



# Ribbon Communications

Second Quarter 2025 Results

July 23, 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 third 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](https://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.

# Second Quarter 2025 Business Overview

Bruce McClelland, President & CEO

John Townsend, Executive Vice President & CFO



# Second Quarter and Year to Date Highlights | Consolidated

## Q2

### Revenue

**\$221M**

+15% Growth YoY

### Gross Margin

**52%**

### Adj. EBITDA<sup>1</sup>

**\$32M**

+47% Growth YoY

### Adj. EBITDA<sup>1</sup> Margin

**14%; +320bps YoY**

## 1H 2025

### Revenue

**\$402M**

+8% Growth YoY

### Gross Margin

**50%**

### Adj. EBITDA<sup>1</sup>

**\$38M**

+13% Growth YoY

### Adj. EBITDA<sup>1</sup> Margin

**9%; Flat YoY**

## Market Growth

North America Service Providers  
Enterprise and Government  
APAC Tier 1 Service Providers

## Customer Highlights

IP Edge Routing Solutions  
U.S. Federal Voice Modernization  
Virtual Call Control and IP Aggregation

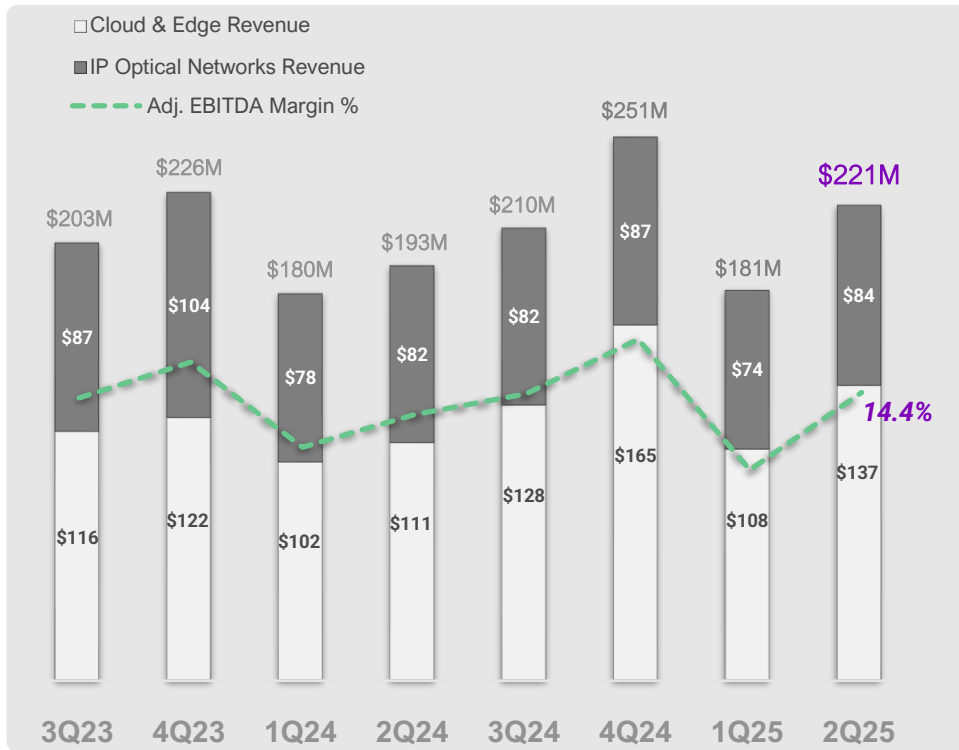
## Cash & Capital Structure

\$62M Ending Cash Balance  
\$50M Stock Buyback Program  
Net Debt Leverage 2.3x<sup>2</sup>

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

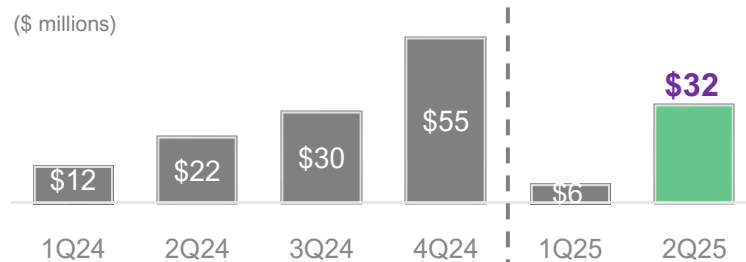
2. Term Debt less cash divided by non-GAAP Adjusted EBITDA.

