Juniper Networks, Inc.
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May 1, 2025

CFO Commentary on First Quarter 2025 Preliminary Financial Results

Related Information

The following commentary is provided by management and should be referenced in conjunction with Juniper Networks' first quarter 2025 preliminary financial results press release available on its Investor Relations website at http://investor.juniper.net. These remarks represent management's current views of the Company's financial and operational performance and are provided to give investors and analysts further insight into the Company's performance.

On January 9, 2024, Hewlett Packard Enterprise ("HPE") announced plans to acquire Juniper Networks in an all-cash transaction for $40.00 per share, representing an equity value of approximately $14 billion. On January 30, 2025, the U.S. Department of Justice filed a complaint seeking to block the closing of the transaction, and the trial is scheduled to begin on July 9, 2025. Juniper Networks and HPE will vigorously defend the transaction and remain fully committed to completing it.

In light of the proposed transaction with Hewlett Packard Enterprise Company (HPE), Juniper Networks will not be hosting an earnings conference call to review our first quarter 2025 performance or providing a financial outlook.

Q1 2025 Preliminary Financial Results

GAAP

(in millions, except per share amounts and percentages)	Q1'25	Q4'24	Q1'24	Q/Q Change	Y/Y Change
Revenue	$ 1,280.2	$ 1,404.1	$ 1,148.9	(9) %	11 %
Product	755.0	870.2	651.9	(13) %	16 %
Service	525.2	533.9	497.0	(2) %	6 %
Gross margin %	59.0 %	59.7 %	59.3 %	(0.7)pts	(0.3)pts
Research and development	283.1	288.7	296.6	(2) %	(5) %
Sales and marketing	301.8	310.4	305.4	(3) %	(1) %
General and administrative	60.2	62.2	60.7	(3) %	(1) %
Restructuring charges (benefits)	10.7	(0.4)	4.1	N/M	161 %
Merger-related charges[(1)]	9.5	10.9	28.3	(13) %	(66) %
Total operating expenses	$ 665.3	$ 671.8	$ 695.1	(1) %	(4) %
Operating margin %	7.0 %	11.9 %	(1.2)%	(4.9)pts	8.2 pts
Net income (loss)	$ 64.1	$ 162.0	$ (0.8)	(60) %	N/M
Diluted net income (loss) per share	$ 0.19	$ 0.48	$ (0.00)	(60) %	N/M

N/M - Not meaningful

(1) Represents charges incurred directly in connection with the pending merger with HPE.

Non-GAAP

(in millions, except per share amounts and percentages)	Q1'25	Q4'24	Q1'24	Q/Q Change	Y/Y Change
Revenue	$ 1,280.2	$ 1,404.1	$ 1,148.9	(9) %	11 %
Product	755.0	870.2	651.9	(13) %	16 %
Service	525.2	533.9	497.0	(2) %	6 %
Gross margin %	60.2 %	61.0 %	61.2 %	(0.8)pts	(1.0)pts
Research and development	256.5	254.8	255.7	1 %	— %
Sales and marketing	281.4	281.6	276.3	— %	2 %
General and administrative	49.7	51.9	50.3	(4) %	(1) %
Total operating expenses	$ 587.6	$ 588.3	$ 582.3	— %	1 %
Operating margin %	14.3 %	19.2 %	10.6 %	(4.9)pts	3.7 pts
Net income	$ 147.2	$ 216.6	$ 96.6	(32) %	52 %
Diluted net income per share	$ 0.43	$ 0.64	$ 0.29	(33) %	48 %

Q1 2025 Overview

We ended the first quarter of 2025 at $1,280 million in revenue, up 11% year-over-year and down 9% sequentially. Non-GAAP diluted earnings per share was $0.43, an increase of $0.14 year-over-year but a decrease of $0.21 sequentially. These strong results were better than normal seasonality, and in line with our expectations at the beginning of the quarter.

Product orders remained strong and were better than expected, growing double digits year-over-year for the fourth consecutive quarter. Cloud orders continued to be particularly robust, growing triple digits on a year-over-year basis and double digits sequentially, as these customers invest to enable their AI initiatives. Enterprise orders saw double digit year-over-year growth, with orders for Mist and other products attached to the Mist cloud growing more than 40% year-over-year. Service Provider orders were down on a year-over-year basis.

Looking at our revenue by vertical, Cloud grew 29% year-over-year and declined 12% sequentially. Enterprise grew 12% year-over-year and declined 14% sequentially. Service Provider was flat year-over-year but grew 5% sequentially, driven by the timing of shipments.

