

Accelerating Your Network Transformation

IP Optical Networking &
Secure Cloud Communications

Ribbon Corporate Overview
July 2024



ribbon

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

The information in 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 presentation, including without limitation statements regarding the Company’s projected financial results for the third quarter of 2024 and beyond; plans and objectives for future operations, including cost reductions; the impact of the wars in Israel and Ukraine; customer spending and engagement and momentum; and plans for future product development and manufacturing and the expected benefits therefrom, are forward-looking statements. Without limiting the foregoing, the words “believes”, “estimates”, “expects”, “expectations”, “intends”, “may”, “plans”, “projects” and other similar language, are intended to identify forward-looking statements.

Forward-looking statements are based on the Company’s current expectations and assumptions regarding its 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 difficult to predict. Actual results may differ materially from those contemplated in these forward-looking statements due to various risks, uncertainties and other important factors, including, among others, the effects of geopolitical instabilities and wars, including in Israel and Ukraine (and the impact of sanctions and trade restrictions imposed as a result thereof); unpredictable fluctuations in quarterly revenue and operating results; increases in tariffs, trade restrictions or taxes on the Company’s products; the impact of restructuring and cost-containment activities; operational disruptions at facilities located in Israel including as a result of military call-ups of the Company’s employees in Israel, closure of the offices there or the temporary or long-term closure of contract manufacturing in the region; the potential impact of litigation; risks related to supply chain disruptions, including as a result of component availability; risks resulting from higher interests rates and continued inflationary pressures; risks related to cybersecurity and data intrusion; failure to compete successfully against telecommunications equipment and networking companies; failure to grow the Company’s customer base or generate recurring business from existing customers; credit risks; the timing of customer purchasing decisions and the Company’s recognition of revenues; macroeconomic conditions, including inflation; market acceptance of the Company’s products and services; rapid technological and market change; the ability to protect Company intellectual property rights and obtain necessary licenses; the ability to maintain partner, reseller, distribution and vendor support and supply relationships; the potential for defects in the Company’s products; and currency fluctuations.

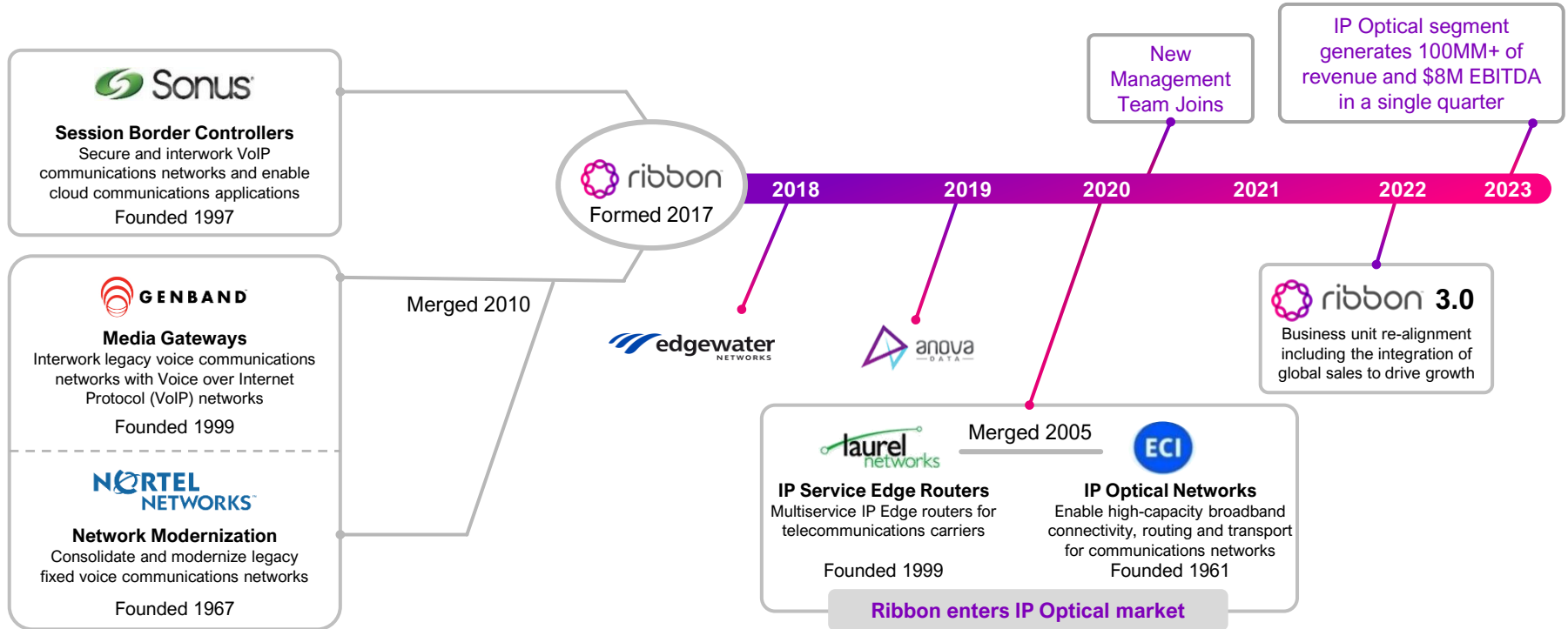
These factors are not intended to be an all-encompassing list of risks and uncertainties that may affect the Company’s business and results from operations. Additional information regarding these and other factors can be found in the Company’s reports filed with the Securities and Exchange Commission, including, without limitation, its Form 10-K for the year ended December 31, 2023. In providing forward-looking statements, the Company expressly disclaims any obligation to update these statements publicly or otherwise, whether as a result of new information, future events 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.

