

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): June 6, 2024

Ciena Corporation

(Exact name of registrant as specified in its charter)

Commission File Number: 001-36250

Delaware
(State or other jurisdiction of incorporation)
7035 Ridge Road, Hanover, MD
(Address of principal executive offices)

23-2725311
(IRS Employer Identification No.)
21076
(Zip Code)

Registrant's telephone number, including area code: (410) 694-5700

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.01 par value	CIEN	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 2.02 – RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On June 6, 2024, Ciena Corporation ("Ciena") issued a press release announcing its financial results for its fiscal second quarter ended April 27, 2024. The text of the press release is furnished as Exhibit 99.1 to this Report. As discussed in this press release, Ciena will be hosting an investor call to discuss its results of operations for its fiscal second quarter ended April 27, 2024.

In conjunction with the issuance of this press release, Ciena posted to the quarterly results page of the Investors section of www.ciena.com an accompanying investor presentation. The investor presentation is furnished as Exhibit 99.2 to this Report.

The information in Exhibits 99.1 and 99.2, as well as Item 2.02 of this Report, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, and shall not be incorporated by reference into any registration statement pursuant to the Securities Act of 1933, as amended. Investors are encouraged to review the "Investors" page of our website at www.ciena.com because, as with the other disclosure channels that we use, from time to time we may post material information exclusively on that site.

ITEM 9.01 – FINANCIAL STATEMENTS AND EXHIBITS

<u>Exhibit Number</u>	<u>Description of Document</u>
Exhibit 99.1	Text of Press Release dated June 6, 2024, issued by Ciena Corporation, reporting its results of operations for its fiscal second quarter ended April 27, 2024.
Exhibit 99.2	Investor Presentation for Ciena Corporation's fiscal second quarter ended April 27, 2024.
Exhibit 104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Ciena Corporation

Date: June 6, 2024

By: /s/ Sheela Kosaraju

Sheela Kosaraju

Senior Vice President, General Counsel and Assistant Secretary

Ciena Reports Fiscal Second Quarter 2024 Financial Results

HANOVER, Md. - June 6, 2024 - [Ciena](#)[®] Corporation (NYSE: CIEN), a networking systems, services and software company, today announced unaudited financial results for its fiscal second quarter ended April 27, 2024.

- **Q2 Revenue:** \$910.8 million
- **Q2 Net Income (Loss) per Share:** \$(0.12) GAAP; \$0.27 adjusted (non-GAAP)
- **Share Repurchases:** Repurchased approximately 1.1 million shares of common stock for an aggregate price of \$57.0 million during the quarter

"Our fiscal second quarter performance underscores the strength in our business amid a challenging near-term environment as service providers continue to work through existing inventory," said Gary Smith, president and CEO, Ciena. "With continued robust growth in bandwidth demand, we remain focused on extending our leadership in optical as a foundation for expanding our addressable market."

For the fiscal second quarter 2024, Ciena reported revenue of \$910.8 million as compared to \$1.13 billion for the fiscal second quarter 2023.

Ciena's GAAP net loss for the fiscal second quarter 2024 was \$(16.8) million, or \$(0.12) per diluted common share, which compares to a GAAP net income of \$57.7 million, or \$0.38 per diluted common share, for the fiscal second quarter 2023.

Ciena's adjusted (non-GAAP) net income for the fiscal second quarter 2024 was \$39.4 million, or \$0.27 per diluted common share, which compares to an adjusted (non-GAAP) net income of \$110.4 million, or \$0.74 per diluted common share, for the fiscal second quarter 2023.

Fiscal Second Quarter 2024 Performance Summary

The tables below (in millions, except percentage data) provide comparisons of certain quarterly results to the prior year. Appendices A and B set forth reconciliations between the GAAP and adjusted (non-GAAP) measures contained in this release.

	GAAP Results (unaudited)		
	Q2	Q2	Period Change
	FY 2024	FY 2023	Y-T-Y*
Revenue	\$ 910.8	\$ 1,132.7	(19.6)%
Gross margin	42.7 %	43.1 %	(0.4)%
Operating expense	\$ 392.6	\$ 384.9	2.0 %
Operating margin	(0.4)%	9.1 %	(9.5)%

	Non-GAAP Results (unaudited)				
	Q2		Q2		Period Change
	FY 2024		FY 2023		Y-T-Y*
Revenue	\$	910.8	\$	1,132.7	(19.6)%
Adj. gross margin		43.5 %		43.7 %	(0.2)%
Adj. operating expense	\$	333.9	\$	338.1	(1.2)%
Adj. operating margin		6.8 %		13.8 %	(7.0)%
Adj. EBITDA	\$	85.8	\$	180.6	(52.5)%

* Denotes % change, or in the case of margin, absolute change

	Revenue by Segment (unaudited)					
	Q2 FY 2024		Q2 FY 2023		%	
	Revenue	%**	Revenue	%**		
Networking Platforms						
Optical Networking	\$	560.2	61.5	\$	784.5	69.3
Routing and Switching		116.1	12.7		130.4	11.5
Total Networking Platforms		676.3	74.2		914.9	80.8
Platform Software and Services		85.4	9.4		69.4	6.1
Blue Planet Automation Software and Services		14.4	1.6		20.6	1.8
Global Services						
Maintenance Support and Training		77.4	8.5		73.2	6.5
Installation and Deployment		43.8	4.8		39.5	3.5
Consulting and Network Design		13.5	1.5		15.1	1.3
Total Global Services		134.7	14.8		127.8	11.3
Total	\$	910.8	100.0	\$	1,132.7	100.0

** Denotes % of total revenue

Additional Performance Metrics for Fiscal Second Quarter 2024

	Revenue by Geographic Region (unaudited)					
	Q2 FY 2024		Q2 FY 2023		%	
	Revenue	%**	Revenue	%**		
Americas	\$	662.9	72.8	\$	794.4	70.1
Europe, Middle East and Africa		155.8	17.1		173.4	15.3
Asia Pacific		92.1	10.1		164.9	14.6
Total	\$	910.8	100.0	\$	1,132.7	100.0

** Denotes % of total revenue

- One 10%-plus customer represented a total 13.8% of revenue
- Cash and investments totaled \$1.42 billion
- Cash flow from operations totaled \$58.5 million
- Average days' sales outstanding (DSOs) were 98

- Accounts receivable, net balance was \$840.1 million
- Unbilled contract asset, net balance was \$151.9 million
- Inventories totaled \$1.02 billion, including:
 - Raw materials: \$638.9 million
 - Work in process: \$68.2 million
 - Finished goods: \$331.3 million
 - Deferred cost of sales: \$43.7 million
 - Reserve for excess and obsolescence: \$(59.5) million
- Product inventory turns were 1.6
- Headcount totaled 8,627

Supplemental Materials and Live Web Broadcast of Unaudited Fiscal Second Quarter 2024 Results

Today, Thursday, June 6, 2024, in conjunction with this announcement, Ciena has posted to the Quarterly Results page of the Investor Relations section of its website certain related supporting materials for its unaudited fiscal second quarter 2024 results.

