



SECOND QUARTER 2021  
**EARNINGS**  
**CONFERENCE CALL**

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Sanjay Kalra, CFO

August 2, 2021



During the course of this presentation, we will provide projections and other forward-looking statements regarding future events or the future financial performance of Harmonic, including expectations concerning our business strategy for 2021 and beyond, and our Q3, Q4 and full-year 2021 guidance. Such statements are only current expectations and actual events or results may differ materially. We refer you to Harmonic's filings with the SEC, particularly our most recent Reports on Form 10-K, Form 10-Q and Form 8-K. These documents identify important risk factors that could cause actual results to differ materially from our projections or other forward-looking statements. We will also present financial metrics determined on a "non-GAAP" basis. These items, together with the corresponding GAAP numbers and a reconciliation to GAAP, are contained in this presentation and the related earnings press release on our website at [www.harmonicinc.com](http://www.harmonicinc.com).



## Corporate

Revenue up 53% yoy;  
Record Q2 Bookings



## Cable Access

Revenue up 89% yoy;  
New Tier 1 Wins



## Video

Revenue up 34% yoy;  
SaaS Revenue up 68%

Strong Market Momentum + Record Backlog



## STRONG Q2

- Revenue \$50.1 million, up 89% year over year
- Commercially deployed with 62 operators, up 114% year over year
- 3.3 million cable modems served, up 94% year over year



## EXECUTING MULTI-YEAR STRATEGY

- Two Tier 1 customer wins, more in sales pipeline
- Growing pipeline of fiber-to-the-home engagements
- Raising full year revenue outlook



## STRONG Q2

- Revenue \$63.3 million, up 34% year over year
- Gross margin 59.3%, up 450 basis points year over year
- SaaS revenue up 68% year over year



## EXECUTING MULTI-YEAR STRATEGY

- Streaming SaaS customer base increased to 102, up 55% year over year
- Growing demand for new broadcast edge appliances (incl. for 5G bandwidth)
- Raising full year revenue outlook



# FINANCIAL RESULTS AND OUTLOOK

Sanjay Kalra, CFO





## SOLID FINANCIAL RESULTS\*

- Revenue of \$113.4 million, up 53.2% year over year
- Gross Margin of 53.9%, up 230 basis points year over year
- Adj. EBITDA of \$9.5 million, up 439% year over year
- Non-GAAP EPS of \$0.05, up 183% year over year
- Record Backlog and Deferred Revenue of \$347.2 million, up 65% year over year
- Cash of \$115.2 million, up 48% year over year



## INCREASED GUIDANCE FOR KEY FINANCIAL METRICS

- FY'21 Revenue, Adj. EBITDA, EPS ranges increased

\* Non-GAAP

# Q2 2021 REVENUE & GROSS MARGIN HIGHLIGHTS\*



Financial Metric (\$ Millions)	Q2 2021	Q1 2021	Q2 2020	Q2/Q1 Change	Q2 Y/Y Change
Total Net Revenue	\$113.4	\$111.6	\$74.0	1.6%	53.2%
Cable Access Revenue	\$50.1	\$41.3	\$26.5	21.3%	89.1%
Video Revenue	\$63.3	\$70.3	\$47.5	(10.0)%	33.5%
Gross Margin %	53.9%	50.4%	51.6%	3.5%	2.3%
Cable Access Gross Margin %	47.0%	42.2%	45.7%	4.8%	1.3%
Video Gross Margin %	59.3%	55.1%	54.8%	4.2%	4.5%

\*Non-GAAP

# Q2 2021 EARNINGS AND BOOKINGS HIGHLIGHTS\*



Financial Metric \$ Millions (except EPS)	Q2 2021	Q1 2021	Q2 2020	Q2/Q1 Change	Q2 Y/Y Change
Operating Expenses	\$54.6	\$51.1	\$43.3	6.8%	26.1%
Adj. EBITDA	\$9.5	\$9.1	\$(2.8)	4.4%	439.3%
Cable Access Adj. EBITDA	\$6.1	\$3.0	\$0.0	103.3%	NM**
Video Adj. EBITDA	\$3.4	\$6.1	\$(2.8)	(44.3)%	221.4%
EPS	\$0.05	\$0.04	\$(0.06)	25.0%	183.3%
Share Count	103.8	103.2	96.7	0.6%	7.3%
Bookings	\$186.9	\$96.3	\$77.0	94.1%	142.7%
Book to bill ratio	1.6	0.86	1.04	91.9%	58.7%

