

The framework at a glance

These are the principal figures we presented at the Investor Forum. The sections that follow explain the strategy behind them.

Item	What Ciena presented
Fiscal 2027 revenue	Growth of at least 30%, based on supply we expect to secure. We view this as a floor, with upside if additional supply becomes available.
Backlog	More than \$10 billion expected at fiscal 2026 year-end, with our visibility beginning to extend into fiscal 2028.
Supply and demand	We do not expect a balanced supply-demand environment before 2028.
Fiscal 2029 targets*	Revenue of approximately \$14 billion, an approximately 30% three-year CAGR Adjusted gross margin of approximately 50% Adjusted operating expense of 15% to 18% of revenue Adjusted operating margin of 32% to 35% Adjusted tax rate of approximately 20% Adjusted free cash flow margin of approximately 20%
Addressable market	Projected to grow from approximately \$27 billion in 2026 to approximately \$52 billion in 2029, an approximately 24% CAGR. We expect to take share throughout this period.
Reporting segments	Expected to change with first quarter fiscal 2027 results to four segments: Optical Systems, Interconnects, Global Services, and Routing and Other.

* Adjusted measures and free cash flow margin are non-GAAP. Addressable market source: market forecasts from Cignal AI, Dell'Oro, LightCounting, Omdia and 650 Group, with Ciena internal analysis.

The seven takeaways

Our opportunity is expanding across three markets: the traditional wide-area network, the AI-WAN that links distributed data centers, and, over time, inside the data center. The seven themes below summarize the strategic rationale for that expansion and how it translates into our expected financial performance.

1

AI is creating a generational shift in high-speed connectivity, accelerating bandwidth demand across several areas of the network

We expect distributed training investments to continue, with inference becoming the next major investment period, and optical connectivity taking a larger share of AI infrastructure capex. Non-AI cloud, AI training and AI inference are all expected to grow. Our internal assessments suggest that inference will represent approximately 40% of workloads by 2030, with training and non-AI at approximately 30% each. As inference spreads across regions and metros, traffic also crosses service-provider networks, bringing service providers into the AI connectivity value chain alongside cloud providers.

2

We are positioned as the leader in high-speed connectivity and the only pure-play optical solutions provider

Our roadmap spans high-performance systems, software, coherent pluggables, modules, components and services, supported by reusable engineering that can be applied across current and future workloads. Data center interconnect once needed one or a few wavelengths on a single fiber; requirements are reaching petabits per second, so operators light entire fibers and, over time, conduits of many fibers. One current Scale Across deployment carries 20 petabits per second over about 80 km on more than 400 fiber pairs. Conventional amplifier designs do not scale to this density on longer routes, while our RLS Hyper-Rail was co-created with hyperscalers and for synchronous distributed training.

3

Our vertical integration approach enables more control over performance, cost and supply

We own the critical intellectual property and design of the key building blocks in our coherent modems, including the DSP, mixed-signal converters, high-speed analog devices, and electro-optics, and we take the same approach with our photonic line systems. By designing these technologies to work together rather than integrating separately sourced components, we improve performance, accelerate time to market, and maintain greater control of our roadmap and supply chain. We have chosen to remain fabless, which allows us to select the optimal material systems and CMOS nodes for each application while retaining sourcing flexibility.

4

Co-creation has embedded our platforms in how customers operate

More than eight years of joint development on line systems has produced APIs, telemetry, automation and protection software that are integrated into customers' operations. Our focus on vertical integration is key here: we have held hardware and software design authority for our photonic line cards for many years, which provides unique flexibility across component suppliers. This established base supports faster adoption of new platforms such as RLS Hyper-Rail. As an indicator of this differentiation, our Direct Hyperscaler revenue doubled from fiscal 2024 to 2026.

5

A reusable technology toolbox is taking us inside the data center – driving optionality

Optical is moving inside the data center, creating optionality beyond our systems business. Our reusable technology toolbox addresses systems, pluggables, modules and standalone components, allowing us to participate across customers' preferred deployment models. DCOM is in volume deployment today; Nitro is in customer qualification; Vesta is sampling; and Coherent-Lite is in later-stage development. Our fiscal 2029 framework takes a modest view of revenue from the newest categories.

