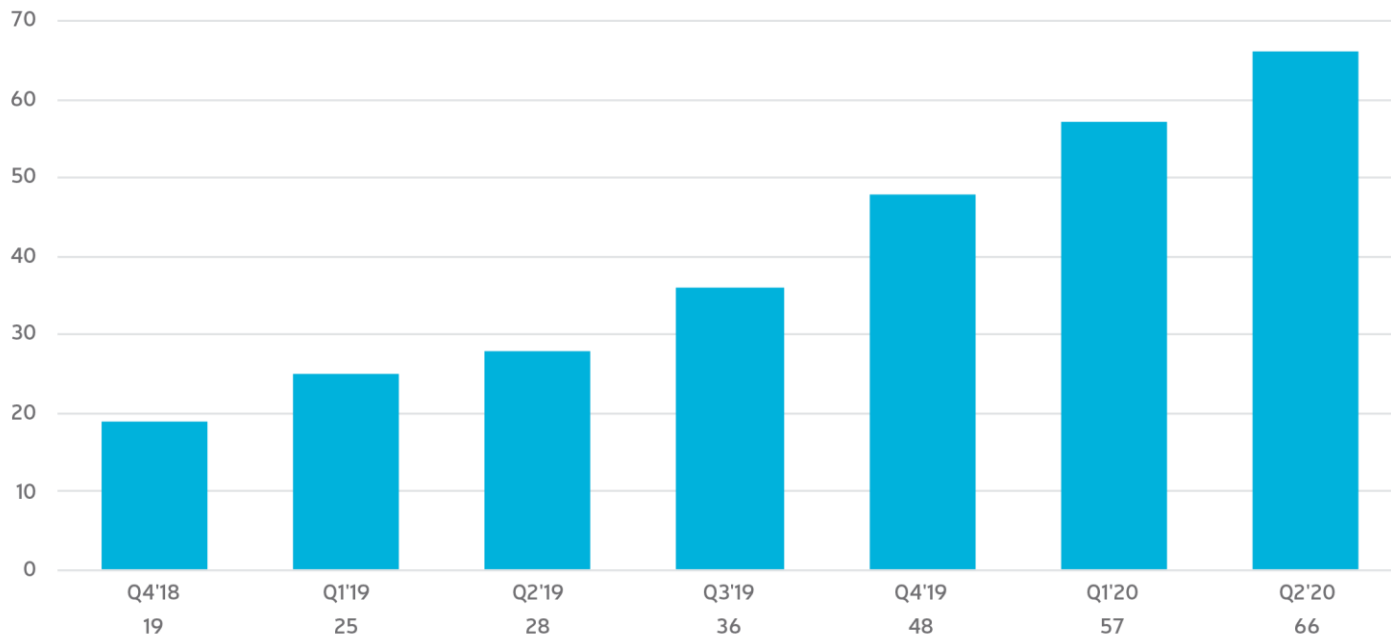
Sports and live events expanding on SVOD model

