



Ribbon Communications

First Quarter 2025 Results

April 29, 2025

Note Regarding Forward-Looking Statements and Non-GAAP Financial Measures

This presentation contains “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, which are subject to a number of risks and uncertainties. All statements other than statements of historical facts contained in this release, including without limitation, statements regarding our projected financial results for the second quarter of 2025 and beyond; the effect of U.S. tariffs and the response from other countries; future expenses and restructuring activities and the anticipated benefits thereof; impacts from the wars in Ukraine and Israel, financial sanctions and trade restrictions; beliefs about our business strategy and market share growth, are forward-looking statements. Without limiting the foregoing, the words “anticipates”, “believes”, “could”, “estimates”, “expects”, “expectations”, “intends”, “may”, “plans”, “projects” and other similar language, whether in the negative or affirmative, are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are unknown and/or difficult to predict and that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. Such risks and uncertainties include, but are not limited to, unpredictable fluctuations in quarterly revenue and operating results; the impact of restructuring and cost-containment activities; increases in tariffs, trade restrictions or taxes on the Company’s products; supply chain disruptions resulting from component availability and/or geopolitical instabilities and disputes (including those related to the wars in Israel and Ukraine); the impact of military call-ups of our employees in Israel; material litigation; the impact of fluctuations in interest rates; material cybersecurity and data intrusion incidents, including any security breaches resulting in the theft, transfer, or unauthorized disclosure of customer, employee, or Company information; our ability to comply with applicable domestic and foreign information security and privacy laws, regulations and technology platform rules or other obligations related to data privacy and security; failure to compete successfully against telecommunications equipment and networking companies; failure to grow our customer base or generate recurring business from existing customers; credit risks; the timing of customer purchasing decisions and our recognition of revenues; macroeconomic conditions, including inflation; our ability to adapt to rapid technological and market changes; our ability to generate positive returns on our research and development; our ability to protect our intellectual property rights and obtain necessary licenses; our ability to maintain partner, reseller, distribution and vendor support and supply relationships; the potential for defects in our products; risks related to the terms of our credit agreement; higher risks in international operations and markets; currency fluctuations; unanticipated adverse changes in legal, regulatory or tax laws; future accounting pronouncements or changes in our accounting policies and/or failure or circumvention of our controls and procedures. We therefore caution you against relying on any of these forward-looking statements.

These factors are not intended to be an all-encompassing list of risks and uncertainties that may affect our business and results from operations. Additional information regarding these and other factors can be found in our reports filed with the Securities and Exchange Commission, including, without limitation, our Form 10-K for the year ended December 31, 2024. Any forward-looking statement made by the Company in this presentation speaks only as of the date on which this presentation was first issued. We undertake no obligation to update any forward-looking statement publicly or otherwise, whether as a result of new information, future developments or otherwise, except as required by law.

This presentation also includes certain non-GAAP financial measures in addition to the U.S. GAAP financials. Our management believes that presenting certain non-GAAP financial measures provides meaningful information to investors in understanding our operating results and may enhance investors' ability to analyze financial and business trends including the ability to compare period to period more easily by excluding items that could have a disproportionately negative or positive impact on results in a given financial period. The non-GAAP measures have limitations as analytical tools, and you should not consider them in isolation or as a substitute for the most directly comparable financial measures prepared in accordance with U.S. GAAP. We urge you to review the reconciliation of our non-GAAP financial measures to the most directly comparable GAAP financial measures in the supplemental financial information provided on our website at investors.ribboncommunications.com, and not to rely on any single financial measure to evaluate our business.

Please note that as part of the basis of presentation, totals may not sum due to rounding.

First Quarter 2025 Business Overview

Bruce McClelland, President & CEO

John Townsend, Executive Vice President & CFO



First Quarter 2025 Business Highlights | Consolidated

Revenue

\$181M

+1% Growth YoY

Gross Margin

49%

Adj. EBITDA¹

\$6M

Adj. EBITDA¹ Margin

3%

Cash from Operations

(\$4M)

Note:

1. Please see the discussion of non-GAAP financial measures in the appendix
2. Term Debt less cash divided by non-GAAP Adjusted EBITDA.