Ciena's management will also host a discussion today with investors and financial analysts that will include the Company's outlook. The live audio web broadcast beginning at 8:30 a.m. Eastern will be accessible via www.ciena.com. An archived replay of the live broadcast will be available shortly following its conclusion on the Investor Relations page of Ciena's website.

Notes to Investors

Forward-Looking Statements. You are encouraged to review the Investors section of our website, where we routinely post press releases, Securities and Exchange Commission ("SEC") filings, recent news, financial results, supplemental financial information, and other announcements. From time to time we exclusively post material information to this website along with other disclosure channels that we use. This press release contains certain forward-looking statements that involve risks and uncertainties. These statements are based on current expectations, forecasts, assumptions and other information available to the Company as of the date hereof. Forward-looking statements include statements regarding Ciena's expectations, beliefs, intentions or strategies regarding the future and can be identified by forward-looking words such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "should," "will," and "would" or similar words. Forward-looking statements in this release include: "Our fiscal second quarter performance underscores the strength in our business amid a challenging near-term environment as service providers continue to work through existing inventory. With continued robust growth in bandwidth demand, we remain focused on extending our leadership in optical as a foundation for expanding our addressable market."

Ciena's actual results, performance or events may differ materially from these forward-looking statements made or implied due to a number of risks and uncertainties relating to Ciena's business, including: the effect of broader economic and market conditions on our customers, their spending and their businesses and markets; our ability to execute our business and growth strategies; the impact of macroeconomic conditions and global supply chain constraints or disruptions including increased supply costs and lead times; the impact of the introduction of new technologies by us or our competitors; seasonality and the timing and size of customer orders, their delivery dates and our ability to recognize revenue relating to such sales; the level of competitive pressure we encounter; the product, customer and geographic mix of sales within the period; changes in foreign currency exchange rates; factors beyond our control such as natural disasters, climate change, acts of war or terrorism, geopolitical tensions or events, including but not limited to the ongoing conflicts between Ukraine and Russia, and Israel and Hamas, and public health emergencies or epidemics, including the COVID-19 pandemic; changes in tax or trade regulations, including the imposition of tariffs, duties or efforts to withdraw from or materially modify international trade agreements; cyberattacks, data breaches or other security incidents involving our enterprise network environment or

our products; regulatory changes, litigation involving our intellectual property or government investigations; and the other risk factors disclosed in Ciena's periodic reports filed with the Securities and Exchange Commission (SEC) including its Annual Report on Form 10-K filed with the SEC on December 15, 2023 and included in its Quarterly Report on Form 10-Q for the second quarter of fiscal 2024 to be filed with the SEC. Ciena assumes no obligation to update any forward-looking information included in this press release.

Non-GAAP Presentation of Quarterly and Annual Results. This release includes non-GAAP measures of Ciena's gross profit, operating expense, income from operations, earnings before interest, tax, depreciation and amortization (EBITDA), Adjusted EBITDA, and measures of net income and net income per share. In evaluating the operating performance of Ciena's business, management excludes certain charges and credits that are required by GAAP. These items share one or more of the following characteristics: they are unusual and Ciena does not expect them to recur in the ordinary course of its business; they do not involve the expenditure of cash; they are unrelated to the ongoing operation of the business in the ordinary course; or their magnitude and timing is largely outside of Ciena's control. Management believes that the non-GAAP measures below provide management and investors useful information and meaningful insight to the operating performance of the business. The presentation of these non-GAAP financial measures should be considered in addition to Ciena's GAAP results and these measures are not intended to be a substitute for the financial information prepared and presented in accordance with GAAP. Ciena's non-GAAP measures and the related adjustments may differ from non-GAAP measures used by other companies and should only be used to evaluate Ciena's results of operations in conjunction with our corresponding GAAP results. To the extent not previously disclosed in a prior Ciena financial results press release, Appendices A and B to this press release set forth a complete GAAP to non-GAAP reconciliation of the non-GAAP measures contained in this release.

About Ciena. Ciena (NYSE: CIEN) is a global leader in networking systems, services, and software. We build the most adaptive networks in the industry, enabling customers to anticipate and meet ever-increasing digital demands. For three-plus decades, Ciena has brought our humanity to our relentless pursuit of innovation. Prioritizing collaborative relationships with our customers, partners, and communities, we create flexible, open, and sustainable networks that better serve all users—today and into the future. For updates on Ciena, follow us on LinkedIn, X, the Ciena Insights blog, or visit www.ciena.com.

CIENA CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(unaudited)