SaaS VIDEO CUSTOMER BASE

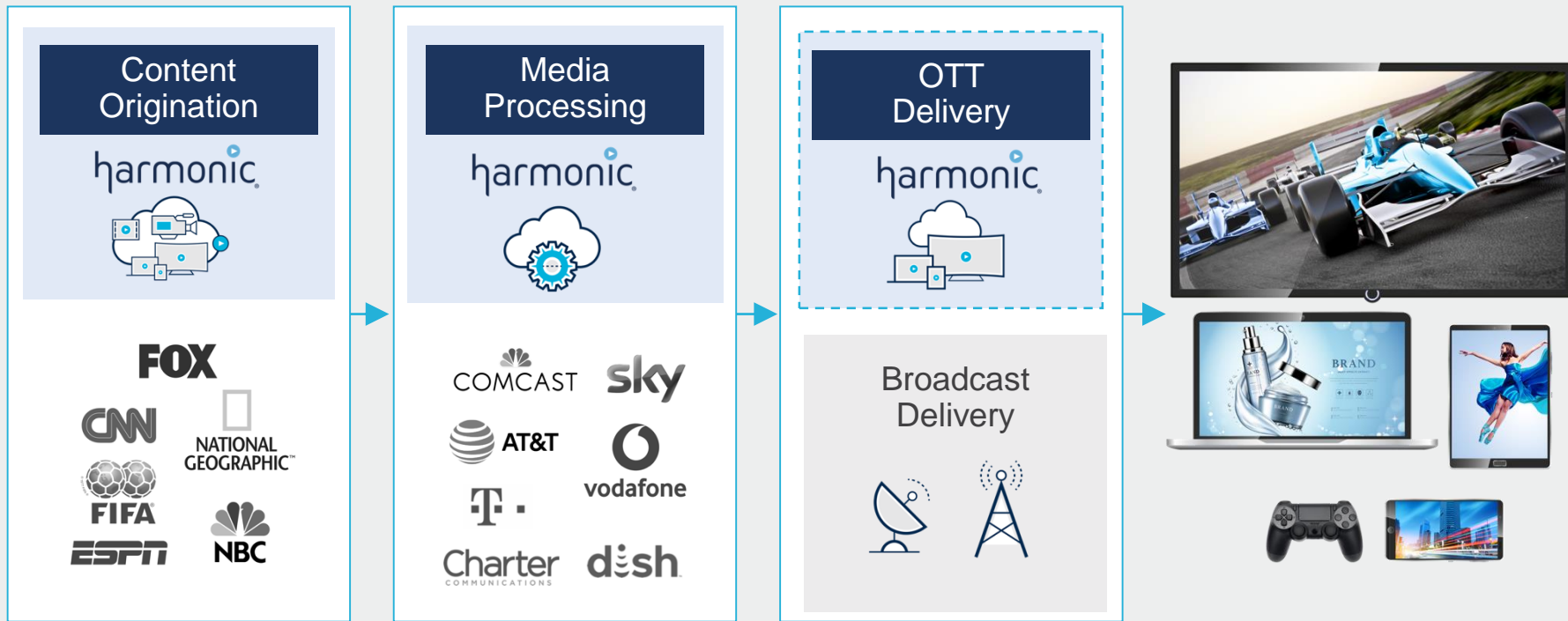
STRONG DESIGN WIN MOMENTUM



SaaS CUSTOMER COUNT



TRANSFORMING FROM BROADCAST TO OTT STREAMING



SCALE

>38 petabytes per month
Q1 live video streamed
Up >200% y/y



PARTNERSHIPS



Microsoft Azure



Google Cloud Platform



PERFORMANCE

Industry-leading
>99.9999%
cloud service uptime



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



Market Leader in Virtualized Cable Access & Live Video Streaming

**SUBSTANTIAL
GROWING MARKET
OPPORTUNITY**



**INDUSTRY-LEADING
TECHNOLOGY
AND IP**



**STRONG
RELATIONSHIPS
WITH BLUE-CHIP
CUSTOMERS**





Financial results
exceeded
expectations



Cable Access
segment delivered
strong growth



Video segment
positioned for
strong H2

Solid Strategic Progress Despite COVID-19 Headwinds



SOLID Q2 GROWTH

- Revenue* \$26.5 million, up 100% year over year
- Commercially deployed with 29 operators, up 81% year over year
- 1.7 million cable modems served, up 116% year over year



EXPANDING MARKET LEADERSHIP

- Announced deployments with Vodafone and Millicom
- New customer pipeline strong
- 10G PON field trials commencing during Q3

* Non-GAAP



MIXED COVID-19 IMPACT

- Revenue* \$47.5 million, down 34% year over year
- On-premises appliances and Asia Pacific most impacted
- SaaS demand resilient and growing
 - 9 new and 66 total streaming SaaS customers, up 136% year over year



GROWTH INITIATIVES LEADING H2 RECOVERY

- New 5G bandwidth reclamation opportunity accelerating
- Strong streaming SaaS pipeline
 - New customers
 - Scaling volume from existing customers
- Anticipate profitable H2

* Non-GAAP



Cable Access

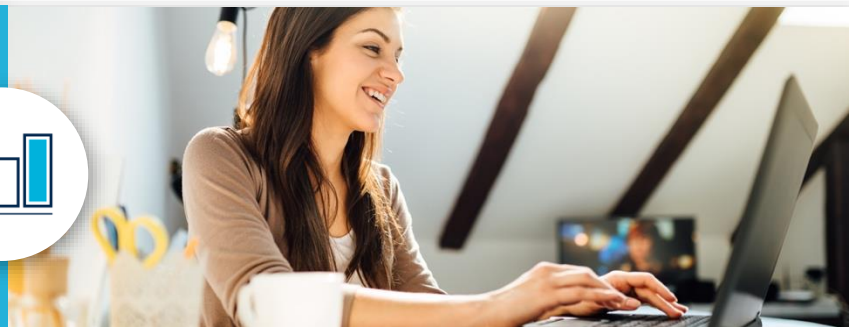
1. Scale Tier-1 CableOS deployments
2. Secure additional CableOS design wins
3. Launch new service & FTTH solutions



