



CORPORATE PRESENTATION

May 2022



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 2022 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

\$507M | 34% yoy growth



MARKET CAPITALIZATION*

\$1017MM



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



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

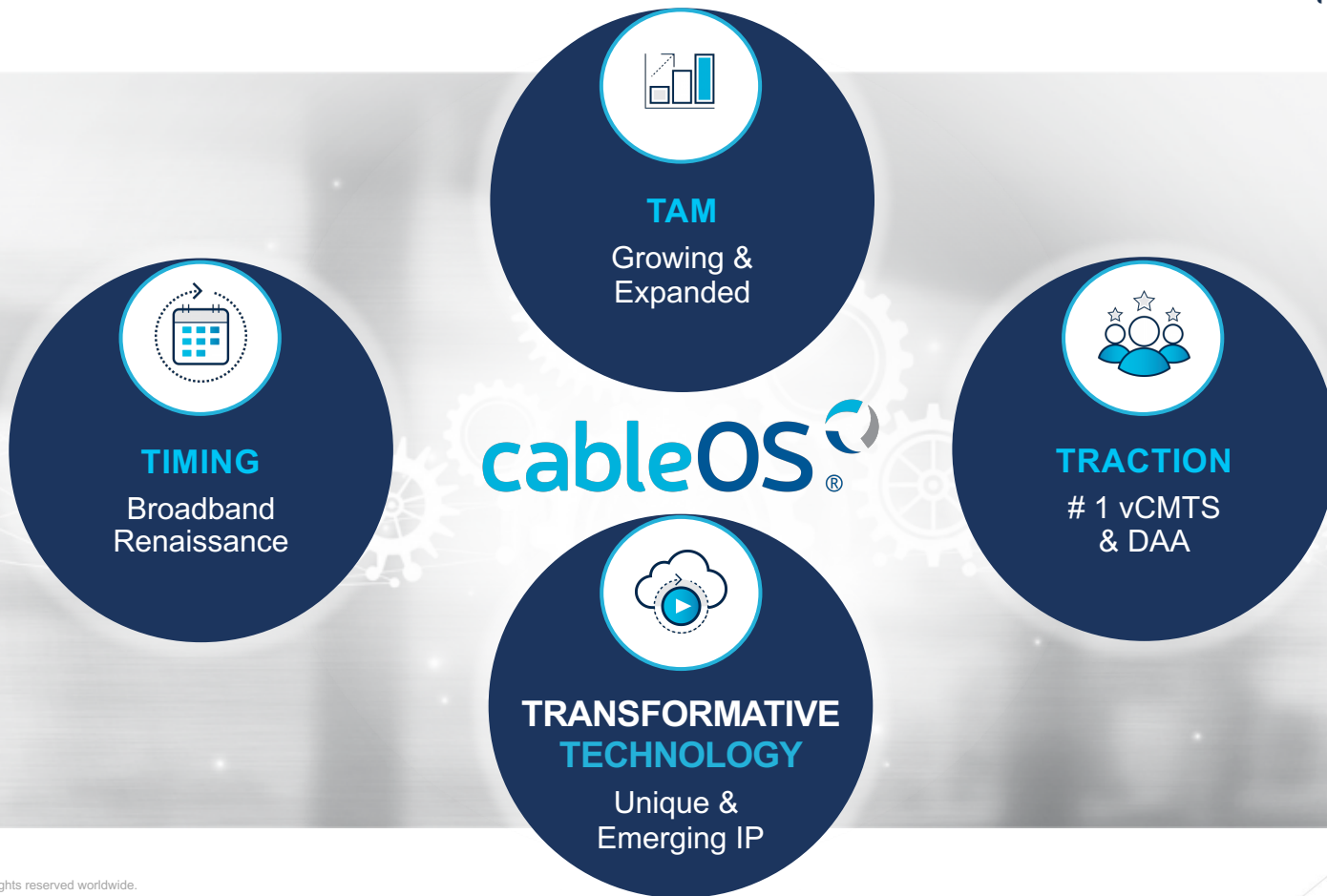
50% of overall revenue recurring by 2024

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

The background of the slide is a dynamic, abstract composition. On the left, a dark blue field is filled with a dense stream of binary code (0s and 1s) that appears to be moving towards the viewer. Overlaid on this are several bright, glowing light trails in shades of blue, cyan, and white, which curve and sweep across the frame, suggesting high-speed data transmission or a digital landscape. In the top-left corner, there is a network diagram with white nodes and connecting lines. In the bottom-right corner, there is a similar network diagram with grey nodes and lines.