\*Non-GAAP \*\* Not Meaningful

## Q2 2021 BALANCE SHEET & CASH FLOW HIGHLIGHTS



Financial Metric (\$ Millions)	Q2 2021	Q1 2021	Q2 2020
Cash	\$115.2	\$100.8	\$77.7
Cash Provided by (Used in) Operations	\$16.8	\$1.7	\$11.9
Accounts Receivable	\$100.6	\$85.7	\$74.8
DSO	80	69	91
Inventory	\$43.0	\$35.5	\$32.1
Inventory Days	74	58	81
Backlog and Deferred Revenue	\$347.2	\$274.3	\$210.2

## 2021 FINANCIAL GUIDANCE\* CABLE SEGMENT



Financial Metric	Q3 Guidance	Q4 Guidance	FY Updated Guidance	FY Prior Guidance	FY Midpoint Difference
Net Revenue (\$M)	\$50.0 - \$55.0	\$50.0 - \$60.0	\$192.0 - \$207.0	\$175.0 - \$200.0	\$12.0
Gross Margin %**	41.5% - 43.5%	45.0% - 47.0%	44.0% - 45.0%	44.0% - 45.0%	-
Gross Profit (\$M)	\$21.8 - \$22.8	\$23.6 - \$27.3	\$86.4 - \$91.1	\$77.0 - \$90.0	\$5.3
Operating Expenses (\$M)	\$18.5 - \$19.0	\$20.0 - \$21.0	\$73.2 - \$74.7	\$71.0 - \$75.0	\$1.0
Adj. EBITDA (\$M)	\$4.7 - \$5.2	\$4.9 - \$7.6	\$18.7 - \$21.9	\$11.6 - \$20.6	\$4.2

\* Non-GAAP. Components may not sum to total due to rounding.

\*\* Low end Gross Margins relate to high end of revenue and high end Gross Margins relate to low end of revenue

## 2021 FINANCIAL GUIDANCE\* VIDEO SEGMENT



Financial Metric	Q3 Guidance	Q4 Guidance	FY Updated Guidance	FY Prior Guidance	FY Midpoint Difference
Net Revenue (\$M)	\$62.0 - \$67.0	\$82.0 - \$87.0	\$278.0 - \$288.0	\$260.0 - \$280.0	\$13.0
Gross Margin %	55.0% - 58.0%	54.0% - 56.0%	55.5% - 57.0%	55.0% - 57.0%	25 bps
Gross Profit (\$M)	\$34.1 - \$38.9	\$43.9 - \$48.9	\$154.3 - \$164.1	\$143.0 - \$159.6	\$7.9
Operating Expenses (\$M)	\$35.0 - \$36.0	\$35.0 - \$36.0	\$141.0 - \$143.0	\$138.0 - \$143.0	\$1.5
Adj. EBITDA (\$M)	\$1.1 - \$4.9	\$11.0 - \$15.0	\$21.7 - \$29.5	\$13.5 - \$25.1	\$6.3

\* Non-GAAP. Components may not sum to total due to rounding.

