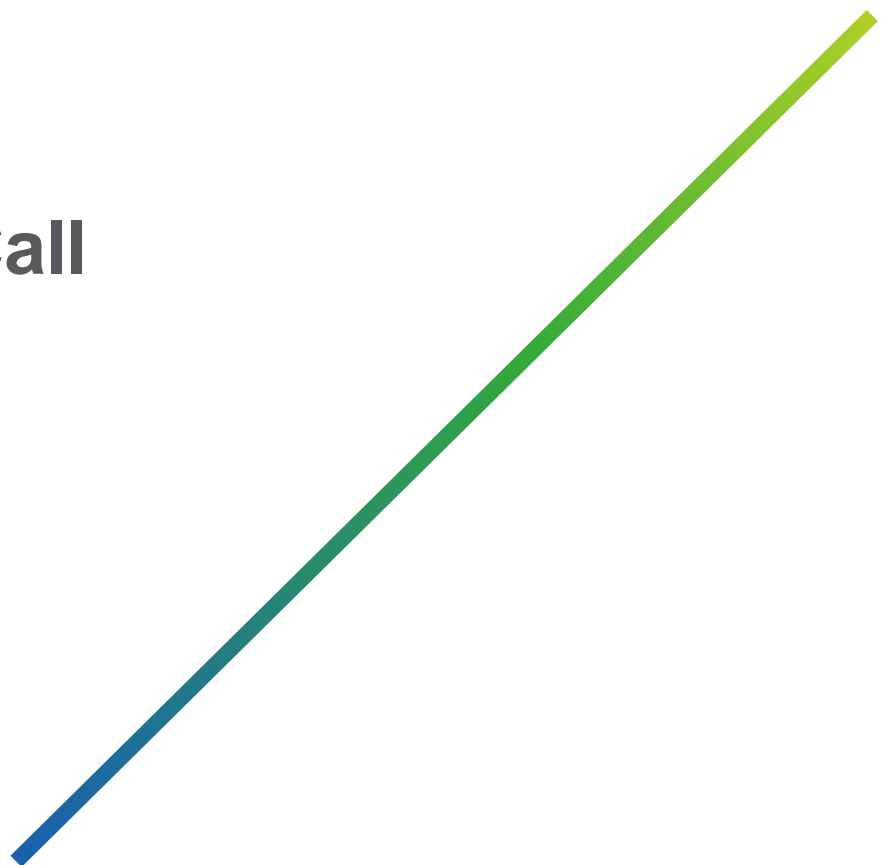




Q4 FY22 Conference Call

August 16, 2022



Forward Looking Statements and Financial Presentation

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These include statements regarding our expectations for our markets, any anticipation or guidance as to demand for our products and technology, our plans and expectations regarding our acquisition of NeoPhotonics, and our recent acquisition of IPG's telecom transmission product lines, including the benefits for our customers, trends in component supply, our expectations for revenue growth rates, and our guidance with respect to future net revenue, earnings per share, and operating margins. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected. Among the factors that could cause actual results to differ from those contemplated are: (a) the COVID-19 pandemic and related impacts, which may continue to adversely impact our business, financial performance and results of operations; (b) quarter-over-quarter product mix fluctuations, which can materially impact profitability measures due to the broad gross margin ranges across our portfolio; (c) decline of average selling prices across our businesses or increase in costs, either of which will also decrease our margins; (d) effects of seasonality; (e) the ability of our suppliers and contract manufacturers to meet production, quality, and delivery requirements for our forecasted demand and the effect of ongoing supply chain constraints, particularly in semiconductors; (f) inherent uncertainty related to global markets, including the impact of the COVID-19 pandemic, uncertainty and volatility in the macroeconomic environment, including inflationary pressures, changes in the political or economic environment, including geopolitical conflicts, war, trade and export restrictions and the imposition of tariffs or other duties, and the effect of such markets on demand for our products; (g) changes in customer demand; (h) our ability to attract and retain new customers, particularly in the 3D sensing market; and (i) the risk that Lumentum's financing or operating strategies will not be successful. For more information on these and other risks, please refer to the "Risk Factors" section included in the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended April 2, 2022 filed with the Securities and Exchange Commission, and in the Company's other filings with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the fiscal year ended July 2, 2022, which will be filed within sixty days of our fiscal year end. The forward-looking statements and preliminary financial results contained in this press release are made as of the date hereof and the Company assumes no obligation to update such statements, except as required by applicable law.