	Quarter Ended		Year Ended	
	April 27, 2024	April 29, 2023	April 27, 2024	April 29, 2023
Revenue:				
Products	\$ 701,316	\$ 935,330	\$ 1,537,093	\$ 1,813,045
Services	209,510	197,325	411,442	376,131
Total revenue	<u>910,826</u>	<u>1,132,655</u>	<u>1,948,535</u>	<u>2,189,176</u>
Cost of goods sold:				
Products	415,732	541,883	882,204	1,042,220
Services	106,433	103,089	210,708	203,327
Total cost of goods sold	<u>522,165</u>	<u>644,972</u>	<u>1,092,912</u>	<u>1,245,547</u>
Gross profit	<u>388,661</u>	<u>487,683</u>	<u>855,623</u>	<u>943,629</u>
Operating expenses:				
Research and development	195,380	189,993	382,649	371,723
Selling and marketing	124,071	125,083	252,229	248,890
General and administrative	49,573	50,939	104,256	101,835
Significant asset impairments and restructuring costs	15,655	8,153	20,626	12,451
Amortization of intangible assets	7,947	9,845	15,199	17,286
Acquisition and integration costs	—	857	—	3,415
Total operating expenses	<u>392,626</u>	<u>384,870</u>	<u>774,959</u>	<u>755,600</u>
Income (loss) from operations	(3,965)	102,813	80,664	188,029
Interest and other income, net	11,797	8,551	22,447	40,524
Interest expense	(23,861)	(23,889)	(47,637)	(39,759)
Income (loss) before income taxes	(16,029)	87,475	55,474	188,794
Provision for income taxes	820	29,821	22,776	54,899
Net income (loss)	<u>\$ (16,849)</u>	<u>\$ 57,654</u>	<u>\$ 32,698</u>	<u>\$ 133,895</u>
Net Income (Loss) per Common Share				
Basic net income (loss) per common share	<u>\$ (0.12)</u>	<u>\$ 0.39</u>	<u>\$ 0.23</u>	<u>\$ 0.90</u>
Diluted net income (loss) per potential common share	<u>\$ (0.12)</u>	<u>\$ 0.38</u>	<u>\$ 0.22</u>	<u>\$ 0.89</u>
Weighted average basic common shares outstanding	<u>144,914</u>	<u>149,616</u>	<u>145,104</u>	<u>149,351</u>
Weighted average dilutive potential common shares outstanding ¹	<u>144,914</u>	<u>150,147</u>	<u>146,059</u>	<u>149,852</u>

¹ Weighted average dilutive potential common shares outstanding used in calculating GAAP diluted net income per potential common share includes the following number of shares underlying certain stock option and stock unit awards: (i) 1.0 million for the first six months of fiscal 2024, and (ii) 0.5 million for both the second quarter and first six months of fiscal 2023.

CIENA CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)
(unaudited)

	April 27, 2024	October 28, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,091,289	\$ 1,010,618
Short-term investments	165,620	104,753
Accounts receivable, net	840,131	1,003,876
Inventories, net	1,022,615	1,050,838
Prepaid expenses and other	421,692	405,694
Total current assets	<u>3,541,347</u>	<u>3,575,779</u>
Long-term investments	165,960	134,278
Equipment, building, furniture and fixtures, net	274,353	280,147
Operating lease right-of-use assets	30,210	35,140
Goodwill	444,917	444,765
Other intangible assets, net	184,941	205,627
Deferred tax asset, net	821,879	809,306
Other long-term assets	151,196	116,453
Total assets	<u>\$ 5,614,803</u>	<u>\$ 5,601,495</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 332,106	\$ 317,828
Accrued liabilities and other short-term obligations	355,258	431,419
Deferred revenue	196,989	154,419
Operating lease liabilities	16,138	16,655
Current portion of long-term debt	11,700	11,700
Total current liabilities	<u>912,191</u>	<u>932,021</u>
Long-term deferred revenue	80,365	74,041
Other long-term obligations	172,839	170,407
Long-term operating lease liabilities	28,513	33,259
Long-term debt, net	1,540,639	1,543,406
Total liabilities	<u>2,734,547</u>	<u>2,753,134</u>
Stockholders' equity:		
Preferred stock – par value \$0.01; 20,000,000 shares authorized; zero shares issued and outstanding	—	—
Common stock – par value \$0.01; 290,000,000 shares authorized; 144,199,201 and 144,829,938 shares issued and outstanding	1,442	1,448
Additional paid-in capital	6,245,248	6,262,083
Accumulated other comprehensive loss	(21,729)	(37,767)
Accumulated deficit	(3,344,705)	(3,377,403)
Total stockholders' equity	<u>2,880,256</u>	<u>2,848,361</u>
Total liabilities and stockholders' equity	<u>\$ 5,614,803</u>	<u>\$ 5,601,495</u>

CIENA CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands) (unaudited)

	Six Months Ended	
	April 27, 2024	April 29, 2023
Cash flows provided by (used in) operating activities:		
Net income	\$ 32,698	\$ 133,895
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation of equipment, building, furniture and fixtures, and amortization of leasehold improvements	46,016	45,903
Share-based compensation expense	78,075	62,372
Amortization of intangible assets	20,726	23,600
Deferred taxes	(8,946)	(2,134)
Provision for inventory excess and obsolescence	23,152	12,691
Provision for warranty	8,629	13,577
Gain on equity investments, net	—	(26,455)
Other	11,509	11,331
Changes in assets and liabilities:		
Accounts receivable	155,107	(116,914)
Inventories	5,346	(162,143)
Prepaid expenses and other	(37,441)	(41,511)
Operating lease right-of-use assets	6,111	7,644
Accounts payable, accruals and other obligations	(56,064)	(55,754)
Deferred revenue	48,641	68,818
Short and long-term operating lease liabilities	(9,010)	(10,748)
Net cash provided by (used in) operating activities	<u>324,549</u>	<u>(35,828)</u>
Cash flows used in investing activities:		
Payments for equipment, furniture, fixtures and intellectual property	(33,500)	(58,034)
Purchases of investments	(171,131)	(106,245)
Proceeds from sales and maturities of investments	83,013	123,251
Settlement of foreign currency forward contracts, net	(828)	(6,194)
Purchase of equity investments	(16,256)	—
Acquisition of business, net of cash acquired	—	(230,048)
Net cash used in investing activities	<u>(138,702)</u>	<u>(277,270)</u>
Cash flows provided by (used in) financing activities:		
Proceeds from issuance of term loan, net	—	497,500
Payment of long term debt	(2,925)	(3,465)
Payment of debt issuance costs	(2,554)	(5,230)
Payment of finance lease obligations	(1,989)	(1,864)
Shares repurchased for tax withholdings on vesting of stock unit awards	(22,428)	(22,022)
Repurchases of common stock - repurchase program, net	(94,817)	—
Proceeds from issuance of common stock	16,876	14,656
Net cash provided by (used in) financing activities	<u>(107,837)</u>	<u>479,575</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	2,659	6,867
Net increase in cash, cash equivalents and restricted cash	<u>80,669</u>	<u>173,344</u>
Cash, cash equivalents and restricted cash at beginning of period	1,010,786	994,378
Cash, cash equivalents and restricted cash at end of period	<u>\$ 1,091,455</u>	<u>\$ 1,167,722</u>
Supplemental disclosure of cash flow information		
Cash paid during the period for interest, net	\$ 45,782	\$ 37,514
Cash paid during the period for income taxes, net	\$ 29,193	\$ 24,218
Operating lease payments	\$ 9,964	\$ 11,689
Non-cash investing and financing activities		
Purchase of equipment in accounts payable	\$ 6,365	\$ 4,618
Repurchase of common stock in accrued liabilities from repurchase program	\$ 3,859	\$ —
Operating right-of-use assets subject to lease liability	\$ 3,639	\$ 6,177
Gain on equity investments, net	\$ —	\$ 26,455

