

BRINGING THE WORLD TOGETHER

Safe Harbor Statement

During the course of this meeting, ADTRAN representatives expect to make forward-looking statements, which reflect management's best judgment, based on factors currently known. However, these statements involve risks and uncertainties, including the successful development and market acceptance of our products, the degree of competition in the market for such products, the product and channel mix, component cost, manufacturing efficiencies, foreign exchange rate variations, international trade issues and other risks detailed in our Annual Report on Form 10-K for the year ended December 31, 2018. These risks and uncertainties could cause actual results to differ materially from those in the forward-looking statements, which may be made during this meeting.

ADTRAN

BRINGING THE WORLD TOGETHER

THE COMPANY.

- Top 3 broadband access supplier
  - N. America, EMEA
- $529M Revenue (2018)
- 500+ service providers (60+ countries)
  - Tier 1 Telco, MSO, Regional CSPs
- Founded in 1985 (Nasdaq: ADTN)

- 2 million units per year shipped
- Robust and resilient global supply chain
- $160M of net cash and marketable securities
- U.S. headquarters in Huntsville, AL
- 2000 global employees

BRINGING THE WORLD TOGETHER

OUR VISION.

To enable a fully connected world where the power to communicate is available to everyone, everywhere.

OUR UNIQUE APPROACH,
UNMATCHED DOMAIN EXPERTISE
AND INNOVATIVE PLATFORMS,
MAKE ANYTHING POSSIBLE.

OPERATOR IMPERATIVES.

Communications solution providers are investing in their networks to promote increased subscriber ARPU, retention and acquisition while streamlining their operations.



Increase ARPU



Retain / Expand Market Share



Reduce OpEx

INVESTMENT DRIVERS.

Evolution of government funding programs, regulatory broadband policies and merger obligations guide operators' network investment strategies.



Political Climate



Government Funding Programs



Merger Obligations

MARKET DRIVERS.

Cloud solution providers are driving the demand for
bandwidth intensive applications
with simple and easy, user-driven interfaces.



Streaming Video



Cloud Gaming



Connected Devices

BRINGING THE WORLD TOGETHER

THE OPPORTUNITY.

Monetize the connected home and business while allowing service providers to build their best networks as they migrate to software-defined access.



Connected Home & Business



Broadband Capacity & Coverage



Network Migration & Support

BRINGING THE WORLD TOGETHER

OUR STRATEGY.

Our unique approach, unmatched domain expertise and innovative platforms simplify your network.



Subscriber Experience



Broadband Access Innovation



Service Delivery Evolution

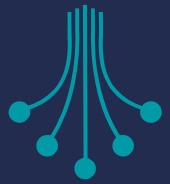
BRINGING THE WORLD TOGETHER

OUR BUSINESS FOCUS.

We have aligned our business to support our customers and capture the opportunity.



