

1Q25

Financial Results

October 30, 2024



ExtremeCloud™
Universal ZTNA

Non-GAAP Financial Measures

This presentation includes certain financial measures that are not presented in accordance with generally accepted accounting principles in the United States (“GAAP”), such as, among other things, Non-GAAP Net Income (Loss), Non-GAAP EPS, Non-GAAP Operating Margin, Free Cash Flow, Net Cash (Debt), Non-GAAP Gross Margin, Non-GAAP Operating Income (Loss), and Adjusted EBITDA. Extreme Networks, Inc. (the “Company”) believes these Non-GAAP measures provide both management and investors with additional insight into its current operations, the trends affecting the Company, the Company’s marketplace performance, and the Company’s ability to generate cash from operations. Accordingly, management uses these Non-GAAP measures along with comparable GAAP information when evaluating the Company’s historical performance and future business activities. However, Non-GAAP financial measures have limitations in their usefulness to investors because they have no standardized meaning prescribed by GAAP and are not prepared under any comprehensive set of accounting rules or principles. The Company’s Non-GAAP measures may be different than those used by other companies and should be considered in conjunction with, and not as a substitute for, the Company’s financial information presented in accordance with GAAP. We provide Adjusted Results that show the results excluding the Non-GAAP adjustments, the additional provision for E&O inventory and adjustments for the related tax impact. Please refer to our most recent earnings press release dated October 30, 2024, which is posted on the “Investor Relations” section of our website and to pages 25-29 of this presentation for the required reconciliation to the most comparable GAAP financial measures. Reconciliations for prior quarters are available in the earnings press releases for such previous quarters, also available on the “Investor Relations” section of our website.

Forward-Looking Statements

This presentation contains forward-looking statements including, but not limited to: (i) the Company’s business outlook and future operating metrics, and financial and operating results, (ii) global demand, (iii) the Company’s differentiated enterprise networking solutions resonating with customers, and (iv) anticipated growth and funnel opportunities. You should not place undue reliance on forward-looking statements, which are based on current beliefs, assumptions and expectations, and speak only as of the date of this presentation. These forward-looking statements involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by these statements. For a detailed description of these risks and uncertainties, please refer to our most recent Annual Report on Form 10-K for the fiscal year ended June 30, 2024, and any subsequent filings which are or will be on file with the Securities and Exchange Commission. We undertake no obligation to update these statements after the date of this presentation.



1Q25

FINANCIAL RESULTS



Bookings and Revenue Trends

- Sequential Growth in Revenue led by growth in Americas region
- Sequential Growth in Product Revenue
- Recurring Revenue ² of **\$103M**, Up 8% Y/Y



Cloud SaaS Subscriptions

- SaaS ARR ¹ of **\$174M**, Up 23% Y/Y
- Rising New Subscription Attach Rate ³
- SaaS Deferred Revenue ¹ of **\$282M**, up 19% Y/Y



Profitability and Cash Generation

- Sequential Improvement in **Profitability** and **Cash Flow**
- Stable Cash Position

¹ See slides 14 & 15 for definitions of SaaS ARR and SaaS Deferred Revenue.

² See slide 16 for definitions of Recurring Revenue.

³ New Subscription Attach Rate is Subscription Total Contract Value \$ bookings divided by total Product \$ bookings.

1Q25 HIGHLIGHTS



Total Revenue
\$269M

\$174M
SaaS ARR ²



23%
SaaS ARR ²
Growth Y/Y



Non-GAAP Gross Profit ¹
\$171M

63.7%
Non-GAAP Gross Margin ¹ %



38%
Recurring Revenue ³



Non-GAAP EPS ¹ \$
\$0.17

12.4%
Non-GAAP Operating Margin ¹ %

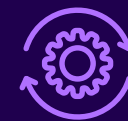


27
Large \$1M+ Customers
(Over \$1M in bookings for the
Fiscal Quarter)



Free Cash Flow ⁵
\$12M

\$28M
Net Debt ⁴



32
Total Managed
Service Providers

¹ See Appendices for GAAP to Non-GAAP reconciliation.

² See slide 14 for SaaS ARR Definition.

³ See slide 16 for Recurring Revenue definition.

⁴ Net Cash (Debt) is defined as Cash and cash equivalents minus Gross Debt, see slide 12.

⁵ See slide 13 for Free Cash Flow definition.

FINANCIAL HIGHLIGHTS

(IN M'S EXCEPT PERCENTAGES AND EPS)



	GAAP			Non-GAAP ¹		
	1Q24	4Q24	1Q25	1Q24	4Q24	1Q25
Product Revenue	\$253.5	\$152.8	\$162.3	\$253.5	\$152.8	\$162.3
Subscription & Support Revenue	\$99.6	\$103.9	\$106.9	\$99.6	\$103.9	\$106.9
Total Revenue	\$353.1	\$256.7	\$269.2	\$353.1	\$256.7	\$269.2
Total GM%	60.3%	44.7%	63.0%	61.1%	45.4%	63.7%
Operating Income (Loss) \$	\$35.9	(\$48.9)	(\$4.7)	\$62.5	(\$11.8)	\$33.5
Operating Margin %	10.2%	(19.1%)	(1.8%)	17.7%	(4.6%)	12.4%
EBITDA	\$43.1	(\$37.8)	(\$0.3)	\$67.8	(\$7.7)	\$36.9
Net Income (Loss)	\$28.7	(\$54.2)	(\$10.5)	\$46.5	(\$9.9)	\$22.4
EPS	\$0.21	(\$0.42)	(\$0.08)	\$0.35	(\$0.08)	\$0.17

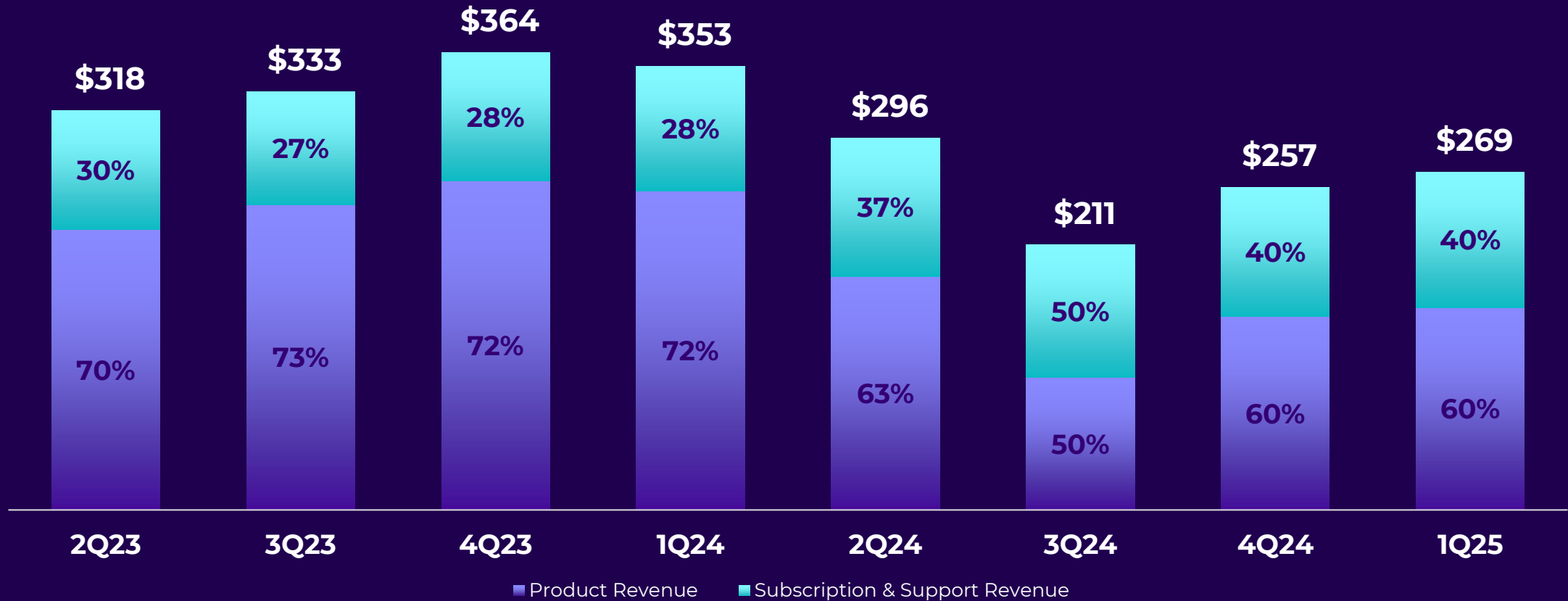
¹ See Appendices for GAAP to Non-GAAP reconciliation.

