

Adtran

Building a secure tomorrow

QUARTERLY RELEASE

AS OF MARCH 31, 2026

Disclaimer:

Potential inconsistencies in the table values are based on rounding differences.

IFRS financial highlights 3M 2026

Income statement

(in thousands of EUR, except earnings per share and ratios)

	Q1 2026	Q1 2025	Change
Revenues	117,464	114,119	2.9 %
Pro forma gross profit	37,785	39,171	(3.5)%
Pro forma gross profit margin in %	32.2	34.3	(2.1) pp
Pro forma EBIT ¹	(1,370)	(4,791)	71.4 %
Pro forma EBIT margin in %	(1.2)	(4.2)	3.0 pp
Operating income (loss)	(2,298)	(6,529)	64.8 %
Operating margin in %	(2.0)	(5.7)	3.7 pp
Net income (loss)	(3,460)	(16,108)	78.5 %
Diluted earnings per share in EUR	(0.07)	(0.31)	77.4 %

Cash flow statement

(in thousands of EUR)

	Q1 2026	Q1 2025	Change
Cash flow from operating activities	17,277	24,532	(29.6)%
Cash flow from investing activities	(18,561)	(15,376)	(20.7)%

Balance sheet and financial ratios

(in thousands of EUR, except ratios)

	March 31, 2026	Dec. 31, 2025	Change
Liabilities to banks	25,298	18,451	37.1 %
Lease liabilities	25,195	26,525	(5.0)%
Financial debt	50,493	44,976	12.3 %
Cash and cash equivalents	47,244	43,634	8.3 %
Receivables from Adtran Holdings, Inc. due to loss absorption	24,065	23,783	1.2 %
Loans granted to Adtran, Inc.	15,801	15,352	2.9 %
Net cash²	36,617	37,793	(3.1)%
Net working capital ³	161,054	151,613	6.2 %
Working capital ratio in % ⁴	33.8	31.5	2.3 pp
Equity	386,022	387,993	(0.5)%
Equity ratio in %	60.3	62.9	(2.6) pp
Capital employed ⁵	456,610	467,577	(2.3)%
ROCE in % ⁶	(1.5)	(2.4)	0.9 pp

Employees

(at period end)

	March 31, 2026	Dec. 31, 2025	Change
	2,220	2,215	0.2 %

¹ Pro forma EBIT is calculated prior to non-cash charges related to the stock compensation programs as well as amortization and impairment of goodwill and acquisition-related intangible assets. Expenses relating to anniversary payment obligations are excluded starting from 2025. Additionally, non-recurring expenses related to M&A, integration, professional fees relating to an internal investigation and other non-recurring personnel expenses as well as expenses related to restructuring measures are not included.

² Net cash is calculated by subtracting total financial liabilities from cash and cash equivalents. Total financial liabilities comprise current and non-current financial liabilities to banks, including factoring agreements, as well as current and non-current financial receivables and liabilities to Adtran Holdings Inc. and Adtran, Inc., including receivables and liabilities from the domination and profit and loss transfer agreement and current and non-current lease liabilities in accordance with IFRS 16 Leases. A negative calculation result is referred to as net debt. Net cash is no longer considered a key performance indicator, as it is not a control metric for the group and there are no targets set based on this metric. For informational purposes, we will continue to report net cash in the quarterly key figures overview.

³ Net working capital is defined as the sum of trade receivables and inventories less trade payables.

⁴ The working capital ratio shows the net working capital on the balance sheet date in relation to the revenues of current period.

⁵ The capital employed is the difference between the average balance sheet total and the average current liabilities for the past 12-month period, calculated as the arithmetic average of the quarterly balance sheet date values.

⁶ ROCE is the operating result for the past 12-month period divided by the capital employed.

Results of operations, net assets and financial position

Revenue development and operational performance

Revenue in Q1 2026 was up 2.9 % to EUR 117.5 million compared Q1 2025. The slight year-on-year increase is attributable to increased revenues in the Americas region which reflects continued deployments of optical transport solutions, supported by ongoing network upgrades and sustained long-term demand for higher-capacity and more flexible fiber infrastructure offset by a decline in EMEA revenues.

Pro forma gross profit was down from EUR 39.2 million (34.3 % of revenues) in Q1 2025 to EUR 37.8 million (32.2 % of revenues) in Q1 2026 . The decrease was mainly driven by higher freight and duty costs.

Pro forma EBIT in Q1 2026 was negative EUR 1.4 million (negative 1.2 % of revenues) compared to negative EUR 4.8 million (negative 4.2 % of revenues) in Q1 2025.

Operating loss for Q1 2026 was EUR 2.3 million compared to an operating loss of EUR 6.5 million in Q1 2025. The reduction in operating loss is primarily attributable to the positive impact of savings initiatives resulting in lower operating expenses.

Net loss was EUR 3.5 million in Q1 2026, compared to a net loss of EUR 16.1 million in Q1 2025.

Net assets and financial position

Cash flow from operating activities was positive EUR 17.3 million in Q1 2026 compared to positive EUR 24.5 million in Q1 2025. The decrease mainly results from higher outflows relating to changes in assets and liabilities - largely driven by higher trade accounts receivable - that were only partly compensated by improved profitability and lower tax payments.