APPENDIX A - Reconciliation of Adjusted (Non- GAAP) Measurements
(in thousands, except per share data) (unaudited)

	Quarter Ended	
	April 27, 2024	April 29, 2023
Gross Profit Reconciliation (GAAP/non-GAAP)		
GAAP gross profit	\$ 388,661	\$ 487,683
Share-based compensation-products	1,760	1,155
Share-based compensation-services	3,344	2,659
Amortization of intangible assets	2,763	3,431
Total adjustments related to gross profit	7,867	7,245
Adjusted (non-GAAP) gross profit	\$ 396,528	\$ 494,928
Adjusted (non-GAAP) gross profit percentage	43.5 %	43.7 %
Operating Expense Reconciliation (GAAP/non-GAAP)		
GAAP operating expense	\$ 392,626	\$ 384,870
Share-based compensation-research and development	14,066	10,731
Share-based compensation-sales and marketing	11,166	8,755
Share-based compensation-general and administrative	9,875	8,468
Significant asset impairments and restructuring costs	15,655	8,153
Amortization of intangible assets	7,947	9,845
Acquisition and integration costs	—	857
Total adjustments related to operating expense	58,709	46,809
Adjusted (non-GAAP) operating expense	\$ 333,917	\$ 338,061
Income (Loss) from Operations Reconciliation (GAAP/non-GAAP)		
GAAP income (loss) from operations	\$ (3,965)	\$ 102,813
Total adjustments related to gross profit	7,867	7,245
Total adjustments related to operating expense	58,709	46,809
Total adjustments related to income (loss) from operations	66,576	54,054
Adjusted (non-GAAP) income from operations	\$ 62,611	\$ 156,867
Adjusted (non-GAAP) operating margin percentage	6.8 %	13.8 %
Net Income (Loss) Reconciliation (GAAP/non-GAAP)		
GAAP net income (loss)	\$ (16,849)	\$ 57,654
Exclude GAAP provision for income taxes	820	29,821
Income (loss) before income taxes	(16,029)	87,475
Total adjustments related to income from operations	66,576	54,054
Adjusted income before income taxes	50,547	141,529
Non-GAAP tax provision on adjusted income before income taxes	11,120	31,136
Adjusted (non-GAAP) net income	\$ 39,427	\$ 110,393
Weighted average basic common shares outstanding	144,914	149,616
Weighted average dilutive potential common shares outstanding ¹	146,268	150,147

**APPENDIX A - Reconciliation of Adjusted (Non- GAAP) Measurements
(in thousands, except per share data) (unaudited)**

	Quarter Ended	
	April 27, 2024	April 29, 2023
Net Income (Loss) per Common Share		
GAAP diluted net income (loss) per potential common share	\$ (0.12)	\$ 0.38
Adjusted (non-GAAP) diluted net income per potential common share	\$ 0.27	\$ 0.74

¹ Weighted average dilutive potential common shares outstanding used in calculating Adjusted (non-GAAP) diluted net income per potential common share includes the following number of shares underlying certain stock option and stock unit awards: (i) 1.4 million and 1.0 million for the second quarter and first six months of fiscal 2024, respectively; and (ii) 0.5 million for both the second quarter and first six months of fiscal 2023.

**APPENDIX B - Calculation of EBITDA and Adjusted EBITDA
(in thousands) (unaudited)**

	Quarter Ended	
	April 27, 2024	April 29, 2023
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)		
Net income (loss) (GAAP)	\$ (16,849)	\$ 57,654
Add: Interest expense	23,861	23,889
Less: Interest and other income, net	11,797	8,551
Add: Provision for income taxes	820	29,821
Add: Depreciation of equipment, building, furniture and fixtures, and amortization of leasehold improvements	23,208	23,695
Add: Amortization of intangible assets	10,710	13,275
EBITDA	\$ 29,953	\$ 139,783
Add: Share-based compensation expense	40,211	31,768
Add: Significant asset impairments and restructuring costs	15,655	8,153
Add: Acquisition and integration costs	—	857
Adjusted EBITDA	\$ 85,819	\$ 180,561

* * *

The adjusted (non-GAAP) measures above and their reconciliation to Ciena's GAAP results for the periods presented reflect adjustments relating to the following items:

- *Share-based compensation* - a non-cash expense incurred in accordance with share-based compensation accounting guidance.
- *Significant asset impairments and restructuring costs* - costs incurred as a result of restructuring activities taken to align resources with perceived market opportunities, the redesign of business processes and restructuring certain real estate facilities.
- *Amortization of intangible assets* - a non-cash expense arising from the acquisition of intangible assets, principally developed technologies and customer-related intangibles, that Ciena is required to amortize over an expected useful life.
- *Acquisition and integration costs* - primarily consist of financial, legal and accounting advisors' costs and employment-related costs related to Ciena's acquisitions in fiscal 2023.
- *Non-GAAP tax provision* - consists of current and deferred income tax expense commensurate with the level of adjusted income before income taxes and utilizes a current, blended U.S. and foreign statutory annual tax rate of 22.0% for both the fiscal second quarter 2024 and the fiscal second quarter 2023. This rate may be subject to change in the future, including as a result of changes in tax policy or tax strategy.



Ciena Corporation

Fiscal Q2 2024 Earnings Presentation
Period ended April 27, 2024

June 6, 2024

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Forward-looking statements and non-GAAP measures

You are encouraged to review the Investors section of our website, where we routinely post press releases, Securities and Exchange Commission ("SEC") filings, recent news, financial results, supplemental financial information, and other announcements. From time to time we exclusively post material information to this website along with other disclosure channels that we use. This press release contains certain forward-looking statements that involve risks and uncertainties. These statements are based on current expectations, forecasts, assumptions and other information available to the Company as of the date hereof. Forward-looking statements include statements regarding Ciena's expectations, beliefs, intentions or strategies regarding the future and can be identified by forward-looking words such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "should," "will," and "would" or similar words.