QUARTERLY REVENUE RESULTS

(IN M'S)



Total Revenue

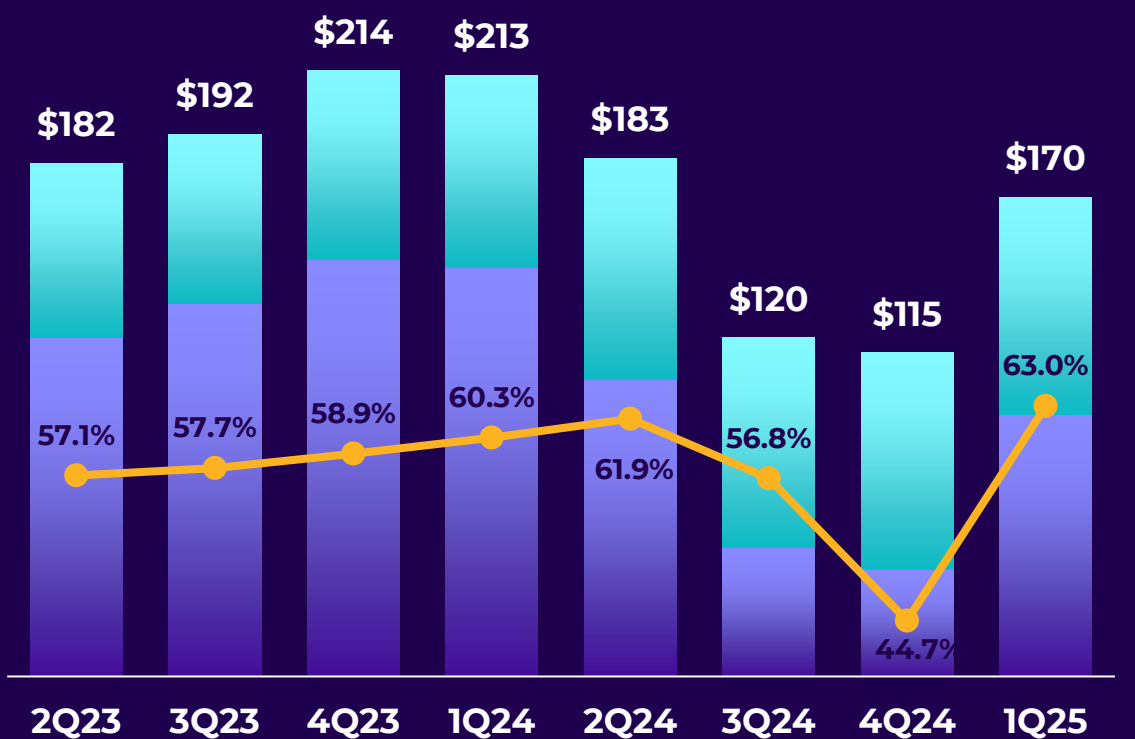


QUARTERLY GROSS PROFIT AND MARGIN

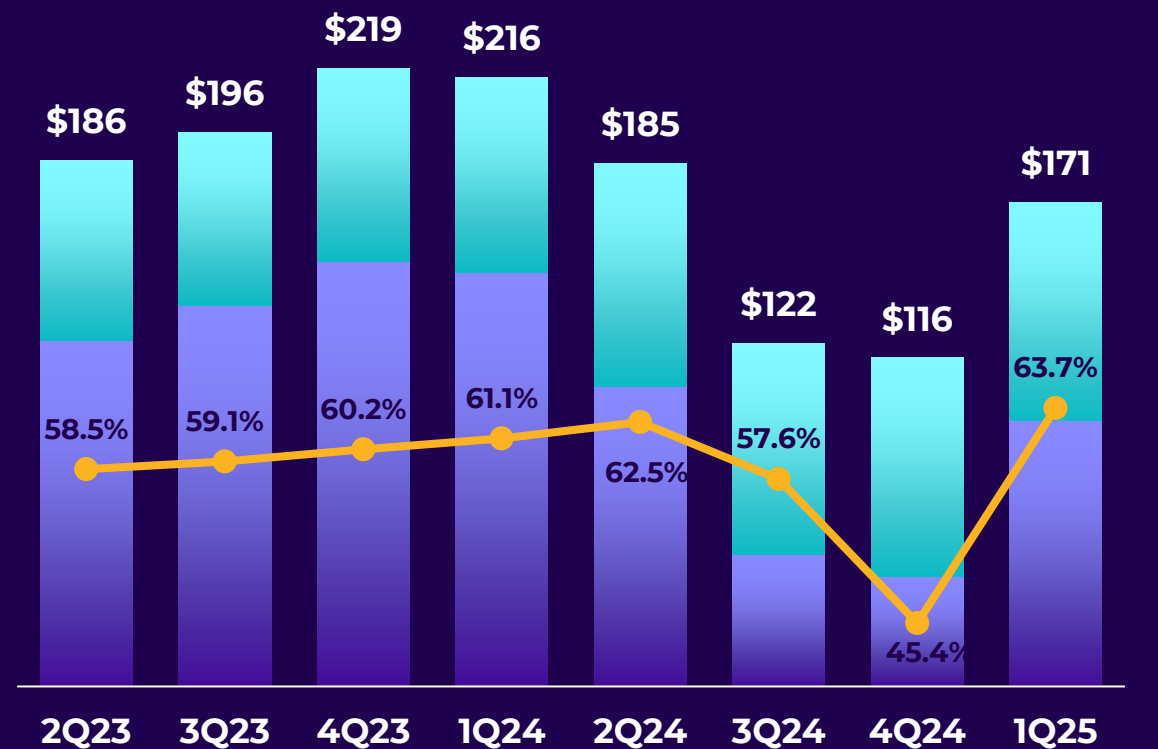
(IN M'S EXCEPT PERCENTAGES)



