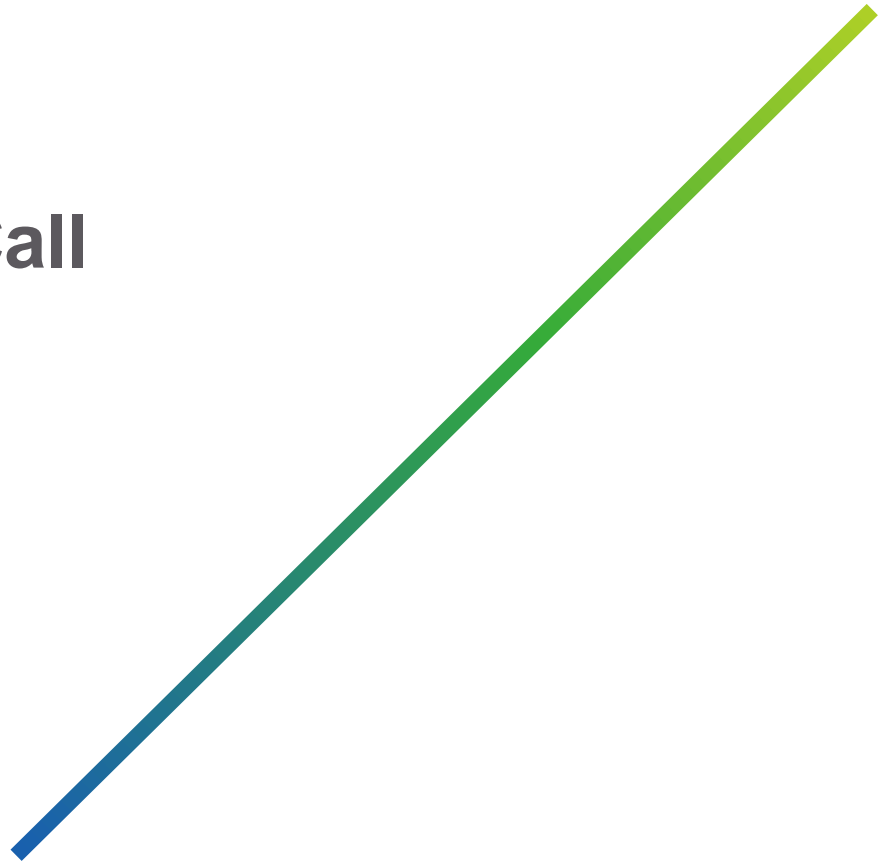




Q2 FY22 Conference Call

February 3, 2022



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) 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) continued decline of average selling prices across our businesses; (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, changes in the political or economic environment, including 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; (i) the risk that Lumentum's financing or operating strategies will not be successful; and (j) risks associated with Lumentum's pending acquisition of NeoPhotonics, including Lumentum's ability to achieve the benefits of the transaction, risks related to the pendency of the transaction, litigation regarding the transaction and the risk that the transaction may not close in a timely manner or at all. For more information on these risks, please refer to the "Risk Factors" section included in the Company's Annual Report on Form 10-K for the year ended July 3, 2021 as filed with the Securities and Exchange Commission ("SEC"), and the Quarterly Report on Form 10-Q for the quarter ended January 1, 2022, which will be filed with the SEC. 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 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, 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.

Key Points

- **Double-digit revenue growth expected in fiscal 2023 and beyond**
 - Products and technology well aligned with key market inflections: 5G, 400G+ transition, cloud computing, AR/VR, LiDAR, ADAS, EVs, semiconductor manufacturing
- **Demand accelerating while supply hinders revenue in near term**
 - All financial metrics exceeded Q2 guidance midpoint, despite \$50M of supply constraints
 - Cloud and networking customers entering multi-year upgrade cycle, relying on our products
- **Telecom & Datacom**
 - Revenue was up Q/Q with exceptional strength in nearly every Telecom line
 - High-speed, 400G+ coherent revenue nearly doubled Q/Q
 - Pump laser revenue grew Q/Q again to a new all-time high
 - EML revenue was up 45% Y/Y
- **Industrial & Consumer**
 - Revenue was down Q/Q as expected, due to 3D Sensing seasonality
 - 3D Sensing revenue in 1H22 was higher than 1H21 due to new product execution and proven high-volume manufacturing leadership
 - Diversification of 3D sensing into ADAS and LiDAR
- **Lasers**
 - Revenue was up 16% Q/Q and 66% Y/Y from lasers for advanced manufacturing
 - Growth into Q3 expected from new products and overall market expansion