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 →

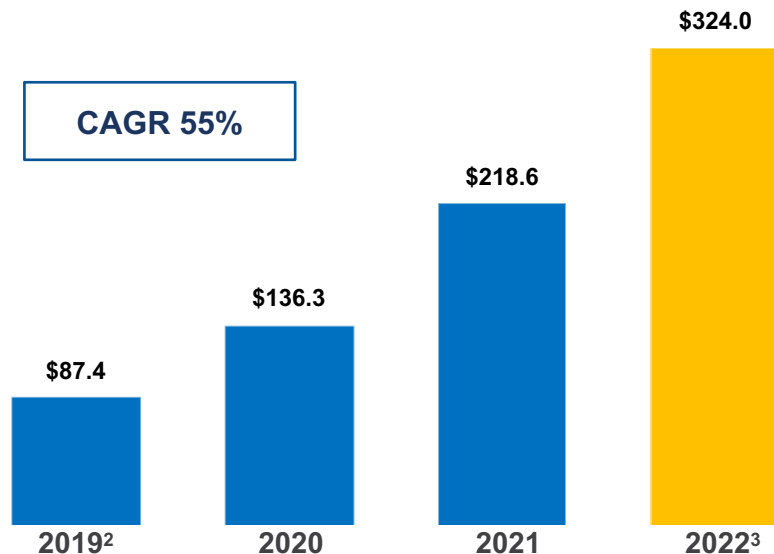
BROADBAND WORLD NEWS

US cable operators face rising fiber threat →

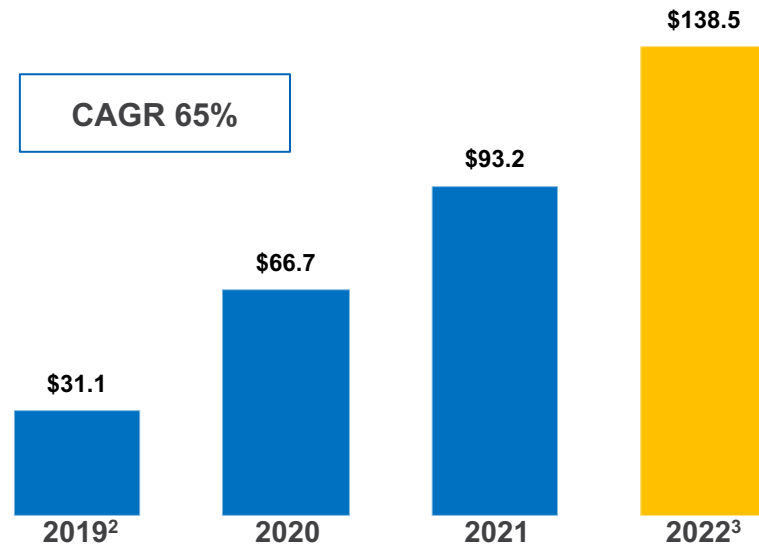
GROWING CABLE ACCESS BUSINESS



Revenue¹
(\$ in millions)