Gross Profit – GAAP



Gross Profit – Non-GAAP ¹



Product Gross Profit Subscription & Support Gross Profit Total GM % - GAAP

Product Gross Profit Subscription & Support Gross Profit Total GM % - Non-GAAP

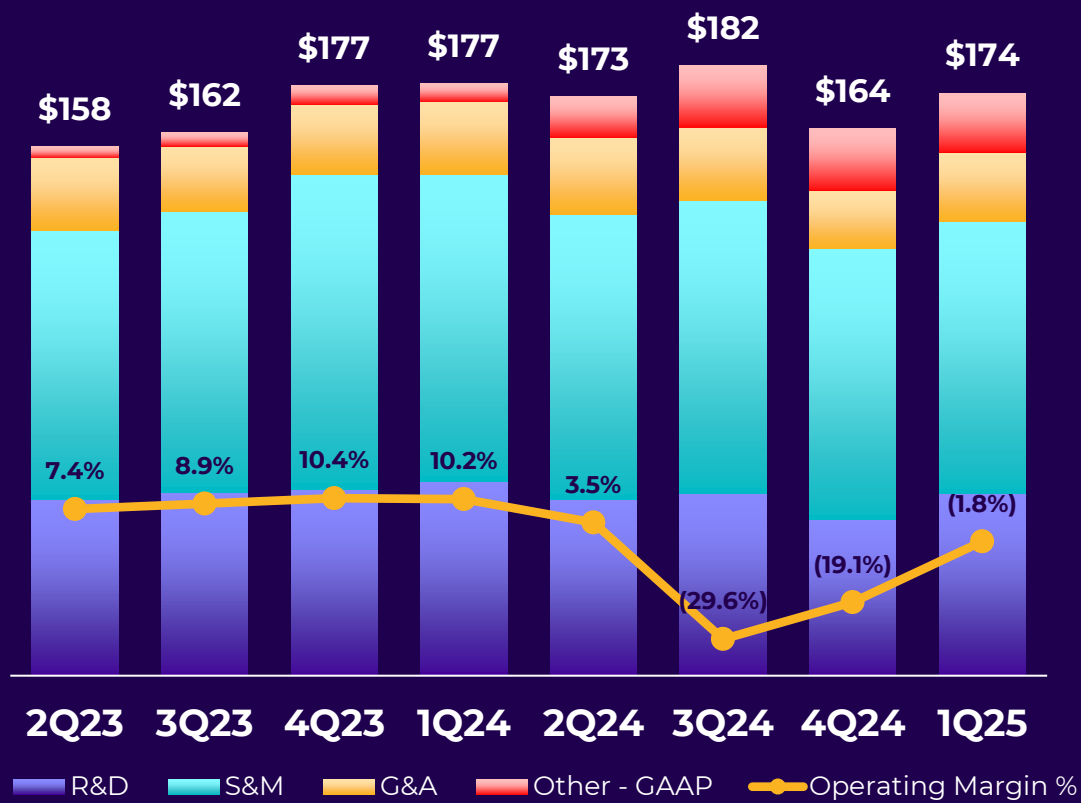
¹ See Appendices for GAAP to Non-GAAP reconciliation.

QUARTERLY OPERATING EXPENSE AND MARGIN

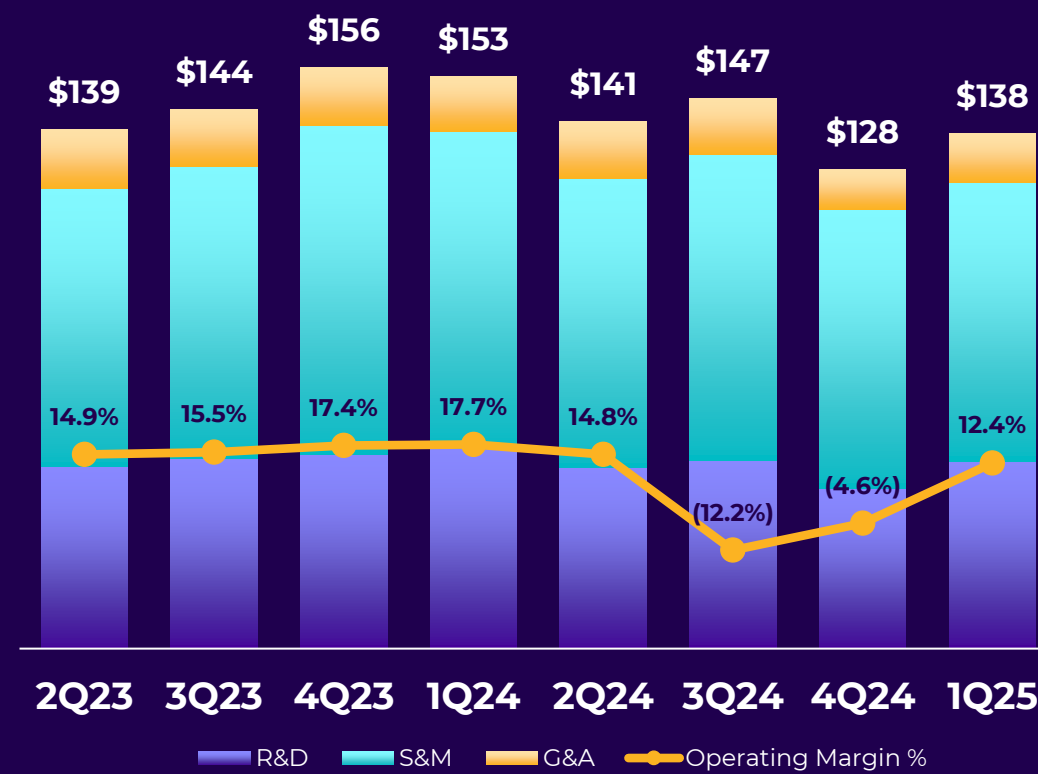
(IN M'S EXCEPT PERCENTAGES)



Operating Expenses - GAAP



Operating Expenses - Non-GAAP ¹

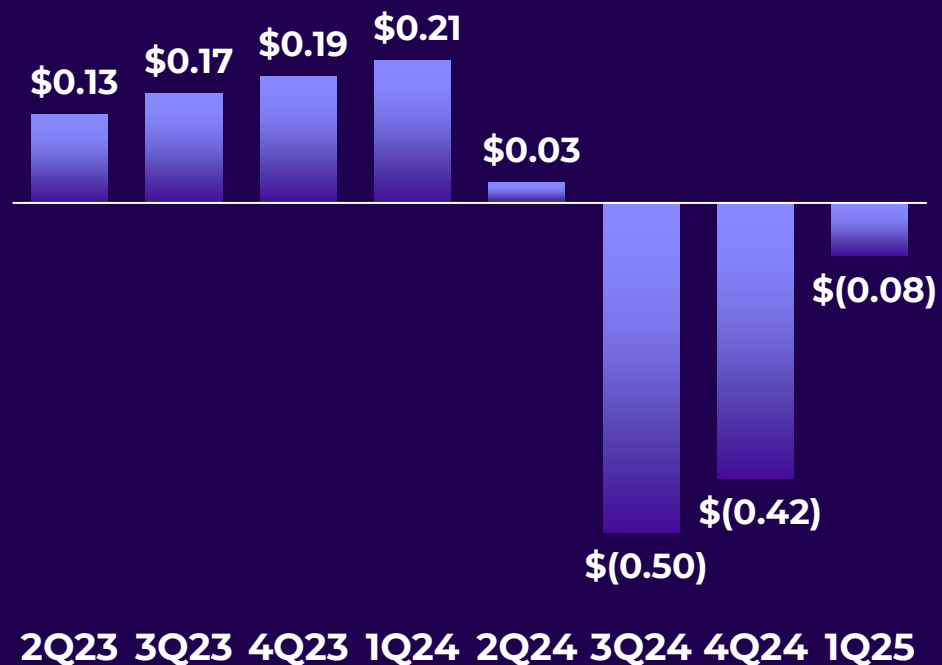


¹ See Appendices for GAAP to Non-GAAP reconciliation.

