

Adtran

Adtran Holdings

August 6, 2024

Investor presentation



Cautionary note regarding forward-looking statements

Statements contained in this investor presentation which are not historical facts, such as those relating to expectations regarding future revenues; ADTRAN Holdings ability to reduce its inventory levels; ADTRAN Holdings' potential funding opportunities; and ADTRAN Holdings' strategy and outlook, outlook and financial guidance, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can also generally be identified by the use of words such as "believe," "expect," "intend," "estimate," "anticipate," "will," "may," "could" and similar expressions. In addition, ADTRAN Holdings, through its senior management, may from time to time make forward-looking public statements concerning the matters described herein. All such projections and other forward-looking information speak only as of the date hereof, and ADTRAN Holdings undertakes no duty to publicly update or revise such forward-looking information, whether as a result of new information, future events, or otherwise, except to the extent as may be required by law. All such forward-looking statements are necessarily estimates and reflect management's best judgment based upon current information. Actual events or results may differ materially from those anticipated in these forward-looking statements as a result of a variety of factors. While it is impossible to identify all such factors, factors which have caused and may in the future cause actual events or results to differ materially from those estimated by ADTRAN Holdings include, but are not limited to: (i) risks and uncertainties relating to ADTRAN Holdings' ability to continue to reduce expenditures and the impact of such reductions on its financial results and financial condition; (ii) the risk of fluctuations in revenue due to lengthy sales and approval processes required by major and other service providers for new products, as well as ongoing tighter inventory management of ADTRAN Holdings' customers; (iii) risks and uncertainties relating to ongoing material weaknesses in our internal control over financial reporting; (iv) our ability to comply with the covenants set forth in our credit facility; (v) risks posed by potential breaches of information systems and cyber-attacks; (vi) the risk that ADTRAN Holdings may not be able to effectively compete, including through product improvements and development; and (vii) other risks set forth in ADTRAN Holdings' public filings made with the Securities and Exchange Commission ("SEC"), including its Annual Report on Form 10-K for the year ended December 31, 2023, its Quarterly Report on Form 10-Q for the first quarter ended March 31, 2024, and risks to be disclosed in its Form 10-Q for the quarterly period ended June 30, 2024 to be filed with the SEC.

Introduction and business model

The background features a blue-to-teal gradient. On the right side, there are several large, thin-lined geometric shapes: a yellow triangle at the top right, a purple rounded triangle below it, a green circle in the lower right, and a pink rounded rectangle at the bottom center.

OUR VISION

is to enable a fully-connected world,
where the power and freedom to communicate
is available to everyone, everywhere,
in a secure, efficient and sustainable environment.

WHO IS ADTRAN?

Your trusted partner for the fiber everywhere era

\$1.15B



FY23 revenue

50



Worldwide locations
HQ = Huntsville, AL

3.300+



Employees
worldwide

A – Ω



End-to-end
solutions portfolio

1.000+



Global technology
patents

35+



Years of
experience

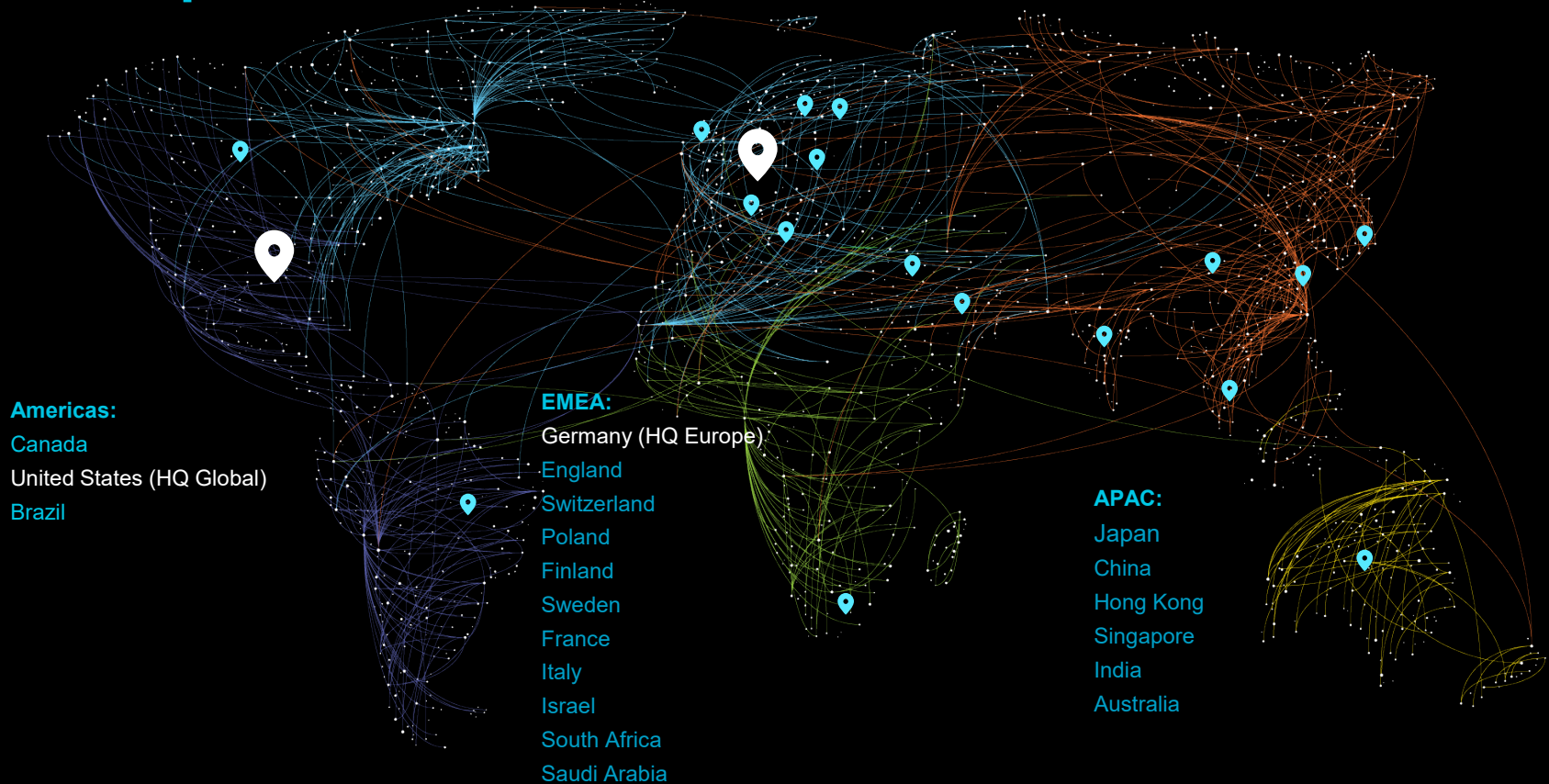
Key differentiators

- Open, disaggregated platforms with vendor-neutral capability
- Extensive global design support and supply orchestration capabilities (Supply chain)
- Customers = NSPs, RSPs, ASPs, SMBs, enterprises, tribal communities, governments and agencies: local, state, federal
- Simplified pricing structure

“Adtran is focused on customer usability, service and support.”