We had a balanced quarter with all customer solution revenue growing on a year-over-year basis. Campus and Branch grew 22% year-over-year and declined 12% sequentially. Wide Area Networking grew 16% year-over-year and declined 3% sequentially. Data Center grew 9% year-over-year and declined 24% sequentially.

Total Software and Related Services revenue was $346 million, which was an increase of 13% year-over-year. ARR[1] achieved a milestone, crossing the $500 million mark, and grew approximately 27% year-over-year, primarily driven by strong sales of SaaS subscriptions.

Our Service business remained strong in Q1'25. Service revenue was $525 million and grew 6% year-over-year but declined 2% sequentially. Non-GAAP Service gross margin of 73.4% expanded 1.1 points versus a year ago but declined 0.7 points sequentially.

In reviewing our top 10 customers for the quarter, six were Cloud, two were Service Provider, and two were Enterprise. Our top 10 customers accounted for 32% of our total revenue as compared to 28% in Q1'24.

Non-GAAP gross margin was 60.2%, down 1.0 points year-over-year and 0.8 points sequentially. The year-over-year decrease was primarily due to revenue mix, partially offset by lower inventory-related expenses. The sequential

[1] ARR represents annual recurring revenue from renewable contracts with customers for software licenses, software support and maintenance, and SaaS expected to be recognized over an annual period of time. ARR includes the implied annualized billing value of contracts that are active as of the end of the periods presented. ARR excludes (i) software licenses recognized as revenue at a point in time and (ii) revenue included in bundled hardware maintenance stock-keeping units that is allocable to software-related maintenance.

decrease was primarily due to revenue mix. There was minimal impact from tariffs in the first quarter. While we are working to navigate the uncertain tariff environment, we do expect some impact starting in the second quarter.

Non-GAAP operating expenses increased 1% year-over-year but were flat sequentially. The year-over-year increase was primarily due to higher headcount-related costs.

Non-GAAP operating margin was 14.3% for the quarter, and non-GAAP earnings per share was $0.43.

Cash flows provided by operations were $317 million. We paid $73 million in dividends, reflecting a quarterly dividend of $0.22 per share. We did not repurchase any shares in the quarter.

Total cash, cash equivalents, and investments at the end of the first quarter of 2025 was $2.0 billion.

Revenue

Product and Service

- **Product Revenue:** $755 million, up 16% year-over-year but down 13% sequentially.
- **Service Revenue:** $525 million, up 6% year-over-year but down 2% sequentially. The year-over-year increase was primarily driven by strong sales of SaaS and support for software and hardware contracts.

Customer Solution

- **Wide Area Networking:** $408 million, up 16% year-over-year but down 3% sequentially. The year-over-year increase was driven by Cloud and to a lesser extent, Service Provider, partially offset by a decrease in Enterprise. The sequential decrease was due to Enterprise and Cloud, partially offset by an increase in Service Provider.

- **Campus and Branch:** $294 million, up 22% year-over-year but down 12% sequentially. The year-over-year increase was driven by Enterprise, and to a lesser extent, Cloud, partially offset by a decrease in Service Provider. The sequential decrease was due to Enterprise and Service Provider, partially offset by an increase in Cloud.

- **Data Center:** $177 million, up 9% year-over-year and down 24% sequentially. The year-over-year increase was driven by Enterprise, and to a lesser extent, Cloud, partially offset by a decrease in Service Provider. The sequential decrease was across all verticals.

- **Hardware Maintenance and Professional Services:** $401 million, up 2% year-over-year but down 4% sequentially.

Vertical

- **Enterprise:** $577 million, up 12% year-over-year but down 14% sequentially. The year-over-year increase was driven by Campus and Branch, Data Center and Hardware Maintenance and Professional Services, partially offset by a decrease in Wide Area Networking. The sequential decrease was across all customer solutions.

- **Service Provider:** $381 million, flat year-over-year but up 5% sequentially. The sequential increase was driven by Wide Area Networking.

- **Cloud:** $322 million, up 29% year-over-year but down 12% sequentially. The year-over-year increase was across all customer solutions. The sequential decrease was primarily due to Data Center and Wide Area Networking.

Geography

- **Americas:** $810 million, up 22% year-over-year but down 9% sequentially. The year-over-year increase was across all verticals. The sequential decrease was due to Enterprise and Cloud, partially offset by an increase in Service Provider.

