

**Ciena Investor Forum 2026**  
**Industry Leadership Scaling Returns**  
**Transcript of Presentation by:**  
**Marc Graff, Executive Vice President and Chief Financial Officer**

Hello, everyone, and thank you for joining. This is Marc Graff, Ciena's Chief Financial Officer.

Today I'll update you on the journey we've been on for the past few years, the amazing results we've achieved, and our plans and financial objectives through 2029.

It was a little more than a year ago when Ciena laid out its near-term financial goals, namely structurally improving gross margins, driving towards world-class working capital, and having a focused capital allocation strategy. I'm happy to report we've made excellent progress against all three of these objectives, as they have been the core on delivering the fundamentals for Ciena's business model.

You've seen [adjusted] gross margins improve by over 200 basis points year-on-year through an aggressive cost-reduction program, pricing actions, and accretive product mix. These dynamics are sustainable and have reset our [adjusted] gross margin base to solidly mid-40s. Our working capital management has been a focus, not only for financial hygiene, but also to power the growth of the company.

We have the resources to fund our growth over the long-term, and to ensure that our capital is deployed to meet growing customer needs while reinforcing efficiencies such as cash conversion cycles.

Lastly, we have a disciplined capital allocation framework that focuses on investing in our current leadership portfolio as its top priority, and maintaining an eye to inorganic opportunities as our second priority. Being the only pure-play optical systems and interconnect solution provider and a leader in the industry, is the result of decades of deliberate investment decisions, trade-offs, and execution to meet this extraordinary market opportunity.

Lastly, when capital is generated beyond these needs, we are committed to returning it to our owners, which over the last five years has averaged over 100% of free cash flow.

And the results speak for themselves. Since 2024, revenue has grown an average of 27% to our current \$6.4 billion 2026 guidance. [Adjusted] operating margins have expanded by 1100 basis points over the same time frame, and [adjusted] Earnings per Share have more than tripled. And it's this earnings potential that we are unleashing. We have tripled our [adjusted] Earnings per Share with only, only a 27% revenue CAGR.

We're able to deliver these results because we're the only pure-play optical systems and interconnect provider on the planet, and that allows us massive leverage for both research and development and go-to-market activities.

These impressive results have been gated only by industry supply. As we've talked previously, we are seeing acceleration in the demand for optical systems and interconnects as customers realize the network is the unlock to monetizing AI investments. Over the past two years, we've seen orders – a proxy for unconstrained demand – double from '24 to '25 and increase at least another 50% into 2026.

Yet revenue – proxy for supply in a constrained environment – has increased only 27% on average over the past two years. As a result, over the same period, backlog has more than doubled from '24 to '25, and again from '25 to '26 to an expected \$10 billion exiting 2026. Clearly, there is not a demand issue. What is clear is the need for the industry to accelerate its capacity requirements for a number of years to catch up to demand.

And while it's typically seen as a negative indicator, industry lead times need to compress in order to establish a healthier balance between supply and demand, effectively providing a cash unlock to a growing backlog. And based on our latest outlooks, we don't see a balanced supply-demand environment returning before 2028.

So, as it applies to our directional outlook for 2027, we see a very similar dynamic occurring, namely demand outstripping supply. We continue to believe that we'll exit the fiscal year with at least a 50% growth in orders to yield a minimum \$10 billion in backlog, which covers our 2027 revenue outlook and starts to build the 2028 revenue base. As importantly, we have secured the supply to enable at least a 30% revenue growth going into 2027. Our supply chain team has pulled all the levers to ensure that we can deliver this floor and position Ciena for upside, as additional supply may become available.

In fact, we believe that we have secured supply to meet demand to extend the 30% trend through 2029, yielding a 2029 revenue target of approximately \$14 billion. With customer commitments and long-term supply agreements, our revenue will exceed what we believe the top four hyperscalers' Capex growth rate to be. Additionally, the competitiveness of our portfolio will enable continued share gains and exceed the TAM growth rate, driven primarily by our optical systems, such as Hyper-Rail and WaveLogic 6e, and accelerated by the massive growth in our Interconnect portfolio of plugs, DCOM, modules, and the beginning of the CPO/NPO product ramps. And we have requested supply commits for '28 and '29 to exceed these growth rates. The next three years will be an inflection point for the company as it cements its leadership position and the traditional and AI-WAN and establishes its footprint inside the data center.

While our ambitions are great inside the data center, we have taken a relatively modest approach to 2029 revenue from newer product lines like CPO, NPO, and Coherent-Lite.

As Brodie [Gage] and Dino [DiPerna] reinforced, the move to optical within the data center is accelerating, and Ciena leads the industry in optical connectivity expertise. So, these products could provide significant upside to our baseline assumptions as the markets and applications developed for them. Together, there is \$11 billion of 2029 TAM for these new markets in which we can participate.

