



Financial Principles for Long-Term Success

Ken Miller
Chief Financial Officer

JUNIPER[®]
NETWORKS

Engineering
Simplicity

Financial Principles



01

SUSTAINED REVENUE GROWTH



02

**NON-GAAP OPERATING
MARGIN EXPANSION**



03

**STRONG CAPITAL
STEWARDSHIP**



01

SUSTAINED REVENUE GROWTH

Large and growing markets

Well positioned, differentiated product portfolio

Diversified customer base

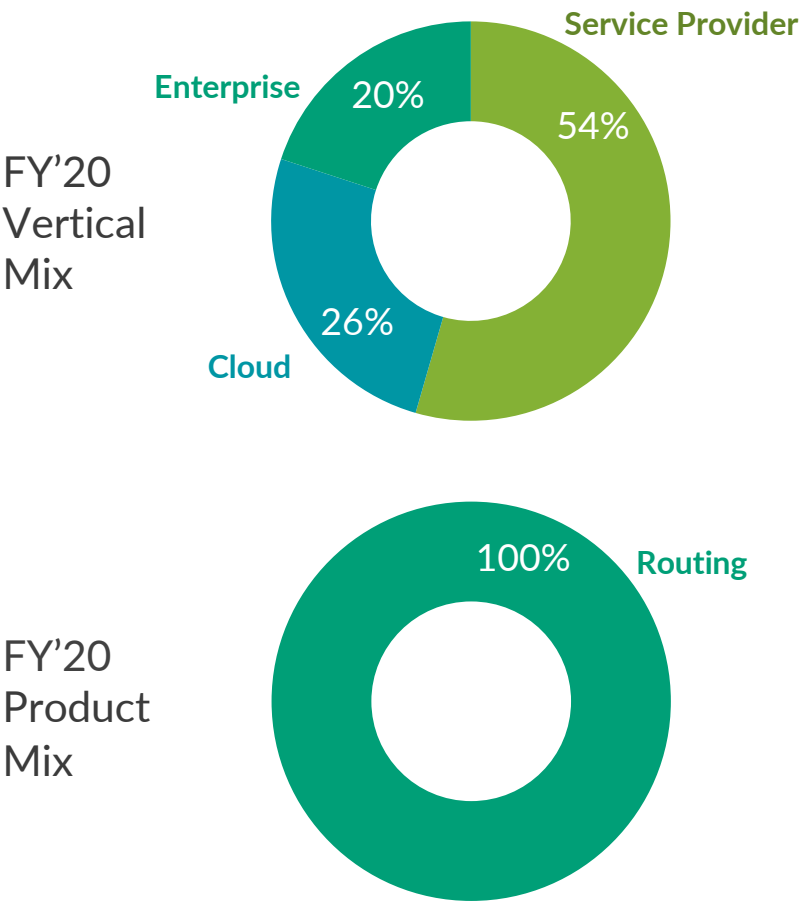
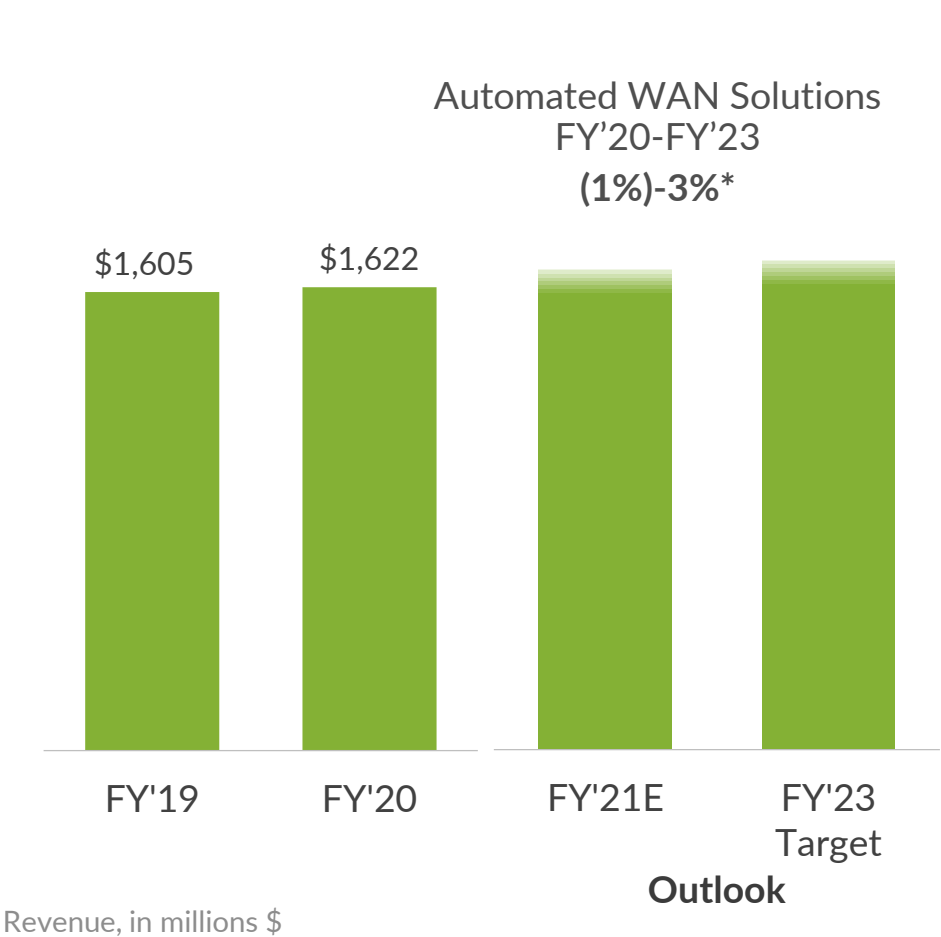
Expect at least low single-digit revenue growth