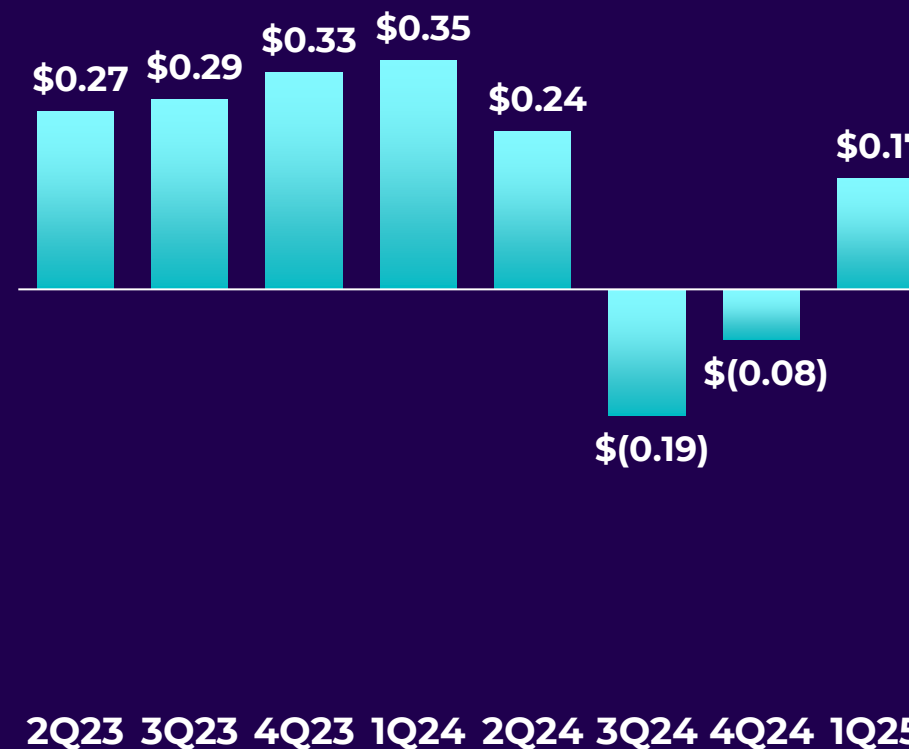
QUARTERLY EPS



EPS - GAAP



EPS - Non-GAAP ¹



¹ See Appendices for GAAP to Non-GAAP reconciliation.

1Q25 REVENUE BY GEOGRAPHY

(IN \$M'S EXCEPT PERCENTAGES)



AMERICAS

\$165M

61% of Revenue

EMEA

\$85M

32% of Revenue

APAC

\$19M

7% of Revenue

FINANCIAL HIGHLIGHTS – BALANCE SHEET

(IN M'S EXCEPT DAYS)



Balance Sheet Highlights	1Q24	4Q24	1Q25
Cash and Cash Equivalents	\$224.4	\$156.7	\$159.5
Accounts Receivable	\$131.5	\$89.5	\$97.2
Inventories	\$100.8	\$141.0	\$143.6
Accounts Payable	\$80.0	\$51.4	\$65.8
Gross Debt ¹	\$197.5	\$190.0	\$187.5
Net Cash (Debt) ²	\$26.9	(\$33.3)	(\$28.0)

¹Gross Debt is defined as long-term and current portion of long-term debt as shown on the balance sheet plus unamortized debt issuance costs, if any.

²Net Cash (Debt) is defined as Cash and Cash Equivalents minus Gross Debt.

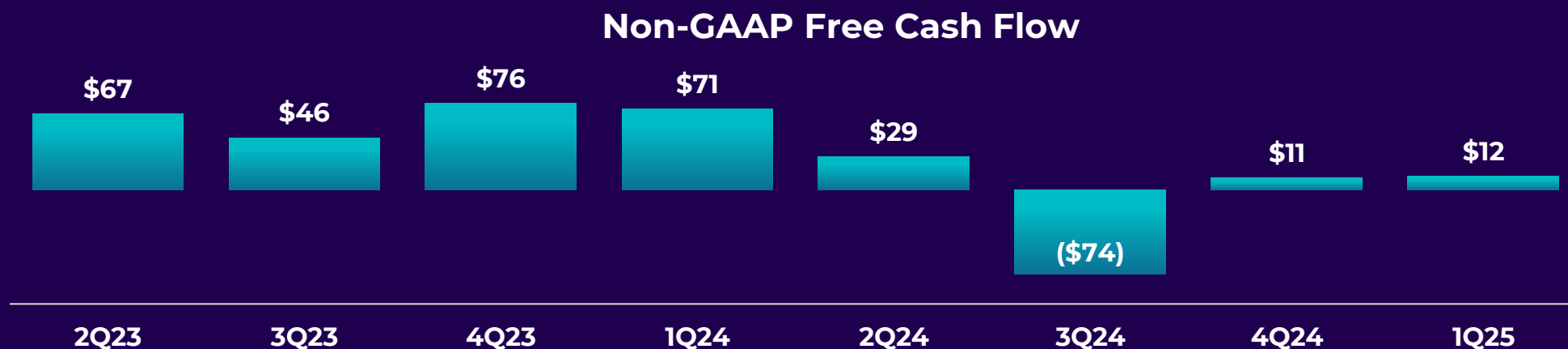
NON-GAAP FREE CASH FLOW

(IN M'S)



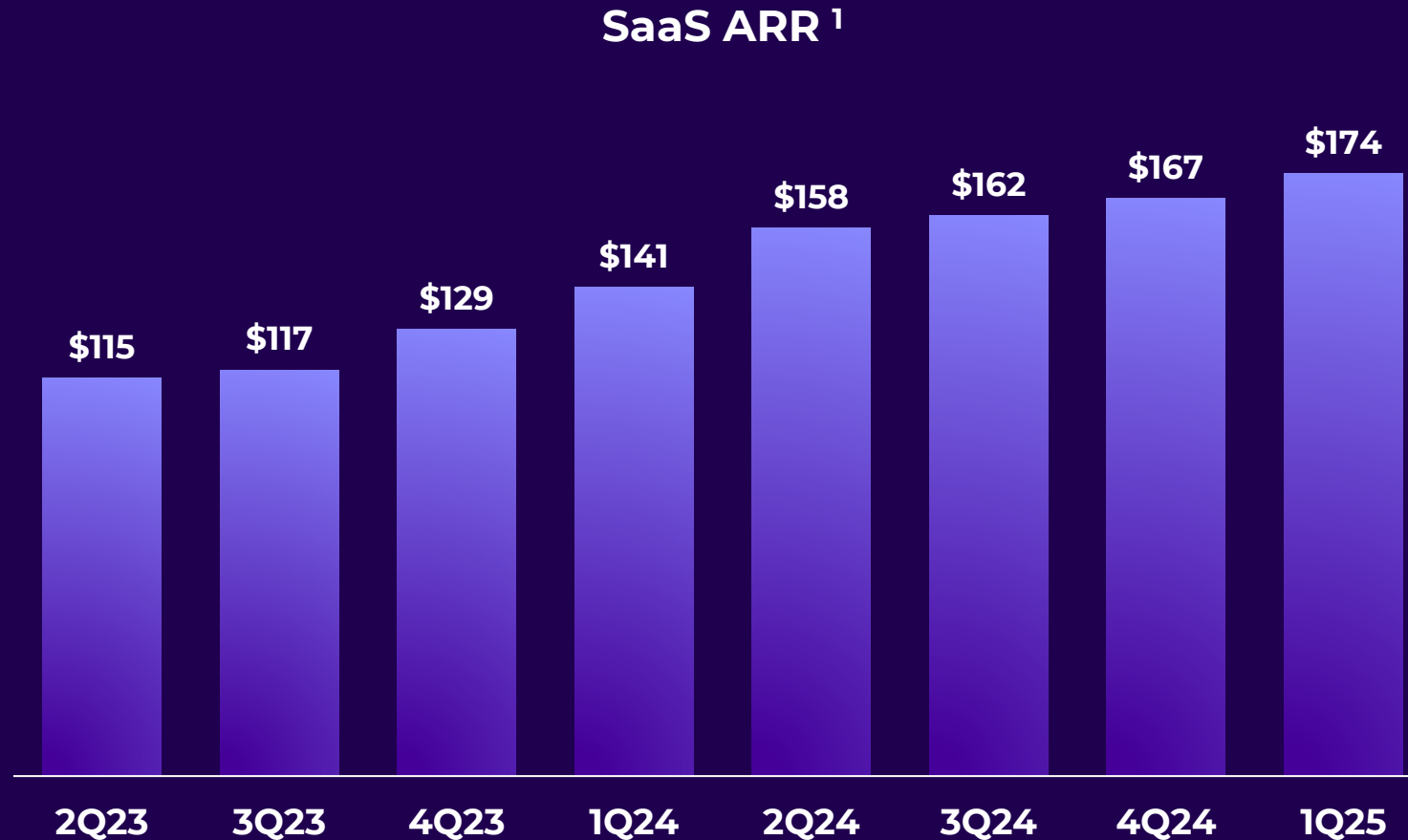
Extreme uses the Non-GAAP free cash flow metric as a measure of operating performance. Free cash flow represents GAAP net cash provided by (used in) operating activities, less purchases of property, plant and equipment. Extreme considers free cash flow as useful information for management and investors regarding the amount of cash generated by the business after the purchases of property, plant and equipment, which can then be used to, among other things, invest in Extreme's business, make strategic acquisitions, and strengthen the balance sheet. A limitation of the utility of the Non-GAAP free cash flow metric as a measure of financial performance is that it does not represent the total increase or decrease in the Company's cash balance for the period. As shown in the table below:

Non-GAAP Free Cash Flow	1Q24	4Q24	1Q25
Operating Cash Flow	\$75.6	\$15.4	\$18.6
PP&E Capital Expenditures	(4.3)	(4.5)	(6.9)
Free Cash Flow	\$71.3	\$10.9	\$11.7



HISTORICAL SAAS DISCLOSURES – SaaS ARR

(IN \$M'S)



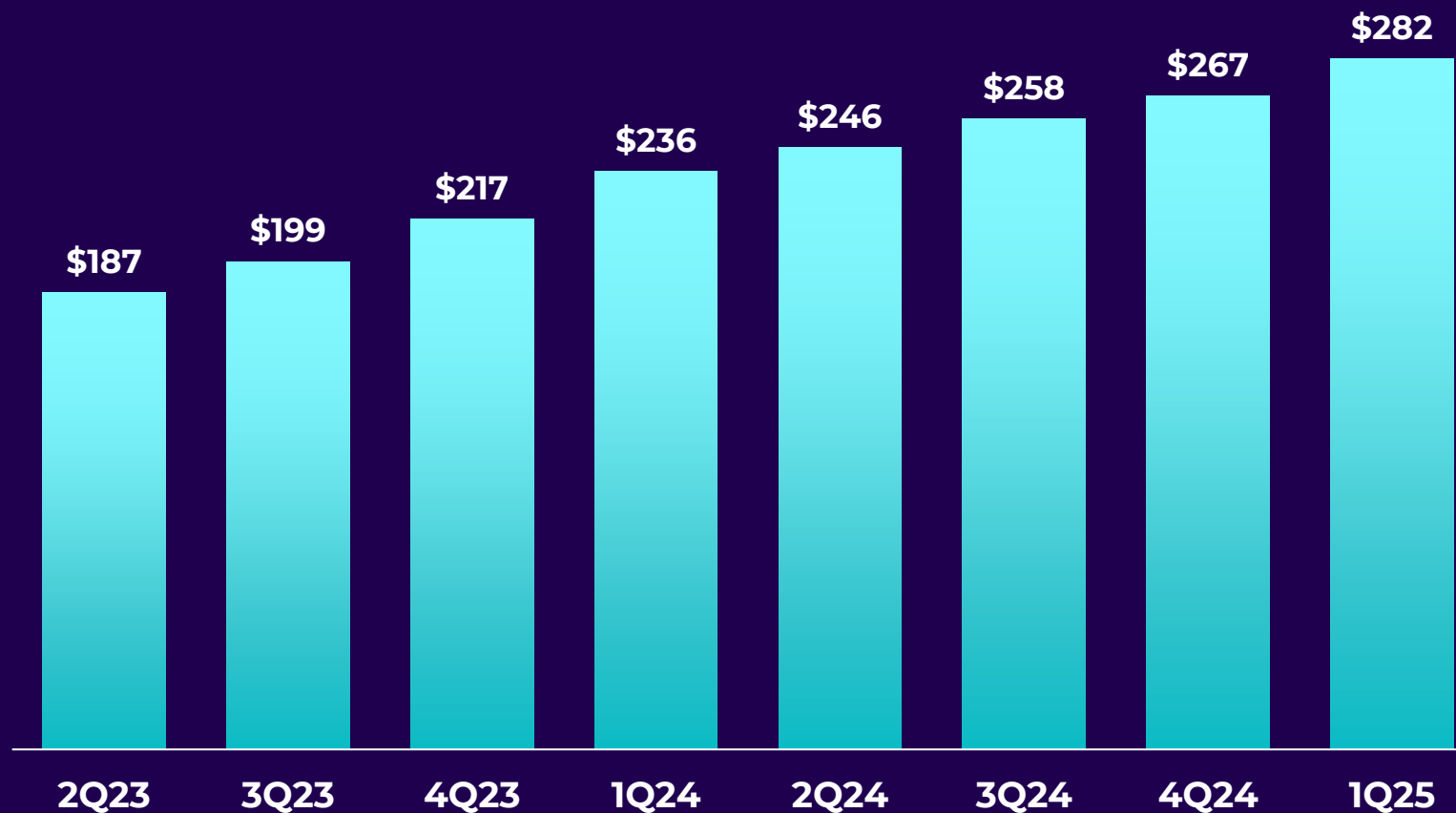
¹Extreme uses SaaS annual recurring revenue (“SaaS ARR”) to identify the annual recurring revenue of ExtremeCloud™ IQ (XIQ) and other subscription revenue, based on the annualized value of quarterly subscription revenue and term-based licenses. We believe that SaaS ARR is an important metric because it is driven by our ability to acquire new customers and to maintain and expand our relationship with existing customers. SaaS ARR should be viewed independently of revenue or deferred revenue accounted under U.S. GAAP. SaaS ARR does not have a standardized meaning and therefore may not be comparable to similarly titled measures presented by other companies. SaaS ARR is not intended to be a replacement for forecasts of revenue.