Gross Profit¹

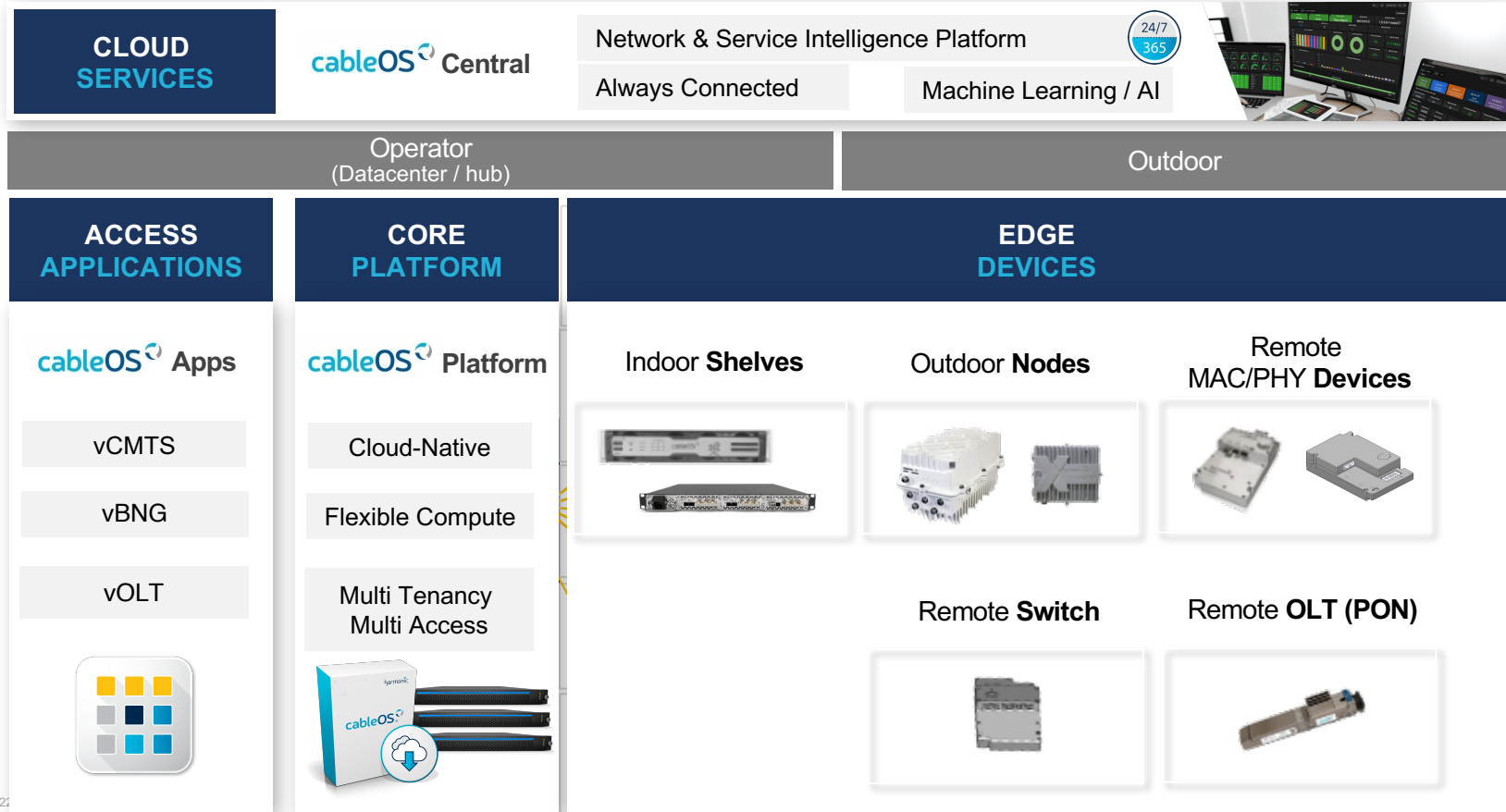


¹ Non-GAAP

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

³ Midpoint FY 2022 Guidance

GROWTH THROUGH TRANSFORMATIVE TECHNOLOGIES



EMBRACED BY MARKET LEADING CUSTOMERS WORLDWIDE



77

Operators
Deployed Worldwide

>30k

Managed Remote
Devices

100% | 67%
vCMTS | DAA

Global Market
Share*



9

Major Tier-1 incl.



1TENNESSEE
BROADBAND, TV & TELEPHONE

A1

Access
COMMUNICATIONS CO-OPERATIVE LIMITED

ASOM
NET

BUCKEYE
BROADBAND

DNA

GREAT PLAINS
COMMUNICATIONS

Hotwire
COMMUNICATIONS

INTERMOUNTAINCABLE

OTELCO
Technology. Tradition. Together.