Rich History of Innovation Brought Together as Ribbon

Several meaningful transactions have strengthened our market position, expanded our market scope and will provide a major new growth vector in the company's transformation

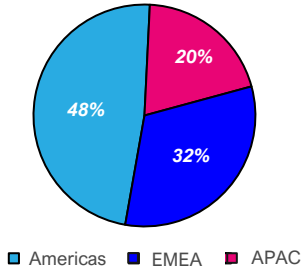


Introduction to Ribbon

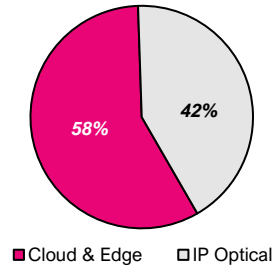
- Ribbon Communications is a global provider of software and network solutions to enable real-time communications and high-bandwidth networking & connectivity
- Ribbon delivers its solutions through two main revenue segments: (i) Cloud & Edge (“C&E”) and (ii) IP Optical Networks (“IPON” or “IP Optical”)
- Attractive mix of high-margin, service-based revenue (46%) and product revenue (54%) based on FY 2023 total revenue

FY 2023 Revenue Breakdown

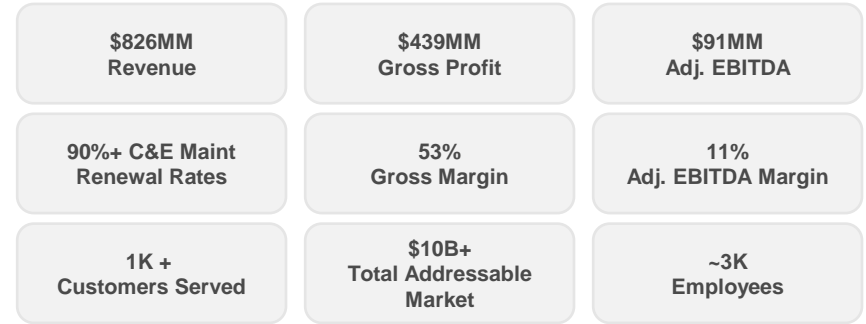
By Region



By Segment



FY 2023 Key Statistics



Long-Term Customer Relationships



Ribbon Experienced Senior Leadership



Bruce McClelland
President, CEO & Director

- Board of Directors



Mick Lopez
EVP, Chief Financial Officer

- Financial accounting reporting, controls, & planning
- AP & AR
- Treasury & Tax
- Investor Relations
- Information Technologies



Sam Bucci
EVP, Chief Operating Officer

- Business strategy
- Innovation & Product Development
- Portfolio Management
- Global Services
- Supply Chain & Operations



Dan Redington
EVP, Global Sales

- Regional Sales Units
- Pre-Sales Engineering
- Project Management
- Strategic account development



Joni Roberts
SVP, Chief Marketing Officer

- Global Marketing Strategy
- Investor Relations
- Global Product Positioning



Patrick Macken
EVP, Chief Legal Officer

- General Counsel
- Employment Law
- Contract Law
- Compliance
- Facilities
- Corporate Secretary



Petrena Ferguson
SVP Human Resources

- Global HR business partner
- Compensation & Benefits
- Recruiting and Performance Management
- Employee training & development



\$10B+ Addressable Market across Multiple Market Segments



2024 Serviceable Market

IP Optical Networking

IP Routing



\$3.5B

Dell'Oro Service Provider Edge Router minus China

Optical Transport



\$4.5B

Dell'Oro Metro & Long Haul minus China and DCI

Cloud & Edge

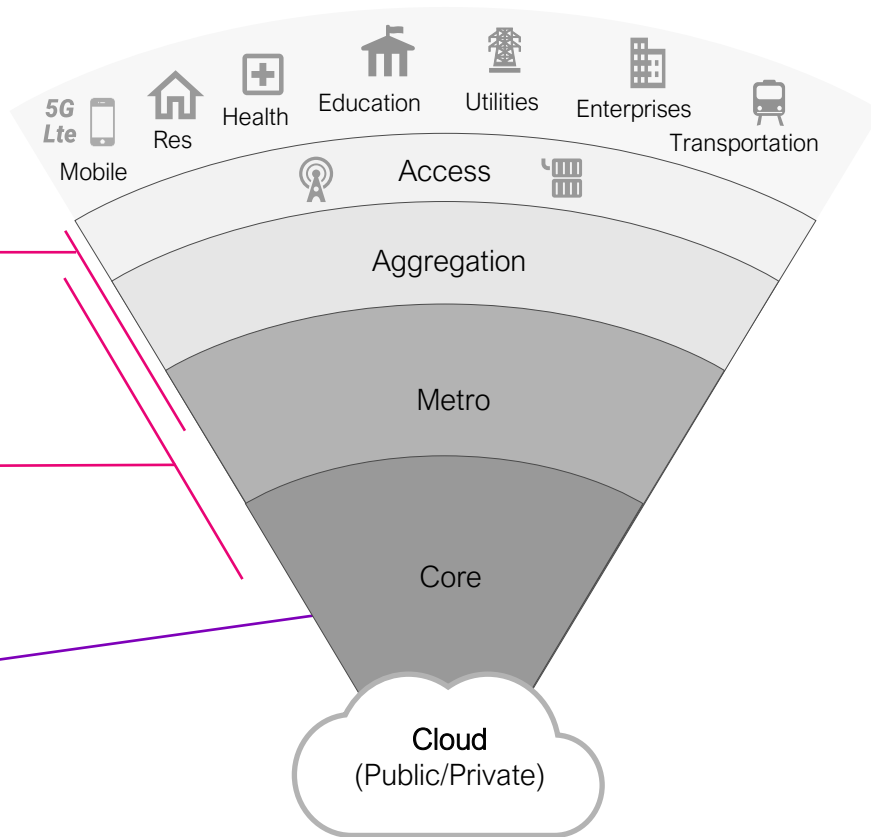
Secure VoIP



SDN



\$3.3B



Note: Estimated market figures are rounded and include Management assumptions

Segment Overview

Cloud & Edge Product Overview



Session Border Controllers

“Voice Firewall” (HW/SW) to protect and control real-time communications at endpoints including VoIP, IP video, text chat and UCaaS collaboration sessions



