



Building a secure tomorrow

QUARTERLY RELEASE

AS OF SEPTEMBER 30, 2025

Disclaimer:

Potential inconsistencies in the table values are based on rounding differences.

IFRS financial highlights 9M 2025

Income statement

(in thousands of EUR, except earnings per share and ratios)

	Q3 2025	Q3 2024*	Change	9M 2025	9M 2024*	Change
Revenues	127,647	101,374	25.9 %	351,506	319,145	10.1 %
Pro forma gross profit	43,547	36,242	20.2 %	118,892	111,103	7.0 %
Pro forma gross profit margin in %	34.1	35.8	(1.7) pp	33.8	34.8	(1.0) pp
Pro forma EBIT ¹	3,782	(4,119)	n/a	(8,399)	(13,058)	n/a
Pro forma EBIT margin in %	3.0	(4.1)	7.1 pp	(2.4)	(4.1)	1.7 pp
Operating income (loss)	2,416	(7,602)	n/a	(13,903)	(24,846)	n/a
Operating margin in %	1.9	(7.5)	9.4 pp	(4.0)	(7.8)	3.8 pp
Net income (loss)	10,529	(6,619)	n/a	(20,782)	(11,708)	n/a
Diluted earnings per share in EUR	0.20	(0.13)	n/a	(0.40)	(0.22)	n/a

* Adjustment of prior-year figures as part of the preparation of the 2024 annual financial statements: In the course of finalizing the annual financial statements, the management board identified an adjustment to inventories that led to an increase in the cost of goods sold.

Cash flow statement

(in thousands of EUR)

	Q3 2025	Q3 2024**	Change	9M 2025	9M 2024**	Change
Cash flow from operating activities	14,326	29,280	(51.1)%	47,025	78,677	(40.2)%
Cash flow from investing activities	(17,899)	(11,495)	55.7 %	(48,161)	(64,509)	(25.3)%

** Adjustment of prior-year figures as part of the preparation of the 2024 annual financial statements: In the course of preparing the annual financial statements, the disclosure of cash inflows and outflows in connection with the purchase of receivables from Adtran, Inc. was corrected. This led to a shift between cash flow from operating activities and cash flow from investing activities.

Balance sheet and financial ratios

(in thousands of EUR, except ratios)

	Sep. 30, 2025	Dec. 31, 2024	Change
Liabilities to banks	43,958	68,420	(35.8)%
Lease liabilities	25,658	28,800	(10.9)%
Financial debt	69,616	97,220	(28.4)%
Cash and cash equivalents	39,455	27,040	45.9 %
Receivables from Adtran Holdings, Inc. due to loss absorption	8,422	47,103	(82.1)%
Loans granted to Adtran, Inc.	15,245	16,429	(7.2)%
Net cash (debt)²	(6,494)	(6,648)	(2.3)%
Net working capital ³	144,849	151,139	(4.2)%
Working capital ratio in % ⁴	30.8	34.6	(3.8) pp
Equity	356,789	388,166	(8.1)%
Equity ratio in %	57.5	57.9	(0.4) pp
Capital employed ⁵	480,288	517,636	(7.2)%
ROCE in % ⁶	(7.6)	(8.2)	0.6 pp

Employees

(at period end)	Sep. 30, 2025	Dec. 31, 2024	Change
	2,212	2,118	0.0%

¹ Pro forma EBIT is calculated prior to non-cash charges related to the stock compensation programs and amortization and impairment of goodwill and acquisition-related intangible assets. Additionally, non-recurring expenses related to M&A, integration, an investigation in the US and restructuring measures are not included.

² Net cash is calculated by subtracting total financial liabilities from cash and cash equivalents. Total cash and cash equivalents include in addition to bank balances and petty cash, receivables from Adtran Holdings, Inc. from the domination and profit and loss transfer agreement and from the issue of a loan. Total financial liabilities comprise current and non-current financial liabilities to banks, including factoring agreements, as well as current and non-current financial liabilities to Adtran Holdings, Inc. including those from the domination and profit and loss transfer agreement and current and non-current lease liabilities in accordance with IFRS 16 Leases. A negative calculation result is referred to as net debt.

³ Net working capital is defined as the sum of trade receivables and inventories less trade payables.

⁴ The working capital ratio shows the net working capital on the balance sheet date in relation to the revenues of current period.

⁵ The capital employed is the difference between the average balance sheet total and the average current liabilities of the period, calculated as the arithmetic average of the quarterly balance sheet date values.

⁶ ROCE is the operating result for the current period divided by the capital employed.