Tom Stanton, CEO, Adtran

Global presence



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

- More balanced mix of national SPs, regional SPs, enterprise, and ICP customers
- Continued growth opportunities in each segment



Geographic diversity

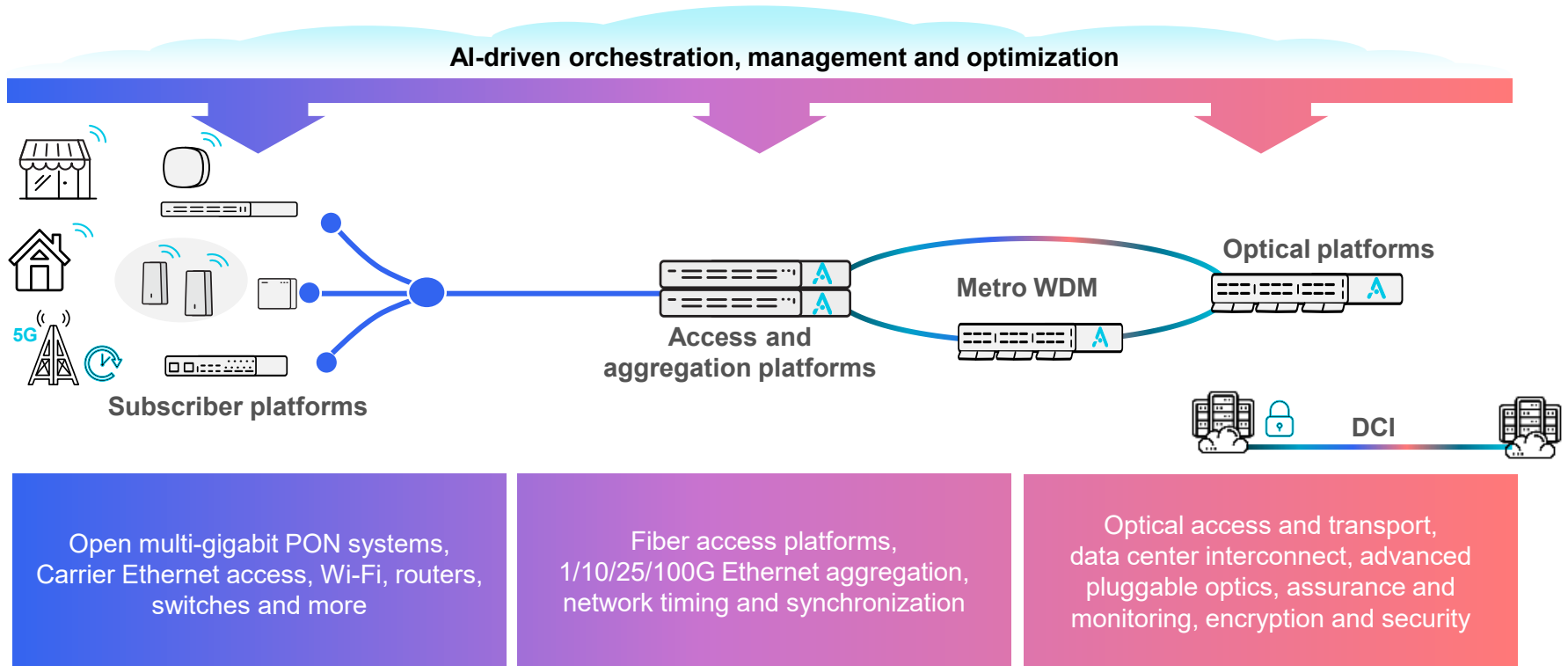
- Balanced mix of U.S. and non-U.S. business
- Strong growth opportunities in focus regions



Strength in focus markets

- Full range of R&D, pre-sales, post-sales and services support in focus regions
- Strong market share in growth products in focus regions