# Key Financial Trends<sup>1</sup>



## Adjusted EBITDA<sup>1</sup>

(\$ millions)



## Trailing Twelve Month Adjusted EBITDA<sup>1</sup> (\$ millions)



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

# Non-GAAP<sup>1</sup> Segment Financial Highlights | Cloud & Edge

Q2



## Revenue Growth

Product & Professional Services Growth +47% Year over Year  
 Service Provider Growth +28% Year over Year  
 Higher mix of HW and Professional Services



## Market Growth

N. America +38% Year over Year  
 Enterprise +13% Year over Year

1H



## Revenue Growth

Professional Services growth >50% vs 2024



## Gross Margin<sup>1</sup>

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

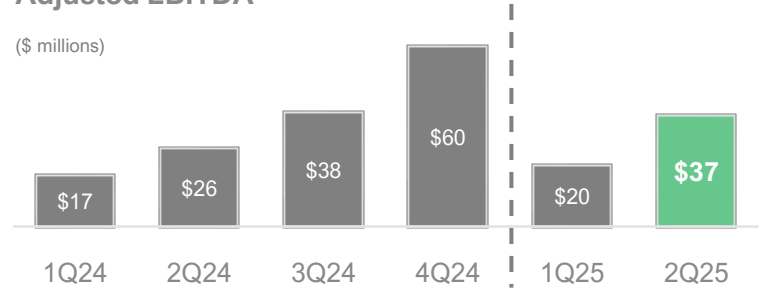


## Adj. EBITDA<sup>1</sup> Growth YoY

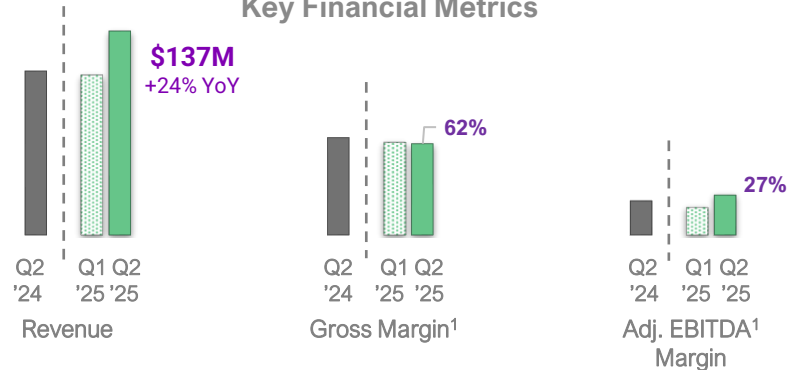
Adj. EBITDA Margin Increase >300bps Year over Year

## Adjusted EBITDA<sup>1</sup>

(\$ millions)



## Key Financial Metrics



**Note:**

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

# Non-GAAP<sup>1</sup> Segment Financial Highlights | IP Optical Networks

Q2

+2%

## Revenue Growth

Overall Revenue Increase Year over Year  
(Revenue up +5% Year over Year excluding E. Europe)



## Revenue - Regional Trends

U.S. +46% Year over Year  
India +42% Year over Year  
EMEA down (6%) Year over Year including E. Europe

36%

## Gross Margin<sup>1</sup>

Reflects changes in geographic and product mix  
>750bps increase vs Q1

1H



## Revenue

1<sup>st</sup> Half Revenue down (2%) vs 2024  
Excluding Eastern Europe Revenue up +13%



## Regional Revenue Trends vs 1<sup>st</sup> Half 2024

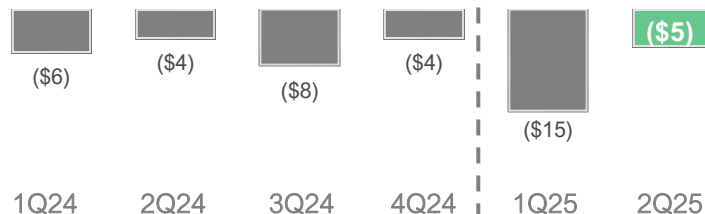
Americas up +43% driven by U.S. Growth  
APAC up +33% driven by India Growth  
EMEA down (29%) driven by E. Europe

**Note:**

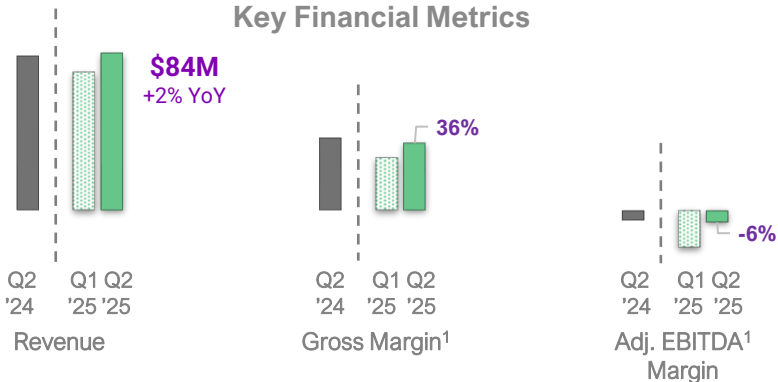
1. Please see the discussion of non-GAAP financial measures in the supplemental financial information included on the Ribbon Investor Relations website.