## 2021 FINANCIAL GUIDANCE\* TOTAL COMPANY



Financial Metric	Q3 Guidance	Q4 Guidance	FY Updated Guidance	FY Prior Guidance	FY Midpoint Difference
Net Revenue (\$M)	\$112.0 - \$122.0	\$133.0 - \$148.0	\$470.0 - \$495.0	\$435.0 - \$480.0	\$25.0
Gross Margin %	49.9% - 50.6%	50.8% - 51.5%	51.2% - 51.6%	50.6% - 52.0%	8 bps
Gross Profit (\$M)	\$55.9 - \$61.7	\$67.5 - \$76.2	\$240.7 - \$255.2	\$220.1 - \$249.6	\$13.1
Operating Expenses (\$M)	\$53.5 - \$55.0	\$55.0 - \$57.0	\$214.2 - \$217.7	\$209.0 - \$218.0	\$2.5
Adj. EBITDA (\$M)	\$5.8 - \$10.1	\$15.9 - \$22.6	\$40.4 - \$51.4	\$25.1 - \$45.7	\$10.5
EPS (\$)	\$0.01 - \$0.05	\$0.09 - \$0.15	\$0.19 - \$0.29	\$0.06 - \$0.24	\$0.09
Cash (\$M)	\$115.0 - \$125.0	\$125.0 - \$145.0	\$125.0 - \$145.0	\$110.0 - \$120.0	\$20.0

\* Non-GAAP. Components may not sum to total due to rounding.



## Cable Access

Grow Tier 1 CableOS deployments

Add new CableOS design wins

Expand addressed market through FTTH



## Video

Expand Streaming SaaS customer base

Capitalize on broadcast transformations

Grow revenue and operating profit

Create value.

Deliver industry-leading solutions.

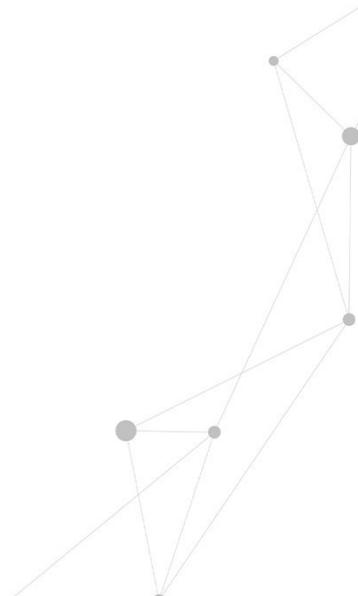
Enable superior subscriber experiences.





harmonic

Q&A



# USE OF NON-GAAP FINANCIAL MEASURES



In establishing operating budgets, managing its business performance, and setting internal measurement targets, the Company excludes a number of items required by GAAP. Management believes that these accounting charges and credits, most of which are non-cash or non-recurring in nature, are not useful in managing its operations and business. Historically, the Company has also publicly presented these supplemental non-GAAP measures in order to assist the investment community to see the Company “through the eyes of management,” and thereby enhance understanding of its operating performance. The non-GAAP measures presented here are revenue, segment revenue, gross profit, operating expenses, income (loss) from operations, non-operating expense, net, Adjusted EBITDA, net income (loss) and net income (loss) per diluted share. The presentation of non-GAAP information is not intended to be considered in isolation or as a substitute for results prepared in accordance with GAAP, and is not necessarily comparable to non-GAAP results published by other companies. A reconciliation of the historical and forward-looking non-GAAP financial measures discussed in this presentation to the most directly comparable historical and forward-looking GAAP financial measures is included with the financial information contained in this presentation. The non-GAAP adjustments described below have historically been excluded from our GAAP financial measures. These adjustments are restructuring and related charges, stock-based compensation expense, amortization of intangibles, loss on convertible debt extinguishment, non-cash interest and other expenses on convertible notes and other debt, adjustments that normalize the tax rate and depreciation.

# Q2 2021 GAAP TO NON-GAAP RECONCILIATIONS

(IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



Three Months Ended July 2, 2021

	Revenue	Gross Profit	Total Operating Expense	Income from Operations	Total Non-operating expense, net	Net Income (Loss)
<b>GAAP</b>	\$ 113,448	\$ 60,505	\$ 58,369	\$ 2,136	\$ (2,777)	\$ (2,009)
Stock-based compensation	—	222	(3,811)	4,033	—	4,033
Amortization of intangibles	—	—	—	—	—	—
Restructuring and related charges	—	382	—	382	—	382
Non-cash interest and other expenses related to convertible notes	—	—	—	—	1,560	1,560
Discrete tax items and tax effect of non-GAAP adjustments	—	—	—	—	—	836
<b>Total adjustments</b>	—	604	(3,811)	4,415	1,560	6,811
<b>Non-GAAP</b>	\$ 113,448	\$ 61,109	\$ 54,558	\$ 6,551	\$ (1,217)	\$ 4,802
<i>As a % of revenue (GAAP)</i>		53.3 %	51.5 %	1.9 %	(2.4)%	(1.8)%
<i>As a % of revenue (Non-GAAP)</i>		53.9 %	48.1 %	5.8 %	(1.1)%	4.2 %
<b>Diluted net income (loss) per share:</b>						
GAAP						\$ (0.02)
Non-GAAP						\$ 0.05
<b>Shares used in per share calculation:</b>						
GAAP						101,218
Non-GAAP						103,825