Video

1. Scale streaming deployments
2. Expand addressed market via SaaS & 5G
3. Deliver segment profitability

Focused on growth, employee wellbeing, shareholder value creation



FINANCIAL RESULTS



Q2 2020 FINANCIAL HIGHLIGHTS*



CABLE ACCESS SEGMENT REVENUE UP 100% YEAR OVER YEAR

Financial Metric (\$ Millions)	Q2 2020	Q1 2020	Q2 2019	Q2/Q1 Change	Q2 Y/Y
Total Net Revenue	\$74.0	\$78.4	\$84.9	(5.6)%	(12.8)%
Cable Revenue	\$26.5	\$24.0	\$13.3	10.4%	100.1%
Video Revenue	\$47.5	\$54.4	\$71.6	(12.7)%	(33.7)%
Gross Margin %	51.6%	48.9%	53.6%	2.7%	(2.0)%
Cable Gross Margin%	45.7%	43.3%	30.8%	2.4%	14.9%
Video Gross Margin%	54.8%	51.3%	57.9%	3.5%	(3.1)%
Total Net Revenue	\$74.0	\$78.4	\$84.9	(5.6)%	(12.8)%
Appliance and integration	\$42.2	\$47.7	\$54.5	(11.6)%	(22.4)%
SaaS and service	\$31.8	\$30.7	\$30.4	3.6%	4.3%
SaaS and service revenue %	42.9%	39.1%	35.9%	3.8%	7.0%
SaaS and service gross margin %	58.3%	51.3%	62.6%	7.0%	(4.3)%
SaaS customers	66	57	28	16%	136%

* Non-GAAP

Q2 2020 FINANCIAL HIGHLIGHTS*



Financial Metric \$ Millions (except EPS)	Q2 2020	Q1 2020	Q2 2019	Q2/Q1 Change	Q2 Y/Y Change
Operating Expenses	\$43.3	\$47.9	\$48.3	(9.6)%	(10.4)%
Operating Loss	\$(5.1)	\$(9.5)	\$(2.8)	\$4.4	\$(2.3)
Adjusted EBITDA	\$(2.8)	\$(7.0)	\$(0.3)	\$4.2	\$(2.5)
EPS	\$(0.06)	\$(0.10)	\$(0.04)	\$0.04	\$(0.02)
Diluted Share Count	96.7	95.6	88.9	1.1	7.8
Bookings	\$77.0	\$76.3	\$92.6	0.9%	(16.8)%
Book to bill ratio	1.04	0.97	1.09	7.2%	(4.6)%

* Non-GAAP

Q2 2020 BALANCE SHEET & CASH FLOW HIGHLIGHTS



Financial Metric (\$ Millions)	Q2 2020	Q1 2020	Q2 2019
Cash	\$77.7	\$71.7	\$58.1
Cash Provided by (Used in) Operations	\$11.9	\$(11.0)	\$(8.8)
Accounts Receivable	\$74.8	\$93.1	\$70.6
DSO	91	107	75
Inventories	\$32.1	\$34.9	\$27.7
Inventory Days	81	78	63
Backlog and Deferred Revenue	\$210.2	\$207.9	\$194.7

FINANCIAL GUIDANCE HIGHLIGHTS*



Financial Metric	Q3'20 Guidance	Q4'20 Guidance	FY 20 Guidance
Total Revenue (\$M)	\$75 - \$87	\$122 - \$142	\$349.5 - \$381.5
Video Segment (\$M)	\$40 - \$47	\$87 - \$97	\$229 - \$246
Cable Access Segment (\$M)	\$35 - \$40	\$35 - \$45	\$120.5 - \$135.5
Gross Margin	50.5% - 52.0%	50.0% - 53.0%	50.0% - 51.5%
Operating Expenses (\$M)	\$45.0 - \$47.0	\$45.0 - \$49.5	\$181.5 - \$187.5
Operating Income (Loss) (\$M)	\$(9.0) – \$0.0	\$16.0 - \$26.0	\$(7.5) - \$11.5
Adjusted EBITDA (\$M)	\$(6.0) - \$3.0	\$19.0 - \$29.0	\$3.0 - \$22.0
EPS	\$(0.09) - \$(0.01)	\$0.13 - \$0.22	\$(0.12) - \$0.05
Cash (\$M)	\$80 - \$90	\$80 - \$90	\$80 - \$90