- **EMEA:** $290 million, down 7% year-over-year and 10% sequentially. The year-over-year decrease was due to Service Provider, partially offset by an increase in Cloud. The sequential decrease was due to Enterprise, and to a lesser extent, Service Provider, partially offset by an increase in Cloud.

- **APAC:** $180 million, up 5% year-over-year but down 7% sequentially. The year-over-year increase was driven by Enterprise and Cloud, partially offset by a decrease in Service Provider. The sequential decrease was due to Enterprise and Service Provider, partially offset by an increase in Cloud.

Additional Disclosures

- **Software and Related Services:** $346 million, up 13% year-over-year but down 9% sequentially. The year-over-year increase was driven by software license subscriptions and perpetual software licenses. The sequential decrease was driven by lower perpetual software license revenue.

- **Total Security:** $127 million, up 1% year-over-year but down 14% sequentially.

Gross Margin

- **GAAP gross margin:** 59.0%, compared to 59.3% from the prior year and 59.7% from last quarter.

- **Non-GAAP gross margin:** 60.2%, compared to 61.2% from the prior year and 61.0% from last quarter.

- **GAAP product gross margin:** 49.6%, down 0.7 points from the prior year and down 2.1 points from last quarter.

- **Non-GAAP product gross margin:** 51.0%, down 1.8 points from the prior year and down 2.0 points from last quarter.

  The year-over-year decreases in GAAP and non-GAAP product gross margin were primarily due to unfavorable revenue mix, partially offset by lower inventory-related expenses.

  On a sequential basis, the decreases in GAAP and non-GAAP product gross margin were primarily due to unfavorable revenue mix and lower revenue.

- **GAAP service gross margin:** 72.4%, up 1.4 points from the prior year but down 0.4 points from last quarter.

- **Non-GAAP service gross margin:** 73.4%, up 1.1 points from the prior year but down 0.7 points from last quarter.

  The year-over-year increases in service gross margin, on a GAAP and non-GAAP basis, were primarily driven by higher service revenue.

  The sequential decreases in service gross margin, on a GAAP and non-GAAP basis, were primarily due to lower service revenue as a result of contract renewal timing.

Operating Expenses

- **GAAP operating expenses:** $665 million, a decrease of $30 million year-over-year and $7 million sequentially.

The year-over-year decrease in GAAP operating expenses was primarily driven by lower merger-related charges, partially offset by higher restructuring charges.

The sequential decrease in GAAP operating expenses was primarily due to lower engineering-related expenses, partially offset by higher restructuring charges.

GAAP operating expenses were 52.0% of revenue, down 8.5 points year-over-year and up 4.2 points sequentially.

- **Non-GAAP operating expenses:** $588 million, an increase of $5 million year-over-year, and essentially flat sequentially.

  The year-over-year increase in non-GAAP operating expenses was primarily due to higher headcount-related costs, partially offset by lower engineering-related expenses.

  Non-GAAP operating expenses were 45.9% of revenue, down 4.8 points year-over-year but up 4.0 points sequentially.

Operating Margin

- **GAAP operating margin:** 7.0%, an increase of 8.2 points year-over-year but a decrease of 4.9 points sequentially.

- **Non-GAAP operating margin:** 14.3%, an increase of 3.7 points year-over-year but a decrease of 4.9 points sequentially.

Tax Rate

- **GAAP tax rate:** 21.6%, compared to 105.0% in the prior year and 8.5% last quarter.

  The year-over-year decrease in the effective tax rate was driven by the prior year quarter, which included a GAAP loss before income taxes and the effect of discrete tax benefits, including one-time benefits from tax settlements related to our geographic mix of earnings. The sequential increase was primarily due to a change in our geographic mix of earnings in the comparative period, which had a favorable impact upon the income tax credits that benefit our effective tax rate.

- **Non-GAAP tax rate:** 19.5%, compared to 19.5% in the prior year and 19.0% last quarter.

  The year-over-year effective tax rate, on a non-GAAP basis, was flat. The sequential increase in the effective tax rate, on a non-GAAP basis, was primarily due to the impact of our geographic mix of earnings.

Diluted Earnings Per Share

- **GAAP diluted earnings per share:** $0.19, an increase of $0.19 year-over-year but a decrease of $0.29 sequentially.

  The year-over-year increase in EPS on a GAAP basis was primarily driven by a lower tax rate, higher revenue and lower operating expenses.

  The sequential decrease in EPS on a GAAP basis was primarily due to lower revenue.