Growth

Global Service Provider

Professional Services

India, APAC and U.S.

Rural Broadband and Critical Infrastructure
Product & Services Backlog up 35% vs 2024

Customer Highlights

Verizon Modernization Project

Network Modernization Momentum

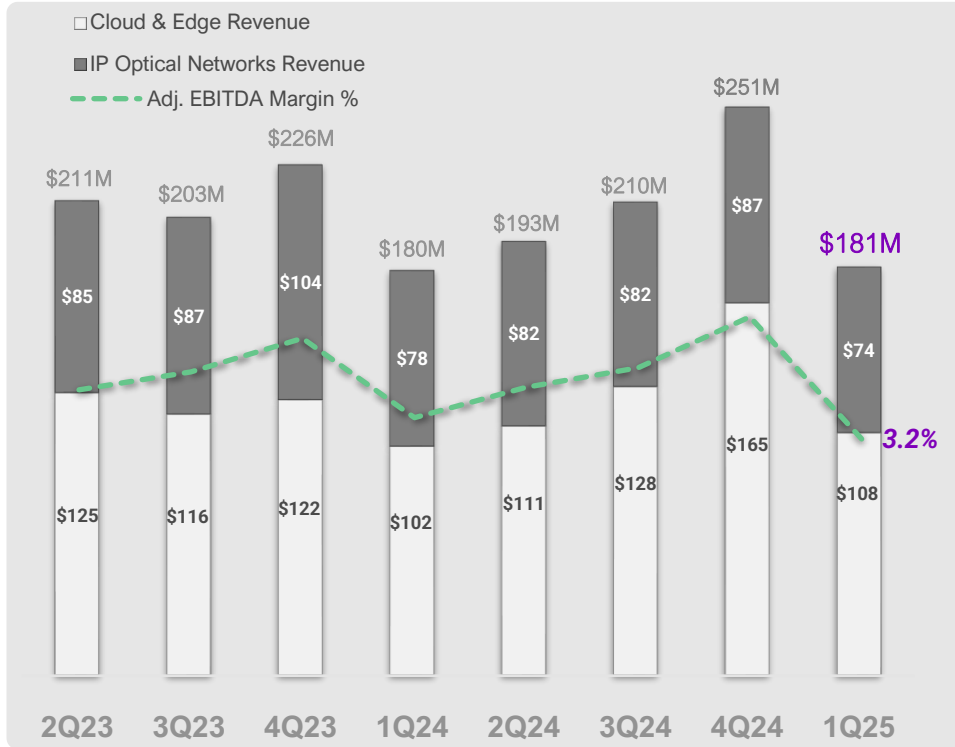
Federal and Defense Opportunities

Cash & Capital Structure

\$74M Ending Cash Balance

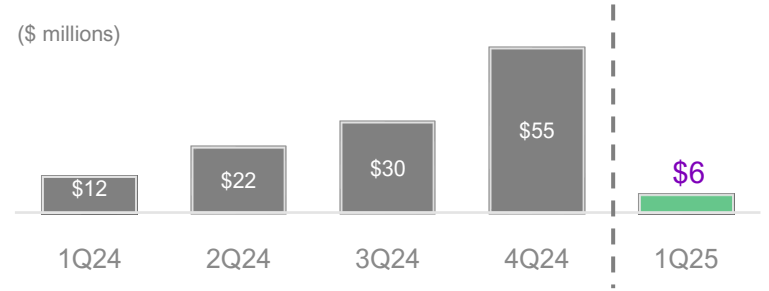
Net Debt Leverage 2.4x²

Key Financial Trends¹

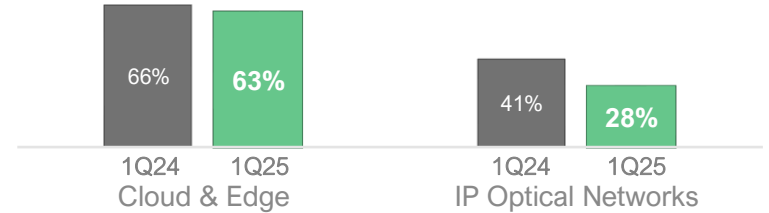


Adjusted EBITDA¹

(\$ millions)



Gross Margin¹



1. Please see the discussion of non-GAAP financial measures in the supplemental financial information included on the Ribbon Investor Relations website.