Network Transformation

Used by Telecom Service Providers and Enterprises to provide highly reliable voice services. Includes Softswitch, Application Server, Policy and Routing, and Media Gateways. Complemented by large scale analytics platform and applications



IP Optical Networking Product Overview



Optical Transport

Complex high speed optical communications platforms that use optical fiber cables to transport large volumes of data over long distances



IP Routing

High performance hardware and software platforms that enable a wide range of network services underlying modern mobile and broadband networks

Services



Install/Deploy (25%) and Technical Support (75%) of advanced communication services at major Service Providers and Enterprises (Financial, Transportation, Federal Agencies)

Note: Figures may not foot due to rounding

Ribbon's Government and Defense Solutions

Mission Critical Solutions

Proven Solutions for Defense

- Base and Mission Oriented Solutions
- Secure Voice & Data Networking
- Ultra-high Availability
- Ribbon Network-in-a-Box
- JITC Certified Solutions



Our Customers

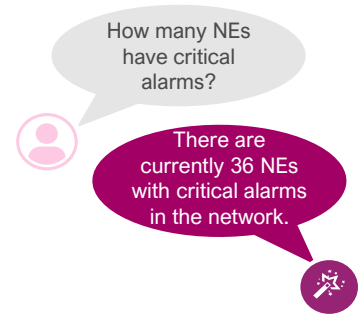
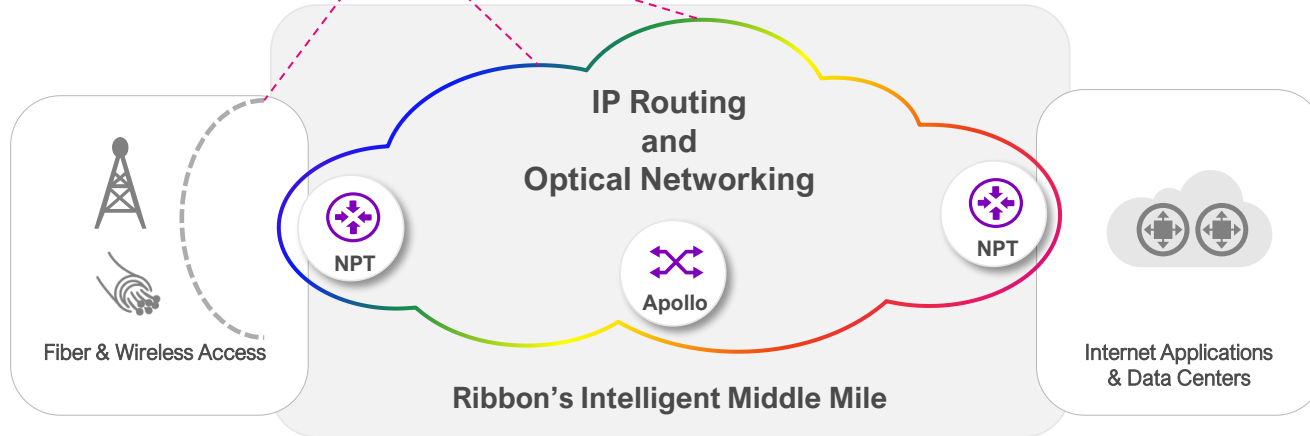