Connected Home & Enterprise Solutions



Fiber Access & Fiber Extension



Professional Services & Solution Integration

BROADBAND ACCESS INNOVATION

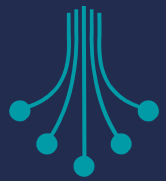
FIBER ACCESS & FIBER EXTENSION



Retain / Expand Market Share



Broadband Capacity & Coverage



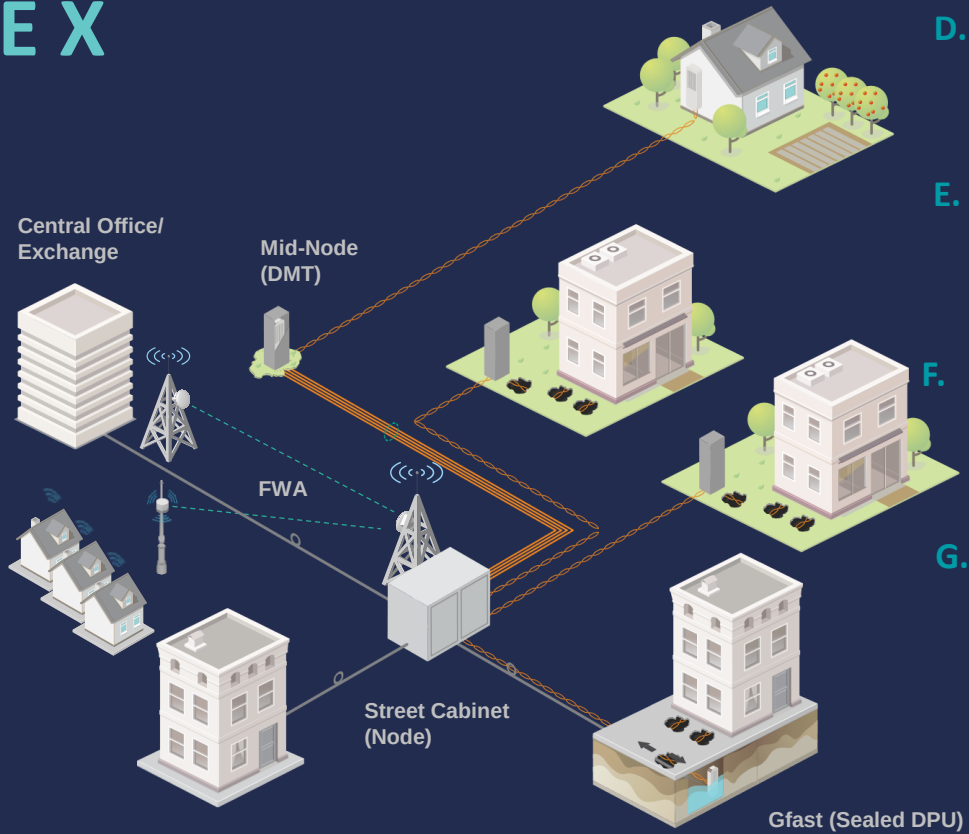
Fiber Access & Fiber Extension

ADTRAN FIBER TO THE X PORTFOLIO

A. FTTH for Expansion (Gigabit+)
GPON, EPON, 10G PON

B. FTTN for Retention (200 Mbps*)
Vectored VDSL2 (17a)

C. FTTN for Retention (600 Mbps*)
SuperVectoring (35b)



D. FTTN for CAF (25 Mbps*)
VDSL2 (Long Reach)

E. FTTB for Expansion (Gigabit)
Gfast (212Mhz)

F. FWA for Retention (Gigabit backhaul)
mmWave to the node

G. FWA for Expansion (Gigabit)
mmWave to the home

* All FTTN service rates assume 2-pair copper bonding

ILL473C

10G FOR ALL MARKETS

Alt-Nets



Integrated

Tier-1s



Disaggregated

Cable-MSOs



Remote

SUBSCRIBER EXPERIENCE

CONNECTED HOME & ENTERPRISE NETWORKING



Increase ARPU



Connected Home & Business



Connected Home & Enterprise Networking

ADTRAN CONNECTED HOME PORTFOLIO

- **1G Fiber ONT**
  GPON, EPON
- **10G Fiber ONT***
  XGS-PON, 10G-EPON
- **1G Fiber RG**
  GPON, Wi-Fi 4/5/6
- **10G Fiber RG**
  XGS-PON, Wi-Fi 5/6

- **DSL Modems**
  VDSL2 17A, 35B
- **Cable Modems**
  DOCSIS 3.0, 3.1
- **Gfast Modems**
  Gen 1 & 2 (Gigabit)
  Reverse Power Injectors

* 10+ variants of XGS-PON ONTs for SFU, MDU and Business (1H '20)



Single Family



Multi-Dwelling



Small Business

Optical Network Terminations (ONT)

Indoor, Outdoor, Pluggable





Wi-Fi Residential Gateways

Integrated GPON, DOCSIS 3.0/3.1, VDSL2



Whole Home Wi-Fi

Dual/Tri-band, EasyMesh™



Modems

VDSL2, SuperVectoring, Gfast

ADTRAN ENTERPRISE NETWORKING PORTFOLIO

- **Proven:**
  15+ years of deployment experience
- **Robust:**
  Common code base
- **Valued:**
  Converged voice and data
- **Unique:**
  Integrated carrier ethernet function
- **Simple:**
  Industry-standard management
- **Additional ROI:**
  SD-WAN remotely upgradable units