* Non-GAAP

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 acquisition accounting impacts to restructuring and related charges, Cable Access inventory charge, accounting impact related to warrant amortization, stock-based compensation expense, amortization of intangibles, loss on debt extinguishment, non-cash interest and other expenses on convertible notes and other debt, and adjustments that normalize the tax rate.

Q2 2020 GAAP TO NON-GAAP RECONCILIATIONS

(IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



Three months ended June 26, 2020						
	Revenue	Gross Profit	Total Operating Expense	Loss from Operations	Total Non-operating expense, net	Net Loss
GAAP	\$ 73,994	\$ 37,773	\$ 47,327	\$ (9,554)	\$ (4,269)	\$ (15,401)
Stock-based compensation	—	312	(3,236)	3,548	—	3,548
Amortization of intangibles	—	65	(742)	807	—	807
Restructuring and related charges	—	2	(82)	84	—	84
Loss on convertible debt extinguishment	—	—	—	—	834	834
Non-cash interest and other expenses related to convertible notes and other debt	—	—	—	—	1,950	1,950
Discrete tax items and tax effect of non-GAAP adjustments	—	—	—	—	—	2,238
Total adjustments	—	379	(4,060)	4,439	2,784	9,461
Non-GAAP	\$ 73,994	\$ 38,152	\$ 43,267	\$ (5,115)	\$ (1,485)	\$ (5,940)
<i>As a % of revenue (GAAP)</i>		51.0%	64.0%	(12.9)%	(5.8)%	(20.8)%
<i>As a % of revenue (Non-GAAP)</i>		51.6%	58.5%	(6.9)%	(2.0)%	(8.0)%
Diluted net loss per share:						
Diluted net loss per share-GAAP						\$ (0.16)
Diluted net loss per share-Non-GAAP						\$ (0.06)
Shares used to compute diluted net loss per share:						
GAAP and Non-GAAP						96,727

Q1 2020 GAAP TO NON-GAAP RECONCILIATIONS

(IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



Three months ended March 27, 2020

	Revenue	Gross Profit	Total Operating Expense	Loss from Operations	Total Non-operating expense, net	Net Loss
GAAP	\$ 78,417	\$ 36,738	\$ 54,787	\$ (18,049)	\$ (3,176)	\$ (21,954)
Stock-based compensation	—	771	(5,488)	6,259	—	6,259
Amortization of intangibles	—	885	(770)	1,655	—	1,655
Restructuring and related charges	—	(73)	(676)	603	—	603
Non-cash interest and other expenses related to convertible notes and other debt	—	—	—	—	1,835	1,835
Discrete tax items and tax effect of non-GAAP adjustments	—	—	—	—	—	1,816
Total adjustments	—	1,583	(6,934)	8,517	1,835	12,168
Non-GAAP	\$ 78,417	\$ 38,321	\$ 47,853	\$ (9,532)	\$ (1,341)	\$ (9,786)
<i>As a % of revenue (GAAP)</i>		46.8%	69.9%	(23.0)%	(4.1)%	(28.0)%
<i>As a % of revenue (Non-GAAP)</i>		48.9%	61.0%	(12.2)%	(1.7)%	(12.5)%
Diluted net loss per share:						
Diluted net loss per share-GAAP						\$ (0.23)
Diluted net loss per share-Non-GAAP						\$ (0.10)
Shares used to compute diluted net loss per share:						
GAAP and Non-GAAP						95,575