- **Non-GAAP diluted earnings per share:** $0.43, an increase of $0.14 year-over-year but a decrease of $0.21 sequentially.

The year-over-year increase in EPS on a non-GAAP basis was primarily driven by higher revenue, partially offset by lower gross margin.

The sequential decrease in EPS on a non-GAAP basis was primarily due to lower revenue and to a lesser extent, lower gross margin.

Balance Sheet, Cash Flows, Capital Return, and Other Financial Metrics

(in millions, except days sales outstanding ("DSO"), and headcount)	Q1'25	Q4'24	Q3'24	Q2'24	Q1'24
Cash[1]	$ 1,970.4	$ 1,770.0	$ 1,562.9	$ 1,430.3	$ 1,534.9
Debt[2]	1,628.5	1,615.1	1,632.6	1,607.2	1,607.1
Net cash[3]	341.9	154.9	(69.7)	(176.9)	(72.2)
Operating cash flows	316.5	279.8	192.2	(8.9)	325.0
Capital expenditures	24.3	27.2	30.1	23.4	34.8
Depreciation and amortization	37.8	38.4	38.7	39.4	45.1
Dividends	$ 73.4	$ 73.0	$ 72.7	$ 71.5	$ 71.4
Shares used for Non-GAAP diluted net income per share[4]	339.2	338.1	335.9	332.7	331.4
DSO	65	75	65	66	64
Headcount	11,170	11,271	11,309	11,275	11,169

(1) Includes cash, cash equivalents, and investments.
(2) Debt includes change in fair value of fixed-rate debt swapped to floating rate, equally offset on the balance sheet by a swap asset/liability.
(3) Net cash includes cash, cash equivalents, and short and long-term investments, net of debt.
(4) Shares used for GAAP diluted net loss per share calculation for Q1'24 was 322.6 million. For other periods presented above, the same number of shares were used for GAAP and Non-GAAP diluted net income per share calculations.

Cash Flows

- **Cash flows from operations:** $317 million, down $9 million year-over-year but up $37 million sequentially.

  The year-over-year decrease was primarily due to higher supplier payments, partially offset by higher customer collections. The sequential increase was primarily driven by higher customer collections and lower cash taxes, partially offset by higher variable compensation payments.

Days Sales Outstanding (DSO)

- **DSO:** 65 days, a 10-day decrease from the prior quarter, primarily driven by lower accounts receivable balance and improved collections from more billings earlier in the quarter.

Capital Return

- In the quarter, we paid a dividend of $0.22 per share for a total of $73 million.

Headcount

- Ending headcount for Q1'25 was 11,170, essentially unchanged year-over-year but a decrease of 101 employees sequentially. The sequential decrease was primarily a result of restructuring actions.

Deferred Revenue

(in millions)	March 31, 2025	December 31, 2024	March 31, 2024
Deferred product revenue	$ 58.7	$ 72.5	$ 104.7
Deferred service revenue	2,257.7	2,169.5	2,020.2
Total	$ 2,316.4	$ 2,242.0	$ 2,124.9
Deferred revenue from customer solutions [(1)]	$ 1,042.5	$ 1,006.0	$ 889.6
Deferred revenue from hardware maintenance and professional services	1,273.9	1,236.0	1,235.3
Total	$ 2,316.4	$ 2,242.0	$ 2,124.9

[(1)] Includes deferred revenue from hardware solutions, software licenses, software support and maintenance and SaaS offerings sold in our Wide Area Networking, Data Center, and Campus and Branch customer solution categories.

- **Total deferred revenue** was $2,316 million, up $192 million year-over-year and $74 million sequentially.
- **Deferred revenue from customer solutions** was $1,043 million, up $153 million year-over-year and $37 million sequentially.

  The year-over-year and sequential increases were primarily driven by an increase in SaaS subscriptions and software and related services, partially offset by a decrease in deferred product revenue driven by timing of customer acceptance.
- **Deferred revenue from hardware maintenance and professional services** was $1,274 million, up $39 million year-over-year and $38 million sequentially.

  The year-over-year and sequential increases were primarily driven by the timing of contract renewals.

Capital Return

Our Board of Directors has declared a cash dividend of $0.22 per share to be paid on June 23, 2025 to stockholders of record as of the close of business on June 2, 2025. We remain committed to paying our dividend; however, we have agreed to suspend repurchases of our shares in accordance with the terms of the merger agreement with HPE.