# Q1 2021 GAAP TO NON-GAAP RECONCILIATIONS

(IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



Three Months Ended April 2, 2021

	Revenue	Gross Profit	Total Operating Expense	Income (Loss) from Operations	Total Non-operating expense, net	Net Income (Loss)
<b>GAAP</b>	\$ 111,576	\$ 55,145	\$ 58,989	\$ (3,844)	\$ (1,584)	\$ (6,124)
Stock-based compensation	—	1,073	(7,325)	8,398	—	8,398
Amortization of intangibles	—	—	(507)	507	—	507
Restructuring and related charges	—	(36)	(43)	7	—	7
Non-cash interest and other expenses related to convertible notes	—	—	—	—	1,532	1,532
Discrete tax items and tax effect of non-GAAP adjustments	—	—	—	—	—	194
<b>Total adjustments</b>	—	1,037	(7,875)	8,912	1,532	10,638
<b>Non-GAAP</b>	\$ 111,576	\$ 56,182	\$ 51,114	\$ 5,068	\$ (52)	\$ 4,514
<i>As a % of revenue (GAAP)</i>		49.4 %	52.9 %	(3.4)%	(1.4)%	(5.5)%
<i>As a % of revenue (Non-GAAP)</i>		50.4 %	45.8 %	4.5 %	— %	4.0 %
<b>Diluted net income (loss) per share:</b>						
GAAP						\$ (0.06)
Non-GAAP						\$ 0.04
<b>Shares used in per share calculation:</b>						
GAAP						99,868
Non-GAAP						103,190

# Q2 2020 GAAP TO NON-GAAP RECONCILIATIONS

(IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



Three Months Ended June 26, 2020

	Revenue	Gross Profit	Total Operating Expense	Loss from Operations	Total Non-operating expense, net	Net Loss
<b>GAAP</b>	\$ 73,994	\$ 37,773	\$ 47,327	\$ (9,554)	\$ (4,269)	\$ (15,401)
Stock-based compensation	—	312	(3,236)	3,548	—	3,548
Amortization of intangibles	—	65	(742)	807	—	807
Restructuring and related charges	—	2	(82)	84	—	84
Loss on convertible debt extinguishment	—	—	—	—	834	834
Non-cash interest and other expenses related to convertible notes	—	—	—	—	1,950	1,950
Discrete tax items and tax effect of non-GAAP adjustments	—	—	—	—	—	2,238
<b>Total adjustments</b>	—	379	(4,060)	4,439	2,784	9,461
<b>Non-GAAP</b>	<u>\$ 73,994</u>	<u>\$ 38,152</u>	<u>\$ 43,267</u>	<u>\$ (5,115)</u>	<u>\$ (1,485)</u>	<u>\$ (5,940)</u>
<i>As a % of revenue (GAAP)</i>		51.0 %	64.0 %	(12.9)%	(5.8)%	(20.8)%
<i>As a % of revenue (Non-GAAP)</i>		51.6 %	58.5 %	(6.9)%	(2.0)%	(8.0)%
<b>Diluted net loss per share:</b>						
GAAP						<u>\$ (0.16)</u>
Non-GAAP						<u>\$ (0.06)</u>
<b>Shares used in per share calculation:</b>						
GAAP and Non-GAAP						<u>96,727</u>