HISTORICAL SAAS DISCLOSURES – SaaS DEFERRED REVENUE

(IN \$M'S)



SaaS Deferred Revenue ¹



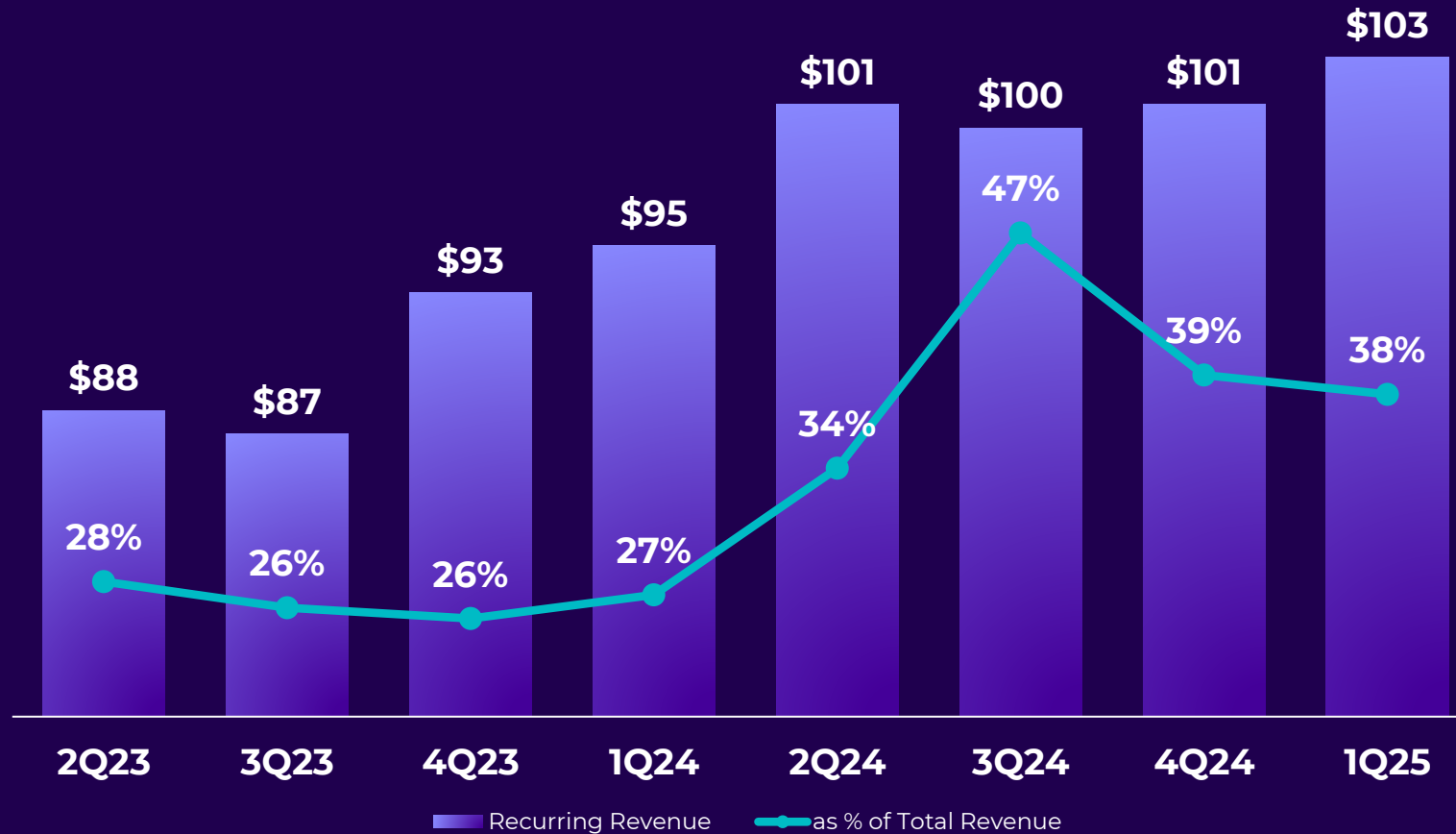
¹SaaS Ending Deferred Revenue refers to the ending quarterly balance of advance payments received for SaaS goods or services that are to be delivered or performed in the future.

HISTORICAL DISCLOSURES – RECURRING REVENUE

(IN \$M'S)



Recurring Revenue ¹



¹Recurring Revenue is the sum of all Subscription and Support revenue, less Professional Services, that is recognized over multiple periods, quarters or years, rather than a single point in time.



2Q25 & FY25

FINANCIAL GUIDANCE

2Q25 GUIDANCE

(IN M'S EXCEPT PERCENTAGES AND EPS)



	Non-GAAP ¹ 1Q25	GAAP 2Q25	Non-GAAP ¹ 2Q25
Revenue (\$M)	\$269.2	\$273.0 – \$283.0	\$273.0 – \$283.0
Gross Margin %	63.7%	62.2% – 63.2%	63.0% – 64.0%
Operating Margin %	12.4%	(1.1%) – 1.4%	11.3% – 13.4%
EPS	\$0.17	(\$0.07) – (\$0.01)	\$0.16 – \$0.20

²See slides 25-29 for GAAP to Non-GAAP reconciliation.

FY25 GUIDANCE

(IN M'S)



	FY24	FY25
Revenue (\$M)	\$1,117	\$1,117 – \$1,137



APPENDICES

GAAP to Non-GAAP Reconciliations and Operating Metrics

*Note: The totals for some periods may not foot due to rounding.
Please see press release for full reconciliation.*

SUPPLEMENTAL INFORMATION: GAAP TO ADJUSTED RESULTS



(IN M'S EXCEPT PERCENTAGES AND EPS)

We recorded an additional provision for excess and obsolete ("E&O") inventory and loss on our supplier commitments of \$64.5 million during fiscal 2024. The quarterly split was as follows: 1Q24: \$10.5m, 3Q24: \$7.5m, and 4Q24: \$46.5m. The additional provision was taken for certain of the Company's older products which are scheduled to go end of sale during fiscal year 2025 and for which the excess of such inventories is beyond the demand forecast. To provide more clarity on the impact of this provision, we provide the following that shows the results excluding the Non-GAAP adjustments, the additional provision for E&O inventory, and adjustments for the related tax impact.

	1Q24				2Q24				3Q24				4Q24			
	GAAP	Non-GAAP ¹	E&O Adj	Adjusted	GAAP	Non-GAAP ¹	E&O Adj	Adjusted	GAAP	Non-GAAP ¹	E&O Adj	Adjusted	GAAP	Non-GAAP ¹	E&O Adj	Adjusted
Product Revenue	\$253.5	\$253.5	-	\$253.5	\$186.6	\$186.6	-	\$186.6	\$106.4	\$106.4	-	\$106.4	\$152.8	\$152.8	-	\$152.8
Subscription & Support Revenue	\$99.6	\$99.6	-	\$99.6	\$109.8	\$109.8	-	\$109.8	\$104.6	\$104.6	-	\$104.6	\$103.9	\$103.9	-	\$103.9
Total Revenue	\$353.1	\$353.1	-	\$353.1	\$296.4	\$296.4	-	\$296.4	\$211.0	\$211.0	-	\$211.0	\$256.7	\$256.7	-	\$256.7
Total GM%	60.3%	61.1%	3.0%	64.1%	61.9%	62.5%	-	62.5%	56.8%	57.6%	3.6%	61.2%	44.7%	45.4%	18.1%	63.5%
Operating Income (Loss) \$	\$35.9	\$62.5	\$10.5	\$73.0	\$10.3	\$43.9	-	\$43.9	(\$62.5)	(\$25.7)	\$7.5	(\$18.2)	(\$48.9)	(\$11.8)	\$46.5	\$34.7
Operating Margin %	10.2%	17.7%	3.0%	20.7%	3.5%	14.8%	-	14.8%	(29.6%)	(12.2%)	3.6%	(8.6%)	(19.1%)	(4.6%)	18.1%	13.5%
EBITDA	\$43.1	\$67.8	\$10.5	\$78.3	\$15.6	\$48.2	-	\$48.2	(\$56.6)	(\$20.9)	\$7.5	(\$13.4)	(\$37.8)	(\$7.7)	\$46.5	\$38.8
Net Income (Loss)	\$28.7	\$46.5	\$8.2	\$54.7	\$4.0	\$31.5	-	\$31.5	(\$64.4)	(\$24.8)	\$6.6	(\$18.2)	(\$54.2)	(\$9.9)	\$34.6	\$24.7
EPS	\$0.21	\$0.35	\$0.06	\$0.41	\$0.03	\$0.24	-	\$0.24	(\$0.50)	(\$0.19)	\$0.05	(\$0.14)	(\$0.42)	(\$0.08)	\$0.27	\$0.19