Q2 2019 GAAP TO NON-GAAP RECONCILIATIONS

(IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



Three months ended June 28, 2019

	Revenue	Gross Profit	Total Operating Expense	Loss from Operations	Total Non-operating expense, net	Net Loss
GAAP	\$ 84,865	\$ 43,928	\$ 51,692	\$ (7,764)	\$ (3,384)	\$ (11,845)
Accounting impact related to warrant amortization	23	23	—	23	—	23
Stock-based compensation	—	193	(2,317)	2,510	—	2,510
Amortization of intangibles	—	1,295	(784)	2,079	—	2,079
Restructuring and related charges	—	91	(277)	368	—	368
Non-cash interest and other expenses related to convertible notes and other debt	—	—	—	—	1,656	1,656
Discrete tax items and tax effect of non-GAAP adjustments	—	—	—	—	—	1,238
Total adjustments	23	1,602	(3,378)	4,980	1,656	7,874
Non-GAAP	\$ 84,888	\$ 45,530	\$ 48,314	\$ (2,784)	\$ (1,728)	\$ (3,971)
<i>As a % of revenue (GAAP)</i>		51.8%	60.9%	(9.1)%	(4.0)%	(14.0)%
<i>As a % of revenue (Non-GAAP)</i>		53.6%	56.9%	(3.3)%	(2.0)%	(4.7)%
Diluted net loss per share:						
Diluted net loss per share-GAAP						\$ (0.13)
Diluted net loss per share-Non-GAAP						\$ (0.04)
Shares used to compute diluted net loss per share:						
GAAP and Non-GAAP						88,931

YTD Q2 2020 GAAP TO NON-GAAP RECONCILIATIONS

(IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



	Six months ended June 26, 2020					
	Revenue	Gross Profit	Total Operating Expense	Loss from Operations	Total Non-operating Expense	Net Loss
GAAP	\$ 152,411	\$ 74,511	\$ 102,114	\$ (27,603)	\$ (7,445)	\$ (37,355)
Stock-based compensation	—	1,083	(8,724)	9,807	—	9,807
Amortization of intangibles	—	950	(1,512)	2,462	—	2,462
Restructuring and related charges	—	(71)	(758)	687	—	687
Loss on convertible debt extinguishment	—	—	—	—	834	834
Non-cash interest and other expenses related to convertible notes and other debt	—	—	—	—	3,785	3,785
Discrete tax items and tax effect of non-GAAP adjustments	—	—	—	—	—	4,054
Total adjustments	—	1,962	(10,994)	12,956	4,619	21,629
Non-GAAP	\$ 152,411	\$ 76,473	\$ 91,120	\$ (14,647)	\$ (2,826)	\$ (15,726)
<i>As a % of revenue (GAAP)</i>		48.9%	67.0%	(18.1)%	(4.9)%	(24.5)%
<i>As a % of revenue (Non-GAAP)</i>		50.2%	59.8%	(9.6)%	(1.9)%	(10.3)%
Diluted net loss per share:						
Diluted net loss per share-GAAP						\$ (0.39)
Diluted net loss per share-Non-GAAP						\$ (0.16)
Shares used to compute diluted net loss per share:						
GAAP and Non-GAAP						96,255

YTD Q2 2019 GAAP TO NON-GAAP RECONCILIATIONS

(IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



Six months ended June 28, 2019						
	Revenue	Gross Profit	Total Operating Expense	Loss from Operations	Total Non-operating Expense	Net Loss
GAAP	\$ 164,971	\$ 85,777	\$ 101,949	\$ (16,172)	\$ (6,601)	\$ (23,151)
Accounting impact related to warrant amortization	48	48	—	48	—	48
Stock-based compensation	—	418	(4,205)	4,623	—	4,623
Amortization of intangibles	—	2,590	(1,572)	4,162	—	4,162
Restructuring and related charges	—	392	(334)	726	—	726
Non-cash interest and other expenses related to convertible notes and other debt	—	—	—	—	3,262	3,262
Discrete tax items and tax effect of non-GAAP adjustments	—	—	—	—	—	1,572
Total adjustments	48	3,448	(6,111)	9,559	3,262	14,393
Non-GAAP	\$ 165,019	\$ 89,225	\$ 95,838	\$ (6,613)	\$ (3,339)	\$ (8,758)
<i>As a % of revenue (GAAP)</i>		52.0%	61.8%	(9.8)%	(4.0)%	(14.0)%
<i>As a % of revenue (Non-GAAP)</i>		54.1%	58.1%	(4.0)%	(2.0)%	(5.3)%
Diluted net loss per share:						
Diluted net loss per share-GAAP						\$ (0.26)
Diluted net loss per share-Non-GAAP						\$ (0.10)
Shares used to compute diluted net loss per share:						
GAAP and Non-GAAP						88,554

ADJUSTED EBITDA RECONCILIATION

(IN THOUSANDS)