Optical core to customer premise



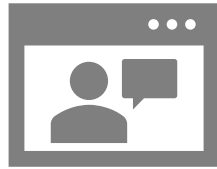
Market trends

Pandemic accelerated digitalization and capacity demand



Online meetings and e-commerce have displaced travel

5G, work from home, AI and streaming drive multi-gigabit fiber access



Symmetric bandwidth goes from being a luxury to a necessity

Deglobalization and consolidation impacts vendor selection



Selection of trusted suppliers becomes strategic

Open, disaggregated, sustainable and cloud-centric systems

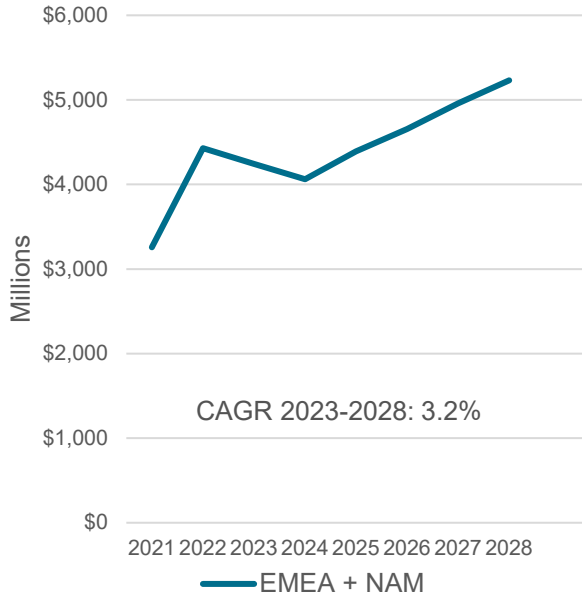


Closed and single vendor systems are no longer desirable

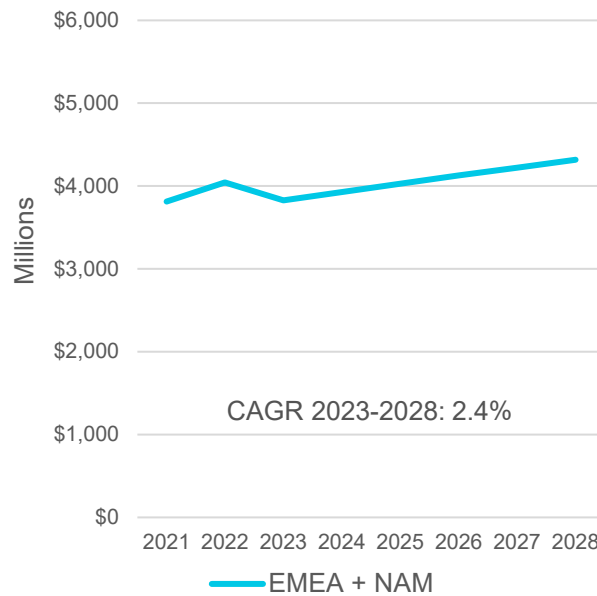
BUSINESS MODEL

Fiber networking market forecasts

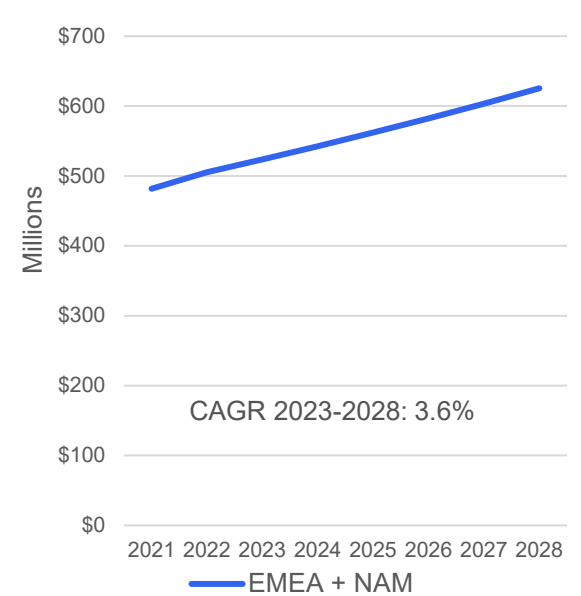
PON OLT-ONT



Metro WDM



Carrier Ethernet



Sources:

PON OLT+ONT: Dell'Oro 5yr Broadband Access and Home Networking Report (July 2024)

Metro WDM: Omdia Optical Network Forecast (November 2023)

Carrier Ethernet: Omdia Service Provider Switching and Routing Forecast (October 2023)

Significant tailwinds expected to drive long term growth



BEAD*

- \$42.5b in broadband funding to provide service to 7m+ under/unserved homes
- Expect ~90% to be served with fiber
- Funds allocated through grant process at state level
- 32 eligible entities already completed the Initial Proposal stage
- 4-year implementation timeline for service providers to deliver service



High risk
vendor
replacement

- Shift away from Chinese vendors is picking up the pace given the geopolitical situation
- Adtran is one of the key beneficiaries in optical transport and PON in EMEA and already won multiple deals and has several projects in the funnel; we expect to experience the largest impact in 2025 and 2026 given tier 1 integration timelines
- > \$1bn market opportunity in optical networking
- > \$400m market opportunity in broadband access and aggregation

*The Broadband Equity, Access, and Deployment (BEAD) Program, is expected to provide USD 42.5 billion to expand high-speed internet access by funding planning, infrastructure deployment and adoption programs in all 50 states, Washington D.C., Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

BUSINESS MODEL

Corporate social responsibility



Environmental

- Sustainability is integral part of product strategy through process-based product ecodesign and lifecycle assessment (LCA)
- Involvement of supply chain based on IntegrityNext supplier onboarding and screening
- ISO certificated (ISO 14001 EMS, ISO 50001 EnMS)



Social

- Event sponsoring, volunteer hours at non-profit organizations and donations
- Dedicated human capital management
- Employee-driven diversity, equity & inclusion (DE&I) task force to support a diverse and inclusive workforce
- Strictly following ILO requirements



Governance

- Comprehensive ethics and compliance policy, code of conduct and processes
- Dedicated human rights policy and supplier code of conduct
- Dedicated engagement in security – ISO 27001-certified

External ratings

EcoVadis

Adtran, Inc.

Adtran Networks SE



59th percentile



96th percentile

CDP Climate Change 2023

Adtran, Inc.

Adtran Networks SE



Both Electrical and electronic equipment sector and global average are **C**

SBTi Net Zero Commitment



SCIENCE
BASED
TARGETS



APPROVED NET-ZERO SCIENCE-BASED TARGETS

The Science Based Targets initiative has validated that the science-based greenhouse gas emissions reductions target(s) submitted by Adtran Holdings, Inc. conform with the SBTi Corporate Net Zero Standard.

SBTi has classified ADTRAN's scope 1 and 2 target ambition as in line with a 1.5°C trajectory

Business update

Highlights Q2 2024



Revenue within guidance range

Revenue at \$226m, above mid-point of guidance range

(guidance \$215m - 235m)



Non-GAAP Gross Margin expansion

Further improvements in non-GAAP gross Margin.

Increased by 37 bps QoQ and 334bps YoY



Positive Non-GAAP Operating Margin

Achieved positive non-GAAP operating margin.

Non-GAAP operating margin at 0.7%, above mid-point of guidance (guidance -3% - +2%)



Significantly reduced Working Capital

Working Capital improved, down by \$35.1m (-10%) QoQ

Net inventory decreased by \$34.2m QoQ

Note: A reconciliation of each non-GAAP financial measure to the most comparable GAAP measure is included in the appendix of this presentation. Non-GAAP operating margin is calculated as non-GAAP operating profit divided by revenue. Non-GAAP gross margin is calculated as non-GAAP gross profit divided by revenue.

Technology update



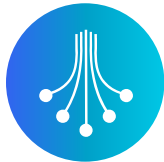
Subscriber solutions

- Latest Wi-Fi 6/6E/7 platforms driving growth opportunities
- Dozens of customers have adopted Intellifi, our SaaS application for cloud-managed Wi-Fi



Access and aggregation solutions

- Continued to scale SDX 6330 deployments across several large service providers in EMEA
- Increasing demand for SDX OLTs in U.S. regional service providers



Optical networking solutions

- Growing demand for M-Flex800, focused on aggregating 10/100Gig links into 400/800Gig
- Continued success with securing packet optical wins with traditional Adtran broadband customers



