

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): December 8, 2022

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 December 8, 2022, Ciena Corporation ("Ciena") issued a press release announcing its financial results for its fourth fiscal quarter ended October 29, 2022. 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 fourth fiscal quarter ended October 29, 2022.

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 December 8, 2022, issued by Ciena Corporation, reporting its results of operations for its fiscal fourth quarter and year ended October 29, 2022.
Exhibit 99.2	Investor Presentation for Ciena Corporation's fourth fiscal quarter and fiscal year ended October 29, 2022.
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: December 8, 2022

By: /s/ David M. Rothenstein
David M. Rothenstein
Senior Vice President, General Counsel and Secretary

FOR IMMEDIATE RELEASE

Ciena Reports Fiscal Fourth Quarter 2022 and Year-End Financial Results

HANOVER, Md. - December 8, 2022 - [Ciena](#)[®] Corporation (NYSE: CIEN), a networking systems, services and software company, today announced unaudited financial results for its fiscal fourth quarter ended October 29, 2022.

- **Q4 Revenue:** \$971.0 million
- **Q4 Net Income per Share:** \$0.39 GAAP; \$0.61 adjusted (non-GAAP)
- **Share Repurchases:** Repurchased approximately 154,200 shares of common stock for an aggregate price of \$8.0 million during the quarter.

"Our strong fiscal fourth quarter financial results were better than expected as we benefited from some favorable supply chain developments in the second half of the quarter," said Gary Smith, president and CEO of Ciena. "Looking ahead, we expect to deliver outsized revenue growth in fiscal 2023 given our significant backlog and continued signs of gradual supply improvement. And, we remain confident that the durability of secular demand drivers and our strategic investments to expand our addressable market position us to deliver strong revenue growth over the next several years."

For fiscal fourth quarter 2022, Ciena reported revenue of \$971.0 million as compared to \$1.04 billion for the fiscal fourth quarter 2021. For fiscal year 2022, Ciena reported revenue of \$3.63 billion, as compared to \$3.62 billion for fiscal year 2021.

Ciena's GAAP net income for the fiscal fourth quarter 2022 was \$57.6 million, or \$0.39 per diluted common share, which compares to a GAAP net income of \$103.5 million, or \$0.66 per diluted common share, for the fiscal fourth quarter 2021. For fiscal year 2022, Ciena's GAAP net income was \$152.9 million, or \$1.00 per diluted common share, as compared to GAAP net income of \$500.2 million, or \$3.19 per diluted common share, for fiscal year 2021.

Ciena's adjusted (non-GAAP) net income for the fiscal fourth quarter 2022 was \$90.9 million, or \$0.61 per diluted common share, which compares to an adjusted (non-GAAP) net income of \$132.7 million, or \$0.85 per diluted common share, for the fiscal fourth quarter 2021. For fiscal year 2022, Ciena's adjusted (non-GAAP) net income was \$288.9 million, or \$1.90 per diluted common share, as compared to adjusted (non-GAAP) net income of \$456.5 million, or \$2.91 per diluted common share, for fiscal year 2021.

Performance Summary for Fiscal Fourth Quarter and the Year Ended October 29, 2022

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)						
	Quarter Ended		Period Change Y-T-Y*	Year Ended		Period Change Y-T-Y*	
	October 29, 2022	October 30, 2021		October 29, 2022	October 30, 2021		
Revenue	\$ 971.0	\$ 1,041.5	(6.8)%	\$ 3,632.7	\$ 3,620.7	0.3 %	
Gross margin	44.7 %	45.8 %	(1.1)%	43.0 %	47.6 %	(4.6)%	
Operating expense	\$ 356.3	\$ 339.7	4.9 %	\$ 1,337.5	\$ 1,226.6	9.0 %	
Operating margin	8.0 %	13.2 %	(5.2)%	6.1 %	13.7 %	(7.6)%	

	Non-GAAP Results (unaudited)						
	Quarter Ended		Period Change Y-T-Y*	Year Ended		Period Change Y-T-Y*	
	October 29, 2022	October 30, 2021		October 29, 2022	October 30, 2021		
Revenue	\$ 971.0	\$ 1,041.5	(6.8)%	\$ 3,632.7	\$ 3,620.7	0.3 %	
Adj. gross margin	45.2 %	46.3 %	(1.1)%	43.6 %	47.9 %	(4.3)%	
Adj. operating expense	\$ 312.8	\$ 307.1	1.9 %	\$ 1,177.0	\$ 1,129.3	4.2 %	
Adj. operating margin	13.0 %	16.8 %	(3.8)%	11.2 %	16.8 %	(5.6)%	
Adj. EBITDA	\$ 153.5	\$ 199.2	(22.9)%	\$ 502.4	\$ 702.8	(28.5)%	

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

	Revenue by Segment (unaudited)			
	Quarter Ended			
	October 29, 2022		October 30, 2021	
	Revenue	%**	Revenue	%**
Networking Platforms				
Converged Packet Optical	\$ 649.9	66.9	\$ 754.6	72.5
Routing and Switching	102.8	10.6	74.2	7.1
Total Networking Platforms	752.7	77.5	828.8	79.6
Platform Software and Services	71.6	7.4	66.1	6.3
Blue Planet Automation Software and Services	21.2	2.2	19.8	1.9
Global Services				
Maintenance Support and Training	73.1	7.5	71.3	6.9
Installation and Deployment	36.9	3.8	47.2	4.5
Consulting and Network Design	15.5	1.6	8.3	0.8
Total Global Services	125.5	12.9	126.8	12.2
Total	\$ 971.0	100.0	\$ 1,041.5	100.0