RAINIERconnect

Ritter
COMMUNICATIONS

Seaside
communications

STRATA
NETWORKS



SUMMIT
BROADBAND



TST
天津天数字有线电视

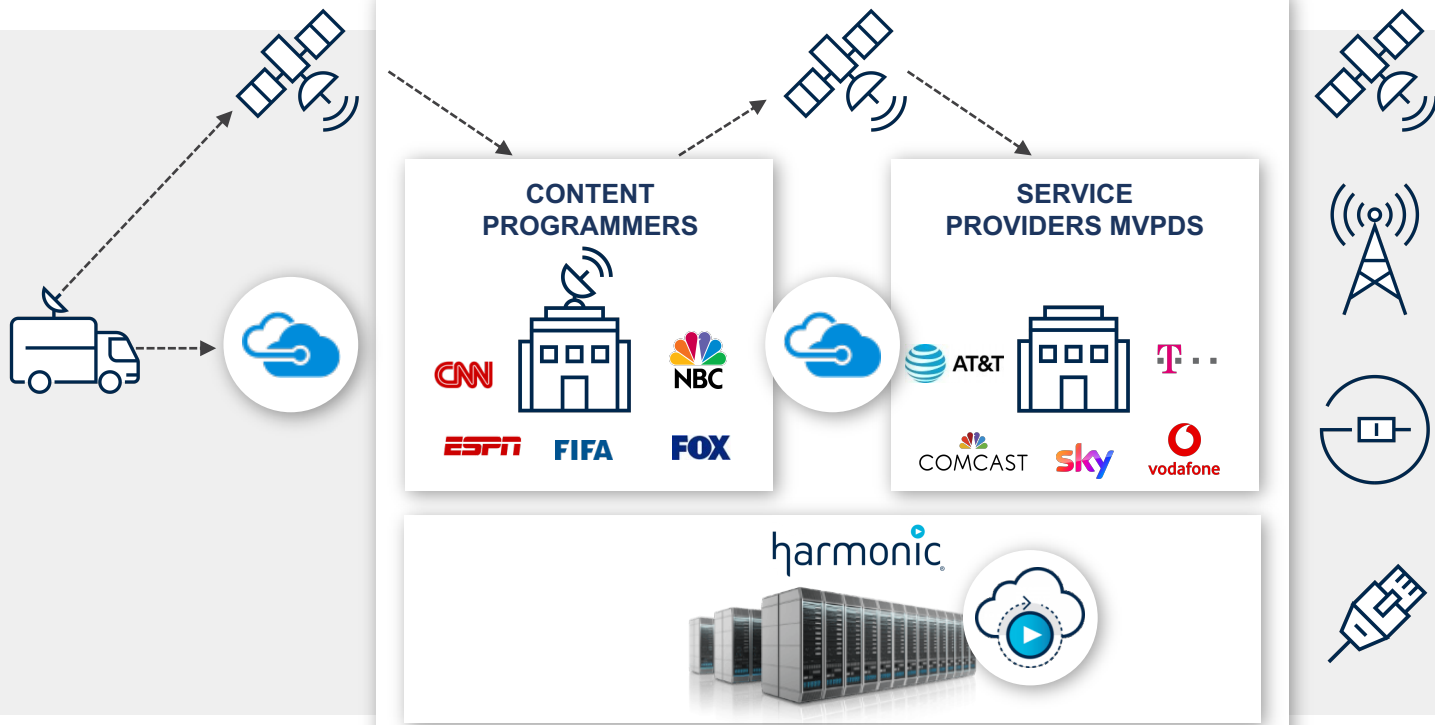
WEHCO MEDIA, INC.