6

We are using supply chain flexibility and a strong balance sheet to convert demand into revenue

Orders doubled from fiscal 2024 to 2025 and are expected to grow at least 50% in fiscal 2026, while revenue grew about 27% annually. We do not expect supply and demand to balance before 2028. To convert demand into revenue and grow faster than the market, we are using our strong balance sheet to increase capital investment to roughly five times historical levels, secure multi-year supplier agreements, and fund increased capacity. We're also focused on diversifying vendors and using more internally developed components.

7

Our financial framework links elevated growth to structural margin and cash-flow expansion

We framed the opportunity as vast investment leverage that can accelerate earnings growth. From fiscal 2024 to 2026, about 27% annual revenue growth came with approximately 1,100 basis points of adjusted operating margin expansion. Our fiscal 2029 targets are approximately \$14 billion of revenue, or a three-year 30% CAGR, roughly 50% adjusted gross margin, 32% to 35% adjusted operating margin and approximately 20% adjusted free cash flow margin. We expect the gross margin path to be driven by mix toward Hyper-Rail, DCOM, modules and components, unit-cost improvement, and value-based pricing and terms, while strong cash generation provides capacity to reinvest and return capital to shareholders.

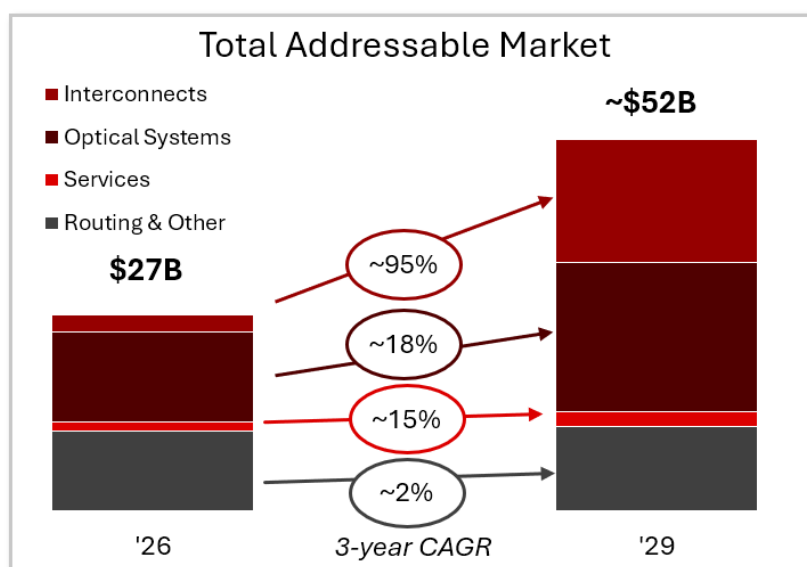
Three markets

We have begun to describe our opportunity across three markets. Several products serve more than one of them.

Market	Addressable market, 2026 to 2029	Primary customers	What is changing	How Ciena participates
Traditional WAN	~\$21B to ~\$26B (~8% CAGR)	Service providers; cloud providers in the backbone	AI traffic raises backbone, metro and edge requirements. Managed fiber and wavelength services are growing.	Optical systems, routing and switching, software and services
AI-WAN	~\$7B to ~\$14B (~30% CAGR)	Cloud providers; service providers in data center interconnect	Distributed training, inference and data ingestion increase interconnect and scale-across capacity requirements.	WaveLogic modems and coherent pluggables, RLS and Hyper-Rail, Navigator and services
Inside the data center	Minimal today to ~\$12B	Cloud providers	Copper and conventional optics reach limits of distance, density and power.	DCOM, Nitro, Vesta, Coherent-Lite, modules and components

Source: market forecasts from Signal AI, Dell'Oro, LightCounting, Omdia and 650 Group, with Ciena internal analysis.

