

**LUMENTUM HOLDINGS INC.**  
**RECONCILIATION OF GAAP MEASURES TO NON-GAAP MEASURES**

*(in millions, except per share data)*  
*(unaudited)*

Fiscal Year 2021	(Prior Method)					(New Method)				
	Q1'21	Q2'21	Q3'21	Q4'21	FY 2021	Q1'21	Q2'21	Q3'21	Q4'21	FY 2021
<b>Provision for income taxes on GAAP basis</b>	\$ 16.5	\$ 14.9	\$ 27.4	\$ 7.0	\$ 65.8	\$ 16.5	\$ 14.9	\$ 27.4	\$ 7.0	\$ 65.8
Income tax adjustments	(2.3)	(0.5)	(21.4)	(0.6)	(24.8)	5.7	9.8	(10.5)	7.0	12.0
<b>Provision for income taxes on non-GAAP basis</b>	<u>\$ 14.2</u>	<u>\$ 14.4</u>	<u>\$ 6.0</u>	<u>\$ 6.4</u>	<u>\$ 41.0</u>	<u>\$ 22.2</u>	<u>\$ 24.7</u>	<u>\$ 16.9</u>	<u>\$ 14.0</u>	<u>\$ 77.8</u>
<b>Net income on GAAP basis</b>	\$ 67.1	\$ 83.2	\$ 225.5	\$ 21.5	\$ 397.3	\$ 67.1	\$ 83.2	\$ 225.5	\$ 21.5	\$ 397.3
Stock-based compensation	19.5	24.1	25.1	24.2	92.9	19.5	24.1	25.1	24.2	92.9
Inventory and fixed asset write down due to product line exits	0.3	0.1	—	—	0.4	0.3	0.1	—	—	0.4
Integration related costs	0.3	0.2	0.2	—	0.7	0.3	0.2	0.2	—	0.7
Amortization of acquired intangibles	20.7	20.9	22.0	22.1	85.7	20.7	20.9	22.0	22.1	85.7
Restructuring and related charges	—	0.2	2.9	4.6	7.7	—	0.2	2.9	4.6	7.7
Merger termination fee and related costs, net	—	—	(207.5)	—	(207.5)	—	—	(207.5)	—	(207.5)
Gain on sale of product lines	(0.4)	(0.1)	—	(0.2)	(0.7)	(0.4)	(0.1)	—	(0.2)	(0.7)
Foreign exchange (gains) losses, net	2.3	2.8	(1.3)	0.6	4.4	2.3	2.8	(1.3)	0.6	4.4
Non-cash interest expense on convertible notes and term loan	14.4	14.7	14.8	16.2	60.1	14.4	14.7	14.8	16.2	60.1
Other charges (gains)	12.7	9.1	7.5	(0.1)	29.2	12.7	9.1	7.5	(0.1)	29.2
Income tax adjustments	2.3	0.5	21.4	0.6	24.8	(5.7)	(9.8)	10.5	(7.0)	(12.0)
<b>Net income on non-GAAP basis</b>	<u>\$ 139.2</u>	<u>\$ 155.7</u>	<u>\$ 110.6</u>	<u>\$ 89.5</u>	<u>\$ 495.0</u>	<u>\$ 131.2</u>	<u>\$ 145.4</u>	<u>\$ 99.7</u>	<u>\$ 81.9</u>	<u>\$ 458.2</u>
<b>Net income per share on non-GAAP basis</b>	\$ 1.78	\$ 1.99	\$ 1.40	\$ 1.15	\$ 6.31	\$ 1.68	\$ 1.85	\$ 1.26	\$ 1.06	\$ 5.84
<b>Shares used in per share calculation - diluted on non-GAAP basis</b>	<u>78.2</u>	<u>78.4</u>	<u>79.2</u>	<u>77.5</u>	<u>78.4</u>	<u>78.2</u>	<u>78.4</u>	<u>79.2</u>	<u>77.5</u>	<u>78.4</u>

