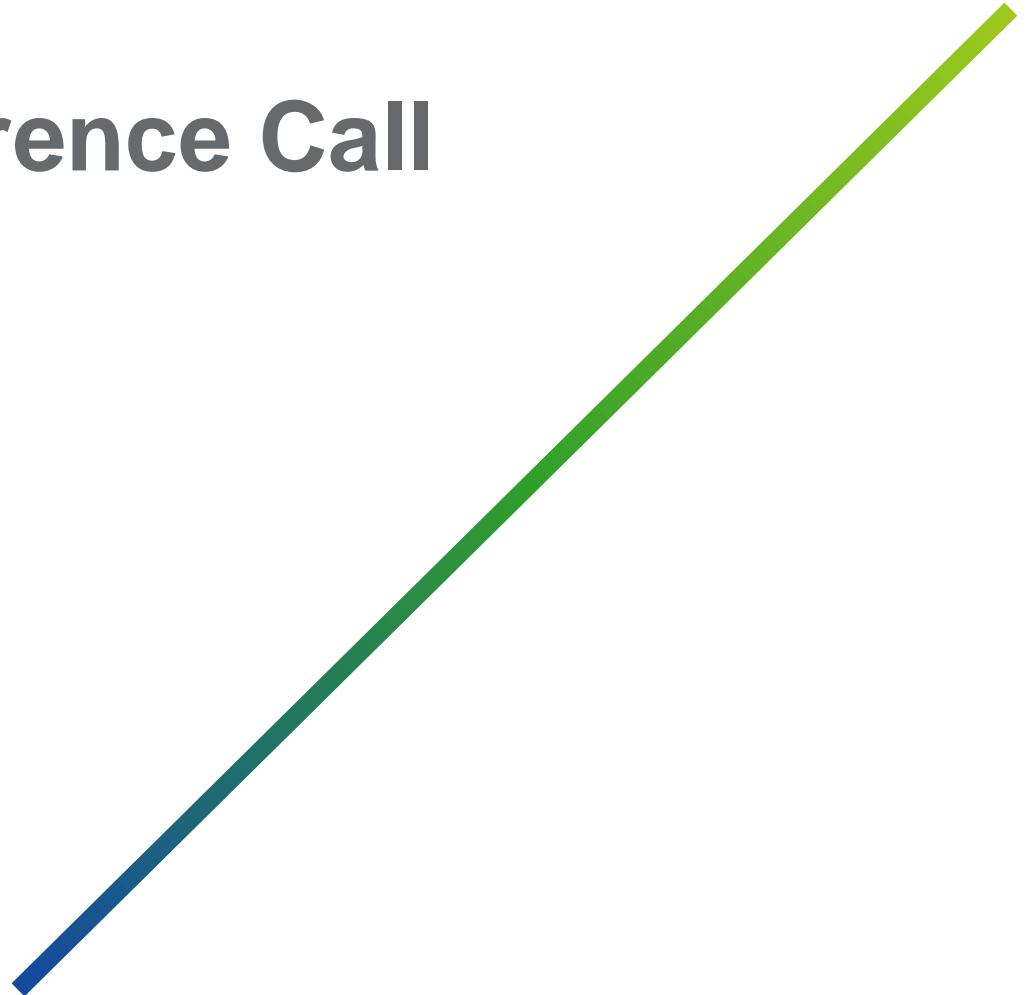


Q3 FY21 Conference Call

May 12, 2021



Forward Looking Statements and Financial Presentation

This presentation 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 statements include any anticipation or guidance as to future financial or operating performance, trends in our business, including our market position and trends in demand for our products and technology, supply and manufacturing trends and longer term trends and dynamics in our markets and industry, our strategies and ability to compete, performance, including our guidance and expectations regarding future net revenue, earnings per share, gross margin, operating expense, operating margin, profitability, cash flow and other financial metrics, including our assumptions and trends that are informing such guidance, and the impact of the COVID-19 pandemic and related responses of businesses and governments to the pandemic on our markets, operations, and future financial performance. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected. In particular, the Company's ability to predict future financial performance continues to be difficult due to, among other things: (a) quarter-over-quarter product mix fluctuations, which can materially impact profitability measures due to the broad gross margin ranges across our portfolio; (b) continued decline of average selling prices across our businesses; (c) effects of seasonality; (d) the ability of our suppliers and contract manufacturers to meet production, quality and delivery requirements for our forecasted demand; (e) inherent uncertainty related to global markets, including the impact of the COVID-19 pandemic, and the effect of such markets on demand for our products; (f) changes in customer demand; (g) our ability to attract and retain new customers, particularly in the 3D sensing market; (h) the risk that Lumentum's financing or operating strategies will not be successful; (i) changes in the political or economic environment, including trade and export restrictions; and (j) the COVID-19 pandemic and related impacts, which may continue to adversely impact our business, financial performance and results of operations. All forward-looking statements involve risks and uncertainties that could cause actual events and terms to differ materially from those set forth herein, including those related to our business and growth opportunities. For more information on these risks, please refer to the "Risk Factors" section included in the Company's Quarterly Report on Form 10-Q for the quarter ended April 3 2021 as filed with the Securities and Exchange Commission. In addition, the results contained in this presentation are valid only as of today's date except where otherwise noted. The forward-looking statements contained in this presentation 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 second quarter 2021 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, non-cash income tax expense and credits, transferring product lines to new production facilities, amortization of fair value adjustments, 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.