Ciena's addressable market by new segments (as of FYQ1'27)



Inside the data center: multiple offerings at different stages

Each offering addresses a distinct challenge, and each is at a different point between development and deployment.

Offering	Application	Stage	Routes to market
DCOM	Out-of-band management of intra-data center infrastructure over passive optical networking, in place of copper-cabled switches and console servers	Commercial deployment since late 2024 with a leading hyperscaler. In field and lab testing with two others and engaged with additional hyperscaler and neoscaler customers. Large enterprises may also become customers over time	Integrated systems, or a containerized controller on routers
Nitro 2004	Linear redriver for active copper cables at 200G per lane, for scale-up connections	In qualification with multiple customers, including hyperscalers and ODMs	Component sales to cable manufacturers
Vesta 200	6.4T optical engine for co-packaged and near-packaged optics	Sampling with multiple customers, including hyperscalers and switching OEMs	Optical engine modules for switch platforms within the Open CPX ecosystem
WaveLogic Coherent-Lite	Campus and selected scale-out links that exceed the reach of conventional optics	In development, built around a dedicated 2nm DSP	Complete pluggables, or standalone DSPs for module makers

We size co-packaged and near-packaged optics and Coherent-Lite at approximately \$11 billion of 2029 addressable market and said our fiscal 2029 framework takes a relatively modest view of revenue from these newer product lines.

From the presentations

David Rothenstein

Executive Vice President and Chief Strategy Officer

AI builds on the internet and cloud eras rather than replacing them.

AI is a third era in communications. Each era has redefined scale, and optical technology has enabled each one. Cloud providers are driving industry change.

Forecasts have repeatedly been revised upward.

Cloud providers' actual capital spending has consistently exceeded the prior year's forecasts; Signal AI has doubled its data center bandwidth forecast in each of the past two years. Demand has been difficult to forecast and the ramp in optical connectivity is in its early stages.

Each market has its own architectural shifts.

In the traditional WAN, we pointed to growth in managed fiber and wavelength services, an edge that must be re-architected for the latency and determinism AI traffic requires, and AI applied to network operations. In the AI-WAN, we pointed to coherent pluggables for metro and regional interconnect, a new interconnect mesh linking colocation and neocloud sites, and scale-across. Inside the data center, we pointed to packaged optics for scale-out, Coherent-Lite across the campus, extended copper and then optical I/O for scale-up, and optical out-of-band management.

Growth is weighted towards Optical Systems and Interconnects.

By product group, we project 2029 addressable markets of approximately \$21 billion for Optical Systems (about 18% CAGR), \$17 billion for Interconnects (about 95%, from a small base), \$2 billion for Services (about 15%) and \$12 billion for Routing and Other (about 2%). Our revenue framework assumes we continue to gain share, yielding an overall growth rate above market.

Brodie Gage

Executive Vice President and Chief Product and Technology Officer

Fiber-scale capacity requires new platforms, not more of the same.

We illustrated a 20 petabit-per-second distributed training network that would need 22 amplifier huts per site with conventional line systems, against one with RLS Hyper-Rail. RLS Hyper-Rail will deliver a 32-fold density improvement in the first release, planned for the end of 2026. At the endpoints, full-spectrum transponders are intended to replace 60 to 120 pluggables per fiber pair with a single line port. We believe customers will continue to need both high-performance modems and coherent pluggables, and our broad optical portfolio addresses these and other form factors.

Open line system share reflects our co-creation track record.

RLS is in its sixth generation, developed with hyperscale customers over more than eight years. According to Dell'Oro Group, our share of open (disaggregated) line systems rose from approximately 45% in 2022 to approximately 70% in the first half of 2026.

Services has become a hyperscaler business.

Our recent largest services customers are now hyperscalers. We have more than 1,000 deployment specialists, about 5,000 projects, or 20,000 systems a year, and more than 400 sparring depots.

Service providers have several routes into AI connectivity.

We described roles for service providers in supplying fiber and managed optical networks where cloud providers lack the regulatory rights to build, in connecting sovereign and regional AI infrastructure, in linking enterprises to AI clouds, and in hosting inference at the edge using existing central offices and fiber.