Ciena's actual results, performance or events may differ materially from these forward-looking statements made or implied due to a number of risks and uncertainties relating to Ciena's business, including: the effect of broader economic and market conditions on our customers, their spending and their businesses and markets; our ability to execute our business and growth strategies; the impact of macroeconomic conditions and global supply chain constraints or disruptions including increased supply costs and lead times; the impact of the introduction of new technologies by us or our competitors; seasonality and the timing and size of customer orders, their delivery dates and our ability to recognize revenue relating to such sales; the level of competitive pressure we encounter; the product, customer and geographic mix of sales within the period; changes in foreign currency exchange rates; factors beyond our control such as natural disasters, climate change, acts of war or terrorism, geopolitical tensions or events, including but not limited to the ongoing conflicts between Ukraine and Russia, and Israel and Hamas, and public health emergencies or epidemics, including the COVID-19 pandemic; changes in tax or trade regulations, including the imposition of tariffs, duties or efforts to withdraw from or materially modify international trade agreements; cyberattacks, data breaches or other security incidents involving our enterprise network environment or our products; regulatory changes, litigation involving our intellectual property or government investigations; and the other risk factors disclosed in Ciena's periodic reports filed with the Securities and Exchange Commission (SEC) including its Annual Report on Form 10-K filed with the SEC on December 15, 2023 and included in its Quarterly Report on Form 10-Q for the second quarter of fiscal 2024 to be filed with the SEC.

All information, statements, and projections in this presentation and the related earnings call speak only as of the date of this presentation and related earnings call. Ciena assumes no obligation to update any forward-looking or other information included in this presentation or related earnings calls, whether as a result of new information, future events or otherwise.

In addition, this presentation includes historical, and may include prospective, non-GAAP measures of Ciena's gross margin, operating expense, operating margin, EBITDA, and net income per share. These measures are not intended to be a substitute for financial information presented in accordance with GAAP. A reconciliation of non-GAAP measures used in this presentation to Ciena's GAAP results for the relevant period can be found in the Appendix to this presentation. Additional information can also be found in our press release filed this morning and in our reports on Form 10-Q and Form 10K filed with the Securities and Exchange Commission.

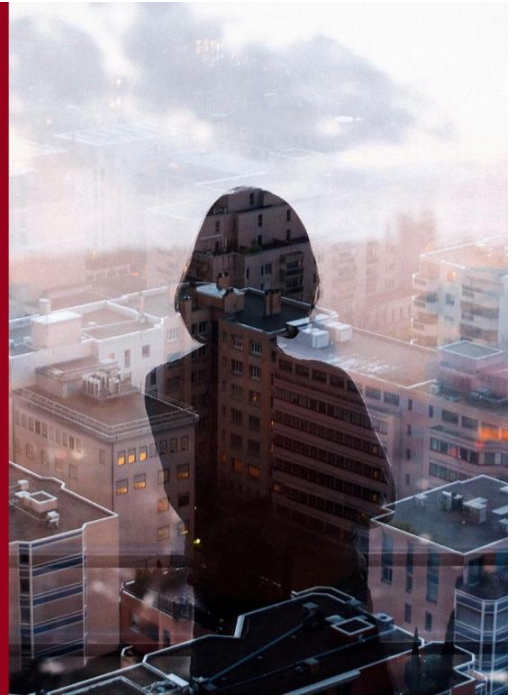
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Overview & Ciena's portfolio

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Ciena is an industry-leading global networking systems, services, and software company

Leading technology and innovation



Diversification and scale of business



Leader in Optical market and disruptor in emerging opportunities



Demonstrated track record of strong financial performance

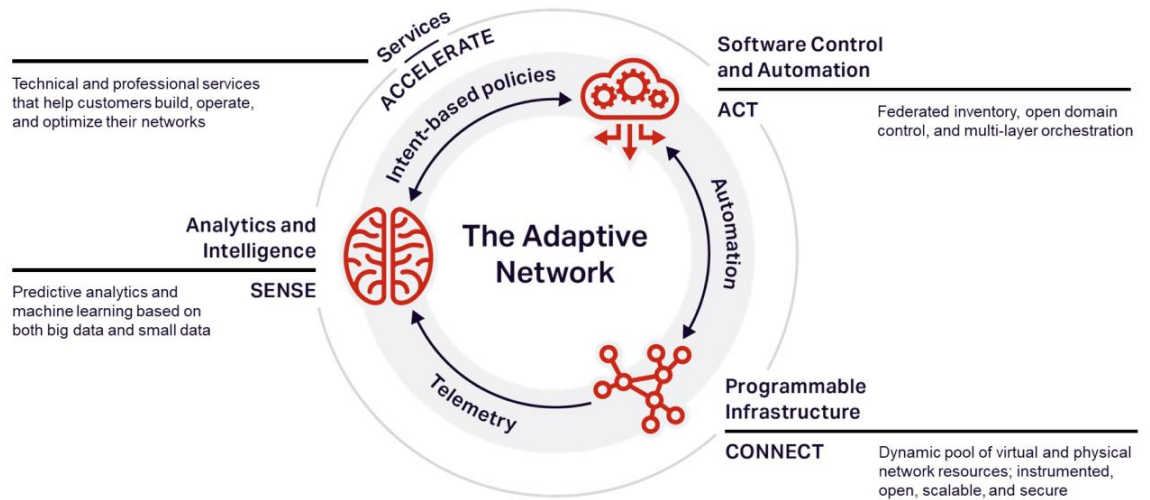


Flexibility with strong balance sheet



... with a strong track record of creating shareholder value

Our vision for networking: How it works



Our strategic objectives

Expand Optical Leadership

- Increase optical revenues and address high-growth opportunities
- Address customers' evolving network needs by offering a comprehensive portfolio of coherent technology including systems, pluggables, and components
- Increase international business and grow attached services

Grow Addressable Market in Broadband Access and Converged Metro

- Expand adoption of Routing and Switching portfolio and increase addressable market opportunity, leveraging our optical leadership
- Seize the converged IP/optical metro opportunity with Coherent Routing
- Leverage pluggable PON innovation and government funding opportunity in fiber-based broadband access

Drive Software-led Transformation

- Address digital transformation opportunities with Tier 1 CSPs with Blue Planet next-gen OSS
- Continue to grow software as percent of revenue
- Pursue advanced services-led transformation with network migration, optimization, and multi-vendor capabilities