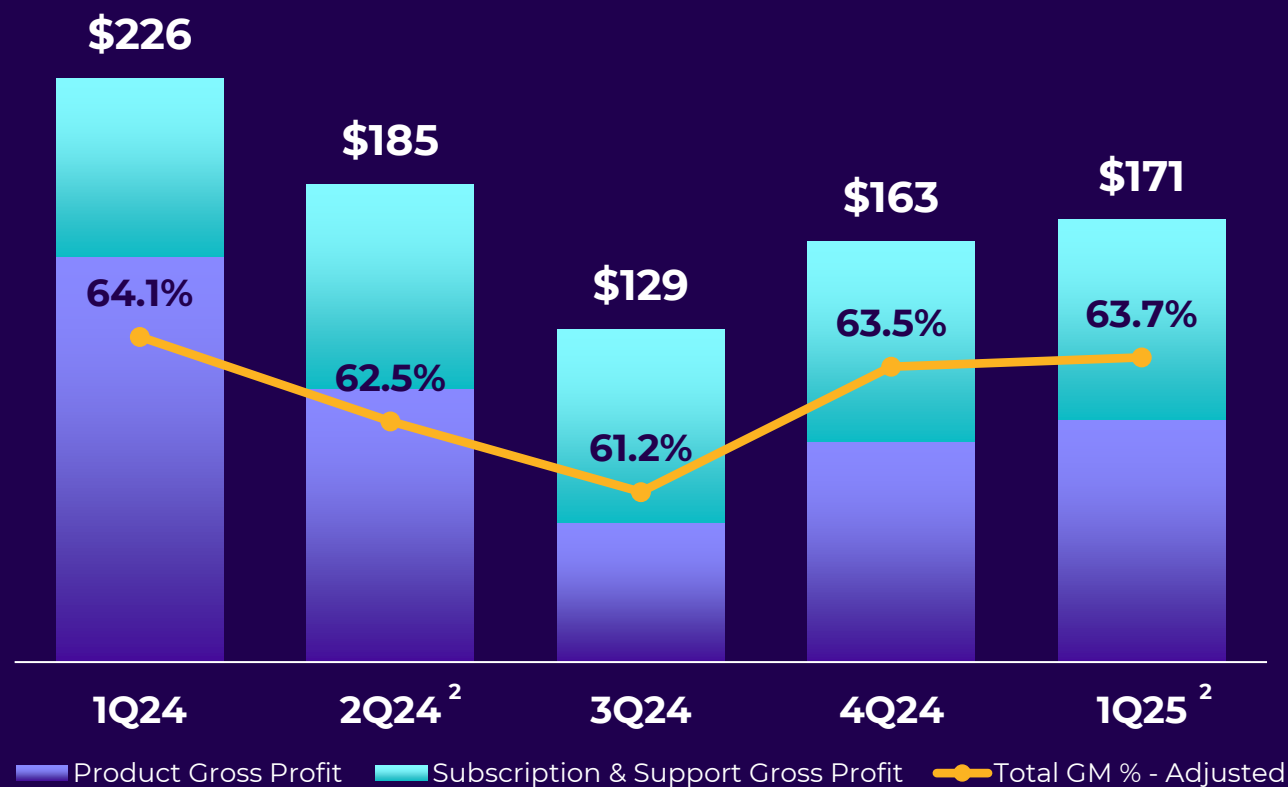
¹ See slides 25-28 for GAAP to Non-GAAP reconciliation.

ADJUSTED QUARTERLY RESULTS OF OPERATIONS

(IN M'S EXCEPT PERCENTAGES)



Gross Profit – Adjusted Results ¹



¹Adjusted Results exclude the Non-GAAP adjustments and the additional provision for E&O inventory. Adjustments were made in 1Q24, 3Q24 and 4Q24. See slide 21 for GAAP to Adjusted Results reconciliation.

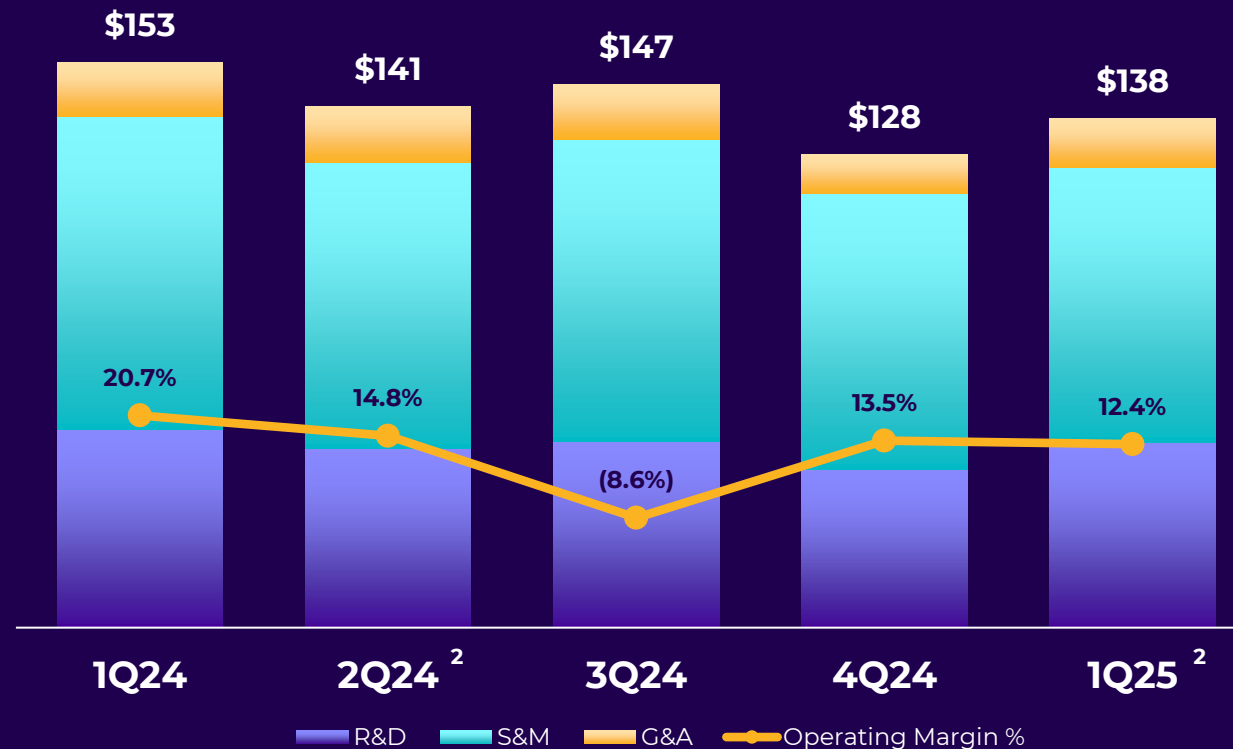
²1Q25 and 2Q24 are presented on an unadjusted Non-GAAP basis. See slides 25-28 for GAAP to Non-GAAP reconciliation.