Software platforms

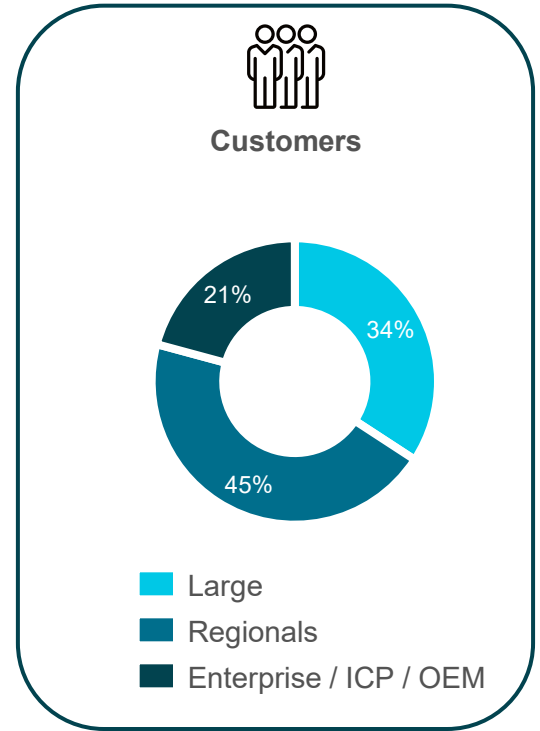
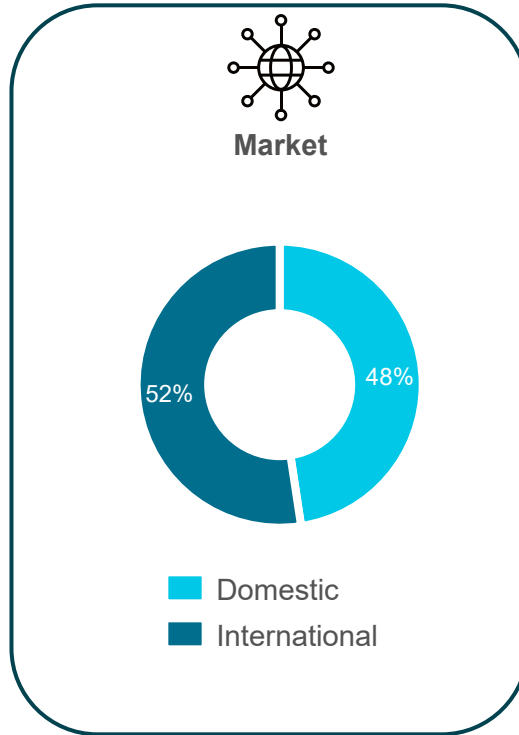
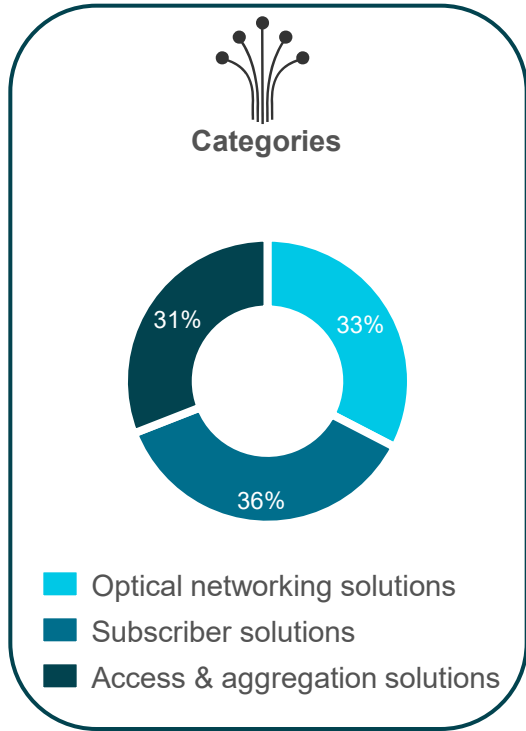
Well over 400 customers have adopted Mosaic One. Highest growth application is Intellifi.