	Three months ended		
	June 26, 2020	March 27, 2020	June 28, 2019
Net loss - GAAP	\$ (15,401)	\$ (21,954)	\$ (11,845)
Provision for income taxes	1,578	729	697
Interest expense, net	3,062	2,903	2,956
Depreciation	2,692	2,843	2,870
Amortization of intangibles	807	1,655	2,079
EBITDA	(7,262)	(13,824)	(3,243)
<i>Adjustments</i>			
Accounting impact related to warrant amortization	—	—	23
Stock-based compensation	3,548	6,259	2,510
Loss on convertible debt extinguishment	834	—	—
Restructuring and related charges	84	603	368
Adjusted EBITDA	\$ (2,796)	\$ (6,962)	\$ (342)

ADJUSTED EBITDA RECONCILIATION

(IN THOUSANDS)



	Six months ended	
	June 26, 2020	June 28, 2019
Net loss - GAAP	\$ (37,355)	\$ (23,151)
Provision for income taxes	2,307	378
Interest expense, net	5,965	5,862
Depreciation	5,535	5,716
Amortization of intangibles	2,462	4,162
EBITDA	(21,086)	(7,033)
<i>Adjustments</i>		
Accounting impact related to warrant amortization	—	48
Stock-based compensation	9,807	4,623
Loss on convertible debt extinguishment	834	—
Restructuring and related charges	687	726
Adjusted EBITDA	\$ (9,758)	\$ (1,636)

Q3 2020 GUIDANCE GAAP TO NON-GAAP RECONCILIATIONS

(IN MILLIONS, EXCEPT EPS AND PERCENTAGES)



	Q3 2020 Financial Guidance					
	Revenue	Gross Profit	Total Operating Expense	Income (Loss) from Operations	Total Non-operating Expense, net	Net Loss
GAAP	\$75.0 to \$87.0	\$37.4 to \$44.7	\$50.0 to \$52.0	\$(14.5) to \$(5.5)	\$(3.0) to \$(3.2)	\$(18.2) to \$(9.4)
Stock-based compensation	—	0.3	(3.8)	4.1	—	4.1
Amortization of intangibles	—	—	(0.7)	0.7	—	0.7
Restructuring and related charges	—	0.2	(0.6)	0.8	—	0.8
Non-cash interest and other expenses related to convertible notes and other debt	—	—	—	—	1.7	1.7
Tax effect of non-GAAP adjustments	—	—	—	—	—	\$0.7 to \$1.6
Total adjustments	—	0.5	(5.1)	5.6	1.7	\$8.0 to \$8.9
Non-GAAP	\$75.0 to \$87.0	\$37.9 to \$45.2	\$45.0 to \$47.0	\$(9.0) to \$0.0	\$(1.3) to \$(1.5)	\$(9.3) to \$(1.4)
<i>As a % of revenue (GAAP)</i>		50.0% to 51.5%	57.8% to 69.3%	(19.5)% to (6.4)%	(3.4)% to (4.3)%	(24.2)% to (10.7)%
<i>As a % of revenue (Non-GAAP)</i>		50.5% to 52.0%	52.0% to 62.5%	(12.0)% to 0.0%	(1.5)% to (2.0)%	(12.4)% to (1.6)%
Diluted net loss per share:						
Diluted net loss per share-GAAP						\$(0.19) to \$(0.10)
Diluted net loss per share-Non-GAAP						\$(0.09) to \$(0.01)
Shares used to compute diluted net loss per share:						
GAAP and Non-GAAP						97.6

Q4 2020 GUIDANCE GAAP TO NON-GAAP RECONCILIATIONS

(IN MILLIONS, EXCEPT EPS AND PERCENTAGES)



