



Annual General Meeting 2025

Report of the management board

27 June, 2025



Cautionary note regarding forward-looking statements

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements that address concepts such as “believe,” “assume” and “expect,” anticipated revenues and earnings, assumed demand for optical network solutions, internal estimates and liquidity development. These forward-looking statements involve a number of unknown risks, uncertainties and other factors that could cause actual results to differ materially. These unknown risks, uncertainties and other factors are discussed in the “Risk report” section of Adtran Networks SE’s 2024 Annual Report.

PRO FORMA CONSOLIDATED FINANCIALS

Adtran Networks SE provides the pro forma consolidated financial measures included in this presentation only as supplemental financial information to assist investors and the financial community in comparing the Group’s operating results over time on a meaningful basis. Adtran Networks believes that these proforma financial measures are helpful because they do not include “non-cash expenses from the stock option programs”, “goodwill amortization” and “amortization of intangible assets from business acquisitions”, which are not relevant to Adtran Networks’ operating results for the period indicated. In addition, one-time expenses incurred in connection with corporate transactions and restructuring measures are not included. This pro forma information has not been prepared in accordance with generally accepted accounting principles (IFRS) and should not be considered a substitute for historical information presented in accordance with IFRS.

Welcome to the 2025 annual general meeting



Tom Stanton

Chairman & CEO

Corporate Development

Operations

QM

Sales & Services

Legal & Compliance



Christoph Glingener

CTO

R&D, PLM

Global BD

ANS

Employee Board & Works

Council contact



Timothy Santo

CFO

Accounting & Tax

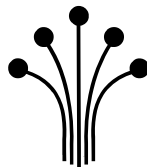
Decision Support, Controlling/Risk

Investor Relations

Facilities

Business overview

Market trends



Fiber everywhere era continues

- Mix of public and private funding expected to remain strong
- Connecting all homes, business, 5G sites and critical infrastructure



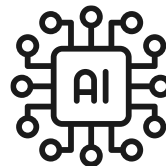
AI infrastructure reshaping networks

- Rapid expansion of cloud infrastructure led by AI
- Large-scale training sites today. Edge and on-prem sites expected to follow



Growing importance of secure networks

- Threat from attacks higher than ever before
- Legacy infrastructure networks need to be digitized and encrypted



Data & AI transforming network operations

- Applying to AI to automate operations and improve subscriber experience
- Significantly reduces operational expenses

Continued growth in scalable, secure and AI-optimized fiber networks

Adtran is a global vendor with scale and diversity



Portfolio differentiation

- Optical core to customer premise
- End-to-end automation & insights
- Enhanced security and assurance



Customer diversity

- Balanced mix of national SPs, regional SPs, enterprise, and ICP customers
- Projected growth opportunities in each segment



Global presence

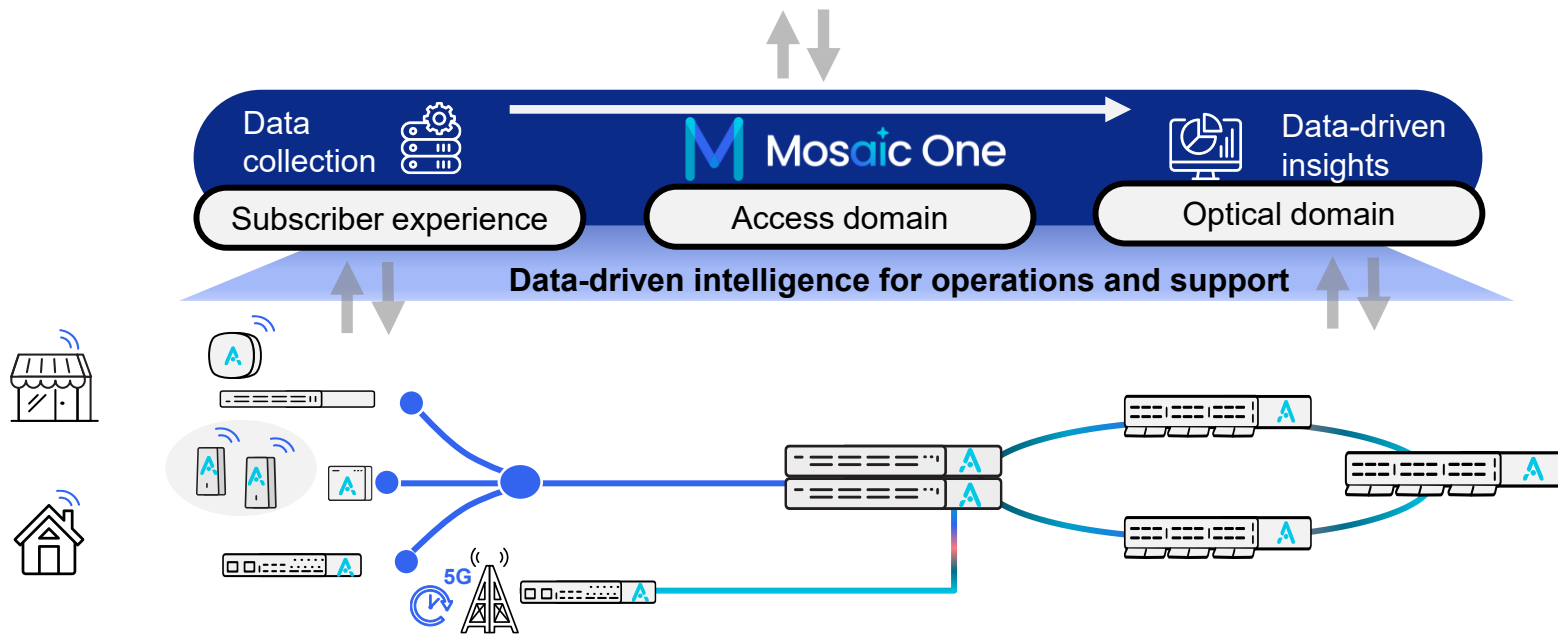
- Geo-diverse supply chain
- Globally diverse R&D, sales and support
- Balanced geographic mix of customers