Automated WAN Solutions

Stabilizing with Potential for Upside

TAM
\$12.9B⁽¹⁾

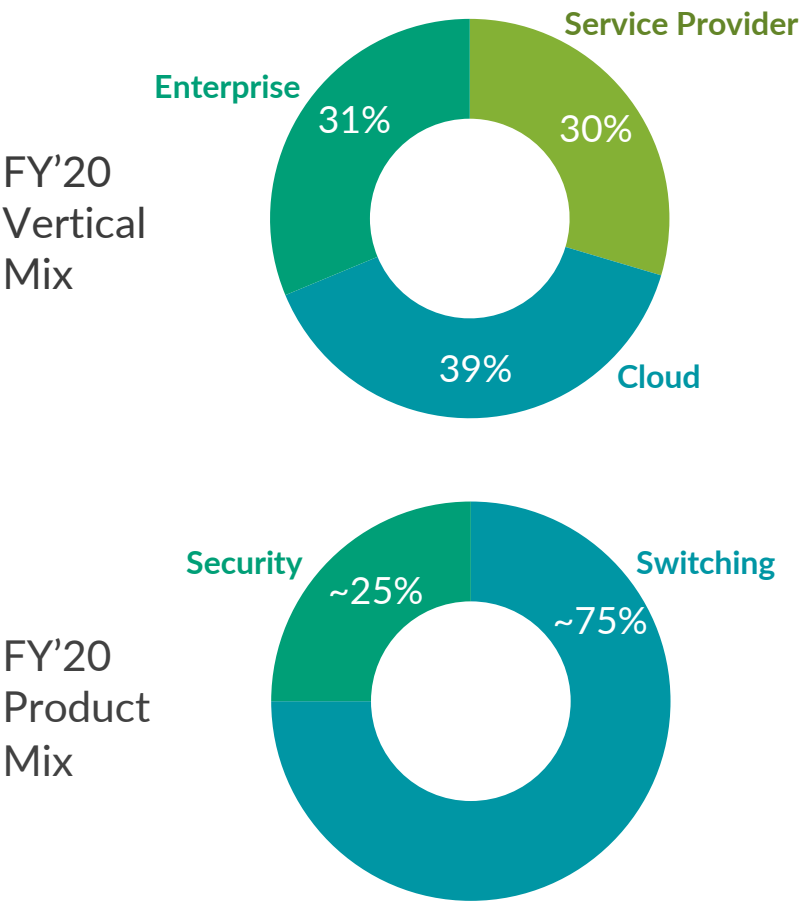
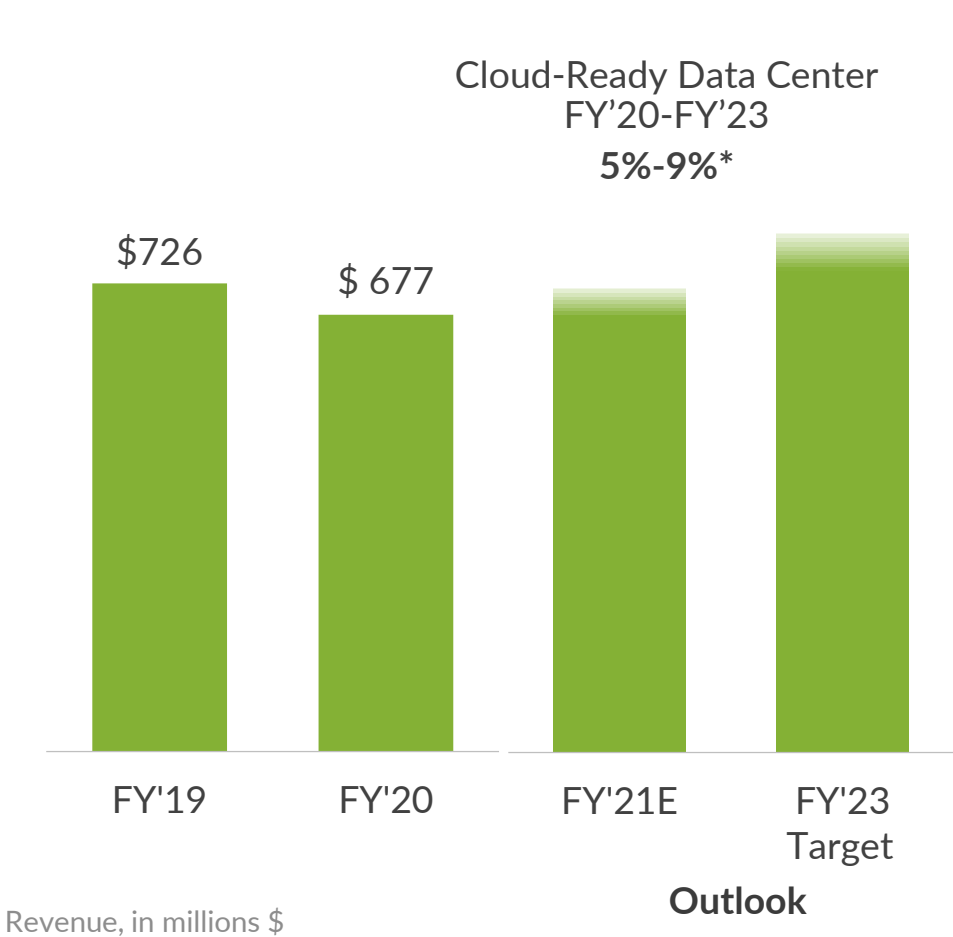
FY'20-FY'23
CAGR -1%