DCOM reflects how Ciena can extend inside-the-data-center.

DCOM uses passive optical networking and requires no space within the rack. We are extending it with a containerized controller that runs on either our routers or third-party routers, planned SONiC support, and versions for enterprise and smaller data centers. We also cited our ability to commission and support deployments at very high unit volumes.

Dino DiPerna

Executive Vice President and Chief Research & Development Officer

A coherent modem is a system, not a single chip.

Performance depends on the DSP, the high-speed data converters, silicon-germanium analog devices, electro-optics and the laser working together. We own the critical intellectual property and design control across these blocks. That allows us to optimize total performance, for example, by using signal processing to compensate for analog imperfections, instead of treating each part as a separately sourced component with its own margin.

Vertically integrated in design, while remaining fabless.

We select the material system for each function: indium phosphide, silicon photonics and newer materials for electro-optics, silicon-germanium for analog, and leading-edge CMOS for the DSP. WaveLogic 5 was first to use 7nm CMOS and WaveLogic 6 first to use 3nm, with 2nm devices in development. Our view is that owning a fab helps only if it remains fully utilized and its material remains the right choice as applications change. Therefore, being fabless allows us flexibility to optimize solutions that depend on multiple technologies and material systems, each selected for the needs of that application.

Two transitions are under way inside the data center.

As lane rates rise from 100G to 200G and beyond, copper serves shorter reaches and conventional optics become reach-limited, which moves links from copper to optical and from conventional to coherent optics. We also noted that staying electrical for as long as possible is generally lowest in cost and power. Our Nitro-based active copper cable uses about one-sixth the power of an active electrical cable at 200G per lane while doubling the reach relative to current copper deployments.

Vesta and Open CPX are designed to keep the optics ecosystem inside the data center open.

Vesta is a modular optical engine, individually pre-tested, placed beside the switch silicon rather than permanently attached to it for CPO/NPO. Our aim is to preserve separate supply chains and independent upgrade cycles for switches and optics. We are a founding member of the Open CPX multi-source agreement and hold its chair and editor positions. The group has nearly 50 members and is expected to grow. Initially suited for scale-out applications, there may be scale-up use cases for the Vesta optical engine over time.

Coherent-Lite targets the gap between conventional optics and full coherent.

We identified three uses at the 1.6T generation: reach across multi-building campuses, fiber efficiency gains of 20 times or more from multiplexing wavelengths, and the added optical loss that optical circuit switches introduce. Planned products include 1.6T and 3.2T pluggables and a 12.8T version for liquid-cooled switches.

Grant Hoffman

Executive Vice President and Chief Supply Chain Officer

This is the third major supply disruption in about thirty years.

We count three comparable supply-disruption periods: the late-1990s telecom expansion, the pandemic, and today. About twenty years separated the first two and fewer than five separated the second and third. Lessons from earlier cycles shaped our current model, including a manufacturing footprint that we began building more than a decade ago.

Ciena is investing ahead of growth.

Comparing 2027 with 2024, our capital investment is roughly five times historical levels, manufacturing capacity more than doubled and distribution capacity doubled. Our manufacturing partners are also expanding capacity.

Financial strength is part of supply assurance.

We are entering multi-year agreements, extending purchase commitments on key parts through 2029, qualifying additional suppliers and funding capacity expansion at selected suppliers.

Products are designed for scale, and delivery extends through deployment.

Much of our R&D and supply chain teams are co-located in Ottawa, resulting in greater velocity to market. We design our own test processes and equipment. Products are designed for manufacturability, cost, serviceability, reliability and test from the outset, which supports faster ramps, higher quality and improved cost. We support customers in over 115 countries with deployment, repair and logistics capabilities.

Marc Graff

Executive Vice President and Chief Financial Officer

Revenue growth has accelerated over the last three years and is expected to continue to be strong.

From fiscal 2024 to the midpoint of fiscal 2026 guidance, our revenue grew by about \$2.4 billion, a 27% CAGR. Driven by unprecedented demand for AI infrastructure and the need for high-speed connectivity, we expect our revenue CAGR to be approximately 30% over the next three years, reaching approximately \$14 billion in fiscal year 2029.