	Q4 2020 Financial Guidance					
	Revenue	Gross Profit	Total Operating Expense	Income from Operations	Total Non-operating Expense, net	Net Income
GAAP	\$122.0 to \$142.0	\$60.7 to \$75.1	\$50.0 to \$54.0	\$11.0 to \$21.0	\$(3.0) to \$(3.3)	\$7.3 to \$17.1
Stock-based compensation	—	0.3	(3.8)	4.1	—	4.1
Amortization of intangibles	—	—	(0.7)	0.7	—	0.7
Restructuring and related charges	—	0.2	(0.2)	0.4	—	0.4
Non-cash interest and other expenses related to convertible notes and other debt	—	—	—	—	1.7	1.7
Tax effect of non-GAAP adjustments	—	—	—	—	—	\$(1.9) to \$(1.0)
Total adjustments	—	0.5	(4.7)	5.2	1.7	\$5.0 to \$5.9
Non-GAAP	\$122.0 to \$142.0	\$61.2 to \$75.6	\$45.0 to \$49.5	\$16.0 to \$26.0	\$(1.3) to \$(1.6)	\$13.2 to \$22.1
<i>As a % of revenue (GAAP)</i>		50.0% to 53.0%	40.9% to 38.2%	8.9% to 14.7%	(2.1)% to (2.6)%	6.0% to 12.1%
<i>As a % of revenue (Non-GAAP)</i>		50.0% to 53.0%	37.0% to 34.9%	13.1% to 18.4%	(0.9)% to (1.3)%	10.8% to 15.6%
Diluted net income per share:						
Diluted net income per share-GAAP						\$0.07 to \$0.17
Diluted net income per share-Non-GAAP						\$0.13 to \$0.22
Shares used to compute diluted net income per share:						
GAAP and Non-GAAP						98.5

2020 GUIDANCE GAAP TO NON-GAAP RECONCILIATIONS

(IN MILLIONS, EXCEPT EPS AND PERCENTAGES)



	2020 Financial Guidance					
	Revenue	Gross Profit	Total Operating Expense	Income (Loss) from Operations	Total Non-operating Expense, net	Net Income (Loss)
GAAP	\$349.5 to \$381.5	\$172.5 to \$194.2	\$202.5 to \$208.5	\$(31.5) to \$(12.5)	\$(13.4) to \$(13.9)	\$(48.5) to \$(29.8)
Stock-based compensation	—	1.7	(16.4)	18.1	—	18.1
Amortization of intangibles	—	1.0	(3.0)	4.0	—	4.0
Restructuring and related charges	—	0.4	(1.5)	1.9	—	1.9
Non-cash interest and other expenses related to convertible notes and other debt	—	—	—	—	7.2	7.2
Loss on debt extinguishment	—	—	—	—	0.8	0.8
Tax effect of non-GAAP adjustments	—	—	—	—	—	\$2.9 to \$4.8
Total adjustments	—	3.1	(20.9)	24.0	8.0	\$34.9 to \$36.8
Non-GAAP	\$349.5 to \$381.5	\$175.6 to \$197.3	\$181.5 to \$187.5	\$(7.5) to \$11.5	\$(5.4) to \$(5.9)	\$(11.7) to \$5.1
<i>As a % of revenue (GAAP)</i>		49.5% to 51.0%	57.9% to 54.6%	(9.0)% to (3.3)%	(3.5)% to (4.0)%	(13.9)% to (7.8)%
<i>As a % of revenue (Non-GAAP)</i>		50.0% to 51.5%	51.9% to 49.2%	(2.2)% to 3.0%	(1.4)% to (1.7)%	(3.3)% to 1.3%
Diluted net income (loss) per share:						
Diluted net loss per share-GAAP						<u><u>\$(0.50) to \$(0.31)</u></u>
Diluted net income (loss) per share-Non-GAAP						<u><u>\$(0.12) to \$0.05</u></u>
Shares used to compute diluted net income (loss) per share:						
GAAP and Non-GAAP						<u><u>97.0</u></u>
Non-GAAP						<u><u>98.1</u></u>

ADJUSTED EBITDA RECONCILIATION ON FINANCIAL GUIDANCE

(IN MILLIONS)



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

	Q3 2020 Financial Guidance	Q4 2020 Financial Guidance	2020 Financial Guidance
Net income (loss) - GAAP	\$(18.2) to \$(9.4)	\$7.3 to \$17.1	\$(48.5) to \$(29.8)
Provision for income taxes	0.6	0.6	3.4
Interest expense, net	2.7	2.8	11.5
Depreciation	3.4	3.3	12.2
Amortization of intangibles	0.7	0.7	4.0
EBITDA	\$(10.8) to \$(2.0)	\$14.7 to \$24.5	\$(17.4) to \$1.3
<i>Adjustments</i>			
Stock-based compensation	4.1	4.1	18.1
Restructuring and related charges	0.8	0.4	1.8
Loss on debt extinguishment	—	—	0.8
Adjusted EBITDA	\$(6.0) to \$3.0	\$19.0 to \$29.0	\$3.0 to \$22.0