WESTMAN



VIDEO BUSINESS OVERVIEW

FROM SOURCE TO SCREEN



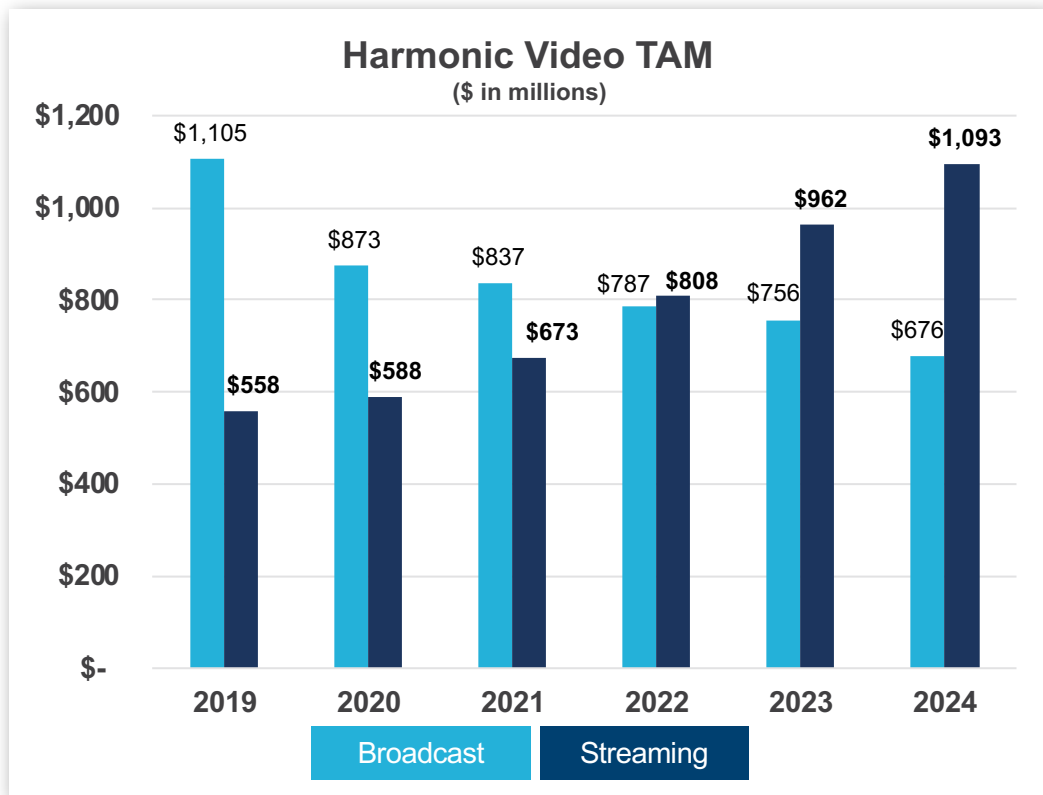
BROADCAST



STREAMING



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

POWERFUL CLOUD STREAMING PLATFORM



New SaaS
Customers



SAAS

Fully managed cloud-native streaming SaaS

CLOUD NEUTRAL

Operates on 3 major clouds

DEVOPS

24/7 DevOps support with 70+ engineers

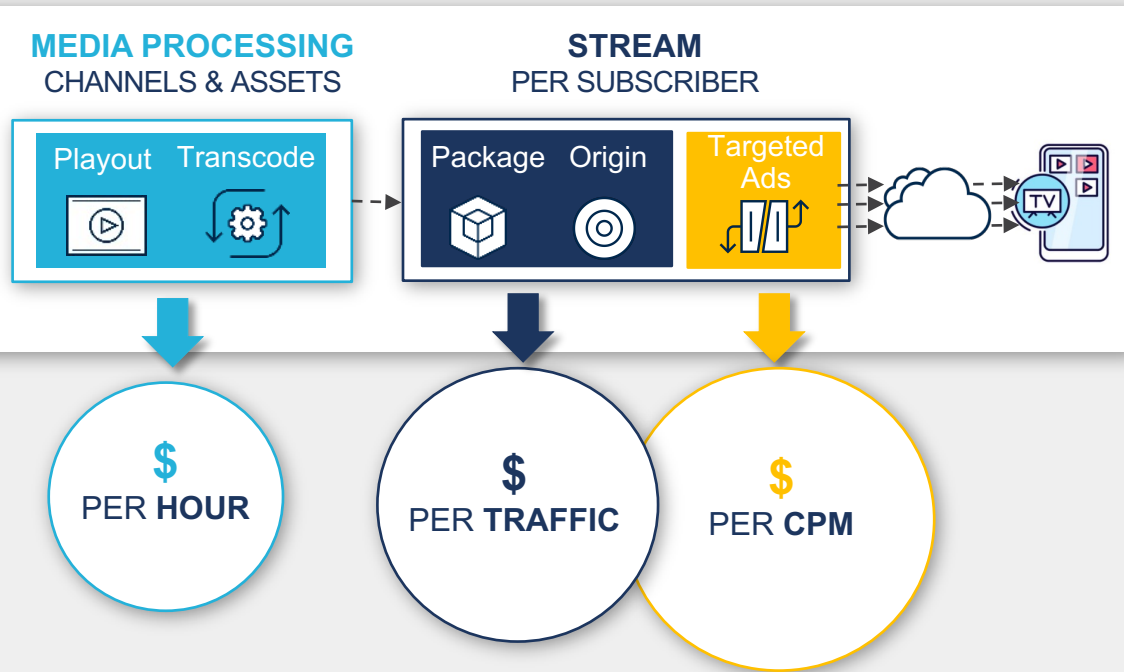
VIDEO EXPERTISE

Reliability, Quality, Efficiency

MULTI-YEAR INVESTMENT FROM 2016

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)

ON-PREMISES VIDEO APPLIANCES



astro

CANAL+

Charter
COMMUNICATIONS

COMCAST

DIRECTV

NBC

PCCW®
電訊盈科

SES[^]

sky

SKY Perfect JSAT
Holdings Inc.