Results of operations, net assets and financial position

Revenue development and operational performance

Revenue in Q3 2025 was up 25.9 % to EUR 127.6 million compared Q3 2024. Looking at the nine-month period of 2025, revenue increased by 10.1 % to EUR 351.5 million compared to EUR 319.1 million for 9M 2024. The year-on-year increase is attributable to ongoing accelerated customer demand and increased investments from cloud and telecom service providers.

Pro forma gross profit in Q3 2025 was up from EUR 36.2 million (35.8 % of revenues) in Q3 2024 to EUR 43.5 million (34.1 % of revenues). In the nine-month period, gross profit increased from EUR 111.1 million in 9M 2024 to EUR 118.9 million in 9M 2025, while the gross margin in the first nine months of 2025 was 33.8 %, down from 34.8 % in the first nine months of 2024. The decrease in margin compared to the first nine months of 2024 was due to an unfavorable development of customer and product mix.

Pro forma EBIT in Q3 2025 was positive EUR 3.8 million (3.0 % of revenues) compared to negative EUR 4.1 million (negative 4.1 % of revenues) in Q3 2024. For the nine-month period of 2025, pro forma EBIT amounted to negative EUR 8.4 million compared to negative EUR 13.1 million for 9M 2024.

Operating income for Q3 2025 was EUR 2.4 million compared to an operating loss of EUR 7.6 million in Q3 2024. The operating loss for the first nine months of 2025 was EUR 13.9 million, compared to a operating loss of EUR 24.8 million for the first nine months of 2024. The reduction in operating loss in the first nine months 2025 is primarily attributable to the increase in revenue and the corresponding improvement of gross profit.

Net income was EUR 10.5 million in Q3 2025, compared to a net loss of EUR 6.6 million in Q3 2024. 9M 2025 net loss was EUR 20.8 million compared to a net loss of EUR 11.7 million for 9M 2024. The improvement compare to Q3 2024 is due to improved operating income. Year-over-year the decrease is due to tax expense recognized in 9M 2025 versus high tax income in 9M 2024 as prior year considered higher potential tax benefits on expected tax losses. In 2025 a limitation on the recognition of deferred tax benefits on SE's pre-tax losses applies.

Net assets and financial position

Cash flow from operating activities was positive EUR 14.3 million in Q3 2025 compared to positive EUR 29.3 million in Q3 2024. For the nine-month period, operating cash flow declined by 40.2 % from EUR 78.7 million in 9M 2024 to EUR 47.0 million in 9M 2025 largely due to lower cash inflows for net working capital in 9M 2025 compared to the prior year period.

Cash flow from investing activities amounted to negative EUR 17.9 million in Q3 2025 compared to negative EUR 11.5 million in Q3 2024. The increased use of funds for investing activities is mainly due to higher purchase of intangible assets. For the first nine months of 2025, cash flow from investing activities amounted to negative EUR 48.2 million below the negative EUR 64.5 million reported in the first nine months of 2024. The prior year investing cash flow included the issuance of a loan from Adtran Networks SE to Adtran Holdings, Inc.

The company's cash and cash equivalents as of September 30, 2025, amounted to EUR 39.5 million compared to EUR 27.0 million as of December 31, 2024, representing an increase of EUR 12.5 million. At the end of the reporting period, the company had granted Adtran, Inc. a loan amounting to EUR 15.2 million (prior year-end: EUR 16.4 million) and had outstanding receivables due to loss absorption of EUR 8.4 million (prior year-end: EUR 47.1 million).

The bank liabilities of the group decreased from EUR 68.4 million to EUR 44.0 million. The group's net debt position remained stable at EUR 6.5 million at the end of Q3 2025 compared to the net debt of EUR 6.6 million reported on December 31, 2024.

Opportunity and risk report

Adtran Networks future development is subject to various general and group-specific risks, which in certain cases can also endanger the group's continued existence.

The risk of going concern due to financial interdependence and DPLTA obligation as described in the "risk and opportunity report" section of the combined management report 2024 remains unlikely but material. In this context, however, it should be noted that the cash position as at September 30, 2025 exceeds the amount of the open credit line. Within the forecast period of twelve months, a net cash position is also expected to be positive. In the unlikely event of a breach of the covenants at the level of Adtran Holdings, Inc., the Adtran Networks SE group would therefore no longer have a liquidity gap.