Cash flow from investing activities amounted to negative EUR 18.6 million in Q1 2026 compared to negative EUR 15.4 million in Q1 2025. The increased use of funds for investing activities is mainly due to higher purchase of intangible assets as well as a cash outflow related to factoring on behalf of Adtran, Inc.

The company's cash and cash equivalents as of March 31, 2026, amounted to EUR 47.2 million compared to EUR 43.6 million as of December 31, 2025, representing an increase of EUR 3.6 million. At the end of the reporting period, the company had granted Adtran, Inc. a loan amounting to EUR 15.8 million (prior year-end: EUR 15.4 million) and had outstanding receivables due to loss absorption of EUR 24.1 million (prior year-end: EUR 23.8 million).

The bank liabilities of the group increased from EUR 18.5 million to EUR 25.3 million. At the end of Q1 2026 as well as at year-end 2025, the bank liabilities in the consolidated financial statements fully related to the inclusion of a special purpose entity from a factoring agreement concluded at the end of 2023. The group's net cash position remained fairly stable at EUR 36.6 million at the end of Q1 2026 compared to a net cash of EUR 37.8 million reported on December 31, 2025.

Risk and opportunity report

Adtran Networks future development is subject to various general and group-specific risks, which in certain cases can also endanger the group's continued existence.

As described in the "risk and opportunity report" section of the combined management report 2025 no going concern risk existed as of year-end 2025. The group reports a stable cash position at the end of Q1 2026. Consequently, there is no going concern risk as of the current reporting date.

No changes to the risks, uncertainties and opportunities reported in the "risk and opportunity report" section of the combined management report 2025 occurred in the current reporting period.

Outlook

Looking to the business development in 2026, the management board continues to expect an improvement in general demand across all product areas. While the tense political climate, the new US administration's tariff policy, and the comparatively high interest rate level continue to cause uncertainty in the market, it is imperative that progress is made in expanding the communications infrastructure and securing critical infrastructure. Furthermore, new technologies and business models, such as the use of generative AI, are generating additional bandwidth requirements in data networks that can only be met through further investments in network expansion.

In recent years, Adtran Networks has increasingly focused and comprehensively prepared itself technologically for the transformation of networks with the aspects of AI, cloud, mobility, automation and security. In addition to the high-quality performance features of optical data transmission, precise network synchronization technology and programmable cloud access solutions, the service portfolio also delivers added value. Adtran Networks develops, produces and delivers communication technology for the digital future.

Against the backdrop of the aforementioned factors and taking into account the planning parameters, personnel, and exchange rates, management's view of the outlook is unchanged from that reported in the 2025 consolidated financial statements. The management board expects revenue growth in the range of a negative single-digit percentage to a positive single-digit percentage for 2026 for the Adtran Networks group. In line with the development of revenues, the management assumes that pro forma EBIT margin will end up between a negative single-digit percentage and a positive single-digit percentage in 2026. The company's capital market objective to reach an equity ratio of at least 30% was met in Q1 2026. In addition, Adtran Holdings, Inc. was in full compliance of all applicable financial covenants. Adtran Networks capital management objectives are unchanged compared to the information included in note (35) to the 2025 consolidated financial statements.

Meiningen, May 12, 2026

Thomas R. Stanton

Christoph Glingener

Timothy Santo

Financial calendar

Annual shareholders' meeting	June 15, 2026 Munich, Germany
Publication of six-month report 2026	August 11, 2026 Martinsried/Munich, Germany
Publication of quarterly release Q3 2026	November 10, 2026 Martinsried/Munich, Germany

Forward-looking statements

This document contains forward-looking statements using words such as “believes”, “anticipates” and “expects” to describe expected revenues, costs and earnings, anticipated demand for optical networking solutions and anticipated liquidity from which internal estimates may be inferred. These forward-looking statements are based on the beliefs of the management board and respective assumptions made, and involve a number of unknown risks, uncertainties and other factors, many of which are beyond Adtran Networks' control. If one or more of these uncertainties or risks materializes, or if the underlying assumptions of the management board prove incorrect, actual results can differ materially from those described in or inferred from forward-looking statements and information. All risks and uncertainties are discussed in the “risk and opportunity report” section of the group management report 2025 and in the respective section of the current quarterly release.

Impressum

Corporate headquarters

Adtran Networks SE
Campus Martinsried
Fraunhoferstrasse 9a
82152 Martinsried/Munich
Germany

t +49 89 89 06 65 0

Registered head office

Maerzenquelle 1-3
98617 Meiningen-Dreissigacker
Germany

t +49 3693 450 0

Adtran Networks on the web

More information about Adtran Networks, including solutions, technologies and products, can be found on the company's website at www.adtran.com.

PDF files of this three-month release as well as previous annual reports, half-year reports and quarterly releases as well as presentations and general investor information, are also located on the company's website www.adtran-networks.com and can be downloaded in both English and German.

For Investors

Rob Fink
+1 646 809 4048
investor.relations@adtran.com