Televisa

TELSTRA

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



STRONG FINANCIAL RESULTS*

- Record first quarter revenue \$147.4 million, up 32.1% year over year
- EPS \$0.08, up 83.5% year over year
- Bookings \$205.5 million, book to bill ratio of 1.4
- Backlog and Deferred Revenue \$497.3 million, up 81.3% year over year



INCREASED ANNUAL GUIDANCE FOR KEY FINANCIAL METRICS

- FY'22 Revenue, Adj. EBITDA, EPS ranges increased

* Non-GAAP

Q1 2022 REVENUE & GROSS MARGIN HIGHLIGHTS*



Financial Metric (\$ Millions)	Q1 2022	Q4 2021	Q1 2021	Q1/Q4 Change	Q1 Y/Y Change
Total Net Revenue	\$147.4	\$155.8	\$111.6	(5.4)%	32.1%
Cable Access Revenue	\$81.6	\$69.7	\$41.3	17.0%	97.8%
Video Revenue	\$65.8	\$86.1	\$70.3	(23.5)%	(6.4)%
Gross Margin %	47.3%	50.5%	50.4%	(3.2)%	(3.1)%
Cable Access Gross Margin %	38.0%	40.3%	42.2%	(2.3)%	(4.2)%
Video Gross Margin %	58.8%	58.8%	55.1%	-	3.7%

* Non-GAAP

Q1 2022 EARNINGS AND BOOKINGS HIGHLIGHTS*



Financial Metric \$ Millions (except EPS)	Q1 2022	Q4 2021	Q1 2021	Q1/Q4 Change	Q1 Y/Y Change
Operating Expenses	\$58.4	\$58.0	\$51.1	0.7%	14.3%
Adj. EBITDA	\$14.5	\$23.8	\$9.1	(39.3)%	58.0%
Cable Access Adj. EBITDA	\$9.7	\$6.7	\$3.0	44.0%	221.7%
Video Adj. EBITDA	\$4.8	\$17.1	\$6.1	(71.9)%	(21.3)%
EPS	\$0.08	\$0.16	\$0.04	(49.7)%	83.5%
Share Count	110.6	110.5	103.2	0.1%	7.1%
Bookings	\$205.5	\$267.3	\$96.3	(23.1)%	113.4%
Book to Bill Ratio	1.39	1.72	0.86	(18.8)%	61.5%

* Non-GAAP

Q1 2022 BALANCE SHEET & CASH FLOW HIGHLIGHTS



Financial Metric (\$ Millions)	Q1 2022	Q4 2021	Q1 2021
Cash	\$100.7	\$133.4	\$100.8
Cash Provided by (used in) Operations	\$(27.5)	\$7.4	\$1.7
Accounts Receivable	\$115.6	\$88.5	\$85.7
DSO	71	51	69
Inventory	\$81.8	\$71.2	\$35.5
Inventory Days	95	83	58
Backlog and Deferred Revenue	\$497.3	\$441.0	\$274.3
Free cash flow	\$(29.9)	\$5.0	\$(2.0)

FULL YEAR 2022 FINANCIAL GUIDANCE



Improved Revenue, Gross Profit, Adj. EBITDA and EPS ranges

Financial Metric	Guidance*	Prior guidance*	Midpoint Difference
Total Revenue (\$M)	\$585 - \$625	\$570 - \$596	↑
Gross Margin %	49.1% - 50.2%	48.5% - 50.7%	↑
Gross Profit (\$M)	\$287 - \$314	\$276 - \$302	↑
Operating Expenses (\$M)	\$238 - \$251	\$238 - \$246	↑
Adjusted EBITDA (\$M)	\$60 - \$74	\$49 - \$67	↑
Shares	110.8	112.6	↓
EPS	\$0.34 - \$0.45	\$0.26 - \$0.40	↑
Cash (\$M)	\$100 - \$110	\$100 - \$110	↔

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

Q2 2022 FINANCIAL GUIDANCE

Financial Metric	Guidance*
Total Revenue (\$M)	\$144 - \$154
Gross Margin (%)	49.3% - 51.2%
Gross Profit (\$M)	\$71 - \$79
Operating Expenses (\$M)	\$61 - \$64
Adjusted EBITDA (\$M)	\$13 - \$18
Shares	110.8
EPS	\$0.07 - \$0.11
Cash (\$M)	\$100 - \$110

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

2022 FINANCIAL GUIDANCE - Cable Access Segment



FY2022 Financial Metric	Guidance*	Prior Guidance*	Midpoint Difference
Net Revenue (\$M)	\$310 - \$338	\$295 - \$307	↑
Gross Margin %	42.0% - 43.4%	41.0% - 43.6%	↑
Gross Profit (\$M)	\$130 - \$147	\$121 - \$134	↑
Operating Expenses (\$M)	\$93 - \$101	\$92 - \$96	↑
Adjusted EBITDA (\$M)	\$43 - \$51	\$34 - \$43	↑