	Revenue by Segment (unaudited)			
	Year Ended			
	October 29, 2022		October 30, 2021	
	Revenue	%**	Revenue	%**
Networking Platforms				
Converged Packet Optical	\$ 2,380.0	65.5	\$ 2,553.5	70.5
Routing and Switching	398.4	11.0	271.8	7.5
Total Networking Platforms	2,778.4	76.5	2,825.3	78.0
Platform Software and Services				
	277.2	7.6	229.6	6.4
Blue Planet Automation Software and Services				
	76.6	2.1	77.2	2.1
Global Services				
Maintenance Support and Training	292.4	8.1	283.4	7.8
Installation and Deployment	157.4	4.3	171.5	4.7
Consulting and Network Design	50.7	1.4	33.7	1.0
Total Global Services	500.5	13.8	488.6	13.5
Total	\$ 3,632.7	100.0	\$ 3,620.7	100.0

** Denotes % of total revenue

Additional Performance Metrics for Fiscal Fourth Quarter and Year Ended October 29, 2022

	Revenue by Geographic Region (unaudited)			
	Quarter Ended			
	October 29, 2022		October 30, 2021	
	Revenue	%**	Revenue	%**
Americas	\$ 723.5	74.5	\$ 748.7	71.9
Europe, Middle East and Africa	135.1	13.9	170.8	16.4
Asia Pacific	112.4	11.6	122.0	11.7
Total	\$ 971.0	100.0	\$ 1,041.5	100.0

	Revenue by Geographic Region (unaudited)			
	Year Ended			
	October 29, 2022		October 30, 2021	
	Revenue	%**	Revenue	%**
Americas	\$ 2,636.9	72.6	\$ 2,525.6	69.8
Europe, Middle East and Africa	555.2	15.3	670.5	18.5
Asia Pacific	440.6	12.1	424.6	11.7
Total	\$ 3,632.7	100.0	\$ 3,620.7	100.0

** Denotes % of total revenue

- Two customers each represented 10%-plus of revenue for the fiscal fourth quarter and fiscal year 2022, combining for a total of 25.6% of revenue for the fiscal fourth quarter and 23.0% of revenue for the fiscal year 2022
- Cash and investments at the end of fiscal year 2022 totaled \$1.2 billion
- Cash flow used in operations totaled \$14.5 million and \$167.8 million for the fiscal fourth quarter and the fiscal year 2022, respectively
- Average days' sales outstanding (DSOs) were 100 and 107 for the fiscal fourth quarter and the fiscal year 2022, respectively
- Accounts receivable, net balance was \$920.8 million
- Unbilled contract asset, net balance was \$156.0 million
- Inventories totaled \$946.7 million, including:
 - Raw materials: \$664.9 million
 - Work in process: \$18.2 million
 - Finished goods: \$258.6 million
 - Deferred cost of sales: \$41.1 million
 - Reserve for excess and obsolescence: \$(36.1) million
- Product inventory turns were 1.9 and 1.8 for the fiscal fourth quarter and the fiscal year 2022, respectively
- Headcount totaled 8,079 at the end of fiscal year 2022

Supplemental Materials and Live Web Broadcast of Unaudited Fiscal Fourth Quarter 2022 Results

Today, Thursday, December 08, 2022, 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 fourth quarter and fiscal year 2022 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 strong fiscal fourth quarter financial results were better than expected as we benefited from some favorable supply chain developments in the second half of the quarter," said Gary Smith, president and CEO of Ciena. "Looking ahead, we expect to deliver outsized revenue growth in fiscal 2023 given our significant backlog and continued signs of gradual supply improvement. And, we remain confident that the durability of secular demand drivers and our strategic investments to expand our addressable market position us to deliver strong revenue growth over the next several years."

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 and their business; our ability to execute our business and growth strategies; the impact of supply chain constraints or disruptions; the duration and severity of the COVID-19 pandemic and the impact of countermeasures taken to mitigate its spread on macroeconomic conditions, economic activity, demand for our technology solutions, short- and long-term changes in customer or end user needs, continuity of supply chain, our business operations, liquidity and financial results; changes in network spending or network strategy by our customers; seasonality and the timing and size of customer orders, including 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 events, including but not limited to the ongoing conflict between Ukraine and Russia, and public health emergencies; changes in tax or trade regulations, including the imposition of tariffs, duties or efforts to withdraw from or materially modify international trade agreements; and the other risk factors disclosed in Ciena's periodic reports filed with the Securities and Exchange Commission (SEC) including its Quarterly Report on Form 10-Q filed with the SEC on September 7, 2022 and its Annual report on Form 10-K 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 networking systems, services and software company. We provide solutions that help our customers create the Adaptive Network™ in response to the constantly changing demands of their users. By delivering best-in-class networking technology through high-touch consultative relationships, we build the world's most agile networks with automation, openness and scale. For updates on Ciena, follow us on Twitter @Ciena, LinkedIn, 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	
	October 29, 2022	October 30, 2021	October 29, 2022	October 30, 2021
Revenue:				
Products	\$ 779,609	\$ 860,925	\$ 2,888,848	\$ 2,932,602
Services	191,401	180,561	743,813	688,082
Total revenue	971,010	1,041,486	3,632,661	3,620,684
Cost of goods sold:				
Products	440,253	470,334	1,699,631	1,545,269
Services	97,160	94,033	372,686	353,436
Total cost of goods sold	537,413	564,367	2,072,317	1,898,705
Gross profit	433,597	477,119	1,560,344	1,721,979
Operating expenses:				
Research and development	166,898	147,454	624,656	536,666
Selling and marketing	121,865	129,625	466,565	452,214
General and administrative	48,191	49,383	179,382	181,874
Significant asset impairments and restructuring costs	13,621	5,700	33,824	29,565
Amortization of intangible assets	5,754	5,836	32,511	23,732
Acquisition and integration costs	—	1,712	598	2,572
Total operating expenses	356,329	339,710	1,337,536	1,226,623
Income from operations	77,268	137,409	222,808	495,356
Interest and other income (loss), net	1,887	(168)	6,747	(1,768)
Interest expense	(13,775)	(7,916)	(47,050)	(30,837)
Income before income taxes	65,380	129,325	182,505	462,751
Provision (benefit) for income taxes	7,735	25,826	29,603	(37,445)
Net income	\$ 57,645	\$ 103,499	\$ 152,902	\$ 500,196
Net Income per Common Share				
Basic net income per common share	\$ 0.39	\$ 0.67	\$ 1.01	\$ 3.22
Diluted net income per potential common share	\$ 0.39	\$ 0.66	\$ 1.00	\$ 3.19
Weighted average basic common shares outstanding	148,548	155,232	151,208	155,279
Weighted average dilutive potential common shares outstanding ¹	149,111	156,689	152,193	156,743

