Adtran

Building a secure tomorrow

QUARTERLY RELEASE

AS OF SEPTEMBER 30, 2026

Disclaimer:

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

IFRS financial highlights 9M 2026

Income statement

(in thousands of EUR, except earnings per share and ratios)	Q3 2026	Q3 2025	Change	9M 2026	9M 2025	Change
Revenues	139,426	127,647	9.2 %	390,312	351,506	11.0 %
Pro forma gross profit	51,997	43,547	19.4 %	136,903	118,892	15.1 %
Pro forma gross profit margin in %	37.3	34.1	3.2 pp	35.1	33.8	1.3 pp
Pro forma EBIT[1]	11,123	3,782	n/a	14,120	(8,399)	n/a
Pro forma EBIT margin in %	8.0	3.0	5 pp	3.6	(2.4)	6 pp
Operating income (loss)	9,128	2,416	n/a	8,849	(13,903)	n/a
Operating margin in %	6.5	1.9	4.6 pp	2.3	(4.0)	6.3 pp
Net income (loss)	8,880	10,529	(15.7)%	6,066	(20,782)	n/a
Diluted earnings per share in EUR	0.17	0.20	(15.0)%	0.12	(0.40)	n/a

Cash flow statement

(in thousands of EUR)	Q3 2026	Q3 2025	Change	9M 2026	9M 2025	Change
Cash flow from operating activities	18,327	14,326	27.9 %	43,428	47,025	(7.6)%
Cash flow from investing activities	(15,411)	(17,899)	(13.9)%	(46,068)	(48,161)	(4.3)%

Balance sheet and financial ratios

(in thousands of EUR, except ratios)	Sep. 30, 2026	Dec. 31, 2025	Change
Liabilities to banks	17,811	18,451	(3.5)%
Lease liabilities	24,571	26,525	(7.4)%
Financial debt	**42,382**	**44,976**	**(5.8)%**
Cash and cash equivalents	34,697	43,634	(20.5)%
Receivables from Adtran Holdings, Inc. due to loss absorption	24,637	23,783	3.6 %
Loans granted to Adtran, Inc.	16,506	15,352	7.5 %
Net cash (debt)[2]	**33,458**	**37,793**	**(11.5)%**
Net working capital[3]	171,692	151,613	13.2 %
Working capital ratio in %[4]	32.9	31.5	1.4 pp
Equity	398,071	387,993	2.6 %
Equity ratio in %	60.7	62.9	(2.2) pp
Capital employed[5]	452,675	467,577	(3.2)%
ROCE in %[6]	2.6	(2.4)	5 pp

Employees

(at period end)	Sep. 30, 2026	Dec. 31, 2025	Change
	2,238	2,215	1.0 %

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

[2] Net cash is calculated by subtracting the total financial debt from cash and cash equivalents. In addition to bank balances and cash on hand, cash and cash equivalents include receivables from Adtran Holdings, Inc. arising from the control and profit transfer agreement and from the issuance of a bond. Total financial debt consists of current and non-current financial liabilities to banks, including those arising from factoring agreements, as well as current and non-current financial liabilities to Adtran Holdings, Inc., including those arising from the control and profit 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. Unlike in previous years, net liquidity is no longer considered a key performance indicator, as it does not serve as a management metric for the Group and no targets based on this metric are set. For informational purposes, we will continue to report net liquidity in the 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 of the period, calculated as the arithmetic average of the quarterly balance sheet date values.

[6] Return on Capital Employed (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 Q3 2026 was up 9.2 % to EUR 139.4 million compared Q3 2025. Looking at the nine-month period of 2026, revenue increased by 11.0 % to EUR 390.3 million compared to EUR 351.5 million for 9M 2025. The year-on-year increase is attributable to ongoing accelerated customer demand and increased investments from cloud and telecom service providers.

Pro forma gross profit in Q3 2026 was up from EUR 43.5 million (34.1 % of revenues) in Q3 2025 to EUR 52.0 million (37.3 % of revenues). In the nine-month period, pro forma gross profit increased from EUR 118.9 million in 9M 2025 to EUR 136.9 million in 9M 2026, while the gross margin in the first nine months of 2026 was 35.1 %, up from 33.8 % in the first nine months of 2025. The increase in margin compared to the first nine months of 2025 was attributable to increased sales and a favorable development in the customer and product mix. Without the tariff refunds received and recognized as a reduction of COGS in Q3 2026, pro forma gross profit would have been 34.8 % and 34.2 % for the three and nine months ended September 30, 2026.

