NASDAQ:ADTN Q4 2025 Earnings Call Transcript

Generated on 11/25/2026

Julianne | Conference Operator:

Good morning, my name is Julianne and I will be your conference operator. At this time, I would like to welcome everyone to ADTRAN Holdings' fourth quarter and full year 2025 financial results conference call. All participants are in a listen-only mode. After the speaker's remarks, we will conduct a question and answer session. To ask a question at this time, you'll need to press star followed by the number one on your telephone keypad. Thank you, Mr. Peter Shuman, Vice President, Investor Relations, you may begin your conference.

Peter Shuman | Vice President, Investor Relations:

Thank you, Julianne. Welcome and thank you for joining us today, and welcome to all those joining by webcast. During the conference call, ADTRAN representatives will make forward-looking statements that reflect management's best judgment based on factors currently known. However, these statements involve risk and uncertainties, including those detailed in our earnings release, our annual report on Form 10-K as amended, and our other filings with the SEC. These risks and uncertainties could cause actual results to differ materially from those in our forward-looking statements which may be made during the call. We undertake no obligation to update any statements to reflect events that occur after this call. During today's call, we will refer to certain non-GAAP financial measures, reconciliation of GAAP to non-GAAP measures, and certain additional information are also included in our investor presentation and our earnings release. We have not provided reconciliations of our first quarter 2020 outlook with regard to non-GAAP operating margins because we cannot predict and quantify without unreasonable effort all of the adjustments that may occur during the period. The investor presentation has been updated and is available for download on the AdTran investor relations website. Turning to the agenda, Tom Stanton, AdTran holding CEO and chairman of the board, will provide key highlights for the fourth quarter and full year 2025. Tim Stanto, our senior vice president and CFO, We'll review the quarterly and full-year financial performance in detail and provide our first quarter 2026 outlook, and then we will take questions that you may have. I would now like to turn the call over to Tom Stanton.

Tim Stanto | Senior Vice President and CFO:

Operator, we are receiving notification that the line is bad and that recipients are not hearing us correctly. Is there a way to approve the line before we proceed?

Julianne | Conference Operator:

You're having it loud and clear from my end.

Tom Stanton | CEO and Chairman of the Board:

Thank you very much. Thanks, Peter, and good morning, everyone. AdTrend delivered a strong fourth quarter and finished 2025 with... ...continued to improve and earnings came in above expectations with all three business categories achieving sequential and year-over-year growth. In the fourth quarter, AdTrans generated revenue of $291.6 million, reflecting a strong year-over-year growth of 20% and sequential growth