Practical Applications of AI For IP Optical Networks

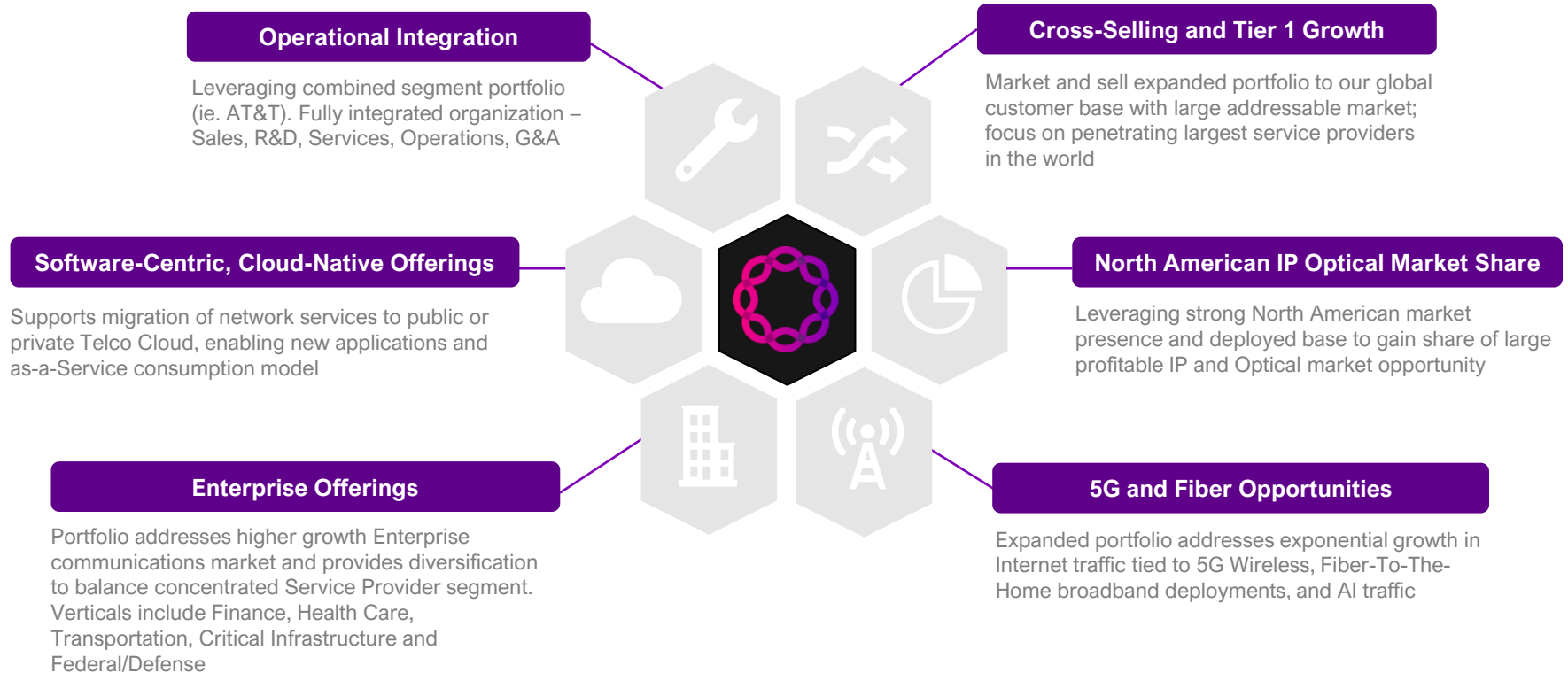


Muse - Ribbon's Network Orchestration

- AI/ML Driven Network Telemetry & Management
- Gen AI-enabled User Experience
- Automated Root Cause Analysis
- Intelligent Optimization – e.g. Greenest Path



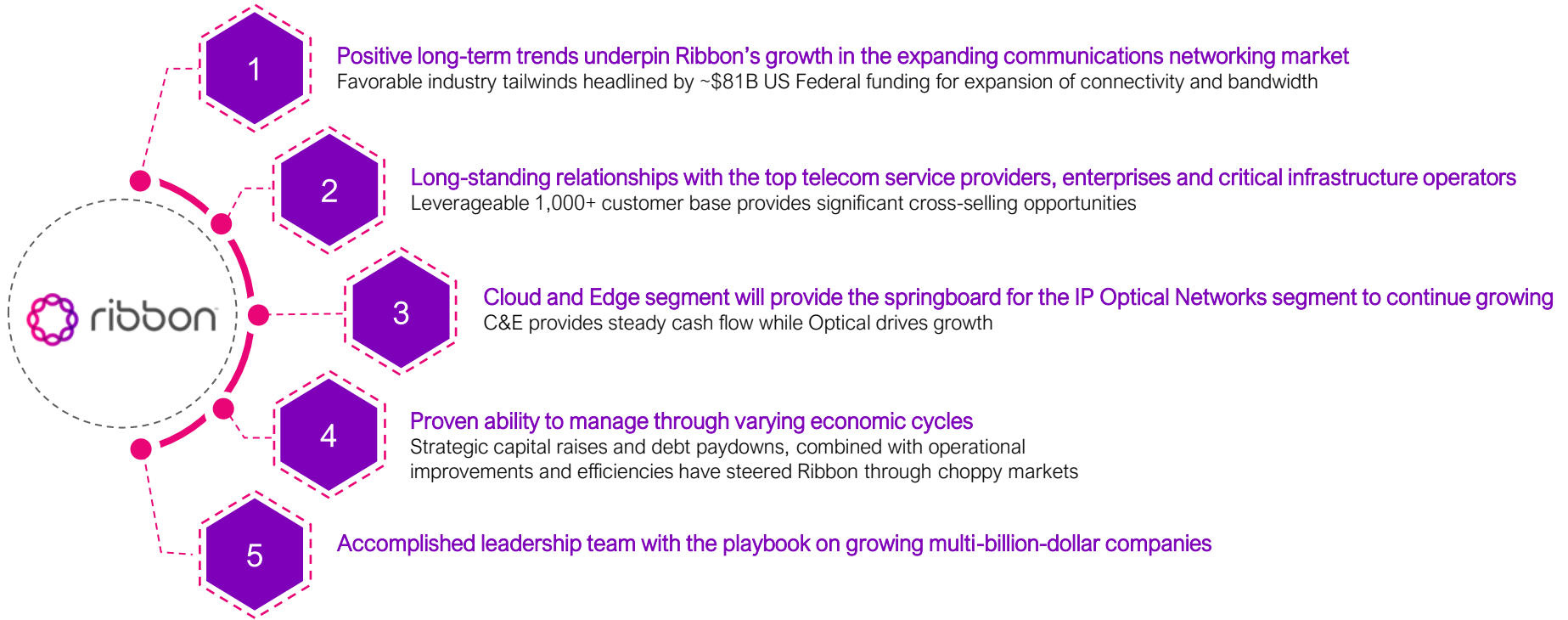
Ribbon's Strategic Pillars



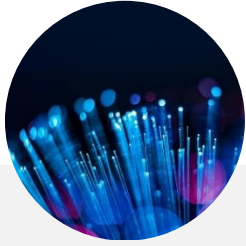
Key Highlights & Trends



Key Highlights

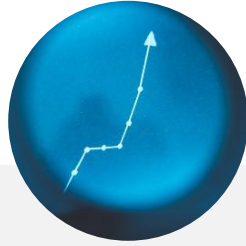


Positive Long-Term Demand Drivers...



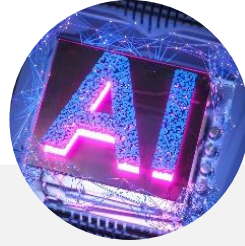
Increased Fiber Investment

- Unprecedented federal funding to connect homes with fiber (including \$42B US BEAD program) driving investment in Middle Mile



Exponential Traffic & Wireless Broadband Growth

- Consumption drives increased capacity for network requirements
- Imperative that network operators invest in new technology to lower the cost per bit



Game Changing AI Analytics and Generative AI

- AI in its infancy on the curve of growth – by 2030, nearly two-thirds of network traffic will involve AI
- Ribbon “AI Ready” – Automation, Planning, Technical Support



Growing Adoption of Unified Communications

- Demand for remote collaboration and UCaaS driving 16% revenue CAGR thru 2030
- Session Border Controller sales expected to grow 3.5% CAGR thru 2029



TCO and Network Modernization

- Aging legacy voice networks represent \$1B+ market opportunity with significant ESG benefits
- US Federal Govt voice modernization effort underway