Unless otherwise stated, all financial results and projections are on a non-GAAP basis. Our GAAP results, details about our non-GAAP financial measures, and a reconciliation between GAAP and non-GAAP results can be found in our fiscal fourth quarter 2022 earnings press release which is available on our web site, www.lumentum.com, under the investors section. We have not provided reconciliations from GAAP to non-GAAP measures for our outlook. A large portion of non-GAAP adjustments, such as restructuring charges, stock-based compensation, acquisition-related costs, tax expense impacts, transferring product lines to new production facilities, impairment charges, inventory write down due to plans to exit certain product lines, and other costs and contingencies unrelated to current and future cash flows, are by their nature highly volatile and we have low visibility as to the range that may be incurred in the future.

FY22 Key Points

- **Strong investments in new products and capabilities enable growth**

- Telecom, Datacom & Lasers revenue expected to be up >50% in FY23

- **Continued strong share repurchases**

- Repurchased 9.1 million shares over the last two fiscal years
- Confidence in long-term opportunities to deliver shareholder value
- \$410 million remaining under the board-authorized share buyback program

- **Telecom & Datacom**

- Record revenue for datacom EMLs, coherent components, pump lasers, tunable products, and sub-sea components
- Investing to increase capacity in tunable transceivers, coherent components and EMLs to meet ramp in demand
- Coherent components revenue grew 2.5x Y/Y, driven by 400G+

- **Industrial & Consumer**

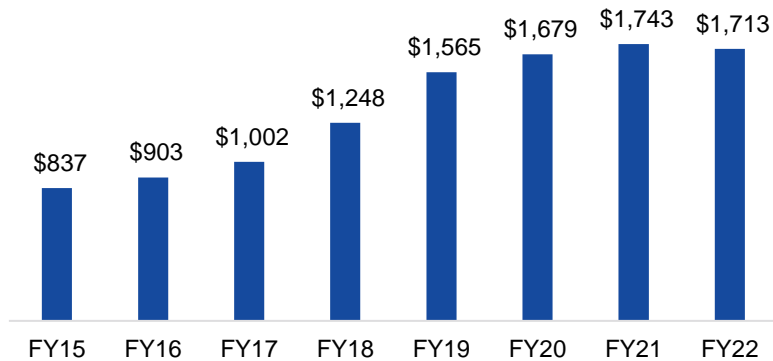
- Revenue down 9% Y/Y due to smaller chips, partially offset by higher volume
- Momentum building outside of smartphones with automotive LiDAR/ADAS production shipments and industrial building automation new application

- **Lasers**

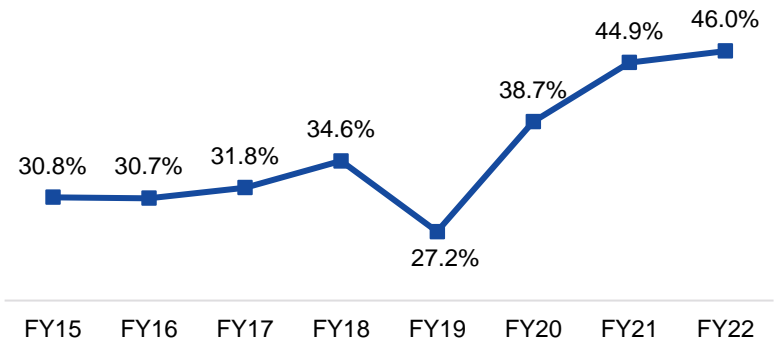
- Revenue up 59% Y/Y from fiber lasers, ultrafast lasers, and service
- Continued growth expected from new applications and expanded customer base