We are not relying only on growing revenue to drive profitability. We believe that we can achieve 50% [adjusted] gross margins by 2029, underwritten by our industry leadership. First, as I've talked about previously, we have made excellent progress on pricing and term discussions with our customers that extend over the next three years. We'll see these actions start to impact 2027 and annualized for the remainder of the three-year period.

Second, we'll see improved unit costs, as new products like WaveLogic 6n – our 800G plug – continue to ramp to mature volumes. And our engineering efforts to reduce product costs, through both design and technology improvements, continue to be an active investment.

Last and perhaps most exciting is our evolving product portfolio delivering increased value, allowing structural improvements to our [adjusted] margins. Products like RLS Hyper-Rail and DCOM that deliver meaningful TCO advantages, and modules and components that have improved [adjusted] margin profiles, underwrite structural improvements to our [adjusted] margins.

With our ability to deliver more value to the market, we are also seeing the benefits of our business model take hold. On top of [adjusted] gross margin improvements that I've just discussed, we are able to get significant leverage from our R&D investments in optical technology across multiple product lines. This reusable engineering model proliferates leadership discoveries that can be productized for multiple use cases. This creates an enormous amount of operating leverage for the company. On top of that, we see expanding leverage from our go-to-market efforts as well. As our largest customers are multi-segment, multi-use case customers, we're able to deepen the co-creation and co-development efforts while growing revenue, creating additional leverage. Taken together, [adjusted] gross margin improvements, and increased operating leverage, we see a path to an [adjusted] operating margin of 32% to 35% by 2029.

Our earnings strength is directly translating to improving what is an already strong balance sheet. With the completion of the 2026 convertible debt issuance, we have the strategic financial capability to continue to invest in the business while taking advantage of inorganic opportunities. And with the scale that we are seeing in the business, we will continue to generate significant amounts of cash from operations, with an expectation of approximately quintupling – or 5x-ing – cash generated from operations. In addition, with the growth of earnings, I expect that we'll take our already low net leverage ratio down to zero or even below.

Which begs the question: What are we doing with all this capital? Ciena has a history of being a thoughtful and deliberate steward of our owners' capital, and that trend will continue. As I noted before, our first priority is to invest in the organic opportunities of the business, such as next generation of WaveLogic technologies, new material systems, and products that compete inside the data center. In fact, we are currently estimating we'll invest somewhere between \$2.5 billion and \$3 billion in R&D over the next three years.

Second, we're constantly looking across the ecosystem for technologies and talent that will accelerate our market leadership. You've seen us take decisive action with our Nubis acquisition, which has positioned us well for expanding inside the data center. And with our recently announced

\$200 million Ciena Venture Fund, we'll take an even more active stand to seek out those opportunities. In total, our balance sheet has given us the flexibility of a double BB+ rating and roughly \$20 billion of M&A capacity to deploy.

Lastly, once our organic and inorganic opportunities have been captured, we'll return excess capital to our owners. Over the past five years, we've returned a cumulative 108% of our free cash flow to our owners. Moving forward, we are committed to returning a minimum average of 70% of free cash flow back to our shareholders, barring any major M&A activity. Overall, we're excited about the opportunities to generate leading returns for our owners.

It's against this backdrop that we are realigning our reporting segments. It has been seven years since we adjusted our reporting structure, and the business has dramatically changed over that time frame. First, we've seen the rise of the hyperscalers and AI as a major demand driver.

Second, our product portfolio has become even more optically focused. Third, our opportunity inside the data center represents a new growth frontier with our Interconnects portfolio.

And last but certainly not least, this new structure simplifies our ability to communicate with the investment community while increasing the transparency of our different segments. Specifically, we'll report four segments that align to our \$52 billion 2029 TAM. Optical Systems, with an estimated \$21 billion TAM growing at roughly an 18% CAGR through 2029, will include our line systems, WaveLogic and Waveserver systems, as well as the Navigator Control Suite.

Our interconnects portfolio will include the coherent plugs, DCOM (or data center out-of-band management), our Nitro and Vesta products from the Nubis acquisition, as well as optical and electrical components. This segment is expected to grow at an average annual rate of 95% through 2029, to a TAM of \$17 billion. Our global services segment will now include the Platform Software and Services revenue, and is expected to grow 15%, with a 2029 TAM of \$2 billion.

Finally, we've combined our non-DCOM Routing and Switching business with Blue Planet into Routing and Other, with a 2029 TAM of \$12 billion and a CAGR of 2%. We're excited about this new structure that will take effect with fiscal '27 and be first reported with the Q1'27 results.

So, pulling it all together, we are committed to a step-function improvement in our financial model. Our three-year revenue target will be a[n approximate] 30% CAGR through 2029, achieving a \$14 billion revenue level at roughly 50% [adjusted] gross margins.