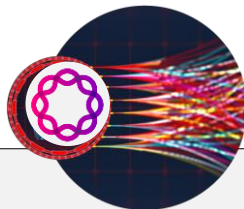
Sources: Omdia AI Network Traffic Forecast: 2022 – 30 Nov 2023, The Insight Partners Unified Communications Market Size and Forecasts (2020 – 2030) Oct 2023, 360 Research Reports SBC Market Size 2023-2030 Oct 2023, Company estimates

Improving Operating Environment for 2024 and Beyond



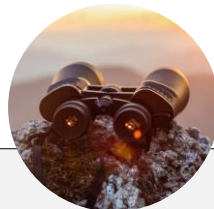
The Strategy is Working

- 2023 sets the Foundation for Continued Growth and Margin Expansion
- Cross Selling Momentum
- Increasing Market Share
- Lowering Customer's Cost of Network Operation
- Optimizing Cost Structure



Diversification

- Expand Fiber Reach
- Government Funding Programs
- Middle Mile Opportunities
- 5G Global Investment
- Interactive Platforms - Enterprise Growth Catalyst (Microsoft Teams/Zoom)



Regional Outlook

- U.S. Rural Broadband Expansion
- U.S. Tier 1 Service Provider Recovery in 2nd Half
- Global Critical Infrastructure Opportunities
- Growth in Africa
- Defense & Homeland Security Spending



Investment Strategy

- R&D Investments Focused on Middle Mile Opportunity and Migration to Cloud Native Architectures
- New Products Across Portfolio improve Positioning and Differentiation

2024 Builds on Strategy and Accomplishments

Second Quarter 2024 Business Overview
&
Third Quarter and Full Year 2024 Business Outlook



Excellent Progress against Strategic Goals

- Ribbon 3.0 Business re-alignment
- 5%+ reduction in operating expenses
- Growth in US Rural Broadband
- India market share expansion

1H23

- Verizon Network Modernization \$300M+ contract
- 12-month trailing Adj. EBITDA >\$100M
- Successful Credit Structure re-financing
- 8 straight quarters of IP Optical Earnings Contribution YoY improvement

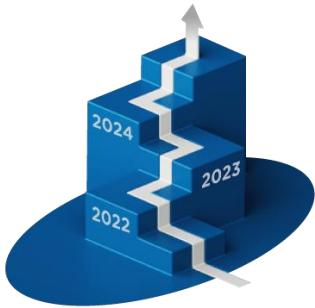
1H24

2H23

- IP Optical profitability achieved for 2H23
- Major US Federal Voice Modernization wins
- Enterprise growth
- Innovation pipeline driving new products

2H24

- Projecting recovery in US Tier One Service Provider
- Voice Network Modernization investment
- Strong US Rural Broadband demand
- Industry consolidation creating opportunities
- Reduced dependency on Eastern Europe



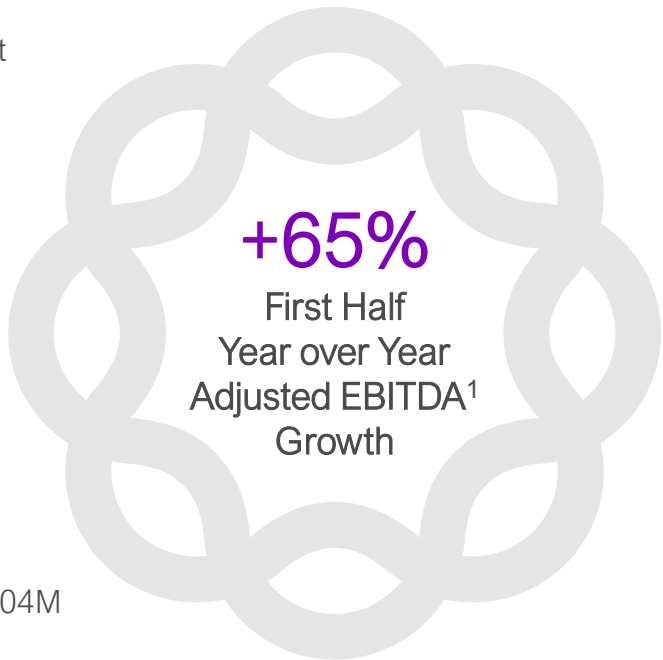
Second Quarter and Year to Date 2024 Highlights | Consolidated

IP Optical Networks Growth

- +\$8M YoY Adj. EBITDA¹ Improvement
- +800 bps Gross Margin¹ Growth
- +21% Gross Profit Growth
- +30% Growth YoY in EMEA
(excluding Eastern Europe)

- Gross Margin¹ Expansion to 54%
- 4% Reduction in Operating Expenses
- Trailing Twelve Month Adj. EBITDA \$104M

Operational Improvement



+65%
First Half
Year over Year
Adjusted EBITDA¹
Growth

Customer Highlights

- First Shipments of Verizon
Modernization Project
- U.S. Federal Defense Voice
Modernization Wins
- Converge ICT Metro Backbone
- Brightspeed Voice Modernization

- Secured Long Term Capital
through \$350M Refinancing
- \$67M Ending Cash Balance

Cash & Capital Structure

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

Second Quarter 2024 Business Highlights | Consolidated

Continued Gross Margin Expansion and Operational Efficiencies

Q2

\$22M



Q2 Adjusted EBITDA¹

Trailing Twelve Month Adjusted EBITDA \$104M
\$13M Improvement Year to Date vs 2023

+240bps



Gross Margin¹ Improvement YoY to 54%

IP Optical Regional and Product Mix
Cloud & Edge Software Sales Mix
Strong Services Margins

-4%



Improved Operating Expenses YoY

Full Year Benefit of 2023 Cost Efficiencies
Continued Cost Containment Initiatives