Q2 FY22 Results (GAAP)

<i>\$ in millions except for EPS, % of revenue</i>	Q2 FY22		Q1 FY22		Q2 FY21	
Revenue	\$446.7		\$448.4		\$478.8	
Gross Margin	\$207.5	46.5%	232.2	51.8%	229.6	48.0%
Operating Expenses	122.3	27.4%	116.3	25.9%	114.3	23.9%
Operating Income	\$85.2	19.1%	115.9	25.8%	115.3	24.1%
Diluted EPS	\$0.75		\$1.08		\$1.06	
Diluted Shares-M	75.3		75.4		78.4	

Q2 FY22 Results (Non-GAAP)

<i>\$ in millions except for EPS, % of revenue</i>	Q2 FY22		Q1 FY22		Q2 FY21	
Revenue	\$446.7		\$448.4		\$478.8	
Gross Margin	\$228.0	51.0%	246.7	55.0%	255.9	53.4%
Operating Expenses	86.4	19.3%	87.8	19.6%	86.0	18.0%
Operating Income	\$141.6	31.7%	158.9	35.4%	169.9	35.5%
Diluted EPS	\$1.60		\$1.79		\$1.85	
Diluted Shares-M	75.3		75.4		78.4	

Q2 FY22 Segment Results

	Q2 FY22	Q1 FY22	Q2 FY21
<i>\$ in millions</i>			
Revenue	\$446.7	\$448.4	\$478.8
Optical Communications	397.4	406.0	449.1
<i>Telecom & Datacom</i>	267.1	216.0	286.2
<i>Industrial & Consumer⁽¹⁾</i>	130.3	190.0	162.9
Commercial Lasers	49.3	42.4	29.7
Gross Margin (Non-GAAP)	51.0 %	55.0 %	53.4 %
Optical Communications	50.8 %	55.6 %	53.8 %
Commercial Lasers	53.1 %	49.1 %	47.5 %

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

Balance Sheet

Selected Items	Q2 FY22	Q1 FY22
<i>\$ in millions</i>		
Cash and Short-term Investments	\$2,022.4 ⁽¹⁾	\$1,884.6 ⁽²⁾
Working Capital ⁽³⁾	262.0	322.5
Property, Plant & Equipment, net	359.6	353.2
Total Assets	3,615.7	3,519.0
Total Liabilities	1,593.8	1,547.6
Shareholder's Equity	2,021.9⁽¹⁾	1,971.4⁽²⁾

(1) Repurchased 330 thousand shares during Q2 FY22 for \$29.9M

Have repurchased 4.5 million shares for \$363M in aggregate under a Board-authorized, two-year \$700M plan announced in May 2021

(2) Repurchased 1.1 million shares during Q1 FY22 for \$91.7M

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

Q3 FY22 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>	Q2 FY22 Actual	Q3 FY22 Guidance
Revenue	\$446.7	\$375 - \$405
Operating Margin	31.7%	24.0% - 26.0%
Diluted EPS	\$1.60	\$1.01 - \$1.19
Diluted Shares – M	75.3	~75

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

- Telecom & Datacom down Q/Q
- Industrial & Consumer down Q/Q
- Commercial Lasers up Q/Q
- >\$65M revenue impact of semiconductor and other material shortages

- **Other mid-point assumptions:**

- Interest and Other Income being a net expense of ~\$1M in total
- 14.5% non-GAAP effective rate resulting in an approximate \$14M non-GAAP tax expense

Thank you

