

Adtran Networks SE announces preliminary results for Q4 2024 and fiscal year 2024

- Q4 2024 revenues up 0.4% year-over-year and 17.3% sequentially
- Q4 2024 pro forma EBIT EUR 3.9 million vs. EUR 9.3 million in Q4 2023 and loss of EUR 2.5 million in Q3 2024
- Annual revenues down by 28.6% to EUR 438.1 million
- Annual pro forma EBIT a loss of EUR 4.5 million (-1.0% of revenues)

Munich, Germany. February 27, 2025. Adtran Networks SE (ISIN: DE0005103006, FSE: ADV), a leading provider of open networking solutions for the delivery of cloud and mobile services, reported preliminary, unaudited financial results for Q4 2024 and full year 2024 ended on December 31, 2024. The results have been prepared in accordance with International Financial Reporting Standards (IFRS). The final audited annual financial statements of Adtran Networks SE and the IFRS annual report for 2024 will be published in April 2025.

Q4 2024 financial summary¹

(in thousands of EUR)	Q4 2024	Q4 2023	Change	Q3 2024	Change
Revenues	118,940	118,470	0.4%	101,374	17.3%
Pro forma gross profit	47,578	47,491	0.2%	37,872	25.6%
in % of revenues	40.0%	40.1%	-0.1pp	37.4%	2.6pp
Pro forma EBIT	3,870	9,257	-58.2%	-2,488	n/a
in % of revenues	3.3%	7.8%	-4.6pp	-2.5%	5.7pp

¹ Potential difference due to rounding

Q4 2024 IFRS financial results

Revenue in Q4 2024 increased by 17.3% to EUR 118.9 million from EUR 101.4 million in Q3 2024 and increased by 0.4% compared to EUR 118.5 million in Q4 2023. The increase in revenue is driven by improved demand and higher service provider spending.

Pro forma gross profit in Q4 2024 increased by 25.6% to EUR 47.6 million (40.0% of revenues) from EUR 37.9 million (37.4% of revenues) in Q3 2024 and increased by 0.2% from EUR 47.5 million (40.1% of revenues) in Q4 2023. The sequential margin increase was mainly due to the recovery in revenue and a more favorable customer and product mix.

Pro forma earnings before interest and taxes (EBIT) in Q4 2024 were EUR 3.9 million (3.3% of revenues), up from a loss of EUR 2.5 million (-2.5% of revenues) in Q3 2024 and decreased by 58.2% from EUR 9.3 million (7.8% of revenues) compared to Q4 2023. The quarter-over-quarter increase in pro forma EBIT was due to the higher revenues and improvement in gross margin. The year-over-year decrease was primarily due to higher R&D expenses.

Full year 2024 financial summary¹

(in thousands of EUR)	2024	2023	Change
Revenues	438,085	613,671	-28.6%
Pro forma gross profit	163,367	221,277	-26.2%
in % of revenues	37.3%	36.1%	1.2pp
Pro forma EBIT	-4,502	39,810	n/a
in % of revenues	-1.0%	6.5%	-7.5pp

¹ Potential differences due to rounding

Full year 2024 IFRS financial results

Revenues decreased by 28.6%, from EUR 613.7 million in 2023 to EUR 438.1 million in 2024. This decrease is due to lower service provider spending and high customer inventory.

Pro forma gross profit decreased by 26.2%, from EUR 221.3 million (36.1% of revenues) in 2023 to EUR 163.4 million (37.3% of revenues) in 2024. Full-year gross margin rate benefitted from lower purchasing costs and a more favorable customer mix.

Pro forma EBIT for 2024 was a loss of EUR 4.5 million (-1.0% of revenues), down from a profit of EUR 39.8 million or 6.5% of revenues in 2023.

The company will publish its financial results for Q1 2025 on May 8, 2025

Forward-looking statements

The economic projections and forward-looking statements in this document relate to future facts. Such projections and forward-looking statements are subject to risks that cannot be foreseen and that are beyond Adtran Networks SE's control. Therefore, Adtran Networks SE is not in a position to make any representation of the accuracy of economic projections and forward-looking statements or their impact on the financial situation of Adtran Networks SE or the market in the shares of Adtran Networks SE.

Use of pro forma financial information

Adtran Networks SE provides consolidated pro forma financial results in this press release solely as supplemental financial information to help investors and the financial community make meaningful comparisons of Adtran Networks SE's operating results from one financial period to another. Adtran Networks SE believes that these pro forma consolidated financial results are helpful because they exclude non-cash charges related to the stock option programs and amortization and impairment of goodwill and acquisition-related intangible assets, which do not reflect the company's operating results for the period presented. Additionally, non-recurring expenses relating to M&A restructuring measures are not included. This pro forma

information is not prepared in accordance with IFRS and should not be considered a substitute for the historical information presented in accordance with IFRS.

The published financial statements are preliminary and subject to change pending the completion of the financial audit. As part of our standard financial reporting process, the audit may result in adjustments or revisions to certain figures or disclosures. Any such changes will be incorporated into the final audited financial statements to be published in April 2025.

About Adtran Networks SE

Adtran Networks SE is a company founded on innovation and focused on helping our customers succeed. Our technology forms the building blocks of a shared digital future and empowers networks across the globe. We're continually developing breakthrough hardware and software that leads the networking industry and creates new business opportunities. It's these open connectivity solutions that enable our customers to deliver the cloud and mobile services that are vital to today's society and for imagining new tomorrows. Together, we're building a truly connected and sustainable future. For more information on how we can help you, please visit us at www.adva.com.

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