-9%



Decline in Q2 Revenue YoY

Eastern Europe
Timing of U.S. Federal Opportunity

\$385M Senior Secured Credit Facility

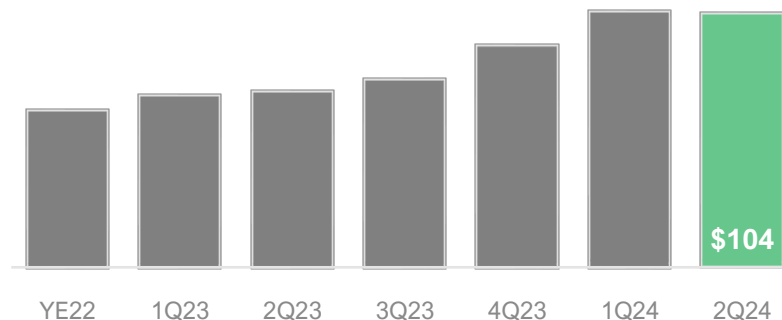
\$

Maturity: 5 years
Term Loan Amount: \$350M
Revolver Amount: \$ 35M



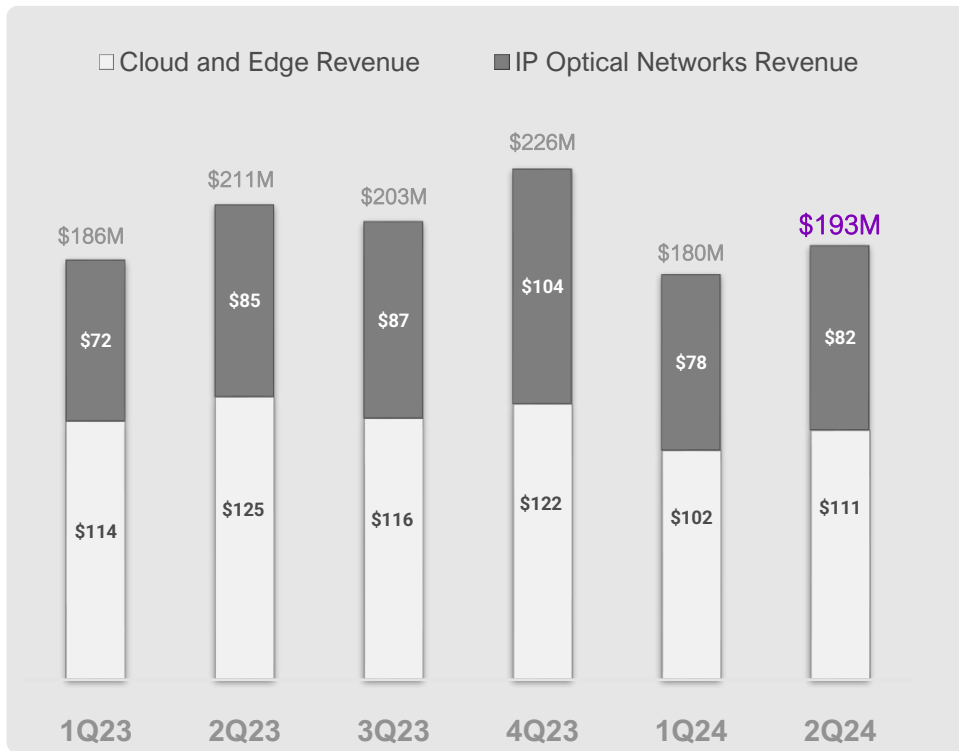
Net Debt Leverage Ratio 2.7x

Trailing Twelve Month Adjusted EBITDA¹ >\$100M (\$ millions)



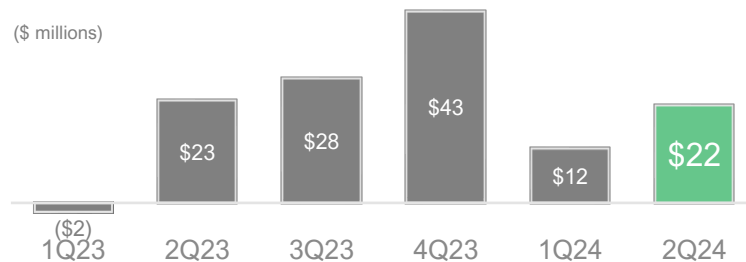
1. Please see the discussion of non-GAAP financial measures in the supplemental financial information included on the Ribbon Investor Relations website.

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 | IP Optical Networks

Q2

\$8M



Improvement in Adj. EBITDA¹ vs Q2 23

+\$6M Gross Profit Growth / Expanded Margins
+\$2M Operating Expense Reductions
Trailing Twelve Months Adjusted EBITDA @ (\$5M)

+30%



YoY Growth in EMEA Revenue (excl Eastern Europe)

Expansion Projects in Critical Infrastructure
Significant Defense Agency Wins

39%



Gross Margin¹

Trailing Twelve Months Gross Margin >40%
Regional Mix and Lower Product Costs

-4%



YoY Revenue Change

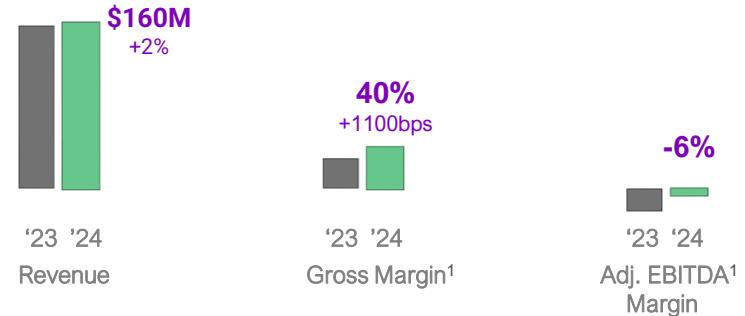
Eastern Europe down (\$6M)
Total Excluding Eastern Europe: +4%
Product & Services Book to Revenue 1.1x

Adjusted EBITDA¹

(\$ millions)



Year to Date 2024



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

Q2

66%



Strong Gross Margin¹

69% Services Gross Margin
 Software Sales 64% of Total Product Revenue
 Continued Strength in re-occurring Maintenance Revenue
 Annual Maintenance Backlog >90%