Q2 FY2022 Financial Metric	Guidance*
Net Revenue (\$M)	\$74 - \$80
Gross Margin %	42.0% - 44.0%
Gross Profit (\$M)	\$31 - \$35
Operating Expenses (\$M)	\$24 - \$26
Adjusted EBITDA (\$M)	\$8 - \$11

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

2022 FINANCIAL GUIDANCE - Video Segment



FY2022 Financial Metric	Guidance*	Prior Guidance*	Midpoint Difference
Net Revenue (\$M)	\$275 - \$287	\$275 - \$289	↓
Gross Margin %	57.0% - 58.3%	56.5% - 58.3%	↑
Gross Profit (\$M)	\$157 - \$167	\$155 - \$168	↑
Operating Expenses (\$M)	\$145 - \$150	146 - \$150	↓
Adjusted EBITDA (\$M)	\$17 - \$23	\$15 - \$24	↑

Q2 FY2022 Financial Metric	Guidance*
Net Revenue (\$M)	\$70 - \$74
Gross Margin %	57.0% - 59.0%
Gross Profit (\$M)	\$40 - \$44
Operating Expenses (\$M)	\$37 - \$38
Adjusted EBITDA (\$M)	\$4 - \$7

* 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 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 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>

Q4 2021 GAAP TO NON-GAAP RECONCILIATIONS

(UNAUDITED, IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



	Three Months Ended December 31, 2021					
	Revenue	Gross Profit	Total Operating Expense	Income from Operations	Total Non-operating expense, net	Net Income
GAAP	\$ 155,804	\$ 77,938	\$ 62,792	\$ 15,146	\$ (2,678)	\$ 19,857
Stock-based compensation	—	506	(4,689)	5,195	—	5,195
Restructuring and related charges	—	225	(67)	292	—	292
Non-cash interest and other expenses related to convertible notes	—	—	—	—	1,621	1,621
Discrete tax items and tax effect of non-GAAP adjustments	—	—	—	—	—	(9,347)
Total adjustments	—	731	(4,756)	5,487	1,621	(2,239)
Non-GAAP	<u>\$ 155,804</u>	<u>\$ 78,669</u>	<u>\$ 58,036</u>	<u>\$ 20,633</u>	<u>\$ (1,057)</u>	<u>\$ 17,618</u>
<i>As a % of revenue (GAAP)</i>		50.0 %	40.3 %	9.7 %	(1.7)%	12.7 %
<i>As a % of revenue (Non-GAAP)</i>		50.5 %	37.2 %	13.2 %	(0.7)%	11.3 %
Diluted net income per share:						
GAAP						<u>\$ 0.18</u>
Non-GAAP						<u>\$ 0.16</u>
Shares used in per share calculation:						
GAAP and Non-GAAP						<u>110,474</u>

Q1 2021 GAAP TO NON-GAAP RECONCILIATIONS

(UNAUDITED, IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



Three Months Ended April 2, 2021						
	Revenue	Gross Profit	Total Operating Expense	Income (Loss) from Operations	Total Non-operating expense, net	Net Income (Loss)
GAAP	\$ 111,576	\$ 55,145	\$ 58,989	\$ (3,844)	\$ (1,584)	\$ (6,124)
Stock-based compensation	—	1,073	(7,325)	8,398	—	8,398
Amortization of intangibles	—	—	(507)	507	—	507
Restructuring and related charges	—	(36)	(43)	7	—	7
Non-cash interest and other expenses related to convertible notes	—	—	—	—	1,532	1,532
Discrete tax items and tax effect of non-GAAP adjustments	—	—	—	—	—	194
Total adjustments	—	1,037	(7,875)	8,912	1,532	10,638
Non-GAAP	\$ 111,576	\$ 56,182	\$ 51,114	\$ 5,068	\$ (52)	\$ 4,514
<i>As a % of revenue (GAAP)</i>		49.4 %	52.9 %	(3.4)%	(1.4)%	(5.5)%
<i>As a % of revenue (Non-GAAP)</i>		50.4 %	45.8 %	4.5 %	— %	4.0 %
Diluted net income (loss) per share:						
GAAP						\$ (0.06)
Non-GAAP						\$ 0.04
Shares used in per share calculation:						
GAAP						99,868
Non-GAAP						103,190

ADJ. EBITDA RECONCILIATIONS

(UNAUDITED, IN THOUSANDS)