of over 4%. This marked the sixth consecutive quarter of sequential growth and the fifth consecutive quarter of year-over-year improvement, reinforcing the strength of our company and our key markets. Our U.S. business led to quarterly growth with revenue up 31% year-over-year and 14% sequentially. Non-US revenue grew 12% year-over-year and declined 3% sequentially, as expected and consistent with recent ordering patterns among some of our larger European customers. Optical networking solutions grew 33% year-over-year, driven by strong sales to cloud providers and enterprise customers. This increase also drove the contribution of enterprise and cloud providers to 25% of our revenue in Q4 and 21% for the full year of 2025. These results reinforce a trend we are seeing, cloud providers expanding data center capacity and large enterprises upgrading their optical networks. During the quarter, we continue to broaden our optical customer base. We saw solid activity across service providers, cloud providers, enterprises, and public networks, reflecting the flexibility of our optical platforms across different use cases. Access and aggregation revenue grew 9% year-over-year and 6% sequentially, supported by continued fiber access investment across U.S. and European operators. During the quarter, customer activity reflected a mix of expansion projects and network upgrades as operators advanced deployments. In subscriber solutions, revenue grew 17% year-over-year and 3% sequentially, driven by demand for our residential fiber CPE as customers continue to connect more subscribers. The revenue in this category continues to be generated by a diverse mix of residential, enterprise, and wholesale service offerings. Today, our software solutions serve over 1,000 carrier customers across three of our product categories, automating everything from optical networks to in-home subscribers' experiences. These customers include nearly 500 service providers adopting our Mosaic One platform and more than 100 service providers deploying our recently introduced IntelliFi cloud managed Wi-Fi solutions. We are also advancing our agentic AI platform with numerous Mosaic One Clarity customer trials underway before an official launch later this year. As demand for AI driven automation grows, we see this application suite as an important addition to our software capabilities. Looking at the broader environment, we continue to see sustained fiber investment across our core markets. And the U.S. broadband programs and ongoing investments in data centers are supporting ongoing network expansion. In Europe, increased focus on network security and vendor diversification away from higher-risk suppliers is reinforcing upgrade activity across the region. These trends are supporting continued demand for upgrades across all three product categories. At the same time, network requirements continue to evolve. across data centers, between the data center, and out to the customer edge. Capacity demands are increasing. Service providers, cloud providers, and enterprises are pairing high capacity fiber networks with automation and software to streamline operations. While this is still an emergency contributor to our revenue, it reinforces the market's longer term direction towards more intelligence and more automation. With our broadband fiber network portfolio, software assets, and regional strength, we are well positioned to support both the current infrastructure cycle and the longer-term evolution towards these more intelligent fiber networks. We delivered a strong Q4 with solid financial results in execution and healthy core and healthy cash flows. For the full year of 2025, we delivered double-digit revenue growth with each of our three revenue categories also growing at double-digit rates. We achieved this while expanding gross margins and returning to positive non-GAAP operating margin, NAPS. Also during the year, we strengthened our balance sheet by issuing approximately 200 million of convertible notes at an interest rate meaningfully lower than our revolving credit facility. We were able to purchase 27.2 million of AdTran network shares during Q4 and 46.6 million worth of shares during the calendar 2025, reducing the minority interest to less than 30% as we close the year. As we move into 2026, our priorities remain continued improvement in our leverage model, expanding operating margin, cash generation, and converting the customer momentum that we have been seeing. We continue to operate in our dynamic cost environment, including variability in components such as memory. We are managing that variability through discipline procurement and price mechanisms that are already embedded in our model. At this time, we are not seeing conditions that change our demand outlook or execution priorities. In summary, we entered 2026 with a positive outlook. Customer trends are favorable in the U.S. and Europe. Customer acceptance of products has been strong, and our product offerings and competitive position has never been better. We have several multi-year tailwinds in our key market segments. With that, I'll turn the call over for Tim to review the financial results in more detail.

Tim Stanto | Senior Vice President and CFO:

Thank you, Tom, and thank you all for joining us this morning. We delivered strong results for the fourth quarter and full year 2025, driven by solid execution and healthy revenue growth. As scale improved, we delivered higher margins and operating efficiency increased across the business. We remain focused on disciplined cost management as we continue to grow. Over the quarter, we continued to operate with tight financial processes and consistent execution. These remain embedded in how we run the business, improving visibility and planning rigors and supporting structured capital allocation. While the mix between gross margin and operating expenses can shift from quarter to quarter as revenue moves, our objective remains focused on steady margin expansion as the business scales. As we noted on our previous earnings call, the capital actions we took last year improved our financial flexibility and added optionality. Broadly, our focus remains on simplifying the capital structure and maintaining flexibility to support the business and create value. We will continue to deploy cash thoughtfully to reduce the minority interest over time while maintaining balance sheet strength and evaluating non-core asset monetization opportunities as appropriate. Turning to the financial results for the fourth quarter of 2025. Revenue was 291.6 million, up 20% year-over-year and 4% sequentially, above the high end of our original guidance. Year-over-year growth was driven by all three product categories, with optical networking the largest and fastest contributor, with revenue increasing by 26.9 million, or 33% from the prior year. Geographically, Non-U.S. revenue accounted for 53% of total revenue, while U.S. revenue accounted for 47%. Non-GAAP gross margin increased to 42.5%, up 44 basis points sequentially and 122 basis points year-over-year, driven by scale efficiencies, product mix, and cost disciplines. We remain focused on sustaining gross margin in the 42% to 43% range over the long term. Non-GAAP operating profits rose to $18.8 million, or 6.4% of revenue, exceeding the midpoint of our original outlook and up 103 basis points sequentially and 406 basis points year over year. Non-GAAP tax expense in Q4 2025 was $3.8 million or an effective rate of 22.6%. Non-GAAP EPS was 16 cents compared to 5 cents in Q3 2025 and a loss of 2 cents a year ago. EPS benefited by 3 cents from the acquisition of shares from minority holders in the fourth quarter. We continued to strengthen our financial position during the year. Year over year, net working capital improved by $8.7 million due to meaningful inventory reductions, largely offset by increases in accounts receivable due to increased sales. During the year, inventory declined by almost 50 million, including 8 million during the fourth quarter. Days inventory outstanding improved by 47 days year over year, and 10 days in the fourth quarter to 114. DSO increased to 66 days, down by one day year over year, and up seven days sequentially due to increased sales and the timing of Q4 invoicing. As revenue scales, our focus remains on improving working capital efficiency. Operating cash flow was 42.2 million for the quarter, and free cash flow was 22.5 million For the full year, we generated $129.8 million in operating cash flow and $60.5 million in free cash flow, representing healthy increases of 25% and 58%, respectively, compared to 2024. We ended Q4 with $95.7 million in cash and cash equivalents after purchasing $27.2 million or 1.2 million shares of AdTrend Network stock. For calendar year 2025, we purchased $46.6 million, or 2 million shares, of AdTrend Network stock and now own just over 70%. And meaningfully reduced the interest rate on our outstanding debt as a result of the convertible note offering. Turning to our operational performance for the year, we made meaningful progress across key financial metrics during 2025. Revenue increased 17.5% year-over-year, totaling $1,084,000,000. We expanded full-year non-GAAP gross margin by approximately 90 basis points to 42.1%, reflecting increased scale, higher efficiency, and favorable product mix. Non-GAAP operating margin increased to 4.8% in 2025 from negative 0.3% in 2024. And non-GAAP diluted EPS returned to a positive 23 cents per share. We delivered a strong year of cash flow generation with net cash provided by operating activities increasing by 26.2 million to 129.8 million. We remain disciplined on cost structure while positioning the company to convert revenue into sustained earnings growth. Looking ahead at our outlook for the first quarter of 26, we expect revenue to be between $275 million and $295 million and non-GAAP operating margin of 4% to 8%, reflecting traditional seasonality and current supply chain dynamics. I will now turn the call back over to Tom.

