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 second quarter 2021 earnings webcast conference call on August 5, 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 August 5, 2021.

ADTRAN Inc.
Revenue by Segment and Category Classification
For the Three Months Ended June 30, 2021, March 31, 2021 and June 30, 2020

	Three Months Ended		
	June 30, 2021	**March 31, 2021**	**June 30, 2020**
Segment Revenue:			
Network Solutions	$ 125,449	$ 113,809	$ 111,323
Services & Support	17,783	13,724	17,392
Total Revenue	**$ 143,232**	**$ 127,533**	**$ 128,715**
Category Revenue:			
Access & Aggregation	$ 90,964	$ 69,074	$ 82,776
Subscriber Solutions & Experience	47,810	54,569	40,393
Traditional & Other Products	4,458	3,890	5,546
Total Revenue	**$ 143,232**	**$ 127,533**	**$ 128,715**
Revenue by Geographic Region:			
United States	$ 94,656	$ 86,485	$ 84,458
International	48,576	41,048	44,257
Total Revenue	**$ 143,232**	**$ 127,533**	**$ 128,715**

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, 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 June 30, 2021, March 31, 2021 and June 30, 2020

	Three Months Ended		
	June 30, 2021	March 31, 2021	June 30, 2020
Total Revenue	$ 143,232	$ 127,533	$ 128,715
Cost of Revenue	$ 80,564	$ 73,932	$ 75,243
Acquisition-related expenses, amortizations and adjustments	(12)	—	(21)
Stock-based compensation expense	(126)	(131)	(87)
Restructuring expenses	-	(15)	(23)
Non-GAAP Cost of Revenue	$ 80,426	$ 73,786	$ 75,112
Gross Profit	62,668	53,601	53,472
Non-GAAP Gross Profit	62,806	53,747	53,603
Gross Margin	43.8%	42.0%	41.5%
Non-GAAP Gross Margin	43.8%	42.1%	41.6%

ADTRAN Inc.
Reconciliation of Operating Expenses to Non-GAAP Operating Expenses
For the Three Months Ended June 30, 2021, March 31, 2021 and June 30, 2020

	Three Months Ended		
	June 30, 2021	**March 31, 2021**	**June 30, 2020**
Operating Expenses	**$ 58,737**	**$ 54,936**	**$ 59,511**
Acquisition-related expenses, amortizations and adjustments	(2,372)	(1,045)	(1,079)
Stock-based compensation expense	(1,682)	(1,676)	(1,568)
Restructuring expenses	(8)	(286)	(1,170)
Deferred compensation adjustments [1]	(1,994)	(556)	(3,433)
Non-GAAP Operating Expenses	**$ 52,681**	**$ 51,373**	**$ 52,261**

(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 (loss).

ADTRAN Inc.
Reconciliation of Other Income to Non-GAAP Other Income
For the Three Months Ended June 30, 2021, March 31, 2021 and June 30, 2020

	Three Months Ended		
	June 30, 2021	**March 31, 2021**	**June 30, 2020**
Interest and dividend income	253	290	331
Interest expense	(6)	(6)	-
Net investment gain	2,009	996	9,852
Other income (expense), net	26	1,999	(1,757)
Total Other Income	**$ 2,282**	**$ 3,279**	**$ 8,426**
Deferred compensation adjustments (1)	(1,447)	(288)	(2,989)
Pension expense (2)	275	278	235
Non-GAAP Other Income	**$ 1,110**	**$ 3,269**	**$ 5,672**

(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.