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) 0.6 million and 1.0 million for the fourth quarter of fiscal 2022 and fiscal 2022, respectively; and (ii) 1.5 million shares for each of the fourth quarter of fiscal 2021 and fiscal 2021.

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

	October 29, 2022	October 30, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 994,352	\$ 1,422,546
Short-term investments	153,989	181,483
Accounts receivable, net	920,772	884,958
Inventories	946,730	374,265
Prepaid expenses and other	370,053	325,654
Total current assets	3,385,896	3,188,906
Long-term investments	35,385	70,038
Equipment, building, furniture and fixtures, net	267,779	284,968
Operating lease right-of-use assets	45,108	44,285
Goodwill	328,322	311,645
Other intangible assets, net	69,517	65,314
Deferred tax asset, net	824,008	800,180
Other long-term assets	113,617	99,891
Total assets	\$ 5,069,632	\$ 4,865,227
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 516,047	\$ 356,176
Accrued liabilities and other short-term obligations	360,782	409,285
Deferred revenue	137,899	118,007
Operating lease liabilities	18,925	18,632
Current portion of long-term debt	6,930	6,930
Total current liabilities	1,040,583	909,030
Long-term deferred revenue	62,336	57,457
Other long-term obligations	150,335	166,803
Long-term operating lease liabilities	42,392	41,564
Long-term debt, net	1,061,125	670,355
Total liabilities	\$ 2,356,771	\$ 1,845,209
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; 148,412,943 and 154,858,981 shares issued and outstanding	1,484	1,549
Additional paid-in capital	6,390,252	6,803,162
Accumulated other comprehensive income (loss)	(46,645)	439
Accumulated deficit	(3,632,230)	(3,785,132)
Total stockholders' equity	2,712,861	3,020,018
Total liabilities and stockholders' equity	\$ 5,069,632	\$ 4,865,227

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

	Year Ended	
	October 29, 2022	October 30, 2021
Cash flows provided by (used in) operating activities:		
Net income	\$ 152,902	\$ 500,196
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	95,922	96,233
Share-based compensation expense	105,131	84,336
Amortization of intangible assets	44,281	36,033
Deferred taxes	(27,502)	(156,469)
Provision for inventory excess and obsolescence	16,184	17,850
Provision for warranty	17,440	17,093
Other	—	14,525
Changes in assets and liabilities:		
Accounts receivable	(47,069)	(174,377)
Inventories	(589,113)	(47,567)
Prepaid expenses and other	(58,996)	(19,691)
Operating lease right-of-use assets	16,453	16,632
Accounts payable, accruals and other obligations	100,327	162,134
Deferred revenue	26,380	16,822
Short and long-term operating lease liabilities	(20,096)	(22,104)
Net cash provided by (used in) operating activities	<u>(167,756)</u>	<u>541,646</u>
Cash flows used in investing activities:		
Payments for equipment, furniture, fixtures and intellectual property	(90,818)	(79,550)
Purchase of available for sale securities	(643,971)	(172,778)
Proceeds from maturities of available for sale securities	698,642	152,253
Settlement of foreign currency forward contracts, net	4,942	4,680
Acquisition of business, net of cash acquired	(62,043)	—
Purchase of cost method equity investments	(8,000)	—
Proceeds from sale of cost method equity investments	—	4,678
Net cash used in investing activities	<u>(101,248)</u>	<u>(90,717)</u>
Cash flows used in financing activities:		
Proceeds from issuance of senior notes	400,000	—
Payment of long term debt	(5,197)	(6,929)
Payment of debt issuance costs	(5,484)	—
Payment of finance lease obligations	(3,468)	(3,004)
Shares repurchased for tax withholdings on vesting of stock unit awards	(48,454)	(44,071)
Repurchases of common stock - repurchase program	(500,800)	(91,288)
Proceeds from issuance of common stock	30,348	28,457
Net cash used in financing activities	<u>(133,055)</u>	<u>(116,835)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	<u>(26,167)</u>	<u>(198)</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	<u>(428,226)</u>	<u>333,896</u>
Cash, cash equivalents and restricted cash at beginning of period	<u>1,422,604</u>	<u>1,088,708</u>
Cash, cash equivalents and restricted cash at end of period	<u>\$ 994,378</u>	<u>\$ 1,422,604</u>
Supplemental disclosure of cash flow information		
Cash paid during the period for interest	\$ 42,812	\$ 29,864
Cash paid during the period for income taxes, net	\$ 34,967	\$ 73,127
Operating lease payments	\$ 21,661	\$ 24,058
Non-cash investing and financing activities		
Purchase of equipment in accounts payable	\$ 12,373	\$ 10,138
Repurchase of common stock in accrued liabilities from repurchase program	\$ —	\$ 800
Operating right-of-use assets subject to lease liability	\$ 23,242	\$ 4,356
Unrealized gain on equity investment	\$ 4,120	\$ —