Professional services

Scalable in-region services, including planning, deployment, and maintenance

Well diversified across technology, markets and customer base



Q2 2024 BUSINESS UPDATE

Revenue by segment, category and region

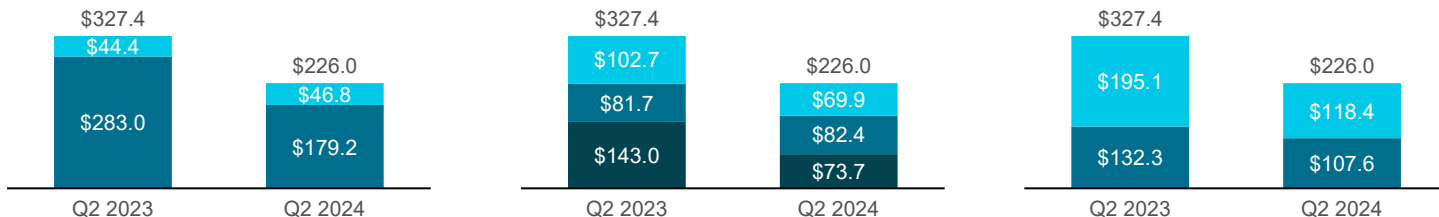
In \$m

Segments

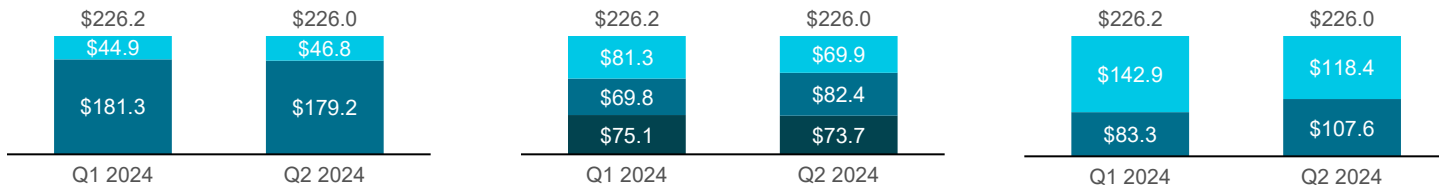
Category

Region

Y-o-Y



Q-o-Q



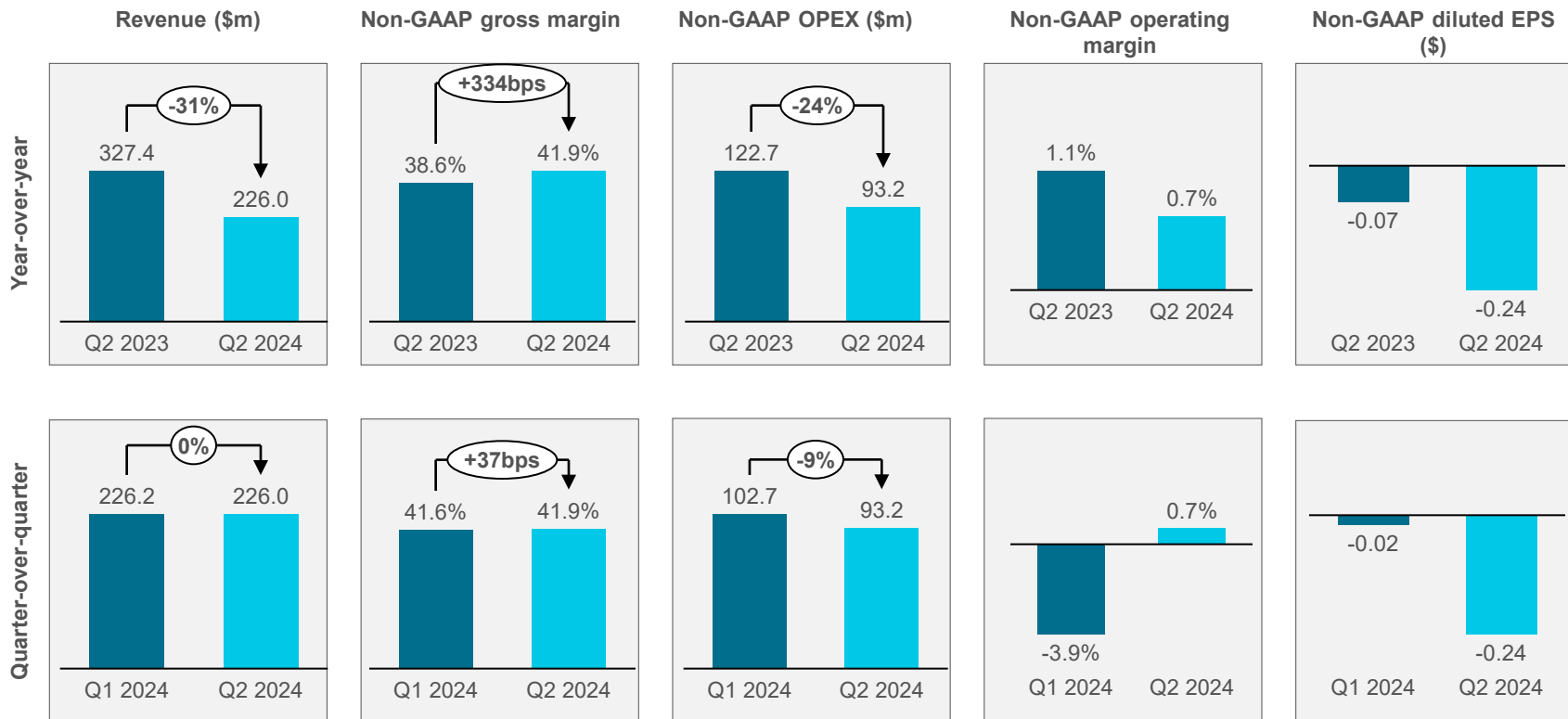
Services & Support
Network Solutions

Access & Aggregation
Subscriber Solutions
Optical Networking Solutions

International
Domestic

Q2 2024 BUSINESS UPDATE

Financial information



Note: A reconciliation of each non-GAAP financial measure to the most comparable GAAP measure is included in the appendix of this presentation. Non-GAAP operating margin is calculated as non-GAAP operating loss divided by revenue.

Balance sheet and cash flow highlights

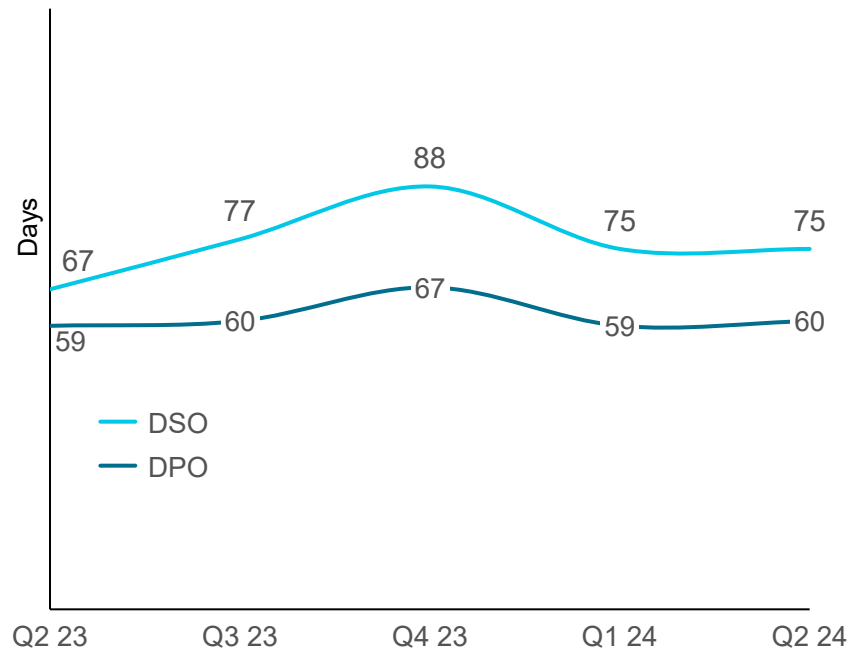
Working capital and cash flow metrics

In \$m	Q1 24	Q2 24
Trade accounts receivables	\$187.6	\$186.2
Inventories	\$322.1	\$287.9
Accounts payables	\$159.1	\$158.6
Net working capital	\$350.6	\$315.5
Operating cash flow generated	\$36.6	\$19.9
Non-GAAP free cash flow *	\$23.2	\$3.9
Cash	\$106.8	\$111.2

Note: A reconciliation of each non-GAAP financial measure to the most comparable GAAP measure is included in the appendix of this presentation.

*Non-GAAP free cash flow is operating cash flow less purchase of property, plant and equipment

Rolling DSO vs. DPO development



GAAP to non-GAAP reconciliation

The background features several large, thin-lined geometric shapes in shades of blue and green. On the right side, there is a large triangle pointing upwards, a circle, and a rounded trapezoid. On the bottom left, there is a rounded trapezoid. The overall aesthetic is modern and professional.