Cloud-Ready Data Center

Experience-First, Operations-Led Growth

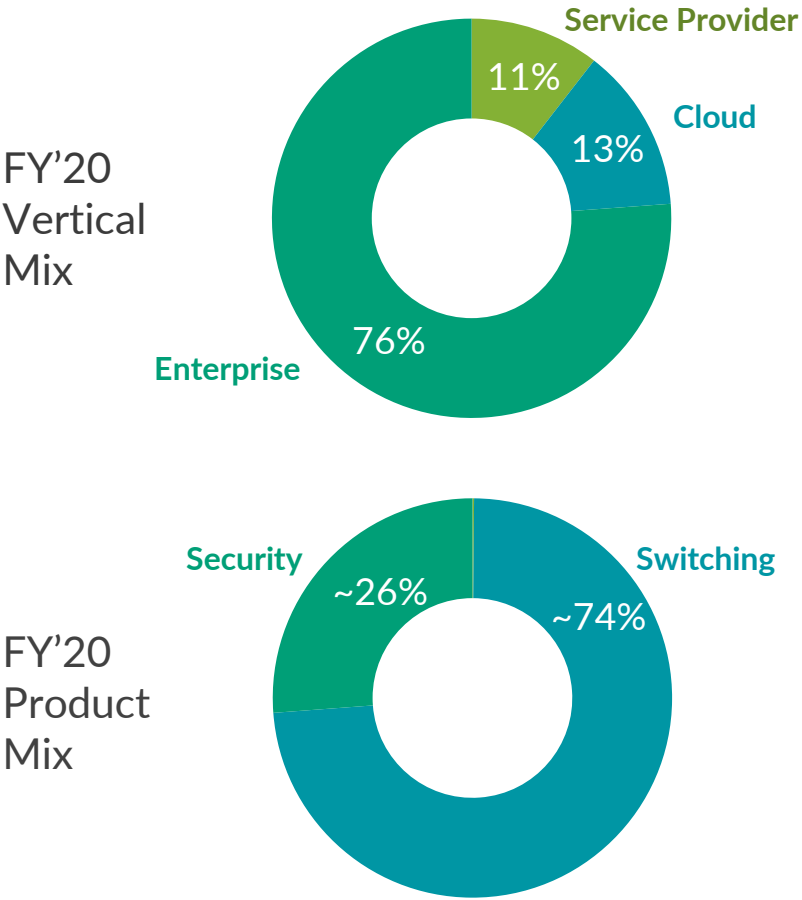
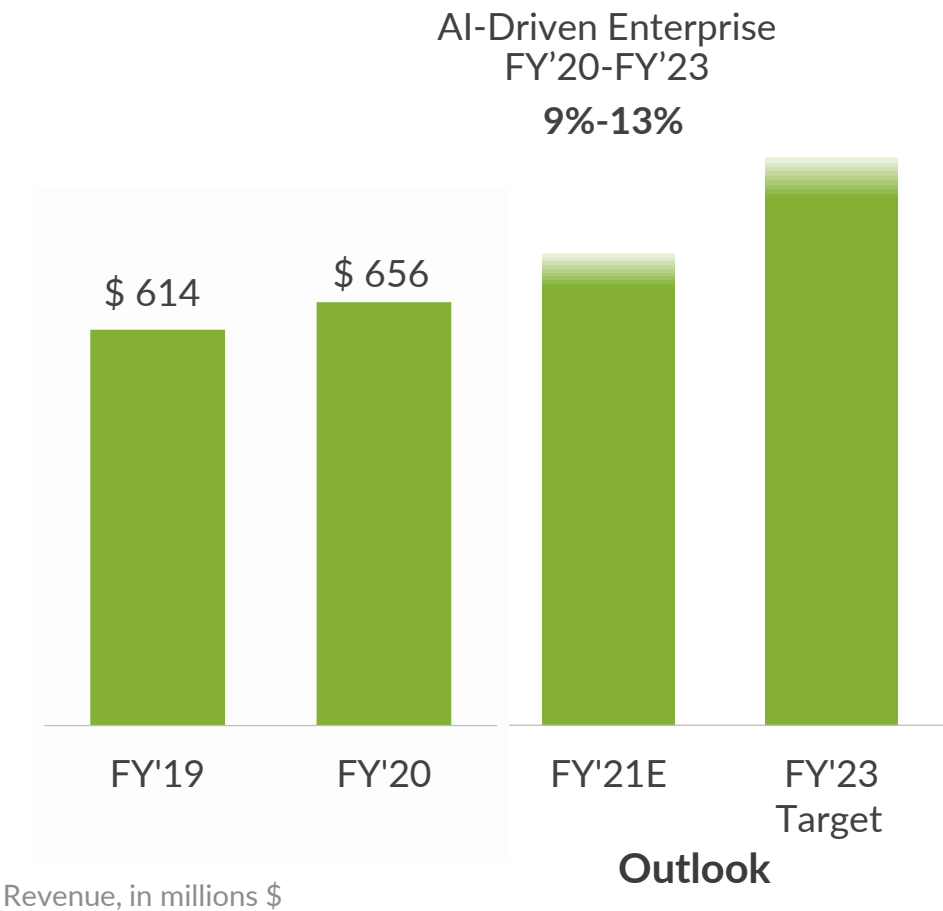
TAM
\$21.5B⁽¹⁾
FY'20-FY'23
CAGR 12%