Tom Stanton | CEO and Chairman of the Board:

All right. Thanks very much, Tim. Julianna, I think at this point we're ready to open it up for any questions people may have.

Julianne | Conference Operator:

Thank you. We will now begin the Q&A session. As a reminder, to ask a question, please press star followed by the number one on your telephone keypad. Our first question comes from Michael Genovese from Rosenblatt Securities. Please go ahead. Your line is open.

Michael Genovese | Analyst, Rosenblatt Securities:

Great. Thanks. You know, a great conference call, you know, clearly upbeat messaging. Tom, can you just talk a little bit more, I guess, specifically about the demand picture in U.S. and Europe and sort of what you're seeing from your clients on the optical side and on the fiber to the home side, and just talk a little bit more about the drivers of the revenue growth and Um, I guess related to that, like, you know, do you think, obviously you're not giving full year revenue guidance, but, you know, coming off a year where you grew 20%, um, you know, do you think double digit growth is, uh, is top line growth is in the cards for, for, for 26? Yeah.

Tom Stanton | CEO and Chairman of the Board:

So let me, let me start one a little down, which is, you know, we don't give full year guidance for a reason. And that's because our outlook is, you know, typically are still our, our book to ship, um, period is relatively small, so it's a little difficult. Let me speak a little bit more about the kind of the environment that we're in right now. I would say it's kind of the same tone and kind of building momentum that we saw throughout last year, and we expected that to continue on, and that's exactly what's happening. So we, on the fiber to the prem side, nothing has slowed down. Programs are still going well. We're still adding new customers to those product areas, and we're continuing to operationalize carriers in Europe. So all of that is just a continuation of the same type of activity we saw last year. On the fiber front, the dynamic is a little bit different because we were still at the very beginning of the year, kind of crawling out of the revenue inventory uptake that we had seen in our customer base. That cleared itself up last year. We started seeing that real progress in the second half of the year. We also, you know, as you may be aware, that it won some additional customers both here in the U.S. with wider scale kind of Tier 2 deployments as well as in Europe where we won some Tier 1s, and that momentum is just continuing on. I would say, you know, that is driven not just by the Huawei replacement, which is going on in Europe, but just in general. I just think activity we just saw. customers starting to unleash capital and trying to increase their bandwidth for obvious reasons. I mean, I think all of them are trying to figure out how they're going to play in a new AI-driven world. I think MoFi is a driver. We definitely, I mentioned it on the call, we saw some real positive momentum on the enterprise side, which includes ICP carriers, right? So, yeah, it's just generally a good environment.

Michael Genovese | Analyst, Rosenblatt Securities:

Great. And then my second and last question will just be on pretty wide operating margin outlook of 48% for the quarter. So is that because of things like memory prices that the range is that wide, or is that kind of maybe more of a normal range, and I'm just reading it as being wide?