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

	Quarter Ended		Year Ended	
	October 29, 2022	October 30, 2021	October 29, 2022	October 30, 2021
Gross Profit Reconciliation (GAAP/non-GAAP)				
GAAP gross profit	\$ 433,597	\$ 477,119	\$ 1,560,344	\$ 1,721,979
Share-based compensation-products	907	920	3,867	3,408
Share-based compensation-services	2,066	1,240	7,533	5,181
Canadian Emergency Wage Subsidy-products	—	—	—	(4,283)
Canadian Emergency Wage Subsidy-services	—	—	—	(2,667)
Amortization of intangible assets	2,005	2,856	11,770	12,301
Total adjustments related to gross profit	4,978	5,016	23,170	13,940
Adjusted (non-GAAP) gross profit	\$ 438,575	\$ 482,135	\$ 1,583,514	\$ 1,735,919
Adjusted (non-GAAP) gross profit percentage	45.2 %	46.3 %	43.6 %	47.9 %
Operating Expense Reconciliation (GAAP/non-GAAP)				
GAAP operating expense	\$ 356,329	\$ 339,710	\$ 1,337,536	\$ 1,226,623
Share-based compensation-research and development	8,507	5,684	31,879	21,863
Share-based compensation-sales and marketing	8,084	6,192	31,280	25,152
Share-based compensation-general and administrative	7,610	7,466	30,435	28,804
Canadian Emergency Wage Subsidy-research and development	—	—	—	(29,519)
Canadian Emergency Wage Subsidy-sales and marketing	—	—	—	(2,604)
Canadian Emergency Wage Subsidy-general and administrative	—	—	—	(2,207)
Significant asset impairments and restructuring costs	13,621	5,700	33,824	29,565
Amortization of intangible assets	5,754	5,836	32,511	23,732
Acquisition and integration costs	—	1,712	598	2,572
Total adjustments related to operating expense	43,576	32,590	160,527	97,358
Adjusted (non-GAAP) operating expense	\$ 312,753	\$ 307,120	\$ 1,177,009	\$ 1,129,265
Income from Operations Reconciliation (GAAP/non-GAAP)				
GAAP income from operations	\$ 77,268	\$ 137,409	\$ 222,808	\$ 495,356
Total adjustments related to gross profit	4,978	5,016	23,170	13,940
Total adjustments related to operating expense	43,576	32,590	160,527	97,358
Total adjustments related to income from operations	48,554	37,606	183,697	111,298
Adjusted (non-GAAP) income from operations	\$ 125,822	\$ 175,015	\$ 406,505	\$ 606,654
Adjusted (non-GAAP) operating margin percentage	13.0 %	16.8 %	11.2 %	16.8 %
Net Income Reconciliation (GAAP/non-GAAP)				
GAAP net income	\$ 57,645	\$ 103,499	\$ 152,902	\$ 500,196
Exclude GAAP provision (benefit) for income taxes	7,735	25,826	29,603	(37,445)
Income before income taxes	65,380	129,325	182,505	462,751
Total adjustments related to income from operations	48,554	37,606	183,697	111,298
Unrealized (gain) loss on cost method equity investment	—	—	(4,120)	165
Adjusted income before income taxes	113,934	166,931	362,082	574,214
Non-GAAP tax provision on adjusted income before income taxes	23,015	34,221	73,141	117,714
Adjusted (non-GAAP) net income	\$ 90,919	\$ 132,710	\$ 288,941	\$ 456,500

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

	Quarter Ended		Year Ended	
	October 29, 2022	October 30, 2021	October 29, 2022	October 30, 2021
Weighted average basic common shares outstanding	148,548	155,232	151,208	155,279
Weighted average dilutive potential common shares outstanding ¹	149,111	156,689	152,193	156,743
Net Income per Common Share				
GAAP diluted net income per potential common share	\$ 0.39	\$ 0.66	\$ 1.00	\$ 3.19
Adjusted (non-GAAP) diluted net income per potential common share	\$ 0.61	\$ 0.85	\$ 1.90	\$ 2.91

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) 0.6 million and 1.0 million for the fourth quarter of fiscal 2022 and fiscal 2022, respectively; and (ii) 1.5 million each for the fourth quarter of fiscal 2021 and fiscal 2021.

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

	Quarter Ended		Year Ended	
	October 29, 2022	October 30, 2021	October 29, 2022	October 30, 2021
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)				
Net income (GAAP)	\$ 57,645	\$ 103,499	\$ 152,902	\$ 500,196
Add: Interest expense	13,775	7,916	47,050	30,837
Less: Interest and other income (loss), net	1,887	(168)	6,747	(1,768)
Add: Provision (benefit) for income taxes	7,735	25,826	29,603	(37,445)
Add: Depreciation of equipment, building, furniture and fixtures, and amortization of leasehold improvements	27,642	24,315	95,922	96,233
Add: Amortization of intangible assets	7,759	8,692	44,281	36,033
EBITDA	\$ 112,669	\$ 170,416	\$ 363,011	\$ 627,622
Less: Canadian Emergency Wage Subsidy	—	—	—	41,280
Add: Share-based compensation cost	27,174	21,366	104,994	84,336
Add: Significant asset impairments and restructuring costs	13,621	5,700	33,824	29,565
Add: Acquisition and integration costs	—	1,712	598	2,572
Adjusted EBITDA	\$ 153,464	\$ 199,194	\$ 502,427	\$ 702,815