Non-GAAP¹ Segment Financial Highlights | Cloud & Edge

Q1



Revenue Growth

Product & Services Growth +17% Year over Year
Global Service Provider Growth ~20% Year over Year
Delayed Federal Opportunities



Regional Growth

N. America +8% Year over Year
EMEA +19% Year over Year



Gross Margin¹

Reflects changes in geographic and product mix
Increased Hardware Mix as % of Total Sales

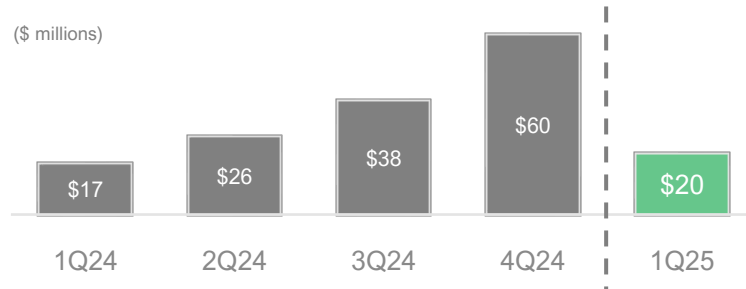


Adj. EBITDA¹ Growth YoY

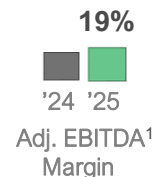
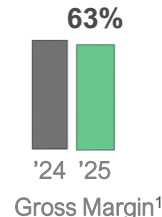
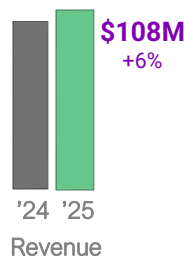
Adj. EBITDA Margin +187bps Year over Year
Operating Expense reduction of 5%

Adjusted EBITDA¹

(\$ millions)



Q1 2025



Note:

1. Please see the discussion of non-GAAP financial measures in the appendix.

Non-GAAP¹ Segment Financial Highlights | IP Optical Networks

Q1



Regional Trends

-6% Overall Revenue Decline Year over Year
 (Revenue up +25% Year over Year excluding E. Europe)
 N. America +130% Year over Year
 India +80% Year over Year
 Europe down (13%)

28%



Gross Margin¹

Reflects changes in geographic and product mix
 High volume of revenue from India and Southeast Asia



Adj. EBITDA¹ vs 2024

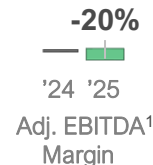
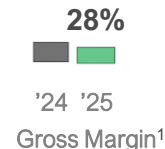
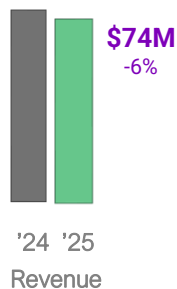
Down (\$9M) Year over Year
 Reflects Margin impacts from geographic & product mix
 Operating Expenses down 6% versus 2024

Adjusted EBITDA¹

(\$ millions)



Q1 2025



Note:

1. Please see the discussion of non-GAAP financial measures in the appendix.

First Quarter 2025 Key Metrics | Consolidated

Revenue Mix



Enterprise 28%²
Service Provider 72%²

37% Maintenance Revenue³

Top 10 Customers Revenue 49%³

Domestic 46%³
International 54%³

Book to Revenue 1.2x

Profitability



49% Gross Margin¹

Operating Expenses¹
\$5M Lower Year over Year

\$6M Adjusted EBITDA¹

Non-GAAP¹ effective tax rate 32%

(\$0.03) Non-GAAP EPS¹

Balance Sheet



Senior Term Loan Debt⁴ \$347M

Outstanding Revolver Loan⁴ \$0M

4.7M Warrants Outstanding

Net Debt Leverage 2.4x

Cash Flow



Cash Position @ \$74M

(\$4M) Cash from Operations
(Includes Annual Employee Incentive
Compensation Payments)

\$12M Capital Expenditures
(Includes \$7M Real Estate Investment)

Notes:

1. Please see the discussion of non-GAAP financial measures in the supplemental financial information included on the Ribbon Investor Relations website.
2. As a percentage of total product revenue.
3. As a percentage of total revenue.
4. Principal balance outstanding.