Tom Stanton | CEO and Chairman of the Board:

To us, I don't think there's any difference in the range that we get than what we typically do. There is tightening supply, as everybody is aware of, on memory. There's some tightening supply on optics. But I would say that that's not overly impacting the guidance range. Our kind of operating model is still what we fully expect it to be, what we've communicated, which is operating expenses in the low 100 range and gross margins in the 42, 43 range. I don't see we see a deviation from that. Tim, any comments?

Tim Stanto | Senior Vice President and CFO:

No, I would reiterate, as Tom said, the guidance range is about four points, which if you look historically is where we've been, and it's actually up a little bit from last quarter. But, you know, the leverage model would remain up from what we guided last quarter. You mean midpoint?

Michael Genovese | Analyst, Rosenblatt Securities:

Yeah. Perfect. I'll pass it on. Thanks so much. Okay.

Julianne | Conference Operator:

Our next question comes from Ryan Kuntz from Needham & Company. Please go ahead. Your line is open.

Ryan Kuntz | Analyst, Needham & Company:

Great, can you hear me okay?

Julianne | Conference Operator:

Yeah.

Ryan Kuntz | Analyst, Needham & Company:

Super, hey guys. When asked about optical, maybe to unpack a little bit, and you talked about enterprise ICPs, I assume that's a big driver of optical. Do you have any ideas like how much of that is really hyperscale and AI data center cloud related versus what I would call traditional SP and enterprise networking? maybe help us understand some of those dynamics there within the optical strength?

Tom Stanton | CEO and Chairman of the Board:

Sure. So there was actually a good contribution on both of those fronts in the quarter. And I'm trying to think if it was, I would say, and this is not having the note in front of me, that the mix on traditional enterprise, including the banking sector and all of the larger enterprise that we play into is a portion of that. And then ICP did come in stronger in the quarter than what we had historically seen. And we expect that momentum to continue on through this year.

Ryan Kuntz | Analyst, Needham & Company:

Great. And I recall a conversation from OFC last year about this opportunity in MOFIN where the hyperscalers are contracting with traditional SPS or maybe some of the some of the tier twos like Colt, et cetera, to build for them. Are you seeing some benefit there as well, and would that show up in your SP business as opposed to your enterprise business if it was a Mofin-type deal?

Tom Stanton | CEO and Chairman of the Board:

No, that would show up in our carrier. We would consider that to be a carrier customer. We're definitely saying that. We talked about that in the last maybe couple of conference calls, how we were starting to see some of the carriers position themselves to be able to do Mofins. That's just a continuing ongoing kind of upgrade cyclical thing that's adding positive momentum to that business. So, but that is separate and apart from the enterprise piece that we're talking about.

Ryan Kuntz | Analyst, Needham & Company:

Great. And maybe just one last, if I could, on fiber to the home side, relative to new footprint, you know, it seems like the U.S. has been a little bit hit and miss where some segments do better than others. Any update there on how Q4 turned out in terms of new greenfield footprint and how you're thinking about 26 going forward for U.S. Fiber, the home of greenfield builds?

Tom Stanton | CEO and Chairman of the Board:

Yeah, I think it was, I'd call it a solid quarter, kind of consistent with what we had seen in the year. I'd mentioned that in general, the U.S. business was definitely stronger on a sequential and year-over-year basis. I think we're expecting good things this year. We finally, I probably shouldn't say the word, but bead dollars are actually starting to flow. We've got a customer in Louisiana that is expecting bead dollars hopefully next week. I don't want to over-rotate on that, guys, because the build-out is going to consistently be driven for most carriers by kind of fiber deployment for this year. and equipment next year. But the fact that that's actually flowing is real positive. I think there's six other states that expect money any day now. So the fact that those dollars are starting to flow, I think, is a positive thing. And it's just as positive, not just the B dollars, but from a planning perspective and knowing that it's going to happen and giving carriers surety as to how they plan their capital budgets is very important.

Ryan Kuntz | Analyst, Needham & Company:

Right. So the planning, engineering, and maybe the fiber optic cable spending this year from bead sees an earlier uptick, you're saying, than your equipment would see this year that would fall within quarter two behind?

Tom Stanton | CEO and Chairman of the Board:

Yeah, you've got to be able to deploy that fiber. But I think the positive thing for us, which we don't know how that will impact, and it may just be a kind of positive influence, is the fact that you get surety in your budget planning cycle for not just your bead funding, but your normal capital spend as well. And I think that that's been missing for some time.

Ryan Kuntz | Analyst, Needham & Company:

That's great, guys. Thanks for the commentary. Thanks, Tom.