Financial Trends FY15 to FY22 (GAAP)

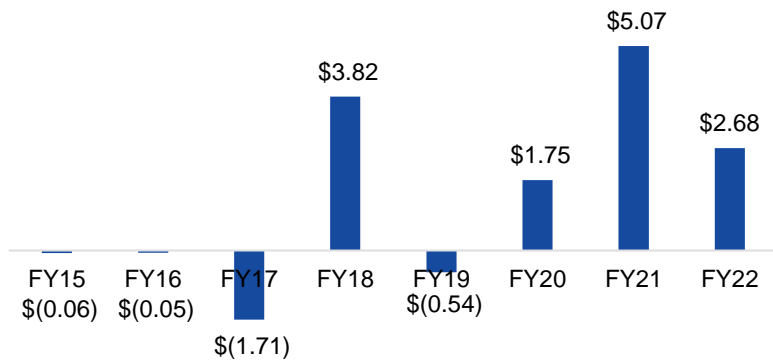
Net Revenue (M)



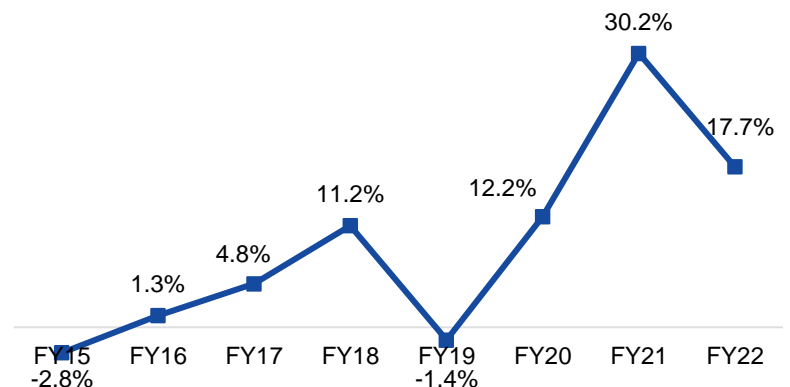
GAAP Gross Margin (% of revenue)



GAAP Earnings Per Share

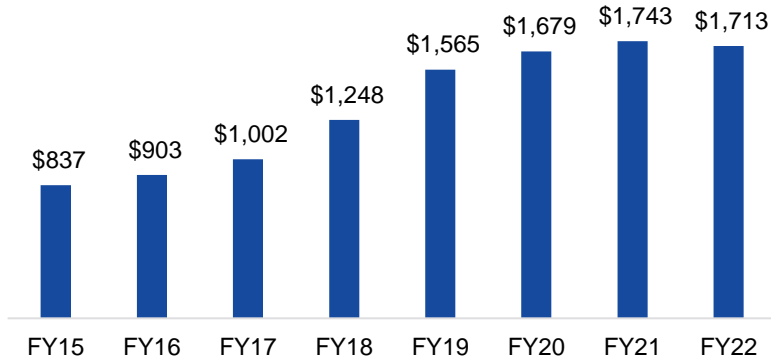


GAAP Operating Margin (% of revenue)

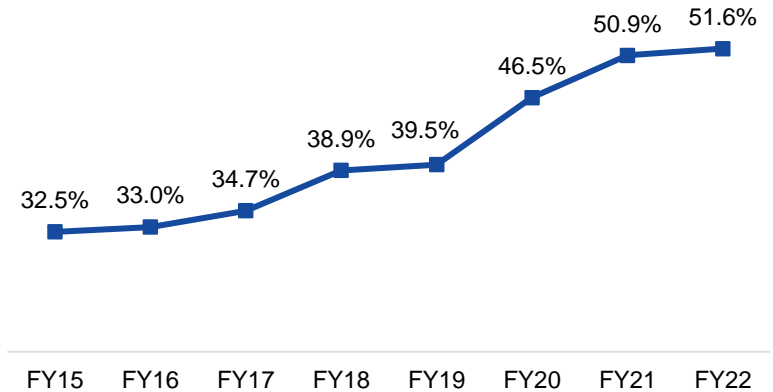


Financial Trends FY15 to FY22 (Non-GAAP)