AI-Driven Enterprise

Differentiated Products Drive Growth

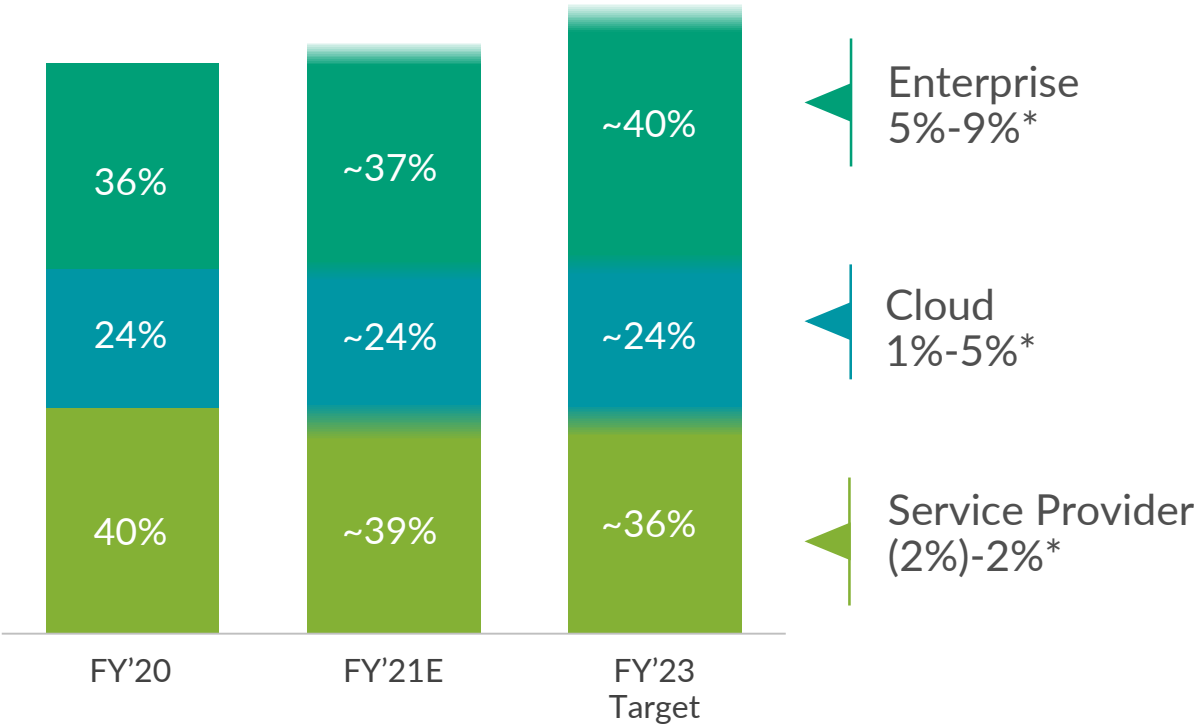
TAM
\$22.3B⁽¹⁾
FY'20-FY'23
CAGR 6%



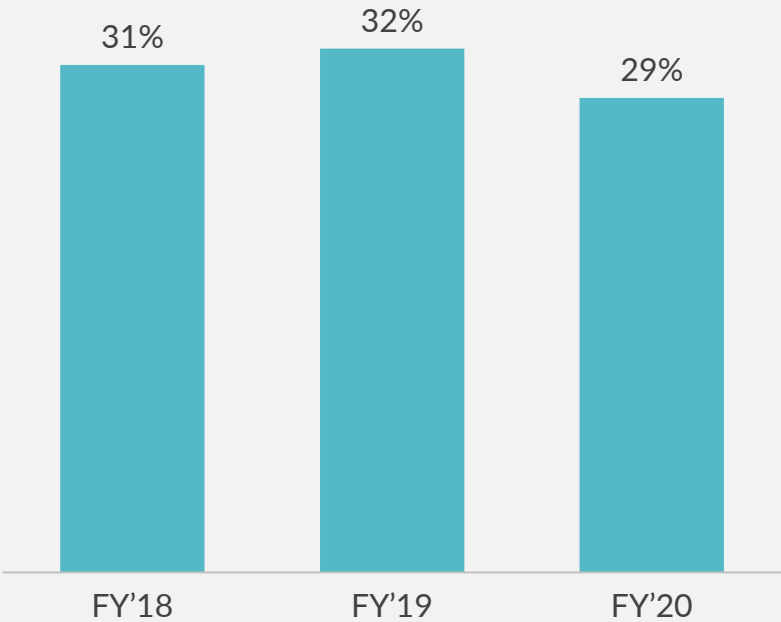
Diversifying Our Customer Base

Vertical Mix