* * *

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.
- *Canadian Emergency Wage Subsidy* - a program introduced by the Government of Canada to offset a portion of employee wages for a limited period in response to COVID-19 outbreak.
- *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, in fiscal 2022, a \$3.8 million impairment charge due to Ciena's decision to suspend its business operations in Russia in response to the conflict in Ukraine.
- *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 its expected useful life.
- *Acquisition and integration costs* - includes financial, legal and accounting advisor expenses related to our acquisition activity in fiscal 2022. Acquisition and integration costs for fiscal 2021 include costs of acquisition compensation associated with a three-year earn-out arrangement related to the DonRiver acquisition in fiscal 2018.
- *Unrealized (gain)loss on cost method equity investment* - reflects a change in the carrying value of a certain cost method equity investment.
- *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 20.2% for fiscal quarter 2022 and 20.5% for fiscal quarter 2021. This rate may be subject to change in the future, including as a result of changes in tax policy or tax strategy.



Ciena Corporation

Earnings Presentation

Period ended October 29, 2022

December 8, 2022

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Forward-looking statements and non-GAAP measures

Information in this presentation and related comments of presenters contain a number of forward-looking statements. 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 Ciena's prospective financial results, return of capital plans, business strategies, expectations about its addressable markets and market share, and business outlook for future periods, as well as statements regarding Ciena's expectations, beliefs, intentions or strategies regarding the future. Often, these can be identified by forward-looking words such as "target," "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "should," "will," "plan," "predict," "potential," "project", "continue," 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 and their business; our ability to execute our business and growth strategies; the impact of supply chain constraints or disruptions; the duration and severity of the COVID-19 pandemic and the impact of countermeasures taken to mitigate its spread on macroeconomic conditions, economic activity, demand for our technology solutions, short- and long-term changes in customer or end user needs, continuity of supply chain, our business operations, liquidity and financial results; changes in network spending or network strategy by our customers; seasonality and the timing and size of customer orders, including 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 events, including but not limited to the ongoing conflict between Ukraine and Russia, and public health emergencies; changes in tax or trade regulations, including the imposition of tariffs, duties or efforts to withdraw from or materially modify international trade agreements; and the other risk factors disclosed in Ciena's periodic reports filed with the Securities and Exchange Commission (SEC) including Ciena's Quarterly Report on Form 10-Q filed with the SEC on September 8, 2022 and Ciena's Annual Report on Form 10-K 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 profit, EBITDA, net income, 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.

Table of Contents

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2	Market context and Ciena's portfolio
3	Fiscal year 2022 financial performance
4	Fourth quarter 2022 financial performance
5	Appendix

Overview & recent achievements

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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 markets and disruptor in emerging opportunities

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



Demonstrated track record of financial performance



Flexibility with strong balance sheet

FY 2022 key achievements

We are driving the pace of innovation

- Delivering industry-leading coherent technology including the world's most widely deployed 800G, WaveLogic™ 5 Extreme (WL5e), and the widest range of interoperable and performance pluggables with WaveLogic 5 Nano
 - 200+ customers for WL5e with more than 50,000 modems shipped to date
- More than 200 Adaptive IP customers in our Routing and Switching portfolio fueled by momentum in Coherent Routing, Metro aggregation, PON and high-speed business services

We have a resilient business and financial model

- Despite the challenging supply environment, we have grown order backlog to record levels
- As part of our \$1 billion stock repurchase program, we repurchased approximately 8.4 million shares for \$500 million
- Our balance sheet remains a competitive advantage
 - Ended the fiscal year with approximately \$1.2B in cash and investments
- Leverage remains in line with our target level after a successful \$400M Senior Notes offering

We are committed to our people and communities

- Achieved our sustainability objectives, including increased participation in our Ciena Cares program, reduced air travel, and corporate-wide diversity and inclusion training
- Volunteered 36,000 hours and raised more than \$3.2 million through employee giving, matched donations, and volunteer rewards
- Advanced toward our goal to be carbon neutral for operational emissions by end of 2023, reducing air travel by 50% from 2019 levels and addressing 75% of our site energy emissions through renewable sources

Market context and
our portfolio

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Six mega trends and the innovations that will enable them