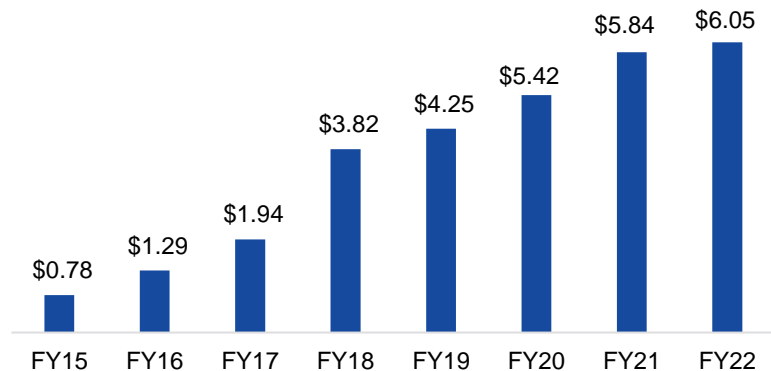
Net Revenue (M)



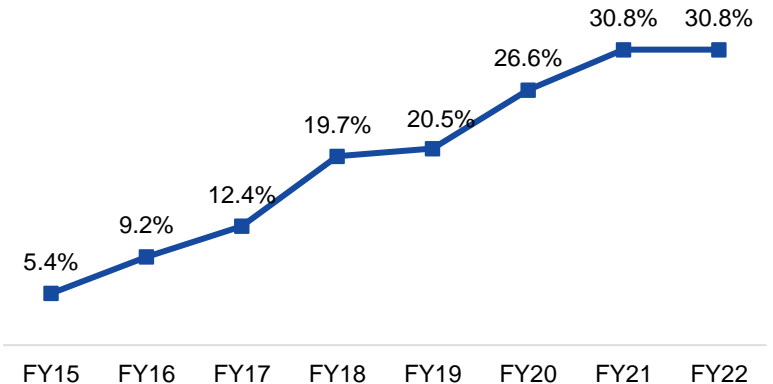
Non-GAAP Gross Margin (% of revenue)



Non-GAAP Earnings Per Share



Non-GAAP Operating Margin (% of revenue)



Q4 FY22 Key Points

▪ Improving IC supply in Telecom

- Gap between supply and demand expected to narrow from >\$100M in Q4 to ~\$75M in Q1
- Cloud and networking end customers beginning multi-year upgrades, relying on our products

▪ Telecom & Datacom

- Revenue up 16% Q/Q, consistent with expectations, due to improved IC supply and robust demand
- Record datacom EML revenue in Q4, with increased manufacturing capacity
- ROADM revenue grew 23% Q/Q, with high port count and MxN comprising over 70% of the total

▪ Industrial & Consumer

- Consistent with expectations, revenue down Q/Q due to 3D Sensing seasonality
- Expanding opportunities for automotive LiDAR/ADAS and industrial building automation

▪ Lasers

- Revenue up 39% Y/Y from lasers for advanced manufacturing
- Continued growth expected from new customers and new applications

Q4 FY22 Results (GAAP)

<i>\$ in millions except for EPS, % of revenue</i>	Q4 FY22		Q3 FY22		Q4 FY21
Revenue	\$422.1		\$395.4		\$392.1
Gross Margin	181.7	43.0%	167.2	42.3%	162.8 41.5%
Operating Expenses	126.3	29.9%	120.4	30.5%	117.0 29.8%
Operating Income	55.4	13.1%	\$46.8	11.8%	45.8 11.7%
Diluted EPS	\$0.49		\$0.35		\$0.28
Diluted Shares-M	71.5		74.5		77.5