% of Revenue



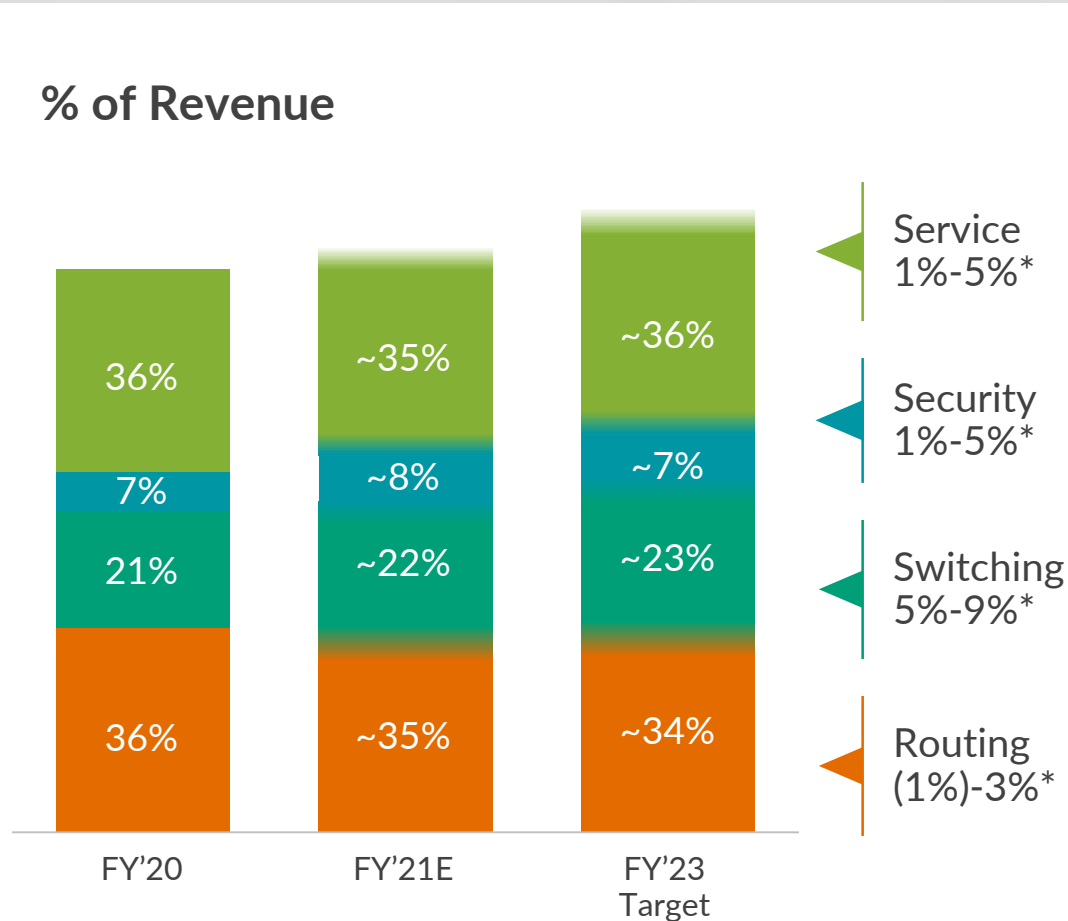
Top 10 Customer Contribution % of Total



*Expected growth rate; range within forecasted mid-point

Bridging Between Reporting Disclosures

Revenue by Product and Service



Routing:

Stabilize; growth in Cloud expected to offset any Service Provider headwinds

Switching:

Growth due to success in campus and data center markets

Security:

Growth driven by strong attach and renewal rates, and growth in software subscription offerings

Services:

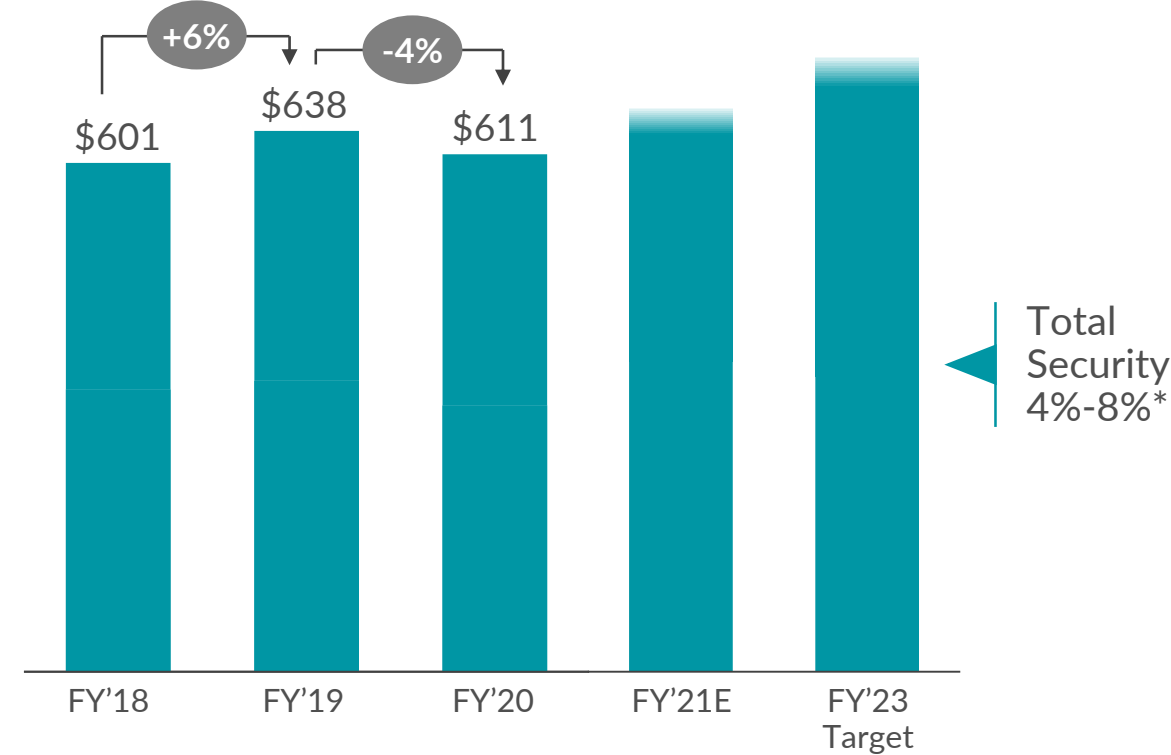
Growth driven by strong attach rates and renewals

*Expected growth rate; range within forecasted mid-point

A Comprehensive View of Security

Additional Disclosures: Total Security Revenue

TAM
\$11.8B⁽¹⁾
FY'20-FY'23
CAGR 6%



High-end product differentiation

Accelerated by 128 Technology



*Expected growth rate; range within forecasted mid-point

(1) FY'20 TAM; TAM Sources: Omdia Network Security; Gartner SD-WAN; Data Center Security and SD WAN TAM included in Cloud-Ready Data Center and AI-Driven Enterprise

(2) Security Product, SaaS and Software maintenance revenue is included in each previous businesses (Automated WAN Solutions, Cloud-Ready Data Center and AI-Driven Enterprise) and is not additive to total Juniper revenue

Overall Revenue Growth Driven by Software and ARR

Additional Disclosure: Software and Related Services

	<div> Total Software & Related Services⁽¹⁾</div>	<div> Annual Recurring Revenue (ARR) ⁽²⁾</div>
2020A	\$536M	\$158M
2023E	>1.5X* FY'20	~2X* FY'20

*Expected growth

(1) Represents all software related revenue including software license revenue, software support and maintenance revenue and software-as-a-service (SaaS) revenue recognized from contracts with customers during the periods presented.

(2) Represents recurring revenue from renewable contracts with customers for software licenses, software support and maintenance, and software-as-a service (SaaS) expected to be recognized over an annual period of time. This metric includes the implied annualized billing value of contracts with a duration of one year or greater that are active as of the end of the periods presented. This metric excludes software licenses recognized as revenue at a point in time.