Cloud



Data Center



IoT & Connected Objects



Digital Transformation & Automation



Mobility & 5G

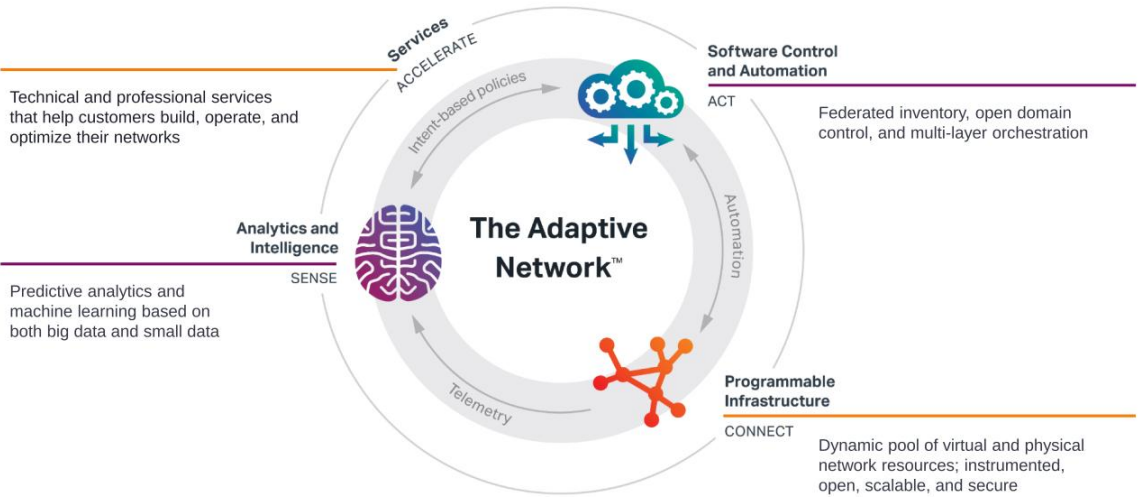


Virtual & Hybrid Lifestyles



Our vision for a new network end-state

How it works



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Our market leadership



#1 GLOBALLY

- DATA CENTER INTERCONNECT
- DATA CENTER INTERCONNECT FOR ICP/CNPs
- SLTE WDM
- ACCESS SWITCHING

#1 N. AMERICA

- TOTAL OPTICAL NETWORKING
- DATA CENTER INTERCONNECT
- ACCESS SWITCHING

#2 GLOBALLY

- TOTAL OPTICAL NETWORKING
- PURPOSE-BUILT/COMPACT MODULAR DCI



#1 GLOBALLY

- PURPOSE-BUILT/COMPACT MODULAR DCI
- OPTICAL FOR CLOUD & COLO
- SLTE WDM
- PACKET ACCESS

#1 N. AMERICA

- TOTAL OPTICAL NETWORKING
- PURPOSE-BUILT/COMPACT MODULAR DCI
- OPTICAL FOR CLOUD & COLO
- PACKET ACCESS

#2 GLOBALLY

- TOTAL OPTICAL NETWORKING
- OPTICAL FOR SERVICE PROVIDER
- OPTICAL FOR ENTERPRISE & GOVERNMENT



#1 GLOBALLY

- DATA CENTER INTERCONNECT
- 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 PACKET
- PURPOSE-BUILT/COMPACT MODULAR DCI

Optical Networking Report, 3Q22
Data Center Interconnect Market Share Report, 2Q22
Service Provider Switching & Routing Report, 3Q22

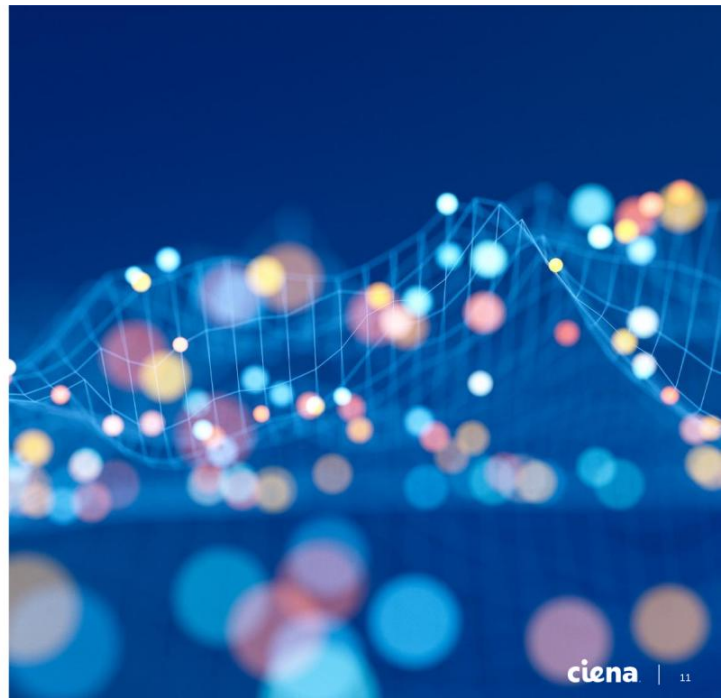
Transport Hardware Report, 3Q22
Transport Customer Markets Report, 3Q22
Transport Applications Report, 2Q22

Optical Transport Report, 3Q22

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Fiscal 2022 results

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FY 2022 comparative financial highlights

	FY 2022	FY 2021
Revenue	\$3.63B	\$3.62B
Adjusted Gross Margin*	43.6%	47.9%
Adjusted Operating Expense*	\$1.18B	\$1.13B
Adjusted Operating Margin*	11.2%	16.8%
Adjusted EBITDA*	\$502M	\$703M
Adjusted EPS*	\$1.90	\$2.91

* A reconciliation of these non-GAAP measures to our GAAP results is included in the press release for the relative period.

FY 2022 comparative operating metrics

	FY 2022	FY 2021
Cash and investments	\$1.18B	\$1.67B
Cash from (used in) operations	\$(168)M	\$542M
DSO	107	98
Inventory Turns	1.8	4.1
Gross Leverage	2.25x	1.10x
Net Cash	\$51M	\$927M

Delivering profitability and total shareholder return



* A reconciliation of these non-GAAP measures to our GAAP results is included in the press release for the relative period.