First Quarter 2025 Non-GAAP¹ Financial Summary

	1Q24	4Q24	1Q25
Revenue	\$180M	\$251M	\$181M
Non-GAAP Gross Margin ¹	55%	58%	49%
Non-GAAP Opex ¹	\$91M	\$94M	\$86M
Non-GAAP Operating Margin ¹	5%	21%	1%
Non-GAAP Adjusted EBITDA ¹	\$12M	\$55M	\$6M
Non-GAAP Diluted EPS ¹	(\$0.01)	\$0.16	(\$0.03)

1. Please see the discussion of non-GAAP financial measures in the supplemental financial information included on the Ribbon Investor Relations website.

Key Market Trends & 2025 Outlook



Continued Strength in Key Markets

Service Provider Spending

- Voice Network Modernization to Capture Significant Cost Savings
- Unified Communications
- Adoption of Cloud Technologies
- Mobile and Internet Capacity Expansion



Government Spending

- Strategic wins for both Cloud & Edge and IP Optical portfolio
- Growth in Americas and Europe / Middle East
- Ribbon is the trusted global leader governments rely on for secure, resilient and scalable networks

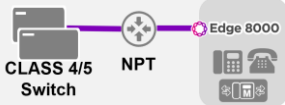


Ribbon Innovation Driving Future Growth

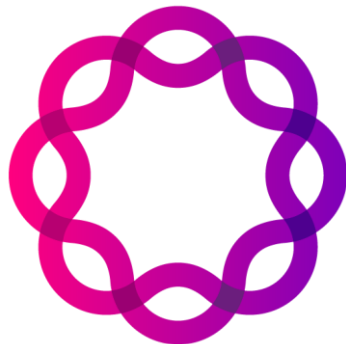
Telco Cloud Transition



TDM over IP Circuit Emulation



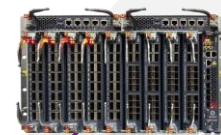
Apollo 9408
5nm Technology



MUSE Multi-Layer Automation



Data Center Interconnect Highest Density - 25.6T in 2RU



IP Router NPT 2714
14.4 Tbps switching capacity



2025 Lightwave Innovation Award

2025 Operating Environment



Network Modernization

- Legacy TDM Voice Switch replacement and copper elimination programs
- Migration of Telco workloads to Cloud-native solutions with ESG benefits
- Enterprises strive to improve productivity and security posture



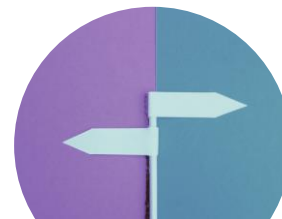
Federal and Defense Secure Communications

- Major voice modernization projects that require convergence of public cloud with on-premise survivability
- Secure mission-critical transport networks



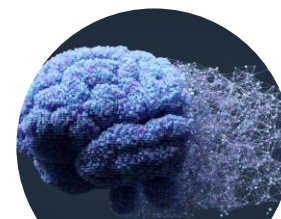
Fiber Investment

- Robust public and private funding to improve access to the internet including \$42B US BEAD federal funding, driving investment in FTTH and Middle Mile capacity
- Exponential growth in data consumption including AI-attached acceleration



Shifting Competitive Environment

- Industry consolidation is creating new opportunities to increase share
- Continued concern regarding at-risk suppliers
- Increasing trend towards localization



Economic Trends

- Inflation pressures easing
- Interest rates stabilized
- Industry inventory levels normalizing
- Telecom industry health improving
- Tariff uncertainty