# YTD Q2 2021 GAAP TO NON-GAAP RECONCILIATIONS

(IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



Six Months Ended July 2, 2021

	Revenue	Gross Profit	Total Operating Expense	Income (Loss) from Operations	Total Non-operating expense, net	Net Income (Loss)
<b>GAAP</b>	\$ 225,024	\$ 115,650	\$ 117,358	\$ (1,708)	\$ (4,361)	\$ (8,133)
Stock-based compensation	—	1,295	(11,136)	12,431	—	12,431
Amortization of intangibles	—	—	(507)	507	—	507
Restructuring and related charges	—	346	(43)	389	—	389
Non-cash interest and other expenses related to convertible notes	—	—	—	—	3,092	3,092
Discrete tax items and tax effect of non-GAAP adjustments	—	—	—	—	—	1,030
<b>Total adjustments</b>	—	1,641	(11,686)	13,327	3,092	17,449
<b>Non-GAAP</b>	\$ 225,024	\$ 117,291	\$ 105,672	\$ 11,619	\$ (1,269)	\$ 9,316
<i>As a % of revenue (GAAP)</i>		51.4 %	52.2 %	(0.8)%	(1.9)%	(3.6)%
<i>As a % of revenue (Non-GAAP)</i>		52.1 %	47.0 %	5.2 %	(0.6)%	4.1 %
<b>Diluted net income (loss) per share:</b>						
GAAP						\$ (0.08)
Non-GAAP						\$ 0.09
<b>Shares used in per share calculation:</b>						
GAAP						100,539
Non-GAAP						103,494

# YTD Q2 2020 GAAP TO NON-GAAP RECONCILIATIONS

(IN THOUSANDS, EXCEPT EPS AND PERCENTAGES)



Six Months Ended June 26, 2020

	Revenue	Gross Profit	Total Operating Expense	Loss from Operations	Total Non-operating expense, net	Net Loss
<b>GAAP</b>	\$ 152,411	\$ 74,511	\$ 102,114	\$ (27,603)	\$ (7,445)	\$ (37,355)
Stock-based compensation	—	1,083	(8,724)	9,807	—	9,807
Amortization of intangibles	—	950	(1,512)	2,462	—	2,462
Restructuring and related charges	—	(71)	(758)	687	—	687
Loss on convertible debt extinguishment	—	—	—	—	834	834
Non-cash interest and other expenses related to convertible notes	—	—	—	—	3,785	3,785
Discrete tax items and tax effect of non-GAAP adjustments	—	—	—	—	—	4,054
<b>Total adjustments</b>	—	1,962	(10,994)	12,956	4,619	21,629
<b>Non-GAAP</b>	\$ 152,411	\$ 76,473	\$ 91,120	\$ (14,647)	\$ (2,826)	\$ (15,726)
		<i>As a % of revenue (GAAP)</i>				
		48.9 %	67.0 %	(18.1)%	(4.9)%	(24.5)%
		<i>As a % of revenue (Non-GAAP)</i>				
		50.2 %	59.8 %	(9.6)%	(1.9)%	(10.3)%
<b>Diluted net loss per share:</b>						
GAAP						\$ (0.39)
Non-GAAP						\$ (0.16)
<b>Shares used in per share calculation:</b>						
GAAP and Non-GAAP						96,255

# ADJ. EBITDA RECONCILIATIONS

(IN THOUSANDS)



	Three Months Ended		
	July 2, 2021	April 2, 2021	June 26, 2020
<b>Net income (loss) - GAAP</b>	\$ (2,009)	\$ (6,124)	\$ (15,401)
Provision for income taxes	1,368	696	1,578
Interest expense, net	2,630	2,603	3,062
Depreciation	3,107	3,057	2,692
Amortization of intangibles	—	507	807
<b>EBITDA</b>	5,096	739	(7,262)
<i>Adjustments</i>			
Stock-based compensation	4,033	8,398	3,548
Loss on convertible debt extinguishment	—	—	834
Restructuring and related charges	382	7	84
<b>Adjusted EBITDA</b>	<b>\$ 9,511</b>	<b>\$ 9,144</b>	<b>\$ (2,796)</b>

# ADJ. EBITDA RECONCILIATIONS

(IN THOUSANDS)