Forward-Looking Statements

Statements in this CFO Commentary concerning Juniper Networks' business, economic and market outlook; our expectations regarding our liquidity and capital return program; deal, customer and product mix; costs and supply constraints; backlog; customer demand; the completion of the proposed transaction with HPE on anticipated terms and timing or at all, including obtaining regulatory approvals and other conditions to the completion of the transaction and the outcome of the legal action taken by the U.S. Department of Justice ("DOJ") regarding the proposed transaction; the fact that if the proposed transaction is completed, Juniper stockholders will forego the opportunity to realize the potential long-term value of the successful execution of Juniper's current strategy as an independent company, which will also be affected by the ability of HPE to integrate and implement its plans, forecasts and other expectations with respect to Juniper's business after the completion of the proposed transaction and realize additional opportunities for growth and innovation; the occurrence of any event, change or other circumstance or condition that could give rise to the termination of the merger agreement; Juniper's ability to implement its business strategies; potential significant transaction costs associated with the proposed transaction; potential litigation or regulatory actions relating to the proposed transaction; the risk that disruptions from the proposed transaction will harm Juniper's business, including current plans and operations, and risks related to diverting management's attention from Juniper's ongoing business operations and relationships; the ability of Juniper to retain and hire personnel; potential adverse business uncertainty resulting from the announcement, pendency or completion of the proposed transaction, including restrictions during the pendency of the proposed transaction that may impact Juniper's ability to pursue certain business opportunities or strategic transactions; legal, regulatory, tax and economic developments affecting Juniper's business; the unpredictability and severity of catastrophic events, including, but not limited to, acts of terrorism, outbreak of war or hostilities or current or future pandemics or epidemics, as well as Juniper's response to any of the aforementioned factors; and our overall future prospects are forward-looking statements within the meaning of the Private Securities Litigation Reform Act that involve a number of uncertainties and risks. Actual results or events could differ materially from those anticipated in those forward-looking statements as a result of several factors, including: the completion of the proposed transaction with HPE on anticipated terms and timing or at all, including obtaining regulatory approvals and other conditions to the completion of the transaction and the outcome of the legal action taken by the DOJ regarding the proposed transaction; the fact that if the proposed transaction is completed, Juniper stockholders will forego the opportunity to realize the potential long-term value of the successful execution of Juniper's current strategy as an independent company, which will also be affected by the ability of HPE to integrate and implement its plans, forecasts and other expectations with respect to Juniper's business after the completion of the proposed transaction and realize additional opportunities for growth and innovation; the occurrence of any event, change or other circumstance or condition that could give rise to the termination of the merger agreement; Juniper's ability to implement its business strategies; potential significant transaction costs associated with the proposed transaction; potential litigation or regulatory actions relating to the proposed transaction; the risk that disruptions from the proposed transaction will harm Juniper's business, including current plans and operations, and risks related to diverting management's attention from Juniper's ongoing business operations and relationships; the ability of Juniper to retain and hire personnel; potential adverse business uncertainty resulting from the announcement, pendency or completion of the proposed transaction, including restrictions during the pendency of the proposed transaction that may impact Juniper's ability to pursue certain business opportunities or strategic transactions; general economic and political conditions globally or regionally, including the impact of a U.S. federal government shutdown or sovereign debt default and adverse changes in China-Taiwan relations and any impact due to armed conflicts (such as the continuing conflict between Russia and Ukraine and Middle East conflicts and wars, as well as governmental sanctions imposed in response); rising interest rates; inflationary pressures; monetary policy shifts; recession risks; business and economic conditions in the networking industry; changes in overall technology spending by our customers; the network capacity and security requirements of our customers; contractual terms that may result in the deferral of revenue; the timing of orders and their fulfillment; continuing manufacturing and supply chain challenges and logistics costs, constraints, changes or disruptions; availability and pricing of key product components, such as semiconductors; delays in scheduled product availability; order cancellations; adoption of or changes to laws, regulations, standards or policies affecting our operations, products, services or the networking industry; product defects, returns or vulnerabilities; significant effects of tax legislation and judicial or administrative interpretation of new tax regulations, including the potential for corporate tax increases and changes to global tax laws; legal settlements and resolutions, including with respect to enforcing our proprietary rights; the potential impact of activities related to the execution of capital return, restructurings and product rationalization; the impact of trade disputes, including the imposition of tariffs and other trade restrictions; currency exchange rates; and other factors listed in Juniper Networks' most recent report on Form 10-Q or 10-K filed with the Securities and Exchange Commission. Note that our estimates as to the tax rate on our business are based on current tax law and regulations, including current interpretations thereof, and could be materially affected by changing interpretations as well as additional legislation and guidance. All statements made in this CFO Commentary are made only as of the date set forth at the beginning of this document. Juniper Networks undertakes no obligation to update the information made in this document in the event facts or circumstances subsequently change after the date of this document. We have not filed our Form 10-Q for the quarter ended March 31, 2025. As a result, all financial results described in this CFO Commentary should be considered preliminary, and are subject to change to reflect any necessary adjustments or changes in accounting estimates, that are identified prior to the time we file our Form 10-Q.