Q4 FY22 Results (Non-GAAP)

<i>\$ in millions except for EPS, % of revenue</i>	Q4 FY22		Q3 FY22		Q4 FY21	
Revenue	\$422.1		\$395.4		\$392.1	
Gross Margin	212.7	50.4%	195.6	49.5%	187.2	47.7%
Operating Expenses	91.1	21.6%	90.7	22.9%	90.6	23.1%
Operating Income	121.6	28.8%	104.9	26.5%	96.6	24.6%
Diluted EPS	\$1.47		\$1.19		\$1.06	
Diluted Shares-M	71.5		74.5		77.5	

Q4 FY22 Segment Results

	Q4 FY22	Q3 FY22	Q4 FY21
<i>\$ in millions</i>			
Revenue	\$422.1	\$395.4	\$392.1
Optical Communications	370.9	344.2	355.2
<i>Telecom & Datacom</i>	282.1	243.5	256.4
<i>Industrial & Consumer</i> ⁽¹⁾	88.8	100.7	98.8
Commercial Lasers	51.2	51.2	36.9
Gross Margin (Non-GAAP)	50.4 %	49.5%	47.7%
Optical Communications	49.8 %	49.0%	47.7%
Commercial Lasers	54.5 %	52.9%	48.5%

(1) Industrial & Consumer contains 3D sensing revenues as well as diode lasers sold into industrial applications.

Balance Sheet

Selected Items	Q4 FY22	Q3 FY22
<i>\$ in millions</i>		
Cash and Short-term Investments	\$2,549.0 ⁽¹⁾	\$2,564.1
Working Capital ⁽²⁾	283.6	281.9
Property, Plant & Equipment, net	360.5	356.4
Total Assets	4,162.2	4,133.5
Total Liabilities	2,287.2	2,221.4
Shareholder's Equity	1,875.0	1,912.1

(1) Repurchased 1.3 million shares, or 1.9% of shares outstanding, during Q4 FY22 for \$103 million

(2) Working capital excluding cash, short-term investments and convertible notes, current

Q1 FY23 Guidance (Non-GAAP)

Guidance is based on our expectations as of today and will not be updated or confirmed as of any other date

<i>\$ in millions except for EPS, % of revenue</i>	Q4 FY22 Actual	Q1 FY23 Guidance
Revenue	\$422.1	\$490 - \$520
Operating Margin	28.8%	25.0% - 27.0%
Diluted EPS	\$1.47	\$1.45 - \$1.70
Diluted Shares – M	71.5	71.5

▪ **Mid-point revenue projection assumes:**

- Telecom & Datacom up Q/Q
- Industrial & Consumer up modestly Q/Q
- Commercial Lasers up Q/Q
- ~\$75M revenue impact from IC shortages

▪ **Other mid-point assumptions:**

- 14.5% non-GAAP effective tax rate

FY23 Outlook (Non-GAAP)

This one-time outlook is based on our expectations as of today and will not be updated or confirmed as of any other date

<i>\$ in millions except for EPS, % of revenue</i>	FY22 Actual	FY23 Outlook
Revenue	\$1,713	\$2,100 - \$2,250
Operating Margin	30.8%	24.0% - 26.0%
Diluted EPS	\$6.05	\$6.00 - \$7.00

▪ **Mid-point revenue projection assumes:**

- Telecom, Datacom & Lasers revenue up more than 25% Y/Y, excluding NeoPhotonics
- Addition of ~11 months of NeoPhotonics revenue
- Smartphone 3DS down 40 to 50%, primarily due to anticipated share normalization

▪ **Other assumptions:**

- Gross Margin ~50%, excluding NeoPhotonics
- R&D investment increasing Y/Y as a percentage of sales to accelerate growth in FY24 and beyond
- Target model remains 50% GM and 30% OM

Thank you