**Source: company disclosures and S&P Capital IQ. Represents 12/1/2017-11/30/2022

Q4 FY 2022 results

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Recent key highlights

Achieving balanced growth

- Non-telco represented 38% of total revenue in fiscal Q4 2022
- Routing and Switching revenue increased 39% YoY in fiscal Q4 2022, reflecting strong contribution from the recently acquired Vyatta platform and organic portfolio enhancements
- Platform Software and Services increased 8% YoY in fiscal Q4 2022, representing 7% of total revenue

Driving the pace of innovation

- GAAP R&D investment was approximately 17.2% of total revenue in fiscal Q4 2022
- 776 100G+ total customers, which includes 17 new wins on WaveLogic Ai and 15 new wins on WaveLogic 5 Extreme
- Further expanded our Coherent Routing offering with the introduction and initial orders for our new 14.4T 8190 Coherent Aggregation Router

Prioritizing long term shareholder value

- Total shareholder return five year CAGR of 16%¹
- Made strategic investments to expand our addressable market
- Entered into agreement to acquire Tibit Communications, Inc., a provider of passive optical network solutions
- Completed the acquisition of Benu Networks, Inc., a provider of broadband network gateway software

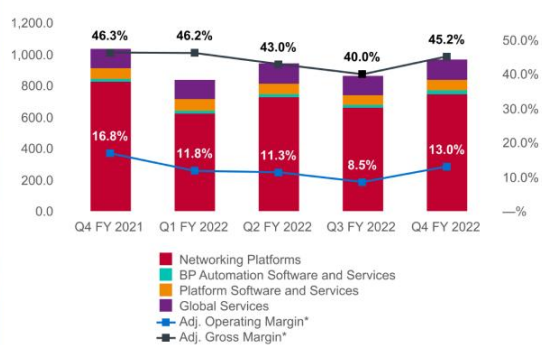
¹ Based on closing share price between 12/1/2017 to 11/30/2022

Q4 FY 2022 comparative financial highlights

	Q4 FY 2022	Q4 FY 2021
Revenue	\$971.0M	\$1,041.5M
Adjusted Gross Margin*	45.2%	46.3%
Adjusted Operating Expense*	\$312.8M	\$307.1M
Adjusted Operating Margin*	13.0%	16.8%
Adjusted EBITDA*	\$153.5M	\$199.2M
Adjusted EPS*	\$0.61	\$0.85

* A reconciliation of these non-GAAP measures to our GAAP results is included in the press release for the relative period.

Revenue by segment (Amounts in millions)



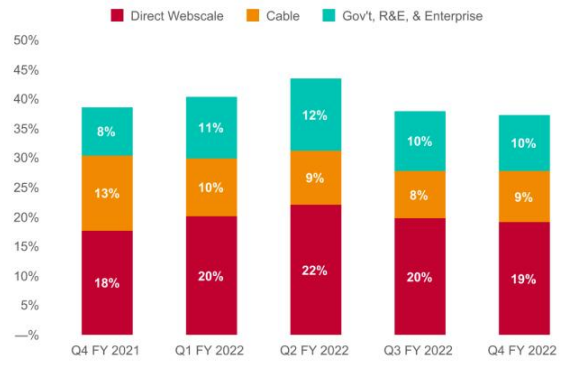
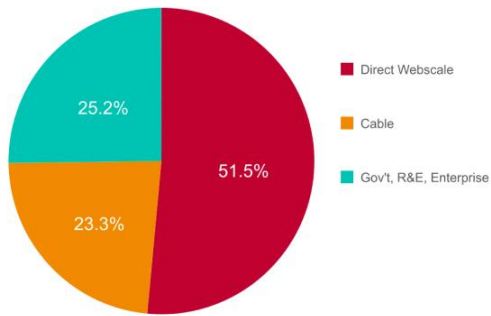
* A reconciliation of these non-GAAP measures to GAAP results is included in the appendix to this presentation.
** Denotes % of total revenue

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	Q4 FY 2022		Q4 FY 2021	
	Revenue	%**	Revenue	%**
Networking Platforms				
Converged Packet Optical	\$649.9	66.9	\$754.6	72.5
Routing and Switching	102.8	10.6	74.2	7.1
Total Networking Platforms	752.7	77.5	828.8	79.6
Platform Software and Services	71.6	7.4	66.1	6.3
Blue Planet Automation Software and Services	21.2	2.2	19.8	1.9
Global Services				
Maintenance Support and Training	73.1	7.5	71.3	6.9
Installation and Deployment	36.9	3.8	47.2	4.5
Consulting and Network Design	15.5	1.6	8.3	0.8
Total Global Services	125.5	12.9	126.8	12.2
Total	\$971.0	100.0	\$1,041.5	100.0

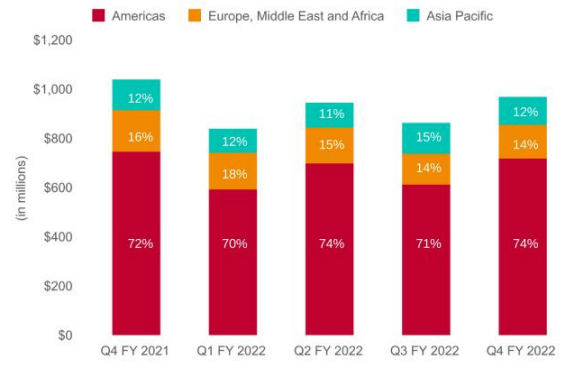
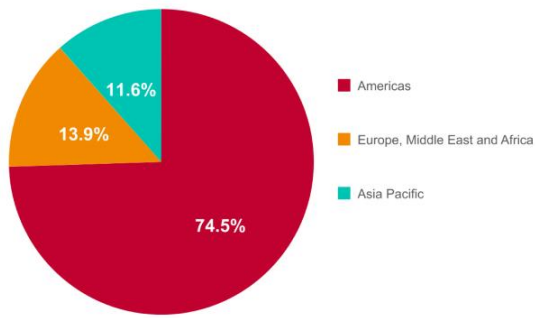
Continued revenue strength derived from non-telco customers