	<u>Six Months Ended</u>	
	<u>July 2, 2021</u>	<u>June 26, 2020</u>
<b>Net income (loss) - GAAP</b>	\$ (8,133)	\$ (37,355)
Provision for (benefit from) income taxes	2,064	2,307
Interest expense, net	5,233	5,965
Depreciation	6,164	5,535
Amortization of intangibles	507	2,462
<b>EBITDA</b>	<b>5,835</b>	<b>(21,086)</b>
<i>Adjustments</i>		
Stock-based compensation	12,431	9,807
Loss on convertible debt extinguishment	—	834
Restructuring and related charges	389	687
<b>Adjusted EBITDA</b>	<b>\$ 18,655</b>	<b>\$ (9,758)</b>

# Q3 2021 GUIDANCE GAAP TO NON-GAAP RECONCILIATIONS

(IN MILLIONS, EXCEPT EPS AND PERCENTAGES)



	Q3 2021 Financial Guidance <sup>(1)</sup>							
	Revenue	Gross Profit	Total Operating Expense	Income (Loss) from Operations	Total Non-operating Expense, net	Net Income (Loss)		
<b>GAAP</b>	\$112.0 to \$122.0	\$55.3 to \$61.1	\$59.1 to \$60.6	\$(3.8) to \$0.5	\$(3.0)	\$(7.6) to \$(3.3)		
Stock-based compensation expense	—	0.6	(5.6)	6.2	—	6.2		
Amortization of intangibles	—	—	—	—	—	—		
Restructuring and related charges	—	—	—	—	—	—		
Non-cash interest and other expenses related to convertible notes	—	—	—	—	1.6	1.6		
Tax effect of non-GAAP adjustments	—	—	—	—	—	\$0.7 to \$0.3		
<b>Total adjustments</b>	—	0.6	(5.6)	6.2	1.6	\$8.5 to \$8.1		
<b>Non-GAAP</b>	\$112.0 to \$122.0	\$55.9 to \$61.7	\$53.5 to \$55.0	\$2.4 to \$6.7	\$(1.4)	\$0.9 to \$4.8		
<i>As a % of revenue (GAAP)</i>		49.4% to 50.1%	52.8% to 49.7%	(3.4)% to 0.4%	(2.7)% to (2.5)%	(6.8)% to (2.7)%		
<i>As a % of revenue (Non-GAAP)</i>		49.9% to 50.6%	47.8% to 45.1%	2.1% to 5.5%	(1.3)% to (1.1)%	0.8% to 3.9%		
<b>Diluted net income (loss) per share:</b>								
GAAP						<u>\$ (0.07) to \$ (0.03)</u>		
Non-GAAP						<u>\$ 0.01 to \$ 0.05</u>		
<b>Shares used in per share calculation:</b>								
GAAP						<u>102.0</u>		
Non-GAAP						<u>105.8</u>		

(1) Components may not sum to total due to rounding.

# Q4 2021 GUIDANCE GAAP TO NON-GAAP RECONCILIATIONS

(IN MILLIONS, EXCEPT EPS AND PERCENTAGES)



## Q4 2021 Financial Guidance <sup>(1)</sup>

	Revenue	Gross Profit	Total Operating Expense	Income (Loss) from Operations	Total Non-operating Expense, net	Net Income (Loss)
<b>GAAP</b>	\$133.0 to \$148.0	\$66.8 to \$75.5	\$59.7 to \$61.7	\$7.1 to \$13.8	\$(3.0)	\$3.3 to \$10.0
Stock-based compensation expense	—	0.3	(4.3)	4.6	—	4.6
Amortization of intangibles	—	—	—	—	—	—
Restructuring and related charges	—	0.4	(0.4)	0.8	—	0.8
Non-cash interest and other expenses related to convertible notes	—	—	—	—	1.6	1.6
Tax effect of non-GAAP adjustments	—	—	—	—	—	\$(0.3) to \$(1.0)
<b>Total adjustments</b>	—	0.7	(4.7)	5.4	1.6	\$6.7 to \$6.0
<b>Non-GAAP</b>	\$133.0 to \$148.0	\$67.5 to \$76.2	\$55.0 to \$57.0	\$12.5 to \$19.2	\$(1.4)	\$10.0 to \$16.0
<i>As a % of revenue (GAAP)</i>		50.2% to 51.0%	44.9% to 41.7%	5.3% to 9.3%	(2.3)% to (2.0)%	2.5% to 6.8%
<i>As a % of revenue (Non-GAAP)</i>		50.8% to 51.5%	41.4% to 38.5%	9.4% to 13.0%	(1.1)% to (0.9)%	7.5% to 10.8%
<b>Diluted net income (loss) per share:</b>						
GAAP						\$0.03 to \$0.09
Non-GAAP						\$0.09 to \$0.15
<b>Shares used in per share calculation:</b>						
GAAP						106.6
Non-GAAP						106.6