IP Business Gateways

Converged Voice & Data Platforms



LAN Switches

Converged Voice & Data Platforms



Routers

Fixed-Port Converged Access Voice Platforms



10G PON ONT

SME or Carrier Ethernet Feature Set



SERVICE DELIVERY EVOLUTION

PROFESSIONAL SERVICES & SOLUTION INTEGRATION



Reduce OpEx



Network Migration & Support



Professional Services & Solution Integration

SERVICE DELIVERY EVOLUTION

ADTRAN PROFESSIONAL SERVICES

Network Implementation

100K+ Network Implementation jobs of varying scope. E.G. TURF, Network Upgrades for FTTx

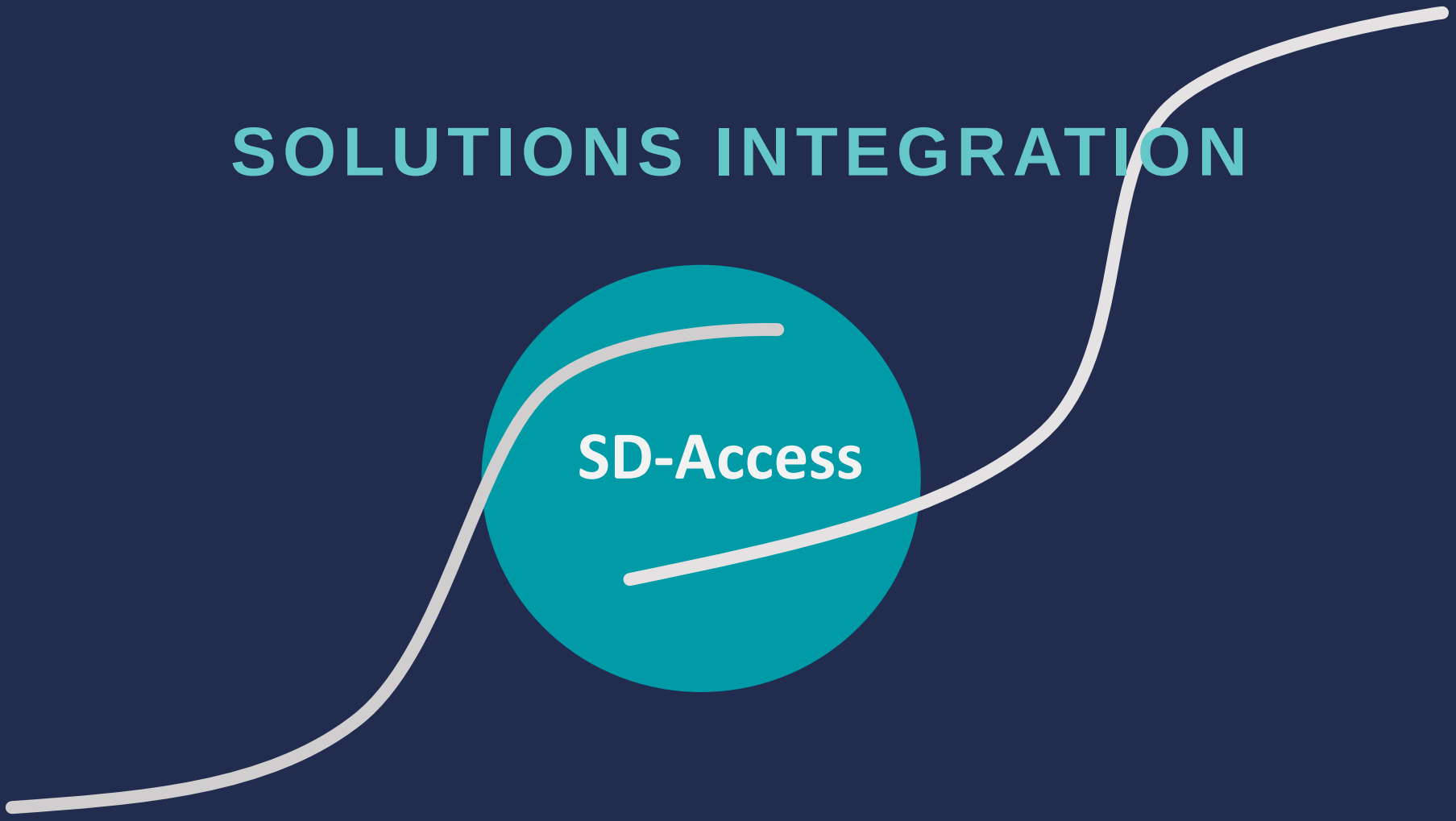
Consulting

Network audit and consultation, vCTO services and Network design, Network monitoring

Maintenance

Hardware and software support, spares and repair services

SOLUTIONS INTEGRATION



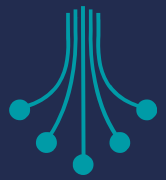
BRINGING THE WORLD TOGETHER

OUR BUSINESS FOCUS.

Our unique approach, unmatched domain expertise