23%



Stable Adj. EBITDA¹ Margin

Cost containment despite inflationary pressures
 Steady cash and profit contribution at \$26M

- 12%

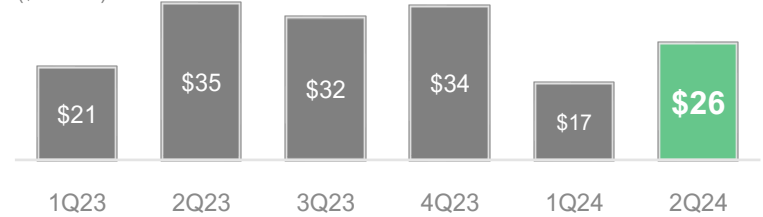


YoY Revenue Change

Large Federal Deal Timing from Q2->Q3
 Product & Services Book to Revenue 1.04x
 Verizon >10% Customer
 Return to growth expected in 2H

Adjusted EBITDA¹

(\$ millions)



Year to Date 2024

\$212M
(11%)



'23 '24
Revenue

66%
+200bps



'23 '24
Gross Margin¹

20%



'23 '24
Adj. EBITDA¹
Margin

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

Second Quarter 2024 Key Metrics | Consolidated

Revenue Mix



Enterprise 38%²
Service Provider 62%²

35% Maintenance Revenue³

Top 10 Customers Revenue 46%³

Domestic 42%³
International 58%³

Book to Revenue 1.1x

Profitability



54% Gross Margin¹

Operating Expenses¹ 4% Lower
than Q2 2023

\$22M Adjusted EBITDA¹

\$0.05 Non-GAAP EPS¹

Balance Sheet



Senior Term Loan Debt⁴ \$350M

Outstanding Revolver Loan⁴ \$0M

Redeemed Preferred Stock \$64M

4.9M Warrants Outstanding

Cash Flow



Solid Cash Position @ \$67M

(\$10M) Cash from Operations
Includes One Time (\$7M) Preferred
Dividend Settlement Payment

(\$3M) Capital Expenditures

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.

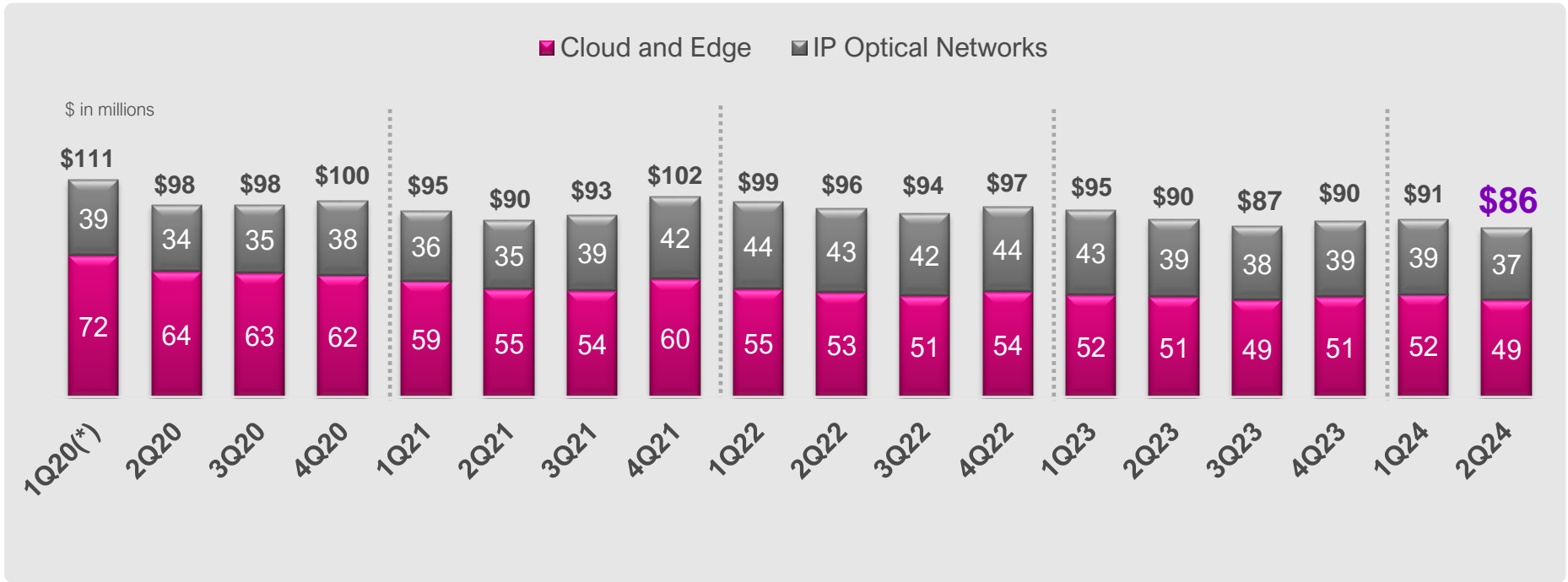
Second Quarter 2024 Non-GAAP¹ Financial Summary

	2Q23	1Q24	2Q24
Revenue	\$211M	\$180M	\$193M
Non-GAAP Gross Margin ¹	52%	55%	54%
Non-GAAP Opex ¹	\$90M	\$91M	\$86M
Non-GAAP Operating Margin ¹	9%	5%	9%
Non-GAAP Adjusted EBITDA ¹	\$23M	\$12M	\$22M
Non-GAAP Diluted EPS ¹	\$0.04	(\$0.01)	\$0.05

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 Operating Expense Trends

2Q24 of \$86M lowest quarter OPEX since the merger with ECI Telecom Group in March 2020



(*) Q1 2020 IP Optical Networks is shown as Pro Forma

\$385M First Lien Senior Secured Credit Facility

Term Loan Amount: \$350M
Revolver Amount: \$ 35M
 • Maturity: 5 Years (6/21/29)
 • Original Issue Discount: 200bps
 • Commitment Fee: 50bps