(1) Components may not sum to total due to rounding.

# 2021 GUIDANCE GAAP TO NON-GAAP RECONCILIATIONS

(IN MILLIONS, EXCEPT EPS AND PERCENTAGES)



	2021 Financial Guidance <sup>(1)</sup>					
	Revenue	Gross Profit	Total Operating Expense	Income (Loss) from Operations	Total Non-operating Expense, net	Net Income (Loss)
<b>GAAP</b>	\$470.0 to \$495.0	\$237.8 to \$252.3	\$236.2 to \$239.7	\$1.6 to \$12.6	\$(10.3)	\$(12.4) to \$(1.4)
Stock-based compensation expense	—	2.2	(21.1)	23.3	—	23.3
Amortization of intangibles	—	—	(0.5)	0.5	—	0.5
Restructuring and related charges	—	0.7	(0.4)	1.1	—	1.1
Non-cash interest and other expenses related to convertible notes	—	—	—	—	6.3	6.3
Tax effect of non-GAAP adjustments	—	—	—	—	—	\$1.4 to \$0.3
<b>Total adjustments</b>	—	2.9	(22.0)	24.9	6.3	\$32.6 to \$31.5
<b>Non-GAAP</b>	\$470.0 to \$495.0	\$240.7 to \$255.2	\$214.2 to \$217.7	\$26.5 to \$37.5	\$(4.0)	\$20.2 to \$30.1
<i>As a % of revenue (GAAP)</i>		50.6% to 51.0%	50.3% to 48.4%	0.3% to 2.5%	(2.2)% to (2.1)%	(2.6)% to (0.3)%
<i>As a % of revenue (Non-GAAP)</i>		51.2% to 51.6%	45.6% to 44.0%	5.6% to 7.6%	(0.9)% to (0.8)%	4.3% to 6.1%
<b>Diluted net income (loss) per share:</b>						
GAAP						<u>\$ (0.12) to \$ (0.01)</u>
Non-GAAP						<u>\$ 0.19 to \$ 0.29</u>
<b>Shares used in per share calculation:</b>						
GAAP						<u>101.4</u>
Non-GAAP						<u>104.9</u>

(1) Components may not sum to total due to rounding.

# 2021 ADJ. EBITDA GUIDANCE RECONCILIATIONS

(IN THOUSANDS)



	Q3 2021 Financial Guidance	Q4 2021 Financial Guidance	2021 Financial Guidance
<b>Net loss - GAAP</b>	\$ (7.6) to \$ (3.3)	\$ 3.3 to \$ 10	\$ (12.4) to \$ (1.4)
Provision for income taxes	0.8	0.8	3.7
Interest expense, net	2.6	2.6	10.4
Depreciation	3.8	3.8	13.8
Amortization of intangibles	—	—	0.5
<b>EBITDA</b>	\$ (0.4) to \$ 3.9	\$ 10.5 to \$ 17.2	\$ 16.0 to \$ 27.0
<i>Adjustments</i>			
Stock-based compensation	6.2	4.6	23.3
Restructuring and related charges	—	0.8	1.1
<b>Adjusted EBITDA</b>	<u>\$ 5.8 to \$ 10.1</u>	<u>\$ 15.9 to \$ 22.6</u>	<u>\$ 40.4 to \$ 51.4</u>

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**THANK YOU.**