## Adjusted EBITDA<sup>1</sup>

(\$ millions)



## Key Financial Metrics



# Second Quarter 2025 Key Metrics | Consolidated

## Revenue Mix



Enterprise 34%<sup>2</sup>  
Service Provider 66%<sup>2</sup>

31% Maintenance Revenue<sup>3</sup>

Top 10 Customers Revenue 54%<sup>3</sup>

Domestic 53%<sup>3</sup>  
International 47%<sup>3</sup>

Book to Revenue 1.04x

## Profitability



52% Gross Margin<sup>1</sup>

YTD Operating Expenses<sup>1</sup>  
\$4M Lower Year over Year

\$32M Adjusted EBITDA<sup>1</sup>

Non-GAAP<sup>1</sup> effective tax rate 34%

\$0.05 Non-GAAP EPS<sup>1</sup>

## Balance Sheet



Senior Term Loan Debt<sup>4</sup> \$347M

4.7M Warrants Outstanding

Net Debt Leverage 2.3x

## Cash Flow



Cash Position @ \$62M

(\$1M) Cash from Operations

\$2.3M Stock Buyback  
(573K Shares)

\$6M Capital Expenditures  
(Includes \$2M 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.

# Second Quarter 2025 Non-GAAP<sup>1</sup> Financial Summary

	2Q24	1Q25	2Q25
Revenue	\$193M	\$181M	\$221M
Non-GAAP Gross Margin <sup>1</sup>	54%	49%	52%
Non-GAAP Opex <sup>1</sup>	\$86M	\$86M	\$87M
Non-GAAP Operating Margin <sup>1</sup>	9%	1%	13%
Non-GAAP Adjusted EBITDA <sup>1</sup>	\$22M	\$6M	\$32M
Non-GAAP Diluted EPS <sup>1</sup>	\$0.05	(\$0.03)	\$0.05

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



# 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



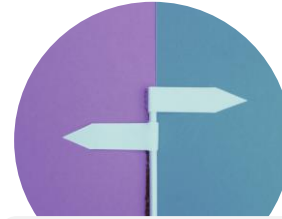
## Federal and Defense Secure Communications

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



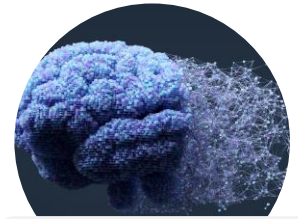
## Fiber Investment

- Robust public and private funding to improve access to the internet including \$42B U.S. 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
- Weakening U.S. Dollar
- U.S. Federal Tax Improvements

**Projecting Profitable Revenue Growth in 2025**

# Continued Strength in Key Markets

## Mobile and Fiber Service Providers

- Voice Network Modernization
- Network Automation and Analytics
- Adoption of Cloud Technologies
- Middle Mile & Backhaul Refresh for 5G & Fixed B/B
- Optical Backbone Refresh and Expansion
- Expanding DCI Inroads



## Enterprise & Critical Infrastructure

- Utility and Rail Network Modernization
- Contact Centers
- Financial Institutions



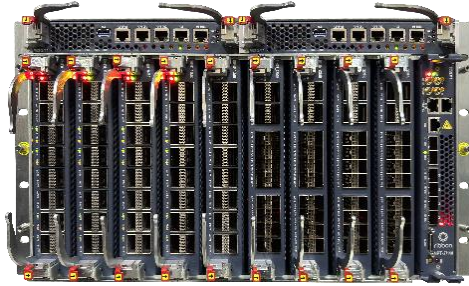
## Government & Defense Networks

- Communication Modernization with DOD and Civil Agencies
- Secure High Performance Data Networks for Mission Critical Programs
- Tactical Federal Solutions is Gaining Momentum



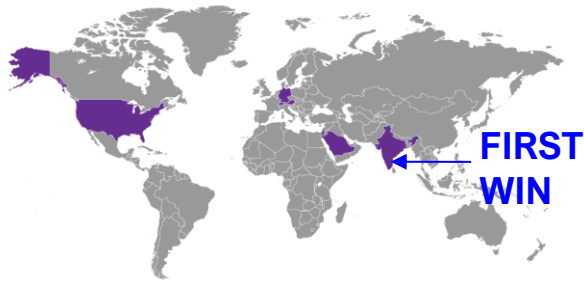
# NPT 2714 – A Game Changer For IP Aggregation