Julianne | Conference Operator:

Our next question comes from Christian Schwab from Craig Hallam. Please go ahead. Your line is open.

Christian Schwab | Analyst, Craig Hallam:

Great execution in the quarter, guys. Tom, I know we're sitting here at the end of February, non-core asset sales and potential building sales and leaseback activity. Would you be disappointed if we didn't have resolution on both by the end of calendar 2026?

Tom Stanton | CEO and Chairman of the Board:

well uh leaseback activity more than likely that is not going to happen um with the north tower so excuse me the east tower so let me be clear on where we are with that i think we've been trying to talk about this now for a couple of quarters we did get several lease offers off the building financially it didn't make sense for us um because of where we are with our cast position right now and what we'd use for the cash and what that lease would ultimately cost us, so we have put that on hold. We can always revisit that if we want to. Then on the north-south tower, which is the thing that's up for sale, I'm going to let Tim jump in here and give you an update on that.

Tim Stanto | Senior Vice President and CFO:

A lot of activity in the Huntsville market. We're not currently under contract, but we have activity, so we continue to work that, and when the right deal comes along, we will close that. As we had hoped it would happen in 2025, we are very optimistic it will happen in 2026, but the market will dictate.

Christian Schwab | Analyst, Craig Hallam:

Great. Thank you. And then on the non-core asset side, Tom, do you think that can get resolved this year, or is that a fluid situation?

Tom Stanton | CEO and Chairman of the Board:

Yeah, so we're, we, let me try to do this in a proper way. We have taken a look at the non-core assets. We've gotten values on what we think the non-core assets that we think are not strategic, right, to our business. We are doing things right now that we think will increase the value of those assets and we'll reevaluate that in the second half of this year.

Christian Schwab | Analyst, Craig Hallam:

Perfect. And then my last question, as we go throughout calendar 2026, you know, is there one area, we spoke positively, obviously, about, you know, finally loosening up after many years of seeing some progress as feed is concerned. you know, as we look at, you know, equipment replacement in Europe, the strength in optical, you know, geographical strength in Europe, et cetera. Is there one thing more than another that

you're most excited about as we go through 2026 that we can monitor?

Tom Stanton | CEO and Chairman of the Board:

Yeah, so I think Let me just hit on a couple. One is I think enterprise is doing really well. And as I mentioned earlier on the Q&A, there are multiple drivers for that. We expect that to be strong this year. And so that strength is above whatever the company is doing on a corporate average perspective. So that's really good to see. The other is there is some legislation going on. I don't know how much... success it's going to have. It's good that it's going on, but in the EU right now, to accelerate the Huawei replacement piece, it's not so much whether or not that actually happens, which there's a high likelihood it happens, but just the focus on that is positive for our business. I'll remind people, we think that's a near billion dollar a year type opportunity that Huawei is selling into the European market that we think we have a very good chance of being able to to be able to capitalize on. So as that pressure continues on, and it is, you know, if there was legislation that was sent out in the EU in early of last year, that is positive, right? So that addresses this issue. So, yeah, so I think both of those things are real positive catalysts.

Christian Schwab | Analyst, Craig Hallam:

Great. Thank you for the clarity. No other questions?

Julianne | Conference Operator:

Our next question comes from George Nodder from Wolf Research. Please go ahead. Your line is open.

George Nodder | Analyst, Wolf Research:

Hey, thanks a lot, guys. I guess I just want to keep going on the question of Huawei replacement in the EU. You know, I think the regulatory stance currently basically has it not compulsory to replace Huawei, but I guess suggested would be kind of the idea in terms of the current regulatory environment. I know the stuff that's coming down the pike is going to mandate Huawei replacement, and it sounds like it could be a few years away until that legislation actually requires companies to or carriers to replace Huawei. But I guess I'm just curious, like, what has the inflection happening right now? Is there something you're seeing with your customers that, you know, allows them to move more quickly? Is it funding? Is it, you know, more, you know, pressure from a political perspective? I guess I'm just trying to understand what's driving this. Thanks.