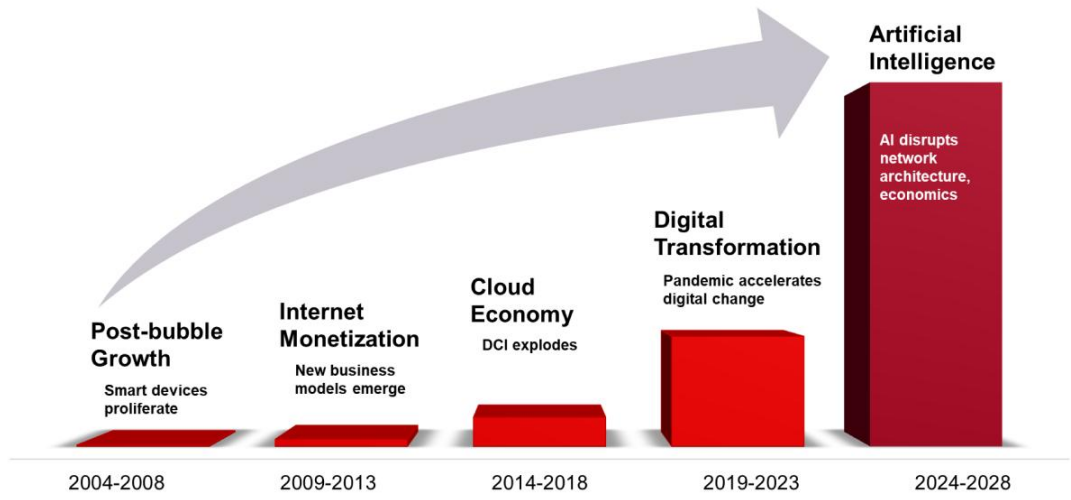
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Industry context & addressable market expansion

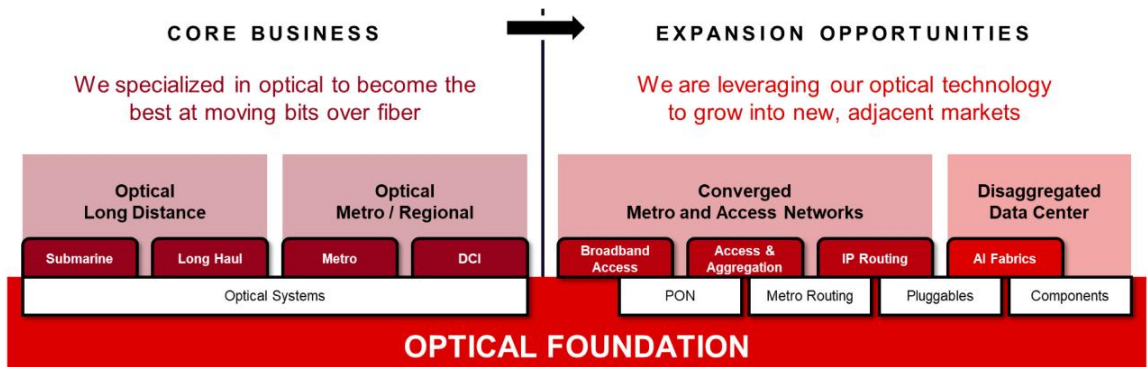
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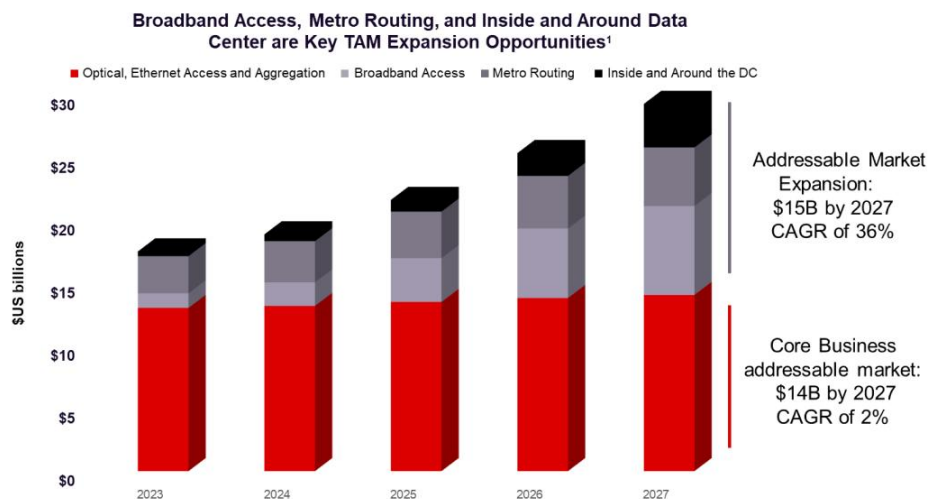
Increasing bandwidth consumption as a driver of network expansion



Our strategy leverages our Optical technology to create expanded addressable market opportunities



Our addressable market expansion strategy allows us to access higher growth markets



¹Sources: LightCounting and Ciena internal analysis.

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Our market leadership



#1 Globally

- Purpose-built/compact modular DCI
- SLTE WDM
- Access switching

#1 N. America

- Total optical networking
- Purpose-built/compact modular DCI
- Access switching

#2 Globally

- Total optical networking

Optical Networking Report, 4Q23
Service Provider Switching & Routing Report, 1Q24



#1 Globally

- Purpose-built/compact modular DCI
- Optical for cloud and colo
- SLTE WDM
- Routing/Access

#1 N. America

- Total optical networking
- Purpose-built/compact modular DCI
- Optical for cloud and colo
- Routing/Access

#2 Globally

- Total optical networking
- Optical for enterprise and government

Transport Hardware Report, 1Q24



#1 Globally

- Data center interconnect
- Purpose-built/compact modular DCI
- Optical for internet content provider customers
- Optical for cable MSO customers