Recent Key Points

Improvements in financial model and revenue mix position us well for the long-term

- **Key new products driving revenue with many up by double-digit percentages Y/Y**
 - \$14.8 million of revenue was deferred due to delays in 5G deployments in China
- **Strong margin performance for the typically seasonally weaker Q3**
 - Non-GAAP gross margin at 49.9% increased 440 bps Y/Y
 - Non-GAAP operating margin at 27.9% increased 290 bps Y/Y
 - Non-GAAP EPS at \$1.40 increased 11% Y/Y
 - Y/Y increases primarily due to improved product mix and operational improvements
- **Telecom and Datacom seasonally down Q/Q but up Y/Y**
 - Record revenue from InP based coherent transmission solutions
 - Strong MxN ROADM revenue growth Q/Q and Y/Y; expanded western customer base
 - Strong EML chip growth Q/Q and Y/Y driven by cloud datacenter transitioning to 200G and 400G
 - DML chip revenue soft due to delays of 5G deployments in China
- **Industrial & Consumer revenue seasonally down Q/Q but up Y/Y**
 - Additional design wins and revenue in security, access control, and automotive applications
- **Lasers up Q/Q as market recovers from COVID-19**
 - Macro materials products grew Q/Q after 4 quarters of declines related to COVID-19
- **Lumentum Board of Directors Authorized Stock Repurchase Program**
 - Up to \$700 million over the next 2 years

Business Trends and Expectations

Favorable multi-year trends driving our business

▪ **Telecom and Datacom**

- Digital transformation driving long-term internet and cloud datacenter bandwidth growth
- Market transitioning to 400G+ solutions and next generation ROADMs where we have differentiated products
- Customers indicating growing nearer term end-market demand
- Increasing shortages of critical semiconductor components that we and customers require

▪ **Industrial and Consumer**

- Machine and computer vision revolution leveraging 3D sensing growing and in early innings
- Lasers and photonics critical to 3D Sensing and LiDAR for consumer, automotive, and industrial applications
- Overall global 3D sensing market expected to decline ~20-25% in FY22 due to smaller chips in certain applications
- Market reacceleration in FY23 with increasing applications, customers, and markets

▪ **Lasers**

- Expanding laser-based processing for electronics and transitions to 5G and electric vehicles and energy storage
- Continuing market recovery from the impact of COVID-19

▪ **Currently expect 1HFY22 to be down approximately 5% compared with 1HFY21**

- Moderate growth in Telecom and Datacom Y/Y before 2HFY22 reacceleration
- Industrial and Consumer down Y/Y due to decline in overall 3D sensing market
- Lasers up Y/Y with recovery to pre-pandemic levels by mid-FY22

Q3 FY21 Results (GAAP)

<i>\$ in millions except for EPS, % of revenue</i>	Q3 FY21		Q2 FY21		Q3 FY20	
Revenue	\$419.5		\$478.8		\$402.8	
Gross Margin	185.0	44.1%	229.6	48.0%	157.7	39.2%
Operating Expenses⁽¹⁾	(81.9)	(19.5%)	114.3	23.9%	115.2	28.6%
Operating Income	266.9	63.6%	115.3	24.1%	42.5	10.6%
Diluted EPS	\$2.85		\$1.06		\$0.56	
Diluted Shares-M	79.2		78.4		77.5	

(1) Includes \$207.5 million credit which is net of fees for the Coherent merger termination fee

Q3 FY21 Results (Non-GAAP)

<i>\$ in millions except for EPS, % of revenue</i>	Q3 FY21		Q2 FY21	Q3 FY20
Revenue	\$419.5		\$478.8	\$402.8
Gross Margin	209.2	49.9%	255.9 53.4%	183.4 45.5%
Operating Expenses	92.1	22.0%	86.0 18.0%	82.7 20.5%
Operating Income	117.1	27.9%	169.9 35.5%	100.7 25.0%
Diluted EPS	\$1.40		\$1.99	\$1.26
Diluted Shares-M	79.2		78.4	77.5

Q3 FY21 Segment Results

	Q3 FY21	Q2 FY21	Q3 FY20
<i>\$ in millions</i>			
Revenue	\$419.5	\$478.8	\$402.8
Optical Communications	387.9	449.1	359.3
<i>Telecom & Datacom</i>	255.8	286.2	251.0
<i>Industrial & Consumer⁽¹⁾</i>	132.1	162.9	108.3
Commercial Lasers	31.6	29.7	43.5
Gross Margin (Non-GAAP)	49.9 %	53.4%	45.5%
Optical Communications	50.1 %	53.8%	45.0%
Commercial Lasers	47.2 %	47.5%	49.7%

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

Balance Sheet

Selected Items	Q3 FY21	Q2 FY21
<i>\$ in millions</i>		
Cash and Short-term Investments	\$2,054.6	\$1,700.3
Working Capital ⁽¹⁾	226.3	298.9
Property, Plant & Equipment, net	378.0	385.8
Total Assets	3,745.9	3,468.2
Total Liabilities	1,580.9	1,546.3
Shareholder's Equity	2,165.0	1,921.9

(1) Working capital excluding cash, short-term investments and short-term debt.

Q4 FY21 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>	Q3 FY21 Actual	Q4 FY21 Guidance
Revenue	\$419.5	\$360 - \$400
Operating Margin	27.9%	22.5% – 25.0%
Diluted EPS	\$1.40	\$0.92 - \$1.14

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

- Telecom & Datacom up Q/Q
- Industrial & Consumer down Q/Q
- Commercial Lasers up Q/Q

▪ **Other mid-point assumptions:**

- Other expense of ~\$1M
- Tax expense of ~\$9M
- Diluted share count of ~79M