Non-GAAP Financial Measures

This CFO Commentary contains references to the following non-GAAP financial measures: gross margin; product gross margin; service gross margin; research and development expense; sales and marketing expense; general and administrative expense; operating expense; operating expense as a percentage of revenue; operating income; operating margin; provision for income tax; income tax rate; net income; and diluted earnings per share. For important commentary on why Juniper Networks considers non-GAAP information a useful view of the company's financial results, please see the press release furnished with our Form 8-K filed today with the SEC. These measures are not presented in accordance with, nor are they a substitute for U.S. generally accepted accounting principles, or GAAP. In addition, these measures may be different from non-GAAP measures used by other companies, limiting their usefulness for comparison purposes. The non-GAAP financial measures used in this CFO Commentary should not be considered in isolation from measures of financial performance prepared in accordance with GAAP. Investors are cautioned that there are material limitations associated with the use of non-GAAP financial measures as an analytical tool. In particular, many of the adjustments to our GAAP financial measures reflect the exclusion of items that are recurring and will be reflected in our financial results for the foreseeable future.

Juniper Networks, Inc.
Preliminary Supplemental Data
(in millions, except percentages)
(unaudited)

Deferred Revenue

	As of			
	March 31, 2025		December 31, 2024	
Deferred product revenue	$	58.7	$	72.5
Deferred service revenue		2,257.7		2,169.5
Total	$	2,316.4	$	2,242.0
Deferred revenue from customer solutions	$	1,042.5	$	1,006.0
Deferred revenue from hardware maintenance and professional services		1,273.9		1,236.0
Total	$	2,316.4	$	2,242.0
Reported as:				
Current	$	1,283.0	$	1,228.4
Long-term		1,033.4		1,013.6
Total	$	2,316.4	$	2,242.0

Customer Solution: Revenue Trend

	Q1'25	Q4'24	Q3'24	Q2'24	Q1'24	Q/Q Change		Y/Y Change	
Customer Solutions:									
Wide Area Networking	$ 407.9	$ 420.1	$ 363.2	$ 340.8	$ 350.4	$ (12.2)	(2.9)%	$ 57.5	16.4 %
Data Center	177.2	234.3	244.6	168.7	163.1	(57.1)	(24.4)%	14.1	8.6 %
Campus and Branch	294.2	332.8	319.3	279.9	240.5	(38.6)	(11.6)%	53.7	22.3 %
Hardware Maintenance and Professional Services	400.9	416.9	403.9	400.2	394.9	(16.0)	(3.8)%	6.0	1.5 %
Total revenue	$ 1,280.2	$ 1,404.1	$ 1,331.0	$ 1,189.6	$ 1,148.9	$ (123.9)	(8.8)%	$ 131.3	11.4 %

Additional Disclosures: Software and Security Products and Services: Revenue Trend

	Q1'25	Q4'24	Q3'24	Q2'24	Q1'24	Q/Q Change		Y/Y Change	
Software and Related Services	$ 346.1	$ 380.6	$ 331.1	$ 301.9	$ 305.8	$ (34.5)	(9.1)%	$ 40.3	13.2 %
Total Security	$ 127.2	$ 147.3	$ 137.1	$ 128.6	$ 126.0	$ (20.1)	(13.6)%	$ 1.2	1.0 %

Vertical Reporting: Revenue Trend

	Q1'25	Q4'24	Q3'24	Q2'24	Q1'24	Q/Q Change		Y/Y Change	
Cloud	$ 322.4	$ 368.1	$ 349.6	$ 267.9	$ 250.0	$ (45.7)	(12.4)%	$ 72.4	29.0 %
Service Provider	380.8	363.1	389.0	367.1	381.9	17.7	4.9 %	(1.1)	(0.3)%
Enterprise	577.0	672.9	592.4	554.6	517.0	(95.9)	(14.3)%	60.0	11.6 %
Total revenue	$ 1,280.2	$ 1,404.1	$ 1,331.0	$ 1,189.6	$ 1,148.9	$ (123.9)	(8.8)%	$ 131.3	11.4 %