	Three Months Ended		
	April 1, 2022	December 31, 2021	April 2, 2021
Net income (loss) - GAAP	\$ (1,529)	\$ 19,857	\$ (6,124)
Provision for income taxes	2,694	(7,389)	696
Interest expense, net	1,433	2,706	2,603
Depreciation	3,111	3,151	3,057
Amortization of intangibles	—	—	507
EBITDA	5,709	18,325	739
<i>Adjustments</i>			
Stock-based compensation	7,586	5,195	8,398
Restructuring and related charges	1,156	292	7
Adjusted EBITDA	<u>\$ 14,451</u>	<u>\$ 23,812</u>	<u>\$ 9,144</u>

2022 GUIDANCE GAAP TO NON-GAAP RECONCILIATIONS

(UNAUDITED, IN MILLIONS, EXCEPT EPS AND PERCENTAGES)



	2022 Financial Guidance ⁽¹⁾			
	Revenue	Gross Profit	Income from Operations	Net Income (Loss)
GAAP	\$585.0 to \$625.0	\$283.9 to \$310.9	\$21.6 to \$35.6	\$(21.1) to \$(7.0)
Stock-based compensation expense	—	1.8	24.8	24.8
Restructuring and related charges	—	1.3	2.6	2.6
Non-cash interest and other expenses related to convertible notes	—	—	—	27.6
Tax effect of non-GAAP adjustments	—	—	—	4.1 to 2.3
Total adjustments	—	3.1	27.4	59.1 to 57.3
Non-GAAP	<u>\$585.0 to \$625.0</u>	<u>\$287.0 to \$314.0</u>	<u>\$49.0 to \$63.0</u>	<u>\$38.1 to \$50.3</u>
<i>As a % of revenue (GAAP)</i>		48.5% to 49.7%	3.7% to 5.7%	(3.6)% to (1.1)%
<i>As a % of revenue (Non-GAAP)</i>		49.1% to 50.2%	8.4% to 10.1%	6.5% to 8.1%
Diluted net income (loss) per share:				
GAAP				<u>\$(0.20) to \$(0.07)</u>
Non-GAAP				<u>\$0.34 to \$0.45</u>
Shares used in per share calculation:				
GAAP				<u>104.8</u>
Non-GAAP				<u>110.8</u>

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

Q2 2022 GUIDANCE GAAP TO NON-GAAP RECONCILIATIONS

(UNAUDITED, IN MILLIONS, EXCEPT EPS AND PERCENTAGES)



	Q2 2022 Financial Guidance ⁽¹⁾			
	Revenue	Gross Profit	Income from Operations	Net Income
GAAP	\$144.0 to \$154.0	\$70.4 to \$78.3	\$4.3 to \$9.2	\$0.3 to \$5.2
Stock-based compensation expense	—	0.4	5.2	5.2
Restructuring and related charges	—	0.2	0.5	0.5
Non-cash interest and other expenses related to convertible notes	—	—	—	0.3
Tax effect of non-GAAP adjustments	—	—	—	1.3 to 0.6
Total adjustments	—	0.6	5.7	7.3 to 6.6
Non-GAAP	<u>\$144.0 to \$154.0</u>	<u>\$71.0 to \$78.9</u>	<u>\$10.0 to \$14.9</u>	<u>\$7.6 to \$11.8</u>
<i>As a % of revenue (GAAP)</i>		48.9% to 50.8%	3.0% to 5.9%	0.2% to 3.4%
<i>As a % of revenue (Non-GAAP)</i>		49.3% to 51.2%	6.9% to 9.6%	5.3% to 7.6%
Diluted net income per share:				
GAAP				<u>\$— to \$0.05</u>
Non-GAAP				<u>\$0.07 to \$0.11</u>
Shares used in per share calculation:				
GAAP and Non-GAAP				<u>110.8</u>

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

2022 ADJ. EBITDA GUIDANCE RECONCILIATIONS (UNAUDITED, IN MILLIONS)



	Q2 2022 Financial Guidance			2022 Financial Guidance		
Net income (loss) - GAAP	\$0.3	to	\$5.2	\$(21.1)	to	\$(7.0)
Provision for income taxes			2.4			9.8
Interest expense, net			1.3			4.9
Depreciation			3.0			12.8
EBITDA	\$7.0	to	\$11.9	\$6.4	to	\$20.5
<i>Adjustments</i>						
Stock-based compensation			5.2			24.8
Loss on debt conversion			—			26.5
Restructuring and related charges			0.5			2.6
Adjusted EBITDA	\$12.7	to	\$17.6	\$60.4	to	\$74.4

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



THANK YOU.