Trusted vendor

- Secure networking specialist
- Long history with top tier SP, enterprise and government customers
- Leading alternative to high-risk vendors

From the core through the door



Subscriber Solutions

- Cloud-managed Wi-Fi 7
- Residential and business fiber CPE

Access and Aggregation Solutions

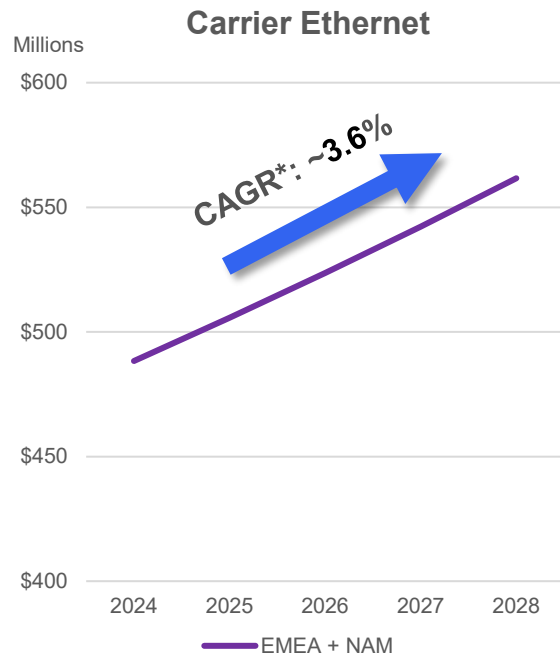
- High-density fiber access platforms
- Ultra-precise, resilient timing solutions

Optical Networking Solutions

- Metro/regional DWDM platforms
- Pluggable coherent transceivers

ADDRESSABLE MARKETS

Fiber networking market forecasts



Sources:

PON OLT+ONT: Dell'Oro 5-yr Broadband Access and Home Networking Report (January 2025)

Metro WDM: Omdia Optical Network Forecast (November 2024)

Carrier Ethernet: Omdia Service Provider Switching and Routing Forecast (September 2024)

*3-year 2025 - 2028

Factors expected to drive long-term growth



Expansion of fiber networks

- Strong mix of public and private funds to build out fiber to homes, businesses, 5G sites, and critical infrastructure
- In-home networks upgrading to multi-Gig Wi-Fi to match access network speeds
- Adtran has strong presence and broad portfolio in high growth markets



High-risk vendor replacement

- Shift away from Chinese vendors continues given geopolitical situation
- Adtran is leading alternative to high-risk vendors in optical transport and fiber access given our portfolio strengths and broad global presence



Securing critical networks

- Increased demand for modernizing and upgrading critical infrastructure within government, utilities and large enterprise applications
- AI applications drive further demand for securing connectivity at the network edge
- Adtran is a secure networks specialist with top tier customers and portfolio in this space

Technology update



Optical networking solutions

- Increasing demand for 100 Gig at the edge and 400/800 Gig upgrades in metro/regional networks
- Modernization and protection of critical infrastructures using WDM and Carrier Ethernet technologies



Quantum-safe encryption

- High demand for secure data transmission
- BSI-approved solutions from ADVA Network Security



Network synchronization

- High demand for protection against GPS outages
- Cesium atomic clocks and high-precision synchronization technology from Oscilloquartz



Software

Smart network management and increasing demand for optical network automation.