Explanation of Use of non-GAAP financial measures

Set forth in the tables below are reconciliations of gross profit, gross margin, operating expenses, operating loss, other (expense) income, net loss inclusive of the non-controlling interest, net loss attributable to the Company, net income attributable to the non-controlling interest, and loss per share - basic and diluted, attributable to the Company, and net cash provided by (used in) operating activities, in each case as reported based on generally accepted accounting principles in the United States (“GAAP”), to non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income (loss), non-GAAP other expense, non-GAAP net loss inclusive of the non-controlling interest, non-GAAP net loss attributable to the Company, non-GAAP net income attributable to the non-controlling interest, non-GAAP loss per share - basic and diluted, attributable to the Company, respectively, and non-GAAP free cash flow. Such non-GAAP measures exclude acquisition-related expenses, amortization and adjustments (consisting of intangible amortization of backlog, developed technology, customer relationships, and trade names acquired in connection with business combinations and amortization of inventory fair value adjustments as well as legal and advisory fees related to a potential significant transaction), stock-based compensation expense, amortization of pension actuarial losses, deferred compensation adjustments, integration expenses, restructuring expenses, goodwill impairments, the tax effect of these adjustments to net loss and purchases of property, plant and equipment. These measures are used by management in our ongoing planning and annual budgeting processes. Additionally, we believe the presentation of these non-GAAP measures, when combined with the presentation of the most directly comparable GAAP financial measure, is beneficial to the overall understanding of ongoing operating performance of the Company.

These non-GAAP financial measures are not prepared in accordance with, or an alternative for, GAAP and therefore should not be considered in isolation or as a substitution for analysis of our results as reported under GAAP. Additionally, our calculation of non-GAAP measures may not be comparable to similar measures calculated by other companies.

Furthermore, non-GAAP operating margin (which is calculated as non-GAAP operating loss divided by revenue) is a non-GAAP financial measure. The Company has provided third quarter guidance with regard to non-GAAP operating margin. This measure excludes from the corresponding GAAP financial measure the effect of adjustments as described above. The Company has not provided a reconciliation of such non-GAAP guidance to guidance presented on a GAAP basis because it cannot predict and quantify without unreasonable effort all of the adjustments that may occur during the period due to the difficulty of predicting the timing and amounts of various items within a reasonable range. In particular, non-GAAP operating margin excludes certain items, including continued restructuring and integration expenses that will continue to evolve as our business efficiency program is implemented, that the Company is unable to quantitatively predict. Depending on the materiality of these items, they could have a significant impact on the Company's GAAP financial results.

Cost of revenue, gross profit and gross margin reconciliation

in \$ thousands	Three Months Ended			Six Months Ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Total Revenue	225,991	226,173	327,378	452,164	651,290
Cost of Revenue	144,416	153,918	234,825	298,334	470,929
Acquisition-related expenses, amortizations and adjustments ⁽¹⁾	(10,064)	(10,177)	(33,439)	(20,241)	(66,017)
Stock-based compensation expense	(280)	(275)	(335)	(555)	(575)
Restructuring expenses ⁽²⁾	(2,788)	(11,247)	0	(14,035)	(76)
Integration expenses ⁽³⁾	(35)	(35)	0	(70)	0
Non-GAAP Cost of Revenue	131,249	132,184	201,051	263,433	404,261
Gross Profit	81,575	72,255	92,553	153,830	180,361
Non-GAAP Gross Profit	94,742	93,989	126,327	188,731	247,029
Gross Margin	36.1%	31.9%	28.3%	34.0%	27.7%
Non-GAAP Gross Margin	41.9%	41.6%	38.6%	41.7%	37.9%

(1) Includes intangible amortization of backlog, inventory fair value adjustments, developed technology, customer relationships, and trade names acquired in connection with business combinations.

(2) Includes expenses for restructuring program designed to optimize the assets and business processes following the business combination with Adtran Networks SE. These expenses include inventory write down and other charges of \$8.9 million for the six months ended June 30, 2024, incurred as a result of a strategy shift which included discontinuance of certain product lines in connection with the Business Efficiency Program. The restructuring program commenced upon the closing of the business combination with Adtran Networks SE and is expected to be substantially completed in late 2024. Additionally, as part of the Business Efficiency Program, management determined to close a facility in Greifswald, Germany. These expenses include restructuring wage charges of \$2.3 million for the three and six months ended June 30, 2024, respectively. The closure of the facility is expected to be completed by December 31, 2024.

(3) Includes expenses related to the Company's one-time integration bonus program in connection with synergy targets as a result of the business combination with Adtran Networks SE. Includes fees incurred for the expansion of internal controls at Adtran Networks SE and the implementation of the DPTLA.

Operating expense reconciliation

in \$ thousands	Three Months Ended		Six Months Ended		
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Operating Expenses	119,881	411,934	137,181	531,815	274,721
Acquisition-related expenses, amortizations and adjustments	(7,233) ⁽¹⁾	(4,881) ⁽⁶⁾	(4,398) ⁽¹¹⁾	(12,114) ⁽¹⁵⁾	(8,982) ⁽¹⁹⁾
Stock-based compensation expense	(3,321) ⁽²⁾	(3,447) ⁽⁷⁾	(3,974) ⁽¹²⁾	(6,768) ⁽¹⁶⁾	(7,432) ⁽²⁰⁾
Restructuring expenses	(14,742) ⁽³⁾	(5,862) ⁽⁸⁾	(5,868) ⁽¹³⁾	(20,604) ⁽¹⁷⁾	(8,229) ⁽²¹⁾
Integration expenses	(531) ⁽⁴⁾	(480) ⁽⁹⁾	(563) ⁽¹⁴⁾	(1,011) ⁽¹⁸⁾	(1,412) ⁽²²⁾
Deferred compensation adjustments ⁽⁵⁾	(848)	(1,940)	307	(2,788)	(87)
Goodwill impairment	0	(292,583) ⁽¹⁰⁾	0	(292,583) ⁽¹⁰⁾	0
Non-GAAP Operating Expenses	93,206	102,741	122,685	195,947	248,579

(1) Includes \$3.9M of intangible amortization of developed technology, customer relationships, and trade names acquired in connection with business combinations and \$2.8 million of legal and advisory fees related to a potential strategic transaction which are both included in selling, general and administrative expenses and \$0.5 million is included in research and development expenses on the condensed consolidated statements of loss.

(2) \$2.4 million is included in selling, general and administrative expenses and \$0.9 million is included in research and development expenses on the condensed consolidated statements of loss.

(3) \$3.5 million is included in selling, general and administrative expenses and \$11.3 million is included in research and development expenses on the condensed consolidated statements of loss. Includes expenses of \$13.5 million of wage related and other charges due to the Greifswald facility closure of which \$2.6 million is included in selling, general and administrative and \$10.9 million is included in research and development expenses on the condensed consolidated statements of loss.

(4) \$0.5 million is included in selling, general and administrative expenses on the condensed consolidated statements of loss, and is primarily related to the Company's one-time integration bonus program in connection with synergy targets as a result of the business combination with Adtran Networks SE.