Tom Stanton | CEO and Chairman of the Board:

Yeah, sure. Yeah, I agree. Well, let me just make one caveat to that. Although the EU's directive is more of a recommendation, the country-by-country and carrier-by-carrier requirements or legislative actions are different, right? So we do have some countries in the EU that have explicitly been stronger on that. And it's not so much that I think that legislation and the talk of that legislation and the fact that we're even talking about it here is exactly the point, which is if you're a carrier and you're doing a new award, you're kind of crazy to be deploying Huawei at this point. Or if there's a new region, a new footprint that has to be built out, even if they're an approved vendor, you know you're going to have a problem. So what that's doing is putting on, increasing the breaking pressure on continuing to deploy them on an ongoing basis. I would agree that pulling them out is a different thing, and that will take years. And, you know, we've characterized that north of, and it's an easy math to our trees to do, right? It's a north of $10 billion opportunity for the pullout. But what we're talking about is just on the annual spend where they're going in and filling in new cards, building out new footprint. That kind of activity is going to continue to slow down.

George Nodder | Analyst, Wolf Research:

If I look at that $1 billion annual spend, how well positioned do you think you are On that, I mean, obviously that's across a number of product categories. It's across a large number of specific operators. Maybe some you're in, some you're not. I mean, is there a way to kind of pin down that $1 billion in annual spend in terms of what's like really reasonable for you?

Tom Stanton | CEO and Chairman of the Board:

Let me not be, yeah, please, let me not be so sloppy on that number. The last time we looked at it, and we do have another, we have an outside firm trying to take a look at exactly what that number is at this point. that number is derived from about an 800 i think it was 850 or 860 million dollar number for mia in our target product areas and that was in 24. um we think that that number is going to continue to slow down it was north of a billion dollars not that long ago so that number will continue to slow down as we actually pick up that market share now that's for products that are specifically in our product sweet spot which is kind of mid-mile, regional network optical, access and aggregation. It is those products that we're actually talking about. So it's really what we believe the TAM is for our products. But like I'm trying to say, it's a rough number right now, and it's just based off of the earnings results of Wiley.

George Nodder | Analyst, Wolf Research:

Thank you very much. Okay.

Julianne | Conference Operator:

Our last question comes from Dave Kang from B Riley. Please go ahead. Your line is open.

Dave Kang | Analyst, B. Riley Securities:

Thank you. Good morning. First, regarding European telcos, you talked about them being front-loaded. Just wondering if you can kind of quantify whether it's 55, 45, or is it more exaggerated?

Tom Stanton | CEO and Chairman of the Board:

I'm sorry. Your question broke up for me. Could you rephrase it or restate it?

Dave Kang | Analyst, B. Riley Securities:

Yeah. Regarding your European telcos, tier ones, in the previous call, you mentioned said they tend to be front-loaded. Just wondering if they're like 55, 45, or more like 60, 40, any color.

Tom Stanton | CEO and Chairman of the Board:

Oh, oh, oh, as far as in the year. Is that what you're talking about? Yeah. I don't know if I've seen that actual breakout. I would say it's definitely last year it was probably 60-ish, 40-ish, and this is just off the cuff. And this is predominantly in the... access and ag product category. So you'll see that last year. You could see that last year in our access and ag number. You actually saw that kind of big bump in the first half of the year and then it kind of tailed down. It's not as prominent in the rest of the product areas. They kind of, they're just not

under the same cycle.

Dave Kang | Analyst, B. Riley Securities:

And are you kind of expecting similar dynamics this year or any changes from last year?

Tom Stanton | CEO and Chairman of the Board:

Really good question. I will tell you, we weren't happy with that bump because of what that does operationally. You know, bumpy is never as good as smooth. So we have been talking to them about that and trying to get that to be more even flowed this year. So I don't know how successful we've been with at this point. So hopefully you won't see that same type of kind of waterfall.

Dave Kang | Analyst, B. Riley Securities:

and my uh second question is uh regarding uh the same european telcos uh just uh where are we in terms of the you know their broadband deployment cycle are we in still early stages or mid or getting towards the late innings oh good well if you take europe as a whole there's no way to characterize it other than early you know we've um

Tom Stanton | CEO and Chairman of the Board:

brought just recently some new carriers on that haven't been deploying with us, and then they all kind of have this Huawei issue as well. If you take specific areas, there are countries that are farther along. The U.K. is, I would say, kind of more towards the middle. Germany is probably definitely within the first half. So it depends on the carrier. Some of them haven't started yet.

Dave Kang | Analyst, B. Riley Securities:

Got it. Thank you.

Tom Stanton | CEO and Chairman of the Board:

OK. At this point, I think we are no more questions in the queue, so I'd like to thank everybody for for the participation day and we look forward to talking to you next quarter.

Julianne | Conference Operator:

Ladies and gentlemen, that concludes today's call. Thank you for your participation. You may now log off.