After 15% to 18% [adjusted] operating investments, our business model's leverage will accelerate our [adjusted] operating margins to the mid-30s, with a free cash flow margin expected to be approximately 20%. And finally, we expect our adjusted tax rate to remain in the 20% range. As you can see, we are translating revenue growth into massive earnings power.

To sum it all up, Ciena is in an excellent position to continue – and in fact, to increase – our earnings power, leading to sustained returns for our owners' investments. We are committed to building on and extending our market share in these growing optical markets. We believe the inevitability of the

data center opticalization plays to our strengths, as both an optical systems expert and a trusted partner to global hyperscalers, neoscalers, and service provider customers.

The foundation of our pure-play Optical Systems and Interconnects business model will drive significant earnings expansion as the world moves from copper and electrons to fiber and photons. And we're absolutely committed to being good stewards of our owners' capital, by investing first in the business and returning excess capital to our owners. Put simply, Ciena and its owners are positioned to enjoy increasing profits and returns.

Thank you.

**A note on forward-looking statements and non-GAAP measures:**

You are encouraged to review the Investors section of our website, where we routinely post press releases, Securities and Exchange Commission (SEC) filings, recent news, financial results, supplemental financial information, and other announcements. From time to time, we exclusively post material information to this website along with other disclosure channels that we use. Information in this presentation and related comments of presenters contains certain forward-looking statements that involve risks and uncertainties. These statements are based on current expectations, forecasts, assumptions and other information available to the Company as of the date hereof. Forward-looking statements include statements regarding Ciena's expectations, beliefs, intentions or strategies regarding the future and can be identified by forward-looking words such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "should," "will," and "would" or similar words.

Ciena's actual results, performance or events may differ materially from these forward-looking statements made or implied due to a number of risks and uncertainties relating to Ciena's business, including: the effect of broader economic and market conditions on our business and that of our customers, including their spending; the development and use of artificial intelligence and its impact on overall networking technology spending; our ability to execute our business and growth strategies; supply chain constraints or disruptions including increased costs and lead times; the introduction of new technologies by us or our competitors; the timing and size of customer orders, their delivery dates and our ability to fulfill and recognize revenue relating to such sales; the level of competitive pressure we encounter; the product, customer and geographic mix of sales within the period; changes in foreign currency exchange rates; factors beyond our control such as natural disasters, climate change, acts of war or terrorism, geopolitical tensions or events, and public health emergencies, epidemics, or pandemics; changes in tax or trade regulations, including the imposition of tariffs, duties or efforts to withdraw from or materially modify international trade agreements; cyberattacks, data breaches or other security incidents involving our enterprise network environment or our products; regulatory changes, litigation involving our intellectual property or government investigations; and the other risk factors disclosed in Ciena's periodic reports filed with the Securities and Exchange Commission (SEC) including its Annual

Report on Form 10-K filed with the SEC on December 12, 2025 and included in its Quarterly Report on Form 10-Q for the third quarter of fiscal 2026 filed with the SEC on September 3, 2026.

All information, statements, and projections in this presentation and the related earnings call speak only as of the date of this presentation and related earnings call. Ciena assumes no obligation to update any forward-looking or other information included in this presentation or related earnings calls, whether as a result of new information, future events or otherwise.

In addition, this presentation includes historical, and may include prospective, non-GAAP measures of Ciena's gross margin, operating expense, operating margin, EBITDA, and net income per share. These measures are not intended to be a substitute for financial information presented in accordance with GAAP. A reconciliation of non-GAAP measures used in this presentation to Ciena's GAAP results for the relevant period can be found in the Appendix to the latest earnings presentation. Additional information can also be found in our press release filed on September 3, 2026, and in our reports on Form 10-Q and Form 10-K filed with the Securities and Exchange Commission.

With respect to Ciena's expectations under "Business Outlook", Ciena is not able to provide a quantitative reconciliation of the adjusted (non-GAAP) gross margin, adjusted (non-GAAP) operating expense, and adjusted (non-GAAP) operating margin guidance measures to the corresponding gross margin, operating expense, and operating margin GAAP measures without unreasonable efforts. Ciena cannot provide meaningful estimates of the non-recurring charges and credits excluded from these non-GAAP measures due to the forward-looking nature of these estimates and their inherent variability and uncertainty. For the same reasons, Ciena is unable to address the probable significance of the unavailable information.

Note Regarding Market Data: Any market definitions, market share estimates, and competitive landscape depicted herein are provided for illustrative and discussion purposes only. They are based on third-party industry analyst information and/or internal analyses derived from third-party inputs and may not reflect actual market conditions, competitive dynamics, or an exhaustive list of products, services, competitors, or technologies that may be relevant for any particular application.