ADJUSTED QUARTERLY RESULTS OF OPERATIONS

(IN M'S EXCEPT PERCENTAGES)



Operating Expenses - Adjusted Results ¹



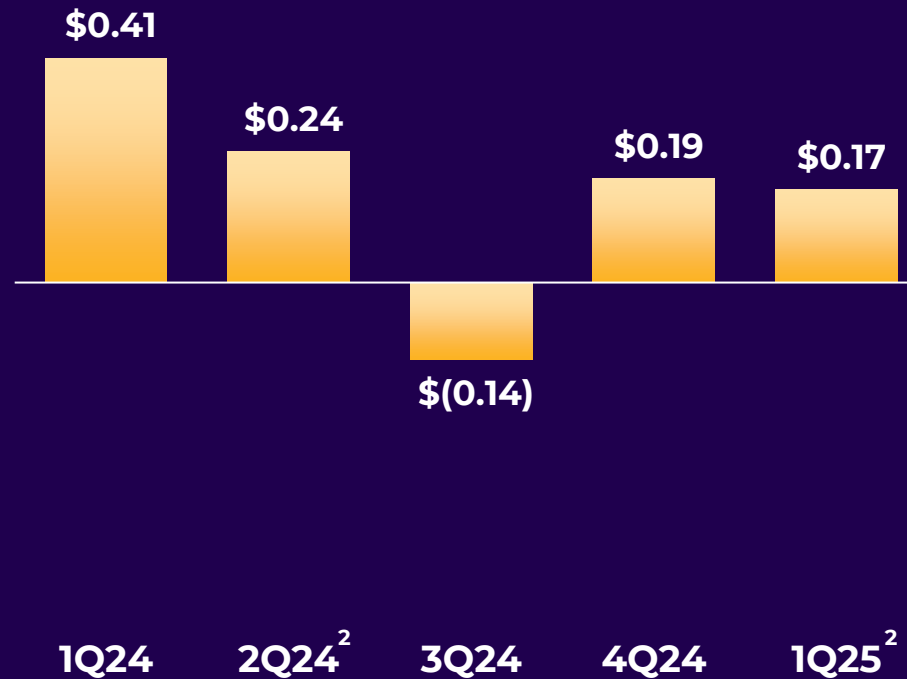
¹Adjusted Results exclude the Non-GAAP adjustments and the additional provision for E&O inventory. Adjustments were made in 1Q24, 3Q24 and 4Q24. See slide 21 for GAAP to Adjusted Results reconciliation.

²1Q25 and 2Q24 are presented on an unadjusted Non-GAAP basis. See slides 25-28 for GAAP to Non-GAAP reconciliation.

ADJUSTED QUARTERLY RESULTS OF OPERATIONS



EPS - Adjusted Results ¹



¹Adjusted Results exclude the Non-GAAP adjustments and the additional provision for E&O inventory. Adjustments were made in 1Q24, 3Q24 and 4Q24. See slide 21 for GAAP to Adjusted Results reconciliation.

²1Q25 and 2Q24 are presented on an unadjusted Non-GAAP basis. See slides 25-28 for GAAP to Non-GAAP reconciliation.

GAAP TO NON-GAAP RECONCILIATIONS – GROSS MARGIN

(IN M'S EXCEPT PERCENTAGES)



	1Q24	4Q24	1Q25
Product Revenue	\$253.5	\$152.8	\$162.3
Subscription & Support Revenue	99.6	103.9	106.9
Total Revenue – GAAP	\$353.1	\$256.7	\$269.2
Gross Margin – GAAP	\$212.9	\$114.6	\$169.5
Gross Margin % – GAAP	60.3%	44.7%	63.0%
Amortization of Intangibles, Product	1.1	0.6	0.6
Amortization of Intangibles, Subscription & Support	0.3	–	–
Share-Based Compensation, Product	0.5	0.6	0.6
Share-Based Compensation, Subscription & Support	0.9	0.7	0.7
Gross Margin – Non-GAAP	\$215.7	\$116.5	\$171.4
Gross Margin % – Non-GAAP	61.1%	45.4%	63.7%

GAAP TO NON-GAAP RECONCILIATIONS – OPERATING INCOME (LOSS)

(IN M'S EXCEPT PERCENTAGES)



	1Q24	4Q24	1Q25
Operating Income (Loss) – GAAP	\$35.9	(\$48.9)	(\$4.7)
Operating Margin – GAAP	10.2%	(19.1%)	(1.8%)
Amortization of Intangibles, COGS	1.4	0.6	0.6
Share-Based Compensation, Total	19.9	18.1	19.8
Restructuring and Related Charges	2.7	10.0	1.3
Amortization of Intangibles, OpEX	0.5	0.5	0.5
System Transition Costs	0.6	2.8	5.3
Litigation Costs	1.5	5.1	10.7
Operating Income (Loss) – Non-GAAP	\$62.5	(\$11.8)	\$33.5
Operating Margin – Non-GAAP	17.7%	(4.6%)	12.4%

GAAP TO NON-GAAP RECONCILIATIONS – NET INCOME (LOSS)

(IN M'S EXCEPT EPS)



	1Q24	4Q24	1Q25
Net Income (Loss) – GAAP	\$28.7	(\$54.2)	(\$10.5)
Shares – GAAP	133.5	130.1	131.2
EPS – GAAP (Diluted)	\$0.21	(\$0.42)	(\$0.08)
Amortization of Intangibles, COGS	1.4	0.6	0.6
Share-Based Compensation, Total	19.9	18.1	19.8
Restructuring and Related Charges	2.7	10.0	1.3
Amortization of Intangibles, OpEX	0.5	0.5	0.5
System Transition Costs	0.6	2.8	5.3
Litigation Costs	1.5	5.1	10.7
Debt Refinancing Charges, Interest Expense	-	-	0.1
Tax Effect on Non-GAAP Adjustments	(8.7)	7.2	(5.4)
Net Non-GAAP Adjustments	17.9	44.3	32.9
Net Income (Loss) – Non-GAAP	\$46.5	(\$9.9)	\$22.4
Shares – Non-GAAP	133.5	130.1	132.3
EPS – Non-GAAP	\$0.35	(\$0.08)	\$0.17

ADJUSTED EBITDA RECONCILIATION

(IN M'S)



	1Q24	4Q24	1Q25
Net Income (Loss) – GAAP	\$28.7	(\$54.2)	(\$10.5)
Interest	3.1	3.6	3.6
Provision for (Benefit) Income Taxes	4.5	1.5	1.5
Depreciation/Amortization	6.8	11.3	5.1
EBITDA	\$43.1	(\$37.8)	(\$0.3)
Net Non-GAAP Adjustments	17.9	44.3	32.9
Tax Effect Included in Net Non-GAAP Adjustments	8.7	(7.2)	5.4
Amortization Included in Net Non-GAAP Adjustments	(1.9)	(1.1)	(1.1)
Depreciation Included in Net Non-GAAP Adjustments	-	(5.9)	-
EDITBA – Adjusted	\$67.8	(\$7.7)	\$36.9

For "Net Non-GAAP Adjustments" refer to slide 27.

GAAP TO NON-GAAP RECONCILIATIONS – 2Q25 GUIDANCE



	Gross Margin Rate	Operating Margin Rate	Earnings per Share
GAAP	62.2% – 63.2%	(1.1%) – 1.4%	(\$0.07) – (\$0.01)
Estimated Adjustments for:			
Share-Based Compensation	0.6%	7.9% – 8.3%	0.17
Amortization of Product Intangibles	0.2%	0.2%	0.01
Amortization of Non-product Intangibles	–	0.2%	–
Restructuring Charges, net	–	0.2%	0.01
Litigation Charges	–	1.1%	0.02
System Transition Costs	–	2.4%	0.05
Non-GAAP Tax Adjustment	–	–	(0.05) – (0.03)
Non-GAAP	63.0% – 64.0%	11.3% – 13.4%	\$0.16 – \$0.20



ADVANCE
WITH US™