02









EXPAND NON-GAAP OPERATING MARGIN

Non-GAAP gross margin expansion

Prudent expense management

Revenue growth









Focus on Gradual Non-GAAP Gross Margin Expansion

Customer Solution (expected revenue mix trend)	2020A	2021E	2023E
Automated WAN Solutions (decreasing)	Above Juniper Average		
Cloud-Ready Data Center (increasing)	Approximately at Juniper Average		
AI-Driven Enterprise (increasing)	Below Juniper Average		
Services (stable)	Above Juniper Average		

Gross Margin Expansion Drivers

- + Volume
- + Software mix
- + COVID recovery
- + Services efficiencies
- + Supply chain optimization
- + Design for value and value engineering
- + Pricing optimization
- Use case mix
- ASP pressure

Non-GAAP Operating Expense Leverage Over Time

Investment Area	Cost per Revenue Dollar		
	2020A	2021E	2023E
Research & Development	19.7%		
Sales & Marketing	19.6%		
General & Administrative	4.4%		
Total Juniper	43.7%		

2021

Absorbing acquisitions

R&D

Investment will remain large in absolute dollars, expect leverage over time

S&M

Investment to fuel future revenue growth

G&A

Focus on increasing effectiveness driving efficiencies, expect leverage over time



03

STRONG CAPITAL STEWARDSHIP

Continued strong free cash flow generation

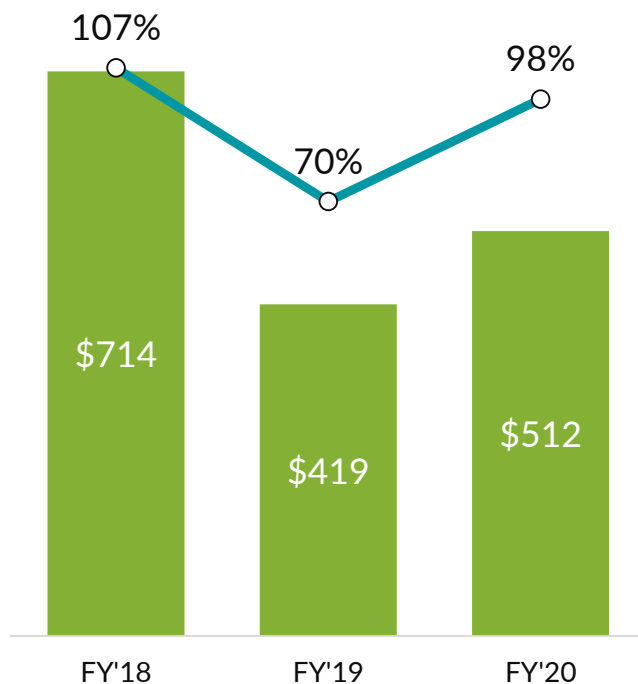
Maintain healthy balance sheet

Deliver consistent capital return to shareholders

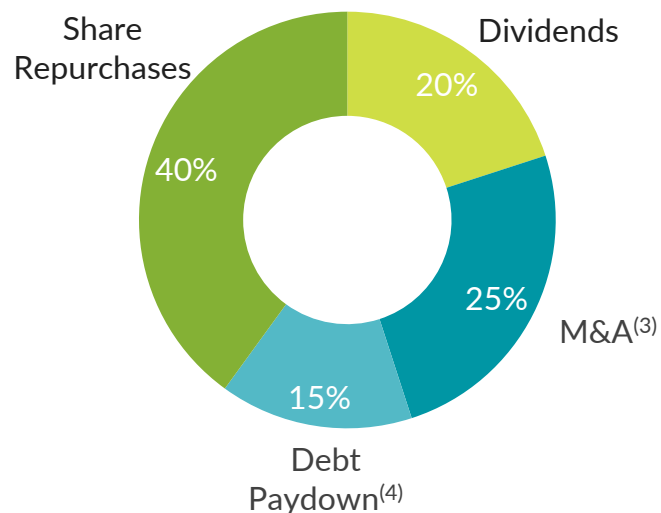
Returns-oriented approach for mergers & acquisitions

Free Cash Flow and Uses of Cash

**Free Cash Flow & FCF⁽¹⁾
Conversion Ratio**
(\$ millions)



Main Cash Uses⁽²⁾



Free cash flow conversion remains high and expected to grow in line with P&L growth

Maintain thoughtful capital allocation and investment in value enhancing mergers & acquisitions