Three levers support the path to expand gross margin further.

From a mid-40s adjusted gross margin base, we identified several key levers to achieve a gross margin of approximately 50% in fiscal year 2029. These levers include: accretive product mix, as Hyper-Rail, DCOM and inside-the-data-center products increasingly scale above the corporate average; cost, scale and innovation, as products such as WaveLogic 6 Nano reach mature volumes and design-led cost reductions continue; and value-based pricing and terms.

Operating leverage comes from reusable R&D and multi-segment customer relationships.

Engineering developed once is applied across product lines, use cases and customers. Our largest customers buy across several segments and use cases, which we expect to spread go-to-market investment over more revenue. We are targeting adjusted operating expense of approximately 15% to 18% of revenue in fiscal 2029 and operating margin of 32% to 35% in fiscal 2029.

Cash generation funds a defined set of priorities.

We expect cash generated from operations to increase about fivefold by fiscal 2029 and net leverage to decline toward zero. Our first priority is organic investment, with an estimated \$2.5 billion to \$3 billion of R&D over the next three years. Second is selective acquisitions of technology and talent together with the \$200 million Ciena Ventures fund. We have committed to return a minimum average of 70% of free cash flow to shareholders, absent major M&A.

New segments align reporting with the growth markets.

Optical Systems will include line systems, WaveLogic and Waveserver systems and the Navigator control suite. Interconnects will include coherent pluggables, DCOM, Nitro and Vesta, and optical and electrical components.

Global Services will add platform software and services revenue. Routing and Other will combine non-DCOM routing and switching with Blue Planet.

What to watch as the strategy progresses

The four reporting segments we expect to adopt with first quarter fiscal 2027 results, offer a practical way to follow the themes above. Each area of progress also depends on specific execution requirements.

Segment and 2029 addressable market	Indicators of progress
Optical Systems (~\$21B, ~18% CAGR)	Continued adoption of WaveLogic 6 Extreme. First release and deployments of RLS Hyper-Rail. Scale-across extending to more customers, regions and distances.
Interconnects (~\$17B, ~95% CAGR)	Coherent pluggable volumes. DCOM adoption by additional customers. Nitro moving from qualification to production. Vesta moving from sampling to design-ins. Coherent-Lite milestones.
Global Services (~\$2B, ~15% CAGR)	Our Global Services business is a competitive differentiator and is becoming more weighted toward hyperscalers with whom we are co-creating several next-generation solutions.
Routing and Other (~\$12B, ~2% CAGR)	Edge-related opportunities with service providers.
Across all segments	Conversion of backlog into revenue as supply is added. Progression of adjusted gross margin from the mid-40s. Strong cash generation.

Source for addressable-market figures: market forecasts from Cignal AI, Dell'Oro, LightCounting, Omdia and 650 Group, with Ciena internal analysis. All figures are 2029 estimates.

Where to find more

Topic	Presentation
Industry dynamics, market definitions and addressable market	David Rothenstein: Industry dynamics and the expanding market opportunity
Wavelengths to fibers, WaveLogic, RLS Hyper-Rail, services and why Ciena wins	Brodie Gage and Dino DiPerna: Technology leadership across Ciena's core markets
DCOM, Nitro, Vesta, Coherent-Lite and routes to market	Brodie Gage and Dino DiPerna: Expanding in and around the data center
Capacity, supply assurance, design for scale and service delivery	Grant Hoffman: Built for the scale ahead
Financial record, fiscal 2029 targets, capital allocation and new segments	Marc Graff: Industry leadership scaling value

The presentations and webcast replay are available in the Investors section of ciena.com.

About this document

This document is based on our management remarks and materials from Ciena's 2026 Investor Forum. It is organized around the architecture shifts, technology capabilities, operating model and financial framework we presented at the event.

Forward-looking information

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.

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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 this presentation. Additional information can also be found in our press release filed this morning 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.

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