Amortization:
 • Year 1 1.0%
 • Year 2 and 3 2.5%
 • Year 4 and 5 5.0%

Maximum Net Leverage Ratio (TTM) Covenant:
 • 4.75X through 1Q2026
 • 4.00X thereafter
 • \$50M maximum Net Cash allowed for calculation

Call Protection:
 • Year 1 105 / 104*
 • Year 2 104 / 103*
 • Year 3 103 / 102*
 (*) if Change in Control

Interest Rate Levels:

- Level 1 until March 2025
- After March 2025, dependent on net leverage ratio

LEVEL	Consolidated Net Leverage Ratio (TTM)	Margin for SOFR Loans	Margin for ABR Loans
I	Greater than or equal to 2.40 to 1.0	6.25%	5.25%
II	Less than 2.40 to 1.0 and greater than or equal to 1.90 to 1.0	6.00%	5.00%
III	Less than 1.90 to 1.00	5.75%	4.75%

Key Growth Drivers in 2H 2024



Verizon Advanced Voice Network Platform deployment

Expansion of Voice Network Modernization projects with additional carriers

Enterprise and U.S. Federal growth

U.S. Regional and Rural Broadband deployments

Expanding fiber deployments and network upgrades in India

Competitor dynamics creating additional opportunities to gain share

Industry Announcements Create Disruption & Opportunity

Competitive Changes



Microsoft to quit Affirmed and Metaswitch in telecom retreat

 LightReading



Nokia to buy Infinera, unique US chipmaker now answers to Finland

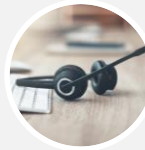
 LightReading



Hewlett Packard Enterprise to buy Juniper Networks in \$14 bln deal

 Reuters

Disruption



Support Concerns

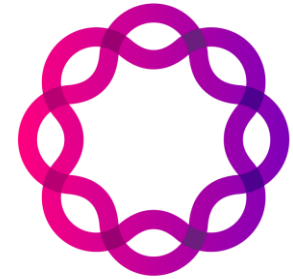


Product Uncertainty



Broken Sales

Ribbon Opportunities



Leading Voice Telecom Specialist
Dual Vendor Optical Alternative
Investing in Telecom IP Networking

* Previously the primary direct competitor for Ribbon Cloud & Edge

Third Quarter and Full Year 2024 Business Outlook

	3Q23 (Actual)	FY23 (Actual)	3Q24 (Outlook)	FY24 (Outlook)
Revenue	\$203M	\$826M	\$205M to \$220M	\$830M to \$850M
Non-GAAP Gross Margin¹	55%	53%	53.0% to 53.5%	54.0% to 54.5%
Non-GAAP Adjusted EBITDA¹	\$28M	\$91M	\$25M to \$30M	\$105M to \$115M

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

Ribbon Key Revenue Statistics

USD Millions except for percentages	1Q23	2Q23	3Q23	4Q23	FY23	1Q24	2Q24
Revenue							
Product	93	117	109	126	445	88	99
Service	93	93	95	100	381	92	93
Total Revenue	186	211	203	226	826	180	193
% of Total Revenue:							
Revenue Mix							
Product	50%	56%	53%	56%	54%	49%	51%
Services	50%	44%	47%	44%	46%	51%	49%
Revenue by Geography							
Domestic	44%	47%	42%	34%	42%	40%	42%
International	56%	53%	58%	66%	58%	60%	58%
Product Revenue by Channel							
Direct	62%	68%	65%	63%	65%	52%	68%
Indirect	38%	32%	35%	37%	35%	48%	32%
Product Revenue By Market							
Enterprise	29%	32%	34%	33%	32%	43%	38%
Service Providers	71%	68%	66%	67%	68%	57%	62%
10% Total Revenue Customers	Verizon	Verizon	Verizon		Verizon		Verizon

Quarterly Non-GAAP¹ Segment Trend | Cloud & Edge

CLOUD & EDGE – 2023						2024	
	1Q	2Q	3Q	4Q	FY23	1Q	2Q
Revenue <i>vs Prior Year</i>	\$114M +4%	\$125M (9%)	\$116M (7%)	\$122M (11%)	\$478M (6%)	\$102M (11%)	\$111M (12%)
Non-GAAP Gross Margin¹	61%	67%	68%	68%	66%	66%	66%
Non-GAAP Adjusted EBITDA¹	\$21M	\$35M	\$32M	\$34M	\$121M	\$17M	\$26M
Non-GAAP Adjusted EBITDA Margin¹	18%	28%	27%	28%	25%	17%	23%

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 – 2023						2024	
	1Q	2Q	3Q	4Q	FY23	1Q	2Q
Revenue <i>vs Prior Year</i>	\$72M +13%	\$85M +24%	\$87M +6%	\$104M +7%	\$349M +12%	\$78M +9%	\$82M (4%)
Non-GAAP Gross Margin¹	27%	31%	38%	44%	36%	41%	39%
Non-GAAP Adjusted EBITDA¹	(\$23M)	(\$12M)	(\$4M)	\$8M	(\$31M)	(\$6M)	(\$4M)
Non-GAAP Adjusted EBITDA Margin¹	(32%)	(14%)	(4%)	8%	(9%)	(7%)	(5%)

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

Second Quarter 2024 GAAP Financial Summary

	2Q23	1Q24	2Q24
Revenue	\$211M	\$180M	\$193M
Gross Margin	48%	51%	51%
OpEx	\$108M	\$105M	\$100M
Income (loss) from operations	(\$7M)	(\$13M)	(\$2M)
Other (expense) income, net	(\$9M)	(\$14M)	(\$13M)
Net income (loss)	(\$21M)	(\$30M)	(\$17M)
Diluted EPS	(\$0.13)	(\$0.18)	(\$0.10)

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

investors.ribboncommunications.com

Thank You