and innovative platforms simplify your network.



**Connected Home &
Enterprise Networking**



**Fiber Access &
Fiber Extension**



**Professional Services
& Solution Integration**

BRINGING THE WORLD TOGETHER

SIMPLIFY YOUR NETWORK.

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Subscriber Experience



Broadband Access Innovation



Service Delivery Evolution

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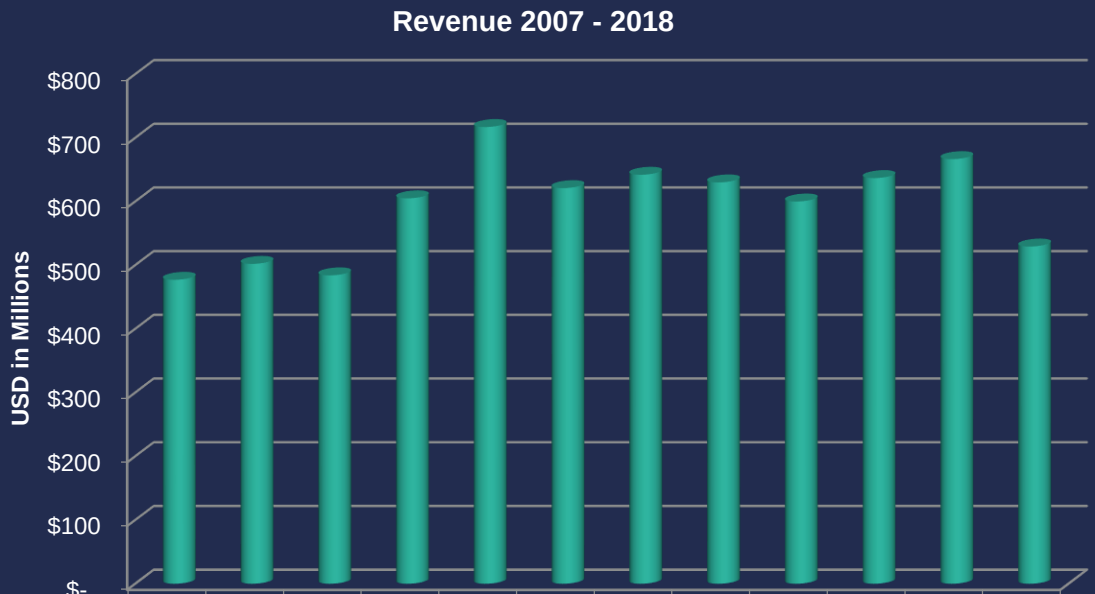
REVENUE TREND



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenue	$477	$502	$484	$605	$717	$621	$642	$630	$600	$636	$666	$529

BRINGING THE WORLD TOGETHER

OUR FINANCIAL MODEL

Revenue Growth and
Customer Diversification with
Expense Discipline

Target Annual Operating Model:

$600M+ revenue

Low to mid 40s gross margin

$200M operating expense

10%+ operating margin

Levers up with revenue growth

Q&A



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