(5) Includes non-cash change in fair value of equity investments held in the ADTRAN Holdings, Inc. Deferred Compensation Program for Employees, all of which is included in selling, general and administrative expenses on the condensed consolidated statement of loss.

(6) Includes intangible amortization of developed technology, customer relationships, and trade names acquired in connection with business combinations, of which \$4.4 million is included in selling, general and administrative expenses and \$0.5 million is included in research and development expenses on the condensed consolidated statements of loss.

(7) \$2.5 million is included in selling, general and administrative expenses and \$1.0 million is included in research and development expenses on the condensed consolidated statements of loss.

(8) \$1.8 million is included in selling, general and administrative expenses and \$4.1 million is included in research and development expenses on the condensed consolidated statements of loss.

(9) \$0.5 million is included in selling, general and administrative expenses and \$0.02 million is included in research and development expenses on the condensed consolidated statements of loss, and is primarily related to the Company's one-time integration bonus program in connection with synergy targets as a result of the business combination with Adtran Networks SE.

(10) Non-cash impairment of goodwill in our Network Solutions reporting unit, necessitated by factors such as a decrease in the Company's market capitalization, cautious service provider spending due to economic uncertainty and continued elevated customer inventory adjustments.

(11) Includes intangible amortization of developed technology, customer relationships, and trade names acquired in connection with business combinations, of which \$3.9 million is included in selling, general and administrative expenses and \$0.5 million is included in research and development expenses on the condensed consolidated statements of loss.

(12) \$2.7 million is included in selling, general and administrative expenses and \$1.3 million is included in research and development expenses on the condensed consolidated statements of loss.

(13) \$1.4 million is included in selling, general and administrative expenses and \$4.5 million is included in research and development expenses on the condensed consolidated statements of loss.

(14) \$0.6 million is included in selling, general and administrative expenses on the condensed consolidated statements of loss. Includes fees relating to the expansion of internal controls at Adtran Networks SE and the implementation of the DPLTA.

(15) Includes intangible amortization of developed technology, customer relationships, and trade names acquired in connection with business combinations, of which \$11.2 million is included in selling, general and administrative expenses and \$0.9 million is included in research and development expenses on the condensed consolidated statements of loss.

(16) \$4.9 million is included in selling, general and administrative expenses and \$1.9 million is included in research and development expenses on the condensed consolidated statements of loss.

(17) \$5.3 million is included in selling, general and administrative expenses and \$15.3 million is included in research and development expenses on the condensed consolidated statements of loss. Includes expenses of \$13.5 million of wage related and other charges due to the Greifswald facility closure of which \$2.6 million is included in selling, general and administrative and \$10.9 million is included in research and development expenses on the condensed consolidated statements of loss.

(18) \$1.0 million is included in selling, general and administrative expenses and less than \$0.1 million is included in research and development expenses on the condensed consolidated statements of loss, and is primarily related to the Company's one-time integration bonus program in connection with synergy targets as a result of the business combination with Adtran Networks SE.

(19) Includes intangible amortization of developed technology, customer relationships, and trade names acquired in connection with business combinations, of which \$8.0 million is included in selling, general and administrative expenses and \$1.0 million is included in research and development expenses on the condensed consolidated statements of loss.

(20) \$5.1 million is included in selling, general and administrative expenses and \$2.3 million is included in research and development expenses on the condensed consolidated statements of loss.

(21) \$3.5 million is included in selling, general and administrative expenses and \$4.7 million is included in research and development expenses on the condensed consolidated statements of loss.

(22) \$1.4 million is included in selling, general and administrative expenses on the condensed consolidated statements of loss. Includes fees relating to the expansion of internal controls at Adtran Networks SE and the implementation of the DPLTA.

Operating loss reconciliation

in \$ thousands	Three Months Ended			Six Months Ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Operating Loss	(38,306)	(339,679)	(44,628)	(377,985)	(94,360)
Acquisition related expenses, amortizations and adjustments ⁽¹⁾	17,297	15,058	37,837	32,355	74,999
Stock-based compensation expense	3,601	3,722	4,309	7,323	8,007
Restructuring expenses ⁽²⁾	17,530	17,110	5,868	34,640	8,305
Integration expenses ⁽³⁾	566	514	563	1,080	1,412
Deferred compensation adjustments ⁽⁴⁾	848	1,940	(307)	2,788	87
Goodwill impairment ⁽⁵⁾	0	292,583	0	292,583	0
Non-GAAP Operating Income (Loss)	1,536	(8,752)	3,642	(7,216)	(1,550)

(1) Includes intangible amortization of backlog, inventory fair value adjustments, developed technology, customer relationships, and trade names acquired in connection with business combinations.

(2) Includes expenses for restructuring program designed to optimize the assets and business processes following the business combination with Adtran Networks SE. These expenses include inventory write down and other charges incurred as a result of a strategic shift in certain product lines in connection with the restructuring program. Additionally, includes expenses related to the closure of the Greifswald facility.

(3) Includes expenses related to the Company's one-time integration bonus program in connection with synergy targets as a result of the business combination with Adtran Networks SE. Includes fees incurred for the expansion of internal controls at Adtran Networks SE and the implementation of the DPTLA.

(4) Includes non-cash change in fair value of equity investments held in the ADTRAN Holdings, Inc. Deferred Compensation Program for Employees, all of which is included in selling, general and administrative expenses on the condensed consolidated statement of loss.

(5) Non-cash impairment of goodwill in our Network Solutions reporting unit, necessitated by factors such as a decrease in the Company's market capitalization, cautious service provider spending due to economic uncertainty and continued customer inventory adjustments.

Other expense reconciliation

in \$ thousands	Three Months Ended			Six Months Ended	
	June 30,	March 31,	June 30,	June 30,	June 30,
	2024	2024	2023	2024	2023
Interest and dividend income	366	397	358	763	662
Interest expense	(6,906)	(4,598)	(4,064)	(11,504)	(7,351)
Net investment gain	872	2,253	1,262	3,125	2,514
Other (expense) income, net	(901)	1,310	2,494	409	2,191
Total Other (Expense) Income	(6,569)	(638)	50	(7,207)	(1,984)
Deferred compensation adjustments ⁽¹⁾	(896)	(2,439)	(1,254)	(3,335)	(2,504)
Pension expense ⁽²⁾	7	7	6	14	13
Non-GAAP Other Expense	(7,458)	(3,070)	(1,198)	(10,528)	(4,475)

(1) Includes non-cash change in fair value of equity investments held in the ADTRAN Holdings, Inc. Deferred Compensation Program for Employees.

