

ADVA reports Q2 2021 preliminary financial results and narrows outlook for the full year 2021

- Preliminary quarterly revenues at EUR 149.4 million
- Preliminary pro forma operating income at EUR 14.4 million (9.7% of revenues)
- Revised profitability outlook of between 7% to 10% of revenues published

Munich, Germany. July 16, 2021. ADVA Optical Networking SE (ISIN: DE0005103006, FSE: ADV) today published a revised profitability outlook and, for this reason, the preliminary results for the second quarter of 2021. A corresponding ad-hoc announcement according to article 17 of the market abuse regulation was published.

Preliminary results for Q2 2021

- Preliminary revenues reached EUR 149.4 million, up by 3.0% compared to Q2 2020 (Q2 2020: EUR 145.0)
- Preliminary pro forma operating income for Q2 2021 was EUR 14.4 million and increased by 42.6% compared to Q2 2020 (Q2 2020: EUR 10.1 million)
- Preliminary pro forma operating income margin of 9.7% increased by 2.7 percentage points compared to Q2 2020 (Q2 2020: 7.0%)

Despite the high level of complexity in supply chains caused primarily by the semiconductor crisis and the associated additional costs, ADVA was able to report a very successful preliminary 6M result for the 2021 financial year. Preliminary revenues for the 6M period were EUR 293.8 million (6M 2020: EUR 277.7 million) and preliminary pro forma operating income was 9.3% of revenues (6M 2020: 3.0%). The consistent execution of ADVA's transformation strategy, as well as expanded measures for strict cost control, should also have a positive effect on the pro forma operating income in the further course of the year. Based on the very good results for the first half of the year and the very promising outlook for the rest of the financial year, the Management Board

considers a pro forma operating income of less than 7% of revenues as unlikely, hence narrowed the outlook corridor to 7% to 10% for the full year.

Despite this positive development, the global Covid-19 pandemic and semiconductor crisis continues to pose high risks to ADVA's supply chain. The current bottlenecks in the semiconductor industry are increasingly presenting ADVA and other telecommunications equipment manufacturers with major challenges. Hence, from today's perspective the Management Board decided to keep the revenue outlook for the full fiscal year of between EUR 580 million and EUR 610 million.

For the fiscal year 2021, the management expects revenues between EUR 580 and EUR 610 million and now a pro forma operating income margin of between 7% and 10%.

"Today's preliminary quarterly results make me incredibly proud of the ADVA team," said Brian Protiva, CEO, ADVA. "After the strong first quarter, we were able to grow again in Q2 2021. The digitization efforts in many regions of the world are in full swing, and the expansion of communication infrastructure is advancing. The demand for our technology is high across our entire portfolio and our order books are filled at record levels. The global semiconductor shortage is still a concern, but we are managing our supply chain well. Thanks to the dedication, agility and flexibility of our team, ADVA is on a clear trajectory of growth with rock-solid profitability."

"The second quarter of 2021 marked another record quarter in terms of profitability. While continuing to execute our business transformation strategy, we absorbed higher purchase prices of components due to the semiconductor crisis and reached a preliminary pro forma EBIT of 9.7%," said Uli Dopfer, CFO, ADVA. "With that strong first six months in the bank, I am encouraged that we will manage the current supply bottlenecks and reach a pro forma EBIT for the full year of between 7% and 10% of revenues."

The company will publish its final financial results for Q2 2021 on July 22, 2021, as planned.

Use of pro forma financial information

ADVA provides consolidated pro forma financial results in this press release solely as supplemental financial information to help investors and the financial community make meaningful comparisons of ADVA's operating results from one financial period to another. ADVA believes that these pro forma consolidated financial results are helpful because they exclude non-cash charges related to the stock option programs and amortization and impairment of goodwill and acquisition-related intangible assets, which are not reflective of the company's operating results for the period presented. Additionally, expenses related to restructuring measures are not included. This pro forma information is not prepared in accordance with IFRS and should not be considered a substitute for the historical information presented in accordance with IFRS.

**About ADVA**

ADVA is a company founded on innovation and focused on helping our customers succeed. Our technology forms the building blocks of a shared digital future and empowers networks across the globe. We're continually developing breakthrough hardware and software that leads the networking industry and creates new business opportunities. It's these open connectivity solutions that enable our customers to deliver the cloud and mobile services that are vital to today's society and for imagining new tomorrows. Together, we're building a truly connected and sustainable future. For more information on how we can help you, please visit us at www.adva.com.

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