Geographic Region Reporting: Revenue Trend

	Q1'25	Q4'24	Q3'24	Q2'24	Q1'24	Q/Q Change		Y/Y Change	
Americas	$ 810.6	$ 888.9	$ 844.1	$ 714.0	$ 665.5	$ (78.3)	(8.8)%	$ 145.1	21.8 %
Europe, Middle East, and Africa	289.5	322.4	302.1	296.4	311.1	(32.9)	(10.2)%	(21.6)	(6.9)%
Asia Pacific	180.1	192.8	184.8	179.2	172.3	(12.7)	(6.6)%	7.8	4.5 %
Total	$ 1,280.2	$ 1,404.1	$ 1,331.0	$ 1,189.6	$ 1,148.9	$ (123.9)	(8.8)%	$ 131.3	11.4 %

Juniper Networks, Inc.
Preliminary Reconciliations between GAAP and non-GAAP Financial Measures
(in millions, except percentages and per share amounts)
(unaudited)

	Three Months Ended		
	March 31, 2025	December 31, 2024	March 31, 2024
GAAP gross margin - Product	$ 374.7	$ 450.1	$ 328.0
GAAP product gross margin % of product revenue	49.6 %	51.7 %	50.3 %
Share-based compensation expense	1.8	2.2	1.8
Share-based payroll tax expense	0.1	0.1	0.1
Amortization of purchased intangible assets	8.9	9.0	14.4
Gain (loss) on non-qualified deferred compensation plan ("NQDC")	(0.1)	—	0.1
Non-GAAP gross margin - Product	$ 385.4	$ 461.4	$ 344.4
Non-GAAP product gross margin % of product revenue	51.0 %	53.0 %	52.8 %
GAAP gross margin - Service	$ 380.0	$ 388.6	$ 352.9
GAAP service gross margin % of service revenue	72.4 %	72.8 %	71.0 %
Share-based compensation expense	5.2	7.0	5.5
Share-based payroll tax expense	0.4	0.1	0.4
Gain (loss) on NQDC	(0.3)	0.1	0.4
Non-GAAP gross margin - Service	$ 385.3	$ 395.8	$ 359.2
Non-GAAP service gross margin % of service revenue	73.4 %	74.1 %	72.3 %
GAAP gross margin	$ 754.7	$ 838.7	$ 680.9
GAAP gross margin % of revenue	59.0 %	59.7 %	59.3 %
Share-based compensation expense	7.0	9.2	7.3
Share-based payroll tax expense	0.5	0.2	0.5
Amortization of purchased intangible assets	8.9	9.0	14.4
Gain (loss) on NQDC	(0.4)	0.1	0.5
Non-GAAP gross margin	$ 770.7	$ 857.2	$ 703.6
Non-GAAP gross margin % of revenue	60.2 %	61.0 %	61.2 %
GAAP research and development expense	$ 283.1	$ 288.7	$ 296.6
Share-based compensation expense	(26.6)	(33.4)	(38.5)
Share-based payroll tax expense	(0.9)	(0.2)	(1.2)
Loss (gain) on NQDC	0.9	(0.3)	(1.2)
Non-GAAP research and development expense	$ 256.5	$ 254.8	$ 255.7

Juniper Networks, Inc.
Preliminary Reconciliations between GAAP and non-GAAP Financial Measures
(in millions, except percentages and per share amounts)
(unaudited)