Innovative Orthogonal Architecture for Modular Aggregation Routers, Merges the Best from Modular & Fixed Routers



- **True Pay As You Grow:** In service switch capacity upgrade; 7.2Tbps - 14.4Tbps
- **Investment Protection:** Architected to support independent upgrade of modules
- **Full Redundancy:** Full hardware redundancy
- **Interface Flexibility:** 1G-400G with cost-efficient fan-out growth; 3.2Tbps – 14.4Tbps
- **Security:** MACsec support on all interfaces
- **Coherent Routing (IPoDWDM):** Seamless IP Optical integration

## Global PoCs and Healthy Funnel



## An Innovation Award Winner



**Awarded February 2025**

*"Excellent product with technical features and performance that provide clear and substantial benefits."*



**Shortlisted in July 2025**

*"Most Innovative IP Transport Product & Most Innovative Optical Transport Use Case"*

# Third Quarter and Full Year 2025 Business Outlook

	3Q24 (Actual)	FY24 (Actual)	3Q25 (Outlook)	FY25 (Unchanged)
<b>Revenue</b>	\$210M	\$834M	\$213M to \$227M	\$870M to \$890M
<b>Non-GAAP Gross Margin<sup>1</sup></b>	55.3%	55.9%	53.5% to 54.0%	54.0% to 55.0%
<b>Non-GAAP Adjusted EBITDA<sup>1</sup></b>	\$30M	\$119M	\$28M to \$34M	\$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	2Q25
<b>Revenue</b>							
Product	88	99	112	148	447	82	115
Service	92	93	98	103	387	99	106
<b>Total Revenue</b>	<b>180</b>	<b>193</b>	<b>210</b>	<b>251</b>	<b>834</b>	<b>181</b>	<b>221</b>
<b>% of Total Revenue:</b>							
<b>Revenue Mix</b>							
Product	49%	51%	53%	59%	54%	45%	52%
Services	51%	49%	47%	41%	46%	55%	48%
<b>Revenue by Geography</b>							
Domestic	40%	42%	52%	53%	47%	46%	53%
International	60%	58%	48%	47%	53%	54%	47%
<b>% of Product Revenue:</b>							
<b>Product Revenue by Channel</b>							
Direct	48%	68%	66%	63%	62%	72%	66%
Indirect	52%	32%	34%	37%	38%	28%	34%
<b>Product Revenue By Market</b>							
Enterprise	43%	38%	36%	41%	39%	28%	34%
Service Providers	57%	62%	64%	59%	61%	72%	66%
<b>10% Total Revenue Customers</b>							
		Verizon	Verizon	Verizon	Verizon	Verizon	Verizon

# Quarterly Non-GAAP<sup>1</sup> Segment Trend | Cloud & Edge

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

2025	
1Q	2Q
<b>\$108M</b> <i>+6%</i>	<b>\$137M</b> <i>+24%</i>
<b>63%</b>	<b>62%</b>
<b>\$20M</b>	<b>\$37M</b>
<b>19%</b>	<b>27%</b>

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

# Quarterly Non-GAAP<sup>1</sup> Segment Trend | IP Optical Networks

IP OPTICAL NETWORKS – 2024						2025	
	1Q	2Q	3Q	4Q	FY24	1Q	2Q
<b>Revenue</b> <i>vs Prior Year</i>	\$78M +9%	\$82M (4%)	\$82M (6%)	\$87M (17%)	\$329M (6%)	\$74M (6%)	\$84M +2%
<b>Non-GAAP Gross Margin<sup>1</sup></b>	41%	39%	36%	40%	39%	28%	36%
<b>Non-GAAP Adjusted EBITDA<sup>1</sup></b>	(\$6M)	(\$4M)	(\$8M)	(\$4M)	(\$22M)	(\$15M)	(\$5M)
<b>Non-GAAP Adjusted EBITDA Margin<sup>1</sup></b>	(7%)	(5%)	(10%)	(5%)	(7%)	(20%)	(6%)

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

## Second Quarter 2025 GAAP Financial Summary

	2Q24	1Q25	2Q25
Revenue	\$193M	\$181M	\$221M
Gross Margin	51%	45%	50%
Operating Expenses	\$100M	\$102M	\$105M
Income (loss) from operations	(\$2M)	(\$20M)	\$4M
Other (expense) income, net	(\$13M)	(\$7M)	(\$13M)
Net income (loss)	(\$17M)	(\$26M)	(\$11M)
Diluted EPS	(\$0.10)	(\$0.15)	(\$0.06)

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

[investors.ribboncommunications.com](https://investors.ribboncommunications.com)

**Thank You**

