ADTRAN, Inc.
Supplemental Financial Schedule

ADTRAN, Inc. ("ADTRAN" or the "Company") has posted this supplemental unaudited financial schedule on its Investor Relations web page in order to provide investors with (i) supplemental information regarding revenue by segment and category and (ii) reconciliations of certain financial measures ("non-GAAP financial measures") prepared other than in accordance with generally accepted accounting principles in the United States ("U.S. GAAP") to the most directly comparable financial measures prepared in accordance with U.S. GAAP, as such non-GAAP financial measures may be discussed on the Company's first quarter 2021 earnings webcast conference call on May 6, 2021.

The Company is providing this data for informational purposes only. The information contained herein does not purport to project the Company's results of operations or financial condition for any future period or as of any future date, and operating results for any completed period are not necessarily indicative of the results that may be expected for any other future period. This supplemental financial information should be read in conjunction with the financial and related information contained in our filings with the Securities and Exchange Commission. This document is dated May 6, 2021.

ADTRAN Inc.
Revenue by Segment and Category Classification
For the Three Months Ended March 31, 2021, December 31, 2020 and March 31, 2020

	Three Months Ended		
	March 31, 2021	December 31, 2020	March 31, 2020
Segment Revenue:			
Network Solutions	$ 113,809	$ 114,091	$ 97,372
Services & Support	13,724	16,038	17,151
Total Revenue	**$ 127,533**	**$ 130,129**	**$ 114,523**
Category Revenue:			
Access & Aggregation	$ 69,074	$ 78,974	$ 65,966
Subscriber Solutions & Experience	54,569	45,390	42,179
Traditional & Other Products	3,890	5,765	6,378
Total Revenue	**$ 127,533**	**$ 130,129**	**$ 114,523**
Revenue by Geographic Region:			
United States	$ 86,485	$ 95,792	$ 78,991
International	41,048	34,337	35,532
Total Revenue	**$ 127,533**	**$ 130,129**	**$ 114,523**

Reconciliation of Certain Non-GAAP Financial Measures

The tables below present a reconciliation of Non-GAAP Gross Profit, Non-GAAP Gross Margin, Non-GAAP Operating Expenses and Non-GAAP Other Income (Loss), each of which is a non-GAAP financial measure, to the most directly comparable financial measure prepared in accordance with U.S. GAAP. ADTRAN's management believes that these non-GAAP financial measures are useful and meaningful to management and investors, and management may discuss these non-GAAP financial measures during presentations to investors. Non-GAAP financial measures do not have any standardized meaning and, therefore, may not be comparable to similar measures presented by other companies. The presentation of non-GAAP financial measures is not intended to be a substitute for, and should not be considered in isolation from, financial measures reported in accordance with U.S. GAAP.

ADTRAN Inc.
Reconciliation of Gross Profit and Gross Margin to Non-GAAP Gross Profit and Non-GAAP Gross Margin
For the Three Months Ended March 31, 2021, December 31, 2020 and March 31, 2020

	Three Months Ended		
	March 31, 2021	December 31, 2020	March 31, 2020
Total Revenue	$ 127,533	$ 130,129	$ 114,523
Cost of Revenue	$ 73,932	$ 76,612	$ 62,923
Acquisition related expenses, amortizations and adjustments	—	—	(292)
Stock-based compensation expense	(131)	(122)	(115)
Restructuring expenses	(15)	(166)	(34)
Non-GAAP Cost of Revenue	$ 73,786	$ 76,324	$ 62,482
Gross Profit	53,601	53,517	51,600
Non-GAAP Gross Profit	53,747	53,805	52,041
Gross Margin	42.0%	41.1%	45.1%
Non-GAAP Gross Margin	42.1%	41.3%	45.4%

ADTRAN Inc.
Reconciliation of Operating Expenses to Non-GAAP Operating Expenses
For the Three Months Ended March 31, 2021, December 31, 2020 and March 31, 2020

	Three Months Ended		
	March 31, 2021	December 31, 2020	March 31, 2020
Operating Expenses	**$ 54,936**	**$ 56,841**	**$ 56,479**
Acquisition related expenses, amortizations and adjustments	(1,045)	(1,051)	(1,066)
Stock-based compensation expense	(1,676)	(1,656)	(1,676)
Restructuring expenses	(286)	(2,415)	(519)
Deferred compensation adjustments [1]	(556)	(2,172)	3,460
Non-GAAP Operating Expenses	**$ 51,373**	**$ 49,547**	**$ 56,678**

(1) Includes non-cash change in fair value of equity investments held in the ADTRAN, Inc. Deferred Compensation Program for Employees, all of which is included in selling, general and administrative expenses on the condensed consolidated statements of income.

ADTRAN Inc.
Reconciliation of Other Income (Loss) to Non-GAAP Other Income (Loss)
For the Three Months Ended March 31, 2021, December 31, 2020 and March 31, 2020

	Three Months Ended		
	March 31, 2021	**December 31, 2020**	**March 31, 2020**
Interest and dividend income	290	905	356
Interest expense	(6)	(4)	(1)
Net investment gain (loss)	996	3,031	(10,877)
Other income (expense), net	1,999	(947)	1,129
Total Other Income (Loss)	**$ 3,279**	**$ 2,985**	**$ (9,393)**
Deferred compensation adjustments [1]	(288)	(1,571)	1,672
Pension expense [2]	278	250	237
Non-GAAP Other Income (Loss)	**$ 3,269**	**$ 1,664**	**$ (7,484)**

(1) Includes non-cash change in fair value of equity investments held in the ADTRAN, Inc. Deferred Compensation Program for Employees.
(2) Includes amortization of actuarial losses related to the Company's pension plan for employees in certain foreign countries.