In the ongoing risk assessment for 2025 the following changes were made:

Increased risks:

High dependency of concentrated spend on key vendors with a potential of single sourced technologies possible; moderate (previous year – unlikely; material)

Adtran Networks SE relies on a certain number of key vendors for critical components and technologies, some of which are single-sourced and not readily substitutable. This high concentration of spend and technological dependency increases vulnerability to supply chain disruptions, vendor-specific operational issues, quality deficiencies, or financial instability. Any interruption in supply from these vendors—whether due to geopolitical factors, regulatory changes, capacity constraints, or contractual disputes—could lead to production delays, increased procurement costs, and potential loss of market opportunities. Furthermore, reliance on proprietary or single-sourced technologies may limit flexibility in sourcing alternatives, prolong recovery times, and increase the cost and complexity of transitioning to alternative suppliers.

To reduce the dependency on key vendors and single-sourced technologies, Adtran Networks SE:

- Pursues a strategy of technology and supply chain diversification wherever possible and economically reasonable.
- Where introducing a second source is possible, the company works closely with key partners to develop alternative supply options. In cases where a second source cannot be established, Adtran implements buffer strategies at multiple layers of the supply chain to ensure continuity of supply and mitigate the impact of potential disruptions.
- The architectural flexibility of network designs allows a specific customer use case to be fulfilled in various configuration options that differentiate in products-in-use and with that vary in cost and feature set.

Apart from the above changes the risks and uncertainties as reported in the "risk and opportunity report" section of the combined management report 2024 taking into account the changes outlined in the 2025 six-month report remain unchanged.

Outlook

Looking to the business development for the remainder of 2025, the management board continues to expect an improvement in general demand across all product areas. On the one side, the geopolitical climate, the US administration's changing tariff policy, and the comparatively high interest rate level continue to cause uncertainty in the market. On the other side, it is imperative that progress is made in expanding the communication networks and securing critical infrastructure. Furthermore, new technologies and business models, such as the use of generative AI, are generating additional bandwidth requirements in data networks that can only be met through further investments in network expansion.

In recent years, Adtran Networks has focused and comprehensively prepared itself technologically for the transformation of networks with the aspects of AI, cloud, mobility, automation and security. In addition to the high-quality performance features of optical data transmission, precise network synchronization technology and programmable cloud access solutions, the service portfolio also delivers increasing added value. Adtran Networks develops, produces and delivers communication technology for the digital future.

Against the backdrop of the aforementioned factors and taking into account the planning parameters, personnel, and exchange rates, the management board expects a revenue growth in the high single-digit or low double-digit percentage range for 2025 for the Adtran Networks group. Due to timing of shipments during the fourth quarter 2025 the management board anticipates pro forma EBIT to finish the year in a low negative to low positive single-digit percentage. The company continues to monitor debt and cash levels and maintains consistent compliance with the defined capital management objectives, which are described in 2024 consolidated financial statements. The management board expects the net debt of EUR 6.5 million as of September 30, 2025, to remain flat or be reduced further, or to convert it into a net liquidity position by the end of 2025.

Meiningen, November 12, 2025

Thomas R. Stanton

Christoph Glingener

Timothy Santo

Financial calendar

Publication of annual report 2025	March 30, 2026
Shareholders meeting	June 29, 2026

Forward-looking statements

This document contains forward-looking statements using words such as “believes”, “anticipates” and “expects” to describe expected revenues and earnings, anticipated demand for optical networking solutions, internal estimates and liquidity. These forward-looking statements are based on the beliefs of the management board and respective assumptions made, and involve a number of unknown risks, uncertainties and other factors, many of which are beyond Adtran Networks’ control. If one or more of these uncertainties or risks materializes, or if the underlying assumptions of the management board prove incorrect, actual results can differ materially from those described in or inferred from forward-looking statements and information. All risks and uncertainties are discussed in the “risk and opportunity report” section of the Group Management Report 2024 and in the respective section of the 6M Report 2025 as well as in the current quarterly release.

Impressum

Corporate headquarters

Adtran Networks SE
Campus Martinsried
Fraunhoferstrasse 9a
82152 Martinsried/Munich
Germany

t +49 89 89 06 65 0

Registered head office

Maerzenquelle 1-3
98617 Meiningen-Dreissigacker
Germany

t +49 3693 450 0

Adtran Networks on the web

More information about Adtran Networks, including solutions, technologies and products, can be found on the company's website at www.adtran.com.

PDF files of this nine-month report as well as previous annual, half-year and quarterly reports, presentations and general investor information, are also located on the company's website www.adva.com and can be downloaded in both English and German.

Investor contact

Peter Schuman, IRC
+1 256 963 6305
IRelations@adtran.com