Projecting Profitable Revenue Growth in 2025

Second Quarter and Full Year 2025 Business Outlook

	2Q24 (Actual)	FY24 (Actual)	2Q25 (Outlook)	FY25 (Unchanged)
Revenue	\$193M	\$834M	\$210M to \$220M	\$870M to \$890M
Non-GAAP Gross Margin¹	54.4%	55.9%	53.0% to 53.5%	54.0% to 55.0%
Non-GAAP Adjusted EBITDA¹	\$22M	\$119M	\$28M to \$32M	\$130M to \$140M

1. Please see the discussion of non-GAAP financial measures in the supplemental financial information included on the Ribbon Investor Relations website.

Appendix



Ribbon Key Revenue Statistics

USD Millions except for percentages	1Q24	2Q24	3Q24	4Q24	FY24	1Q25
Revenue						
Product	88	99	112	148	447	82
Service	92	93	98	103	387	99
Total Revenue	180	193	210	251	834	181
% of Total Revenue:						
Revenue Mix						
Product	49%	51%	53%	59%	54%	45%
Services	51%	49%	47%	41%	46%	55%
Revenue by Geography						
Domestic	40%	42%	52%	53%	47%	46%
International	60%	58%	48%	47%	53%	54%
% of Product Revenue:						
Product Revenue by Channel						
Direct	48%	68%	66%	63%	62%	72%
Indirect	52%	32%	34%	37%	38%	28%
Product Revenue By Market						
Enterprise	43%	38%	36%	41%	39%	28%
Service Providers	57%	62%	64%	59%	61%	72%
10% Total Revenue Customers						
		Verizon	Verizon	Verizon	Verizon	Verizon

Quarterly Non-GAAP¹ Segment Trend | Cloud & Edge

CLOUD & EDGE – 2024						2025
	1Q	2Q	3Q	4Q	FY24	1Q
Revenue <i>vs Prior Year</i>	\$102M <i>(11%)</i>	\$111M <i>(12%)</i>	\$128M <i>+11%</i>	\$165M <i>+35%</i>	\$505M <i>+6%</i>	\$108M <i>+6%</i>
Non-GAAP Gross Margin¹	66%	66%	68%	68%	67%	63%
Non-GAAP Adjusted EBITDA¹	\$17M	\$26M	\$38M	\$60M	\$141M	\$20M
Non-GAAP Adjusted EBITDA Margin¹	17%	23%	30%	36%	28%	19%

1. Please see the discussion of non-GAAP financial measures in the supplemental financial information included on the Ribbon Investor Relations website.

Quarterly Non-GAAP¹ Segment Trend | IP Optical Networks

IP OPTICAL NETWORKS – 2024						2025
	1Q	2Q	3Q	4Q	FY24	1Q
Revenue <i>vs Prior Year</i>	\$78M +9%	\$82M (4%)	\$82M (6%)	\$87M (17%)	\$329M (6%)	\$74M (6%)
Non-GAAP Gross Margin¹	41%	39%	36%	40%	39%	28%
Non-GAAP Adjusted EBITDA¹	(\$6M)	(\$4M)	(\$8M)	(\$4M)	(\$22M)	(\$15M)
Non-GAAP Adjusted EBITDA Margin¹	(7%)	(5%)	(10%)	(5%)	(7%)	(20%)

1. Please see the discussion of non-GAAP financial measures in the supplemental schedule financial information on the Ribbon Investor Relations website.

First Quarter 2025 GAAP Financial Summary

	1Q24	4Q24	1Q25
Revenue	\$180M	\$251M	\$181M
Gross Margin	51%	56%	45%
Operating Expenses	\$105M	\$107M	\$102M
Income (loss) from operations	(\$13M)	\$33M	(\$20M)
Other (expense) income, net	(\$14M)	(\$25M)	(\$7M)
Net income (loss)	(\$30M)	\$6M	(\$26M)
Diluted EPS	(\$0.18)	\$0.04	(\$0.15)

Refer to the supplemental schedules
including financial results, key stats,
and non-GAAP reconciliations on the
investor relations website

investors.ribboncommunications.com

Thank You