Q4 FY 2022
Approx. 38% of total revenue



Revenue by geographic region

Q4 FY 2022



Q4 FY 2022 appendix

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Gross Profit Reconciliation (Amounts in thousands)

	Q4 FY 2022	Q3 FY 2022	Q2 FY 2022	Q1 FY 2022	Q4 FY 2021
GAAP gross profit	\$433,597	\$340,779	\$401,781	\$384,187	\$477,119
Share-based compensation-products	907	1,002	1,058	900	920
Share-based compensation-services	2,066	1,940	1,943	1,584	1,240
Amortization of intangible assets	2,005	3,140	3,313	3,312	2,856
Total adjustments related to gross profit	4,978	6,082	6,314	5,796	5,016
Adjusted (non-GAAP) gross profit	\$438,575	\$346,861	\$408,095	\$389,983	\$482,135
Adjusted (non-GAAP) gross profit percentage	45.2 %	40.0 %	43.0 %	46.2 %	46.3 %

Operating Expense Reconciliation (Amounts in thousands)

	Q4 FY 2022	Q3 FY 2022	Q2 FY 2022	Q1 FY 2022	Q4 FY 2021
GAAP operating expense	\$356,329	\$313,672	\$343,352	\$324,183	\$339,710
Share-based compensation-research and development	8,507	8,233	8,309	6,830	5,684
Share-based compensation-sales and marketing	8,084	8,075	8,061	7,060	6,192
Share-based compensation-general and administrative	7,610	7,579	7,334	7,912	7,466
Significant asset impairments and restructuring costs	13,621	7,692	9,102	3,409	5,700
Amortization of intangible assets	5,754	8,919	8,920	8,918	5,836
Acquisition and integration costs	—	35	495	68	1,712
Total adjustments related to operating expense	43,576	40,533	42,221	34,197	32,590
Adjusted (non-GAAP) operating expense	\$312,753	\$273,139	\$301,131	\$289,986	\$307,120

Income from Operations Reconciliation (Amounts in thousands)

	Q4 FY 2022	Q3 FY 2022	Q2 FY 2022	Q1 FY 2022	Q4 FY 2021
GAAP income from operations	\$77,268	\$27,107	\$58,429	\$60,004	\$137,409
Total adjustments related to gross profit	4,978	6,082	6,314	5,796	5,016
Total adjustments related to operating expense	43,576	40,533	42,221	34,197	32,590
Total adjustments related to income from operations	48,554	46,615	48,535	39,993	37,606
Adjusted (non-GAAP) income from operations	\$125,822	\$73,722	\$106,964	\$99,997	\$175,015
Adjusted (non-GAAP) operating margin percentage	13.0 %	8.5 %	11.3 %	11.8 %	16.8 %

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Net Income Reconciliation (Amounts in thousands)

	Q4 FY 2022	Q3 FY 2022	Q2 FY 2022	Q1 FY 2022	Q4 FY 2021
GAAP net income	\$57,645	\$10,512	\$38,922	\$45,823	\$103,499
Exclude GAAP provision for income taxes	7,735	4,319	8,330	9,219	25,826
Income before income taxes	65,380	14,831	47,252	55,042	129,325
Total adjustments related to income from operations	48,554	46,615	48,535	39,993	37,606
Unrealized gain on cost method equity investment	—	—	—	(4,120)	—
Adjusted income before income taxes	113,934	61,446	95,787	90,915	166,931
Non-GAAP tax provision on adjusted income before income taxes	23,015	12,412	19,349	18,365	34,221
Adjusted (non-GAAP) net income	\$90,919	\$49,034	\$76,438	\$72,550	\$132,710
Weighted average basic common shares outstanding	148,548	149,862	152,197	154,151	155,232
Weighted average diluted potential common shares outstanding ⁽¹⁾	149,111	150,463	153,344	155,807	156,689

Net Income per Common Share

	Q4 FY 2022	Q3 FY 2022	Q2 FY 2022	Q1 FY 2022	Q4 FY 2021
GAAP diluted net income per potential common share	\$ 0.39	\$ 0.07	\$ 0.25	\$ 0.29	\$ 0.66
Adjusted (non-GAAP) diluted net income per potential common share	\$ 0.61	\$ 0.33	\$ 0.50	\$ 0.47	\$ 0.85

1. Weighted average dilutive potential common shares outstanding used in calculating Adjusted (non-GAAP) diluted net income per potential common share for the fourth quarter of fiscal 2022 includes 0.6 million shares underlying certain stock option and stock unit awards.

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

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)	Q4 FY 2022	Q3 FY 2022	Q2 FY 2022	Q1 FY 2022	Q4 FY 2021
Net income (GAAP)	\$57,645	\$10,512	\$38,922	\$45,823	\$103,499
Add: Interest expense	13,775	12,642	11,985	8,648	7,916
Less: Interest and other income (loss), net	1,887	366	808	3,686	(168)
Add: Provision for income taxes	7,735	4,319	8,330	9,219	25,826
Add: Depreciation of equipment, building, furniture and fixtures, and amortization of leasehold improvements	27,642	22,250	22,377	23,653	24,315
Add: Amortization of intangible assets	7,759	12,059	12,233	12,230	8,692
EBITDA	\$112,669	\$61,416	\$93,039	\$95,887	\$170,416
Add: Share-based compensation cost	27,174	26,857	26,673	24,297	21,366
Add: Significant asset impairments and restructuring costs	13,621	7,692	9,102	3,409	5,700
Add: Acquisition and integration costs	—	35	495	68	1,712
Adjusted EBITDA	\$153,464	\$96,000	\$129,309	\$123,661	\$199,194