#1 N. America

- Data center interconnect
- Total optical networking
- Optical packet

#2 Globally

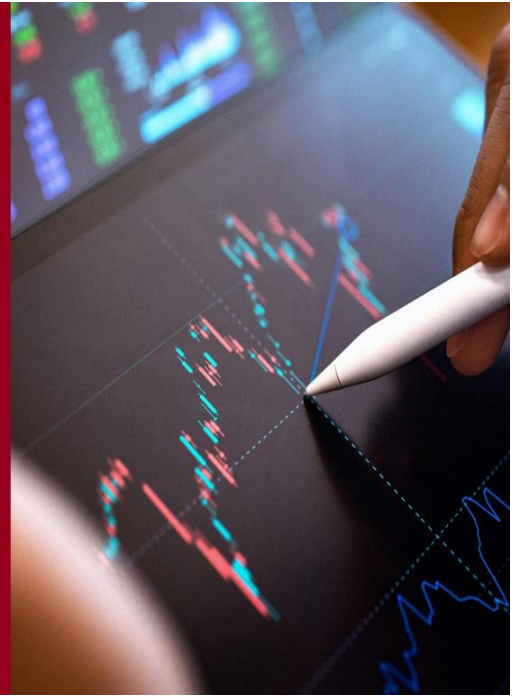
- Total optical networking

Optical Transport Report, 1Q24

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Q2 FY 2024 results

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Q2 FY 2024 key highlights

Achieving balanced growth

- Non-telco represented a 46% of total revenue
- Reconfigurable line systems (RLS) revenue grew 12% YoY
- India revenue grew 16% sequentially
- Global Services revenue grew 5% YoY

Driving the pace of innovation

- Customer traction continues with WL5e 800G technology, reaching 290 customers
- For our WL5n 400ZR/ZR+ pluggables, we have 104 customers, 18 new this quarter
- Orders for WaveLogic 6 Extreme from a total of 14 customers
- Surpassed 100 Routing and Switching customers using our WL5n pluggable technology
- Added a new Tier 1 EMEA RSP mobility customer
- Achieved our first Tier 1 vBNG deployment in a residential broadband use case

Prioritizing long term shareholder value

- Total shareholder return five-year CAGR of 8%¹
- Under our authorized \$1 billion stock repurchase program, repurchased ~1.1 million shares for \$57 million, and are targeting \$250 million for FY 2024 to complete the plan

¹ Based on closing share price between 5/14/2019 to 5/14/2024

Q2 FY 2024 comparative financial highlights

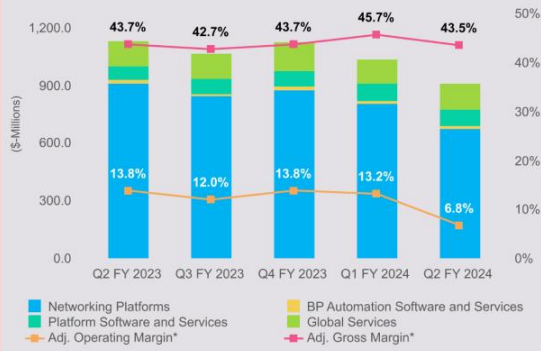
	Q2 FY 2024	Q2 FY 2023
Revenue	\$910.8M	\$1,132.7M
Adjusted Gross Margin*	43.5%	43.7%
Adjusted Operating Expense*	\$333.9M	\$338.1M
Adjusted Operating Margin*	6.8%	13.8%
Adjusted EBITDA*	\$85.8M	\$180.6M
Adjusted EPS*	\$0.27	\$0.74

* Reconciliations of these non-GAAP measures to our GAAP results are included in the Appendix and in the press release for the relative period.

Q2 FY 2024 comparative operating metrics

	Q2 FY 2024	Q2 FY 2023
Cash and investments	\$1.42B	\$1.34B
Cash provided by operations	\$59M	\$230M
DSO	98.0	96.7
Inventory Turns	1.6	2.0
Gross Leverage	2.81x	2.78x
Net Debt	\$195M	\$284M

Revenue by segment (Amounts in millions)

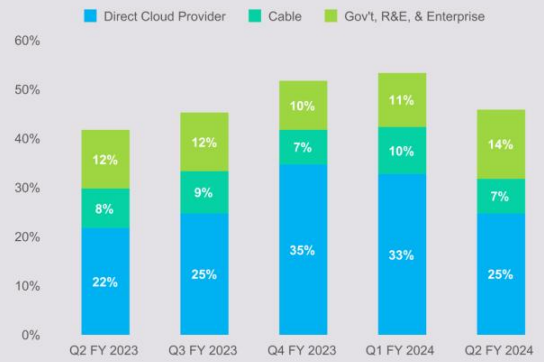
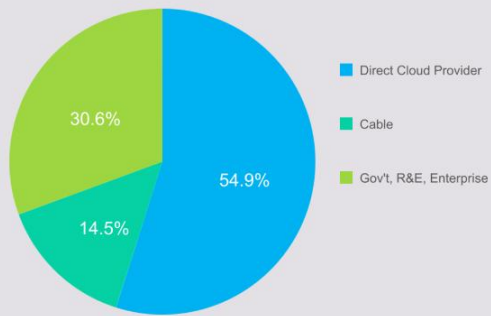


	Q2 FY 2024		Q2 FY 2023	
	Revenue	%**	Revenue	%**
Networking Platforms				
Optical Networking	\$560.2	61.5	\$784.5	69.3
Routing and Switching	116.1	12.7	130.4	11.5
Total Networking Platforms	676.3	74.2	914.9	80.8
Platform Software and Services	85.4	9.4	69.4	6.1
Blue Planet Automation Software and Services	14.4	1.6	20.6	1.8
Global Services				
Maintenance Support and Training	77.4	8.5	73.2	6.5
Installation and Deployment	43.8	4.8	39.5	3.5
Consulting and Network Design	13.5	1.5	15.1	1.3
Total Global Services	134.7	14.8	127.8	11.3
Total	\$910.8	100.0	\$1,132.7	100.0

* A reconciliation of these non-GAAP measures to GAAP results is included in the appendix to this presentation.
** Denotes % of total revenue

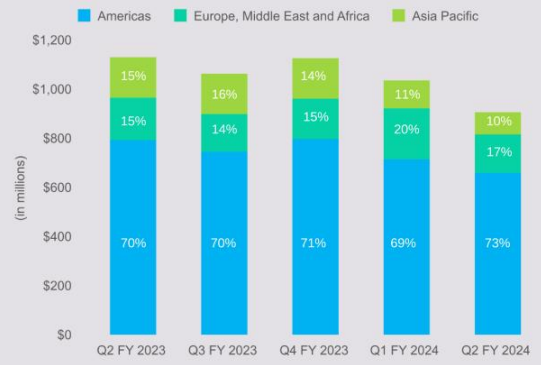
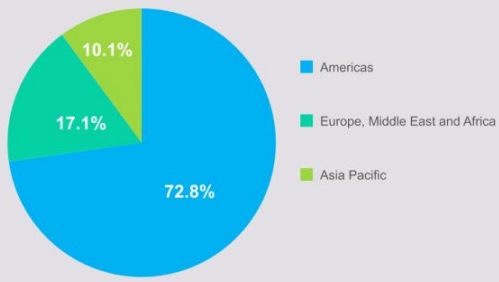
Record revenue derived from non-telco customers