\$1.7B Debt ⁽⁴⁾ at low rates, with well staggered debt maturities

Committed to maintaining an Investment grade profile

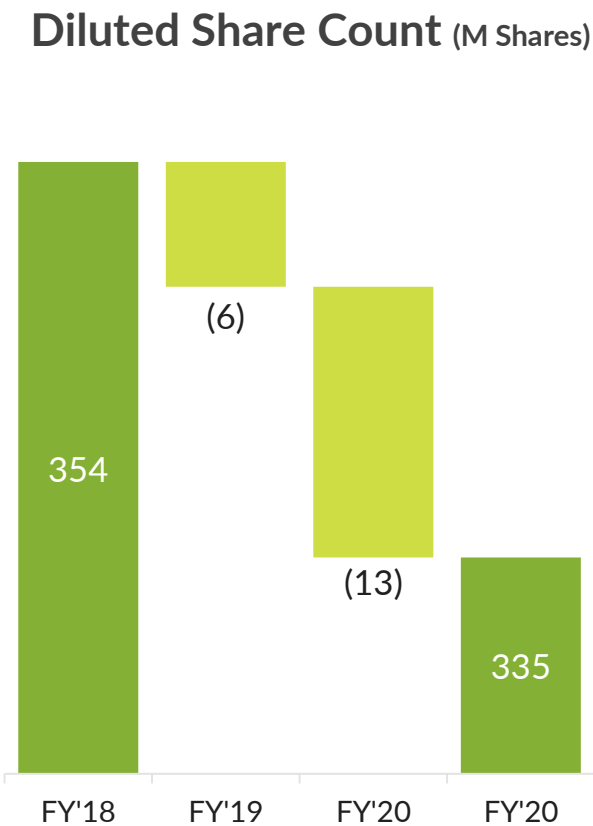
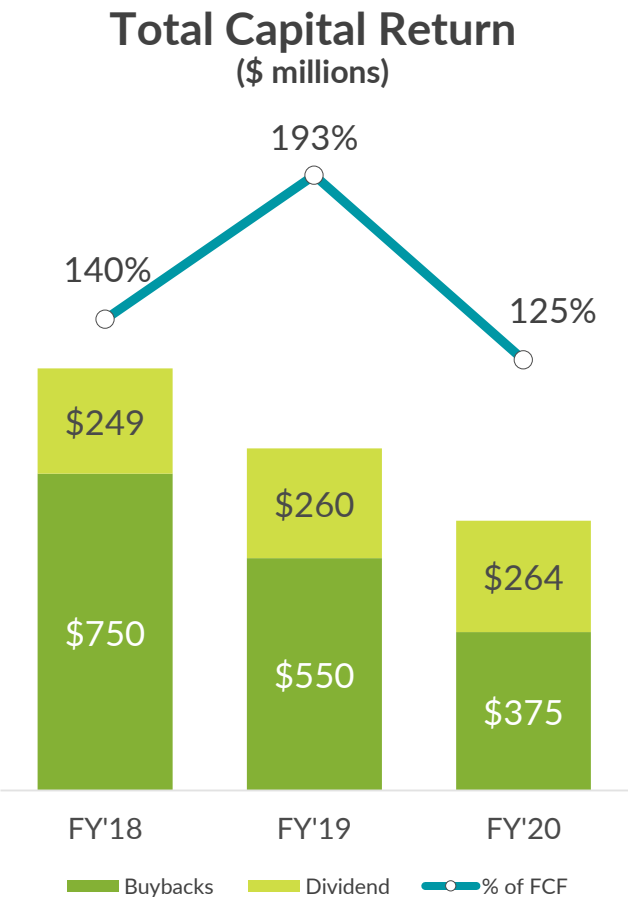
(1) Free Cash Flow is calculated as Operating Cash Flow minus Capital Expenditures and Free Cash flow conversion as the ratio of Free Cash Flow to Net income

(2) Main Cash uses for the period Q1'18 to Q1'21

(3) Includes cash consideration for acquisition of Apstra in Q1'21

(4) Includes \$485M debt retirement payments in Q1'21. Debt balance as of Q1'21 post retirement of \$425M outstanding principal of 2024 & 2025 notes

Significant Capital Returned To Shareholders



History of strong capital return;
expect to maintain capital return
of greater than 50% of free cash
flow

Preserve and grow dividends
along with earnings

Continue to hold share count
flat to down



3-YEAR BASE CASE FINANCIAL MODEL

	FY'21E	FY'22 – FY'23
Revenue	~3-4%	At least low single-digit growth
Gross Margin*	~60%	~60-61%
Operating Expenses*	Grow modestly faster than revenue due to acquisitions	Grow slower than revenue
Operating Margin*	~Flat to FY'20	Expansion each year
EPS*	Greater than revenue growth	High single-digit growth
Capital Return	>50% of Free Cash Flow	
Dividends	Grow with Earnings	
Share Buyback	Offset Dilution/Opportunistic	

*All financial values Non-GAAP except for Revenue

CLOSING REMARKS

Large and growing market with inflection points our portfolio is well positioned to capture

Commitment to improving profitability

Invest to strengthen Juniper and deliver returns to shareholders



Q&A PANEL

Rami Rahim, CEO, Juniper Networks

Ken Miller, CFO, Juniper Networks

Manoj Leelanivas, CPO, Juniper Networks

Marcus Jewell, CSO, Juniper Networks

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A low-angle, black and white photograph of several modern skyscrapers with glass facades, reaching towards a cloudy sky. The perspective creates a sense of height and architectural grandeur. A large, semi-transparent green rectangle is overlaid on the center of the image, serving as a background for the text.

Thank you

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