(2) Includes amortization of actuarial losses related to the Company's pension plan for employees in certain foreign countries.

Net loss and loss per share reconciliation

in \$ thousands	Three Months Ended			Six Months Ended	
	June 30,	March 31,	June 30,	June 30,	June 30,
	2024	2024	2023	2024	2023
Net Loss attributable to ADTRAN Holdings, Inc.	(49,865)	(324,550)	(39,097)	(374,415)	(79,180)
Plus: Net Income attributable to non-controlling interest (1)	2,854	2,880	2,882	5,734	2,512
Net Loss inclusive of non-controlling interest	(47,011)	(321,670)	(36,215)	(368,681)	(76,668)
Acquisition related expenses, amortizations and adjustments	17,297	15,058	37,837	32,355	74,999
Stock-based compensation expense	3,601	3,722	4,309	7,323	8,007
Deferred compensation adjustments (2)	(48)	(499)	(1,561)	(547)	(2,417)
Pension adjustments (3)	7	7	6	14	13
Restructuring expenses	17,530	17,110	5,868	34,640	8,305
Integration expenses	566	514	563	1,080	1,412
Goodwill impairment	0	292,583	0	292,583	0
Tax effect of adjustments to net loss	(7,880)	(5,614)	(13,426)	(13,494)	(25,733)
Non-GAAP Net (Loss) Income inclusive of non-controlling interest	(15,938)	1,211	(2,619)	(14,727)	(12,082)
Less: Non-GAAP Net Income attributable to non-controlling interest (1)	2,854	2,880	2,882	5,734	4,041
Non-GAAP Net Loss attributable to ADTRAN Holdings, Inc.	(18,792)	(1,669)	(5,501)	(20,461)	(16,123)
GAAP Net Income attributable to non-controlling interest (1)	2,854	2,880	2,882	5,734	2,512
Acquisition related expenses, amortizations and adjustments	0	0	0	0	1,457
Restructuring expenses	0	0	0	0	29
Integration expenses	0	0	0	0	6
Stock-based compensation expense	0	0	0	0	37
Non-GAAP Net Income attributable to non-controlling interest (1)	2,854	2,880	2,882	5,734	4,041
Weighted average shares outstanding – basic	78,852	78,814	78,366	78,803	78,364
Weighted average shares outstanding – diluted	78,852	78,814	78,366	78,803	78,364
Loss per common share attributable to ADTRAN Holdings, Inc. – basic	(0.63)	(4.12)	(0.50)	(4.75)	(1.01)
Loss per common share attributable to ADTRAN Holdings, Inc. – diluted	(0.63)	(4.12)	(0.50)	(4.75)	(1.01)
Non-GAAP Loss per common share attributable to ADTRAN – basic	(0.24)	(0.02)	(0.07)	(0.26)	(0.21)

(1) Represents the non-controlling interest portion of the Company's ownership of Adtran Networks SE pre-DPLTA and the annual recurring compensation earned by redeemable non-controlling interests and accrued by the Company post-DPLTA.

(2) Includes non-cash change in fair value of equity investments held in deferred compensation plans offered to certain employees.

(3) Includes amortization of actuarial losses related to the Company's pension plan for employees in certain foreign countries.

Free cash flow reconciliation

	Three Months Ended		Six Months Ended		
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
in \$ thousands					
Net Cash provided by (used in) operating activities	19,898	36,598	(16,234)	56,496	(36,160)
Purchases of property, plant and equipment	(15,995)	(13,374)	(11,679)	(29,369)	(20,118)
Free cash flow	3,903	23,224	(27,913)	27,127	(56,278)

Appendix

Guidance for Q3 2024

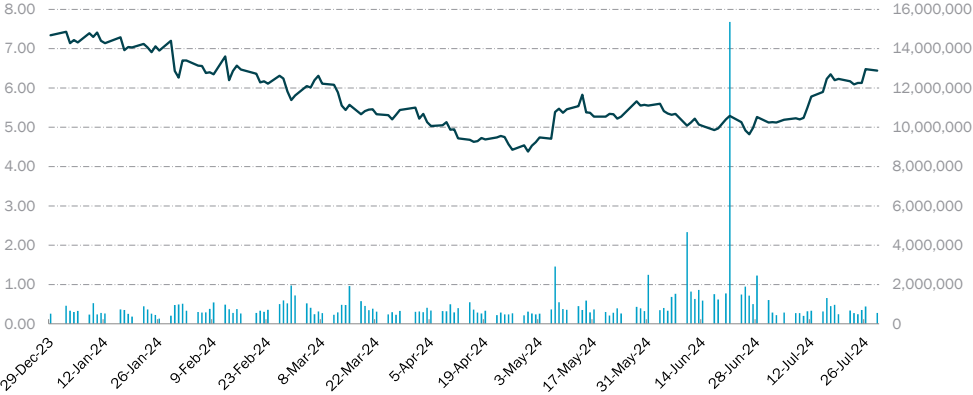
	Previous Outlook (for Q2 2024)	Current Outlook (for Q3 2024)
Revenue	\$215m – \$235m	\$215m – \$235m
Non GAAP Operating Margin	-3% – +2%	-1% – +3%

2024 Financial calendar

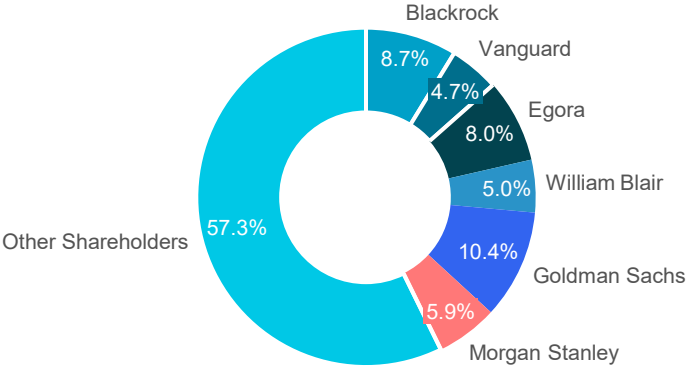
Second Quarter 2024 Earnings Call - Virtual	August 6
Rosenblatt Age of AI - Virtual	August 19
Jefferies Semiconductor, IT Hardware, and Communications Technology Summit - Chicago	August 28
18th Annual Needham Virtual Security, Networking, & Communications Conference - Virtual	November 19
Deutsches Eigenkapitalforum - Frankfurt	November 25 - 27

Adtran stock information

YTD stock price development*



Shareholder Structure**



*Source: Nasdaq

** Release according to Article 40, Section 1 of the WpHG

Thank you