Q2 FY 2024 Non-Telco Revenue Approx. 46% of total



Revenue by geographic region

Q2 FY 2024



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Q2 FY 2024 appendix

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Gross Profit Reconciliation (Amounts in thousands)

	Q2 FY 2024	Q1 FY 2024	Q4 FY 2023	Q3 FY 2023	Q2 FY 2023
GAAP gross profit	\$388,661	\$466,962	\$486,281	\$448,941	\$487,683
Share-based compensation-products	1,760	1,318	1,194	1,118	1,155
Share-based compensation-services	3,344	3,020	2,827	2,687	2,659
Amortization of intangible assets	2,763	2,764	2,763	3,187	3,431
Total adjustments related to gross profit	7,867	7,102	6,784	6,992	7,245
Adjusted (non-GAAP) gross profit	\$396,528	\$474,064	\$493,065	\$455,933	\$494,928
Adjusted (non-GAAP) gross profit percentage	43.5 %	45.7 %	43.7 %	42.7 %	43.7 %

Operating Expense Reconciliation (Amounts in thousands)

	Q2 FY 2024	Q1 FY 2024	Q4 FY 2023	Q3 FY 2023	Q2 FY 2023
GAAP operating expense	\$392,626	\$382,333	\$394,979	\$370,727	\$384,870
Share-based compensation-research and development	14,066	12,880	11,412	10,954	10,731
Share-based compensation-sales and marketing	11,166	10,305	9,187	8,770	8,755
Share-based compensation-general and administrative	9,875	10,079	10,274	9,377	8,468
Significant asset impairments and restructuring costs	15,655	4,971	7,209	4,174	8,153
Amortization of intangible assets	7,947	7,252	10,578	9,487	9,845
Acquisition and integration costs	—	—	—	59	857
Legal Settlement	—	—	8,750	—	—
Total adjustments related to operating expense	58,709	45,487	57,410	42,821	46,809
Adjusted (non-GAAP) operating expense	\$333,917	\$336,846	\$337,569	\$327,906	\$338,061

Income (Loss) from Operations Reconciliation (Amounts in thousands)

	Q2 FY 2024	Q1 FY 2024	Q4 FY 2023	Q3 FY 2023	Q2 FY 2023
GAAP income (loss) from operations	\$(3,965)	\$84,629	\$91,302	\$78,214	\$102,813
Total adjustments related to gross profit	7,867	7,102	6,784	6,992	7,245
Total adjustments related to operating expense	58,709	45,487	57,410	42,821	46,809
Total adjustments related to income from operations	66,576	52,589	64,194	49,813	54,054
Adjusted (non-GAAP) income from operations	\$62,611	\$137,218	\$155,496	\$128,027	\$156,867
Adjusted (non-GAAP) operating margin percentage	6.8 %	13.2 %	13.8 %	12.0 %	13.8 %

Net Income (Loss) Reconciliation (Amounts in thousands)

	Q2 FY 2024	Q1 FY 2024	Q4 FY 2023	Q3 FY 2023	Q2 FY 2023
GAAP net income (loss)	\$(16,849)	\$49,547	\$91,199	\$29,733	\$57,654
Exclude GAAP provision (benefit) for income taxes	820	21,956	(20,681)	34,608	29,821
Income (loss) before income taxes	(16,029)	71,503	70,518	64,341	87,475
Total adjustments related to income from operations	66,576	52,589	64,194	49,813	54,054
Loss on extinguishment and modification of debt	—	—	7,874	—	—
Loss on equity investment	—	—	—	87	—
Adjusted income before income taxes	50,547	124,092	142,586	114,241	141,529
Non-GAAP tax provision on adjusted income before income taxes	11,120	27,300	31,369	25,133	31,136
Adjusted (non-GAAP) net income	\$39,427	\$96,792	\$111,217	\$89,108	\$110,393
Weighted average basic common shares outstanding	144,914	145,291	147,437	149,690	149,616
Weighted average diluted potential common shares outstanding ⁽¹⁾	146,268	145,848	147,891	149,977	150,147

Net Income (Loss) per Common Share

	Q2 FY 2024	Q1 FY 2024	Q4 FY 2023	Q3 FY 2023	Q2 FY 2023
GAAP diluted net income (loss) per potential common share	\$ (0.12)	\$ 0.34	\$ 0.62	\$ 0.20	\$ 0.38
Adjusted (non-GAAP) diluted net income per potential common share	\$ 0.27	\$ 0.66	\$ 0.75	\$ 0.59	\$ 0.74

1. Weighted average dilutive potential common shares outstanding used in calculating Adjusted (non-GAAP) diluted net income per potential common share for the second quarter of fiscal 2024 includes 1.4 million shares underlying certain stock option and stock unit awards.

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) (Amounts in thousands)

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)	Q2 FY 2024	Q1 FY 2024	Q4 FY 2023	Q3 FY 2023	Q2 FY 2023
Net income (loss) (GAAP)	\$(16,849)	\$49,547	\$91,199	\$29,733	\$57,654
Add: Interest expense	23,861	23,776	24,207	24,060	23,889
Less: Interest and other income, net	11,797	10,650	11,297	10,187	8,551
Add: Loss on extinguishment and modification of debt	—	—	7,874	—	—
Add: Provision (benefit) for income taxes	820	21,956	(20,681)	34,608	29,821
Add: Depreciation of equipment, building, furniture and fixtures, and amortization of leasehold improvements	23,208	22,808	23,351	23,310	23,695
Add: Amortization of intangible assets	10,710	10,016	13,342	12,674	13,275
EBITDA	\$29,953	\$117,453	\$127,995	\$114,198	\$139,783
Add: Share-based compensation expense	40,211	37,602	34,894	32,906	31,768
Add: Significant asset impairments and restructuring expense	15,655	4,971	7,209	4,174	8,153
Add: Acquisition and integration costs	—	—	—	59	857
Add: Legal settlement	—	—	8,750	—	—
Adjusted EBITDA	\$85,819	\$160,026	\$178,848	\$151,337	\$180,561