Pro forma EBIT in Q3 2026 was positive EUR 11.1 million (8.0 % of revenues) compared to positive EUR 3.8 million (3.0 % of revenues) in Q3 2025. For the nine-month period of 2026, pro forma EBIT amounted to positive EUR 14.1 million compared to negative EUR 8.4 million for 9M 2025.

Operating income for Q3 2026 was EUR 9.1 million compared to an operating income of EUR 2.4 million in Q3 2025. The operating income for the first nine months of 2026 was EUR 8.8 million, compared to a operating loss of EUR 13.9 million for the first nine months of 2025. The improvement in operating income in the first nine months 2026 is primarily attributable to the increase in revenue and the corresponding improvement of gross profit.

Net income was EUR 8.9 million in Q3 2026, compared to a net income of EUR 10.5 million in Q3 2025. 9M 2026 net income was EUR 6.1 million compared to a net loss of EUR 20.8 million for 9M 2025. The improvement compared to Q3 2025 as well as the nine-month period year-over-year is due to improved operating income.

Net assets and financial position

Cash flow from operating activities was positive EUR 18.3 million in Q3 2026 compared to positive EUR 14.3 million in Q3 2025. The increase of operating cash flow was mainly attributable to improved profitability. For the nine-month period, operating cash flow declined by 7.6 % from EUR 47.0 million in 9M 2025 to EUR 43.4 million in 9M 2026 largely due to lower cash inflows for net working capital in 9M 2026 compared to the prior year period.

Cash flow from investing activities amounted to negative EUR 15.4 million in Q3 2026 compared to negative EUR 17.9 million in Q3 2025. For the first nine months of 2026, cash flow from investing activities amounted to negative EUR 46.1 million below the negative EUR 48.2 million reported in the first nine months of 2025. The decreased use of funds for investing activities in the first nine months 2026 is mainly due to lower investing in intangible assets.

The company’s cash and cash equivalents as of September 30, 2026, amounted to EUR 34.7 million compared to EUR 43.6 million as of December 31, 2025, representing a decrease of EUR 8.9 million. At the end of the reporting period, the company had granted Adtran, Inc., Huntsville, Alabama, USA, a loan amounting to EUR 16.5 million (prior year-end: EUR 15.4 million) and had outstanding receivables due to loss absorption by Adtran Holdings, Inc., Huntsville, Alabama, USA, of EUR 24.6 million (prior year-end: EUR 23.8 million).

The bank liabilities of the group slightly decreased from EUR 18.5 million to EUR 17.8 million. The group's net cash decreased to EUR 33.5 million at the end of Q3 2026 compared to the 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 9M 2026. Consequently, there is no going concern risk as of the current reporting date.

In Q3 2026 no changes resulted from the ongoing risk assessment for 2026. The risks and uncertainties as reported in the "risk and opportunity report" section of the combined management report 2025 taking into account the changes outlined in the 2026 six-month report remain unchanged.

Outlook

In Q3 2026 Adtran Networks reported revenues of EUR 139.4 million, which increased by 9.2 % compared to EUR 127.6 million in Q3 2025. In 9M 2026 revenues of EUR 390.3 million were also up by 11.0 % compared to EUR 351.5 million in the 9M 2025 period. The pro forma EBIT margin in Q3 2026 increased to positive 8.0 % compared to positive 3.0 % in Q3 2025. Cash increased from EUR 33.7 million at the end of Q2 2026 to EUR 34.7 million at the end of Q3 2026.

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 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-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, the management board expects revenues growth in the high single digit or low double digit percentage range. Pro forma EBIT may grow from a negative single-digit percentage in 2025 to a positive single-digit percentage for the full year 2026. The company's objective is rapid debt reduction and consistent compliance with the defined capital management objectives, which are described in 2025 consolidated financial statements.

Meiningen, November 10, 2026

Thomas R. Stanton

Christoph Glingener

Timothy Santo

Financial calendar

Publication of annual report 2026	March 25, 2027 Martinsried/Munich, Germany
Publication of the quarterly statement Q1 2027	May 11, 2027 Martinsried/Munich, Germany

Forward-looking statements

This document contains 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 6M Report 2026 as well as in the current quarterly release.

Legal disclosure

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 quarterly report as well as previous annual reports, six-months reports and quarterly releases and general investor information, are also located on the company's website and can be downloaded in both English and German. Related PDF files are available for download in the investor relations section of the group's website, www.adtran-networks.com.

Investor contact

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