Services

Continued growth in hardware and software maintenance services to support growing base of infrastructure solutions.

Financial update

Fiscal Year 2024

**EUR
438.1m**



Net Revenue 2024

36.0%



Pro forma
Gross Margin 2024

**EUR
-10.2m**



Pro forma EBIT
2024

-2.3%



Operating
Margin (pro forma)

**EUR
151.1m**



Working Capital
(net) 2024

**EUR
27.0m**



Cash & Cash
Equivalents 2024

-8.2%



ROCE 2024

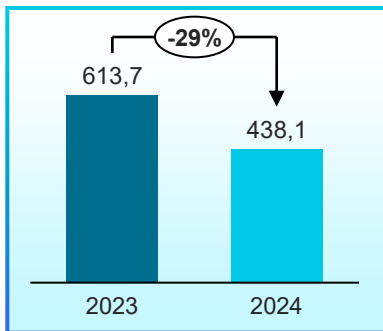
57.9%



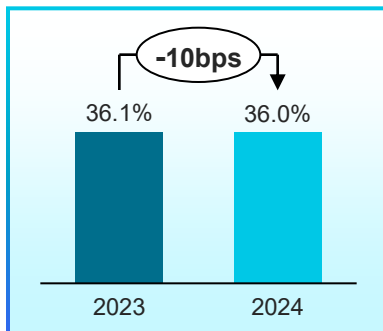
Equity Ratio
2024

Financial Development 2024

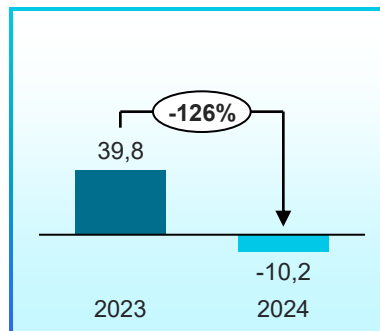
Net Revenue (€m)



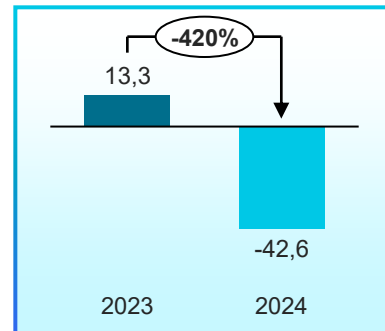
Pro forma Gross Margin



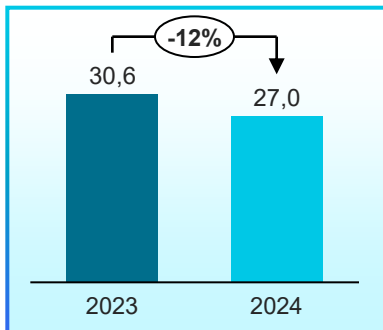
Pro forma EBIT (€m)



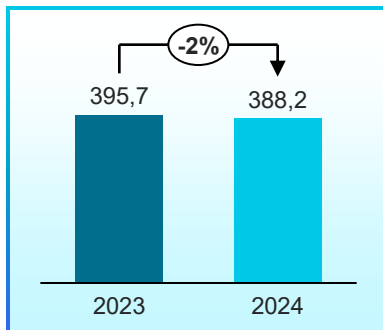
Operating Income (IFRS)



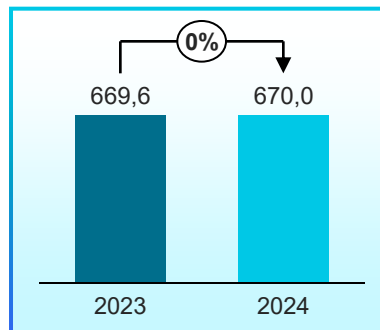
Cash (€m)



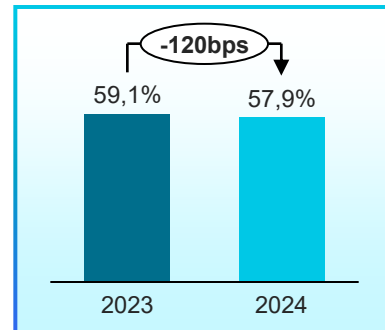
Equity



Total Capital (€m)



Equity Ratio



Adva Network Security

Company profile



Hermann-Dorner-Allee 91, 12489 Berlin, Germany

Key facts

- Carve-out from ADVA Optical Networking in 2022
- Development and production of encrypted optical transport and Ethernet access solutions in Germany
- >15 years of experience in high-security networks
- Service portfolio for secure operations
- BSI approved and NIST certified products
- ISO 27001, 14001 and 9001 certified
- Sites in Berlin (HQ), Meiningen and Munich

Combining security expertise with network competence

Thank you