	Three Months Ended		
	March 31, 2025	December 31, 2024	March 31, 2024
GAAP sales and marketing expense	$ 301.8	$ 310.4	$ 305.4
Share-based compensation expense	(18.7)	(26.6)	(24.1)
Share-based payroll tax expense	(1.0)	(0.4)	(1.2)
Amortization of purchased intangible assets	(1.5)	(1.5)	(2.7)
Loss (gain) on NQDC	0.8	(0.3)	(1.1)
Non-GAAP sales and marketing expense	$ 281.4	$ 281.6	$ 276.3
GAAP general and administrative expense	$ 60.2	$ 62.2	$ 60.7
Share-based compensation expense	(10.3)	(10.2)	(10.0)
Share-based payroll tax expense	(0.2)	—	(0.2)
Acquisition and integration-related benefits	—	—	0.1
Loss (gain) on NQDC	0.1	(0.1)	(0.2)
Others	(0.1)	—	(0.1)
Non-GAAP general and administrative expense	$ 49.7	$ 51.9	$ 50.3
GAAP operating expenses	$ 665.3	$ 671.8	$ 695.1
GAAP operating expenses % of revenue	52.0 %	47.8 %	60.5 %
Share-based compensation expense	(55.6)	(70.2)	(72.6)
Share-based payroll tax expense	(2.1)	(0.6)	(2.6)
Amortization of purchased intangible assets	(1.5)	(1.5)	(2.7)
Restructuring (charges) benefits	(10.7)	0.4	(4.1)
Merger-related charges	(9.5)	(10.9)	(28.3)
Acquisition and integration-related benefits	—	—	0.1
Loss (gain) on NQDC	1.8	(0.7)	(2.5)
Others	(0.1)	—	(0.1)
Non-GAAP operating expenses	$ 587.6	$ 588.3	$ 582.3
Non-GAAP operating expenses % of revenue	45.9 %	41.9 %	50.7 %
GAAP operating income (loss)	$ 89.4	$ 166.9	$ (14.2)
GAAP operating margin	7.0 %	11.9 %	(1.2)%
Share-based compensation expense	62.6	79.4	79.9
Share-based payroll tax expense	2.6	0.8	3.1
Amortization of purchased intangible assets	10.4	10.5	17.1
Restructuring charges (benefits)	10.7	(0.4)	4.1
Merger-related charges	9.5	10.9	28.3
Acquisition and integration-related benefits	—	—	(0.1)
Gain (loss) on NQDC	(2.2)	0.8	3.0
Others	0.1	—	0.1
Non-GAAP operating income	$ 183.1	$ 268.9	$ 121.3
Non-GAAP operating margin	14.3 %	19.2 %	10.6 %

Juniper Networks, Inc.
Preliminary Reconciliations between GAAP and non-GAAP Financial Measures
(in millions, except percentages and per share amounts)
(unaudited)

	Three Months Ended		
	March 31, 2025	December 31, 2024	March 31, 2024
GAAP other (expense) income, net	$ (4.3)	$ (0.2)	$ 2.1
GAAP other (expense) income, net % of revenue	(0.3)%	— %	0.2 %
Loss (gain) on equity investments	1.9	(0.4)	(0.4)
Loss (gain) on NQDC	2.2	(0.8)	(3.0)
Non-GAAP other expense, net	$ (0.2)	$ (1.4)	$ (1.3)
Non-GAAP other expense, net % of revenue	— %	(0.1)%	(0.1)%
GAAP income tax provision (benefit)	$ 17.7	$ 15.3	$ (27.7)
GAAP income tax rate	21.6 %	8.5 %	105.0 %
One-time tax benefit [1]	—	—	19.0
Income tax effect of non-GAAP exclusions	18.0	35.6	32.1
Non-GAAP provision for income tax	$ 35.7	$ 50.9	$ 23.4
Non-GAAP income tax rate	19.5 %	19.0 %	19.5 %
GAAP net income (loss)	$ 64.1	$ 162.0	$ (0.8)
Share-based compensation expense	62.6	79.4	79.9
Share-based payroll tax expense	2.6	0.8	3.1
Amortization of purchased intangible assets	10.4	10.5	17.1
Restructuring charges (benefits)	10.7	(0.4)	4.1
Merger-related charges	9.5	10.9	28.3
Acquisition and integration-related benefits	—	—	(0.1)
Loss (gain) on privately-held investments	3.3	(13.8)	14.3
Loss (gain) on equity investments	1.9	(0.4)	(0.4)
Loss from equity method investment	—	3.2	2.1
One-time tax benefit [1]	—	—	(19.0)
Income tax effect of non-GAAP exclusions	(18.0)	(35.6)	(32.1)
Others	0.1	—	0.1
Non-GAAP net income	$ 147.2	$ 216.6	$ 96.6
GAAP diluted net income (loss) per share	$ 0.19	$ 0.48	$ (0.00)
Non-GAAP diluted net income per share	$ 0.43	$ 0.64	$ 0.29
Shares used in computing GAAP diluted net income (loss) per share	339.2	338.1	322.6
Shares used in computing Non-GAAP diluted net income per share	339.2	338.1	331.4

[1] Benefit due to a one-time change in the geographic mix of taxable earnings.