**LUMENTUM HOLDINGS INC.**  
**RECONCILIATION OF GAAP MEASURES TO NON-GAAP MEASURES**

*(in millions, except per share data)*

*(unaudited)*

Fiscal Year 2020	(Prior Method)					(New Method)				
	Q1'20	Q2'20	Q3'20	Q4'20	FY 2020	Q1'20	Q2'20	Q3'20	Q4'20	FY 2020
<b>Provision for income taxes on GAAP basis</b>	\$ 5.8	\$ 8.6	\$ 5.2	\$ 19.2	\$ 38.8	\$ 5.8	\$ 8.6	\$ 5.2	\$ 19.2	\$ 38.8
Income tax adjustments	2.9	3.4	1.1	(17.2)	(9.8)	11.6	10.5	9.9	(5.6)	26.4
<b>Provision for income taxes on non-GAAP basis</b>	<u>\$ 8.7</u>	<u>\$ 12.0</u>	<u>\$ 6.3</u>	<u>\$ 2.0</u>	<u>\$ 29.0</u>	<u>\$ 17.4</u>	<u>\$ 19.1</u>	<u>\$ 15.1</u>	<u>\$ 13.6</u>	<u>\$ 65.2</u>
<b>Net income (loss) on GAAP basis</b>	\$ 47.6	\$ 49.1	\$ 43.4	\$ (4.6)	\$ 135.5	\$ 47.6	\$ 49.1	\$ 43.4	\$ (4.6)	\$ 135.5
Stock-based compensation	16.7	20.2	19.2	17.1	73.2	16.7	20.2	19.2	17.1	73.2
Inventory and fixed asset write down due to product line exits	1.1	2.6	2.3	1.0	7.0	1.1	2.6	2.3	1.0	7.0
Integration related costs	6.6	2.9	4.7	2.9	17.1	6.6	2.9	4.7	2.9	17.1
Amortization of acquired intangibles	18.8	18.6	20.0	21.2	78.6	18.8	18.6	20.0	21.2	78.6
Amortization of inventory fair value adjustments	2.2	2.1	1.5	—	5.8	2.2	2.1	1.5	—	5.8
Restructuring and related charges	1.3	0.9	2.7	3.1	8.0	1.3	0.9	2.7	3.1	8.0
Expenses related to COVID-19 outbreak	—	—	1.6	5.5	7.1	—	—	1.6	5.5	7.1
Impairment charge	—	—	2.5	1.8	4.3	—	—	2.5	1.8	4.3
Other interest and (income) expense adjustments	—	—	(2.0)	—	(2.0)	—	—	(2.0)	—	(2.0)
Gain on sale of product lines	—	—	(13.8)	(0.7)	(14.5)	—	—	(13.8)	(0.7)	(14.5)
Foreign exchange (gains) losses, net	(1.1)	2.1	(0.7)	1.1	1.4	(1.1)	2.1	(0.7)	1.1	1.4
Non-cash interest expense on convertible notes and term loan	4.9	14.4	14.0	14.3	47.6	4.9	14.4	14.0	14.3	47.6
Other charges	16.2	9.9	3.7	11.8	41.6	16.2	9.9	3.7	11.8	41.6
Income tax adjustments	(2.9)	(3.4)	(1.1)	17.2	9.8	(11.6)	(10.5)	(9.9)	5.6	(26.4)
<b>Net income on non-GAAP basis</b>	<u>\$ 111.4</u>	<u>\$ 119.4</u>	<u>\$ 98.0</u>	<u>\$ 91.7</u>	<u>\$ 420.5</u>	<u>\$ 102.7</u>	<u>\$ 112.3</u>	<u>\$ 89.2</u>	<u>\$ 80.1</u>	<u>\$ 384.3</u>
<b>Net income per share on non-GAAP basis</b>	\$ 1.44	\$ 1.53	\$ 1.26	\$ 1.18	\$ 5.42	\$ 1.32	\$ 1.44	\$ 1.15	\$ 1.03	\$ 4.95
<b>Shares used in per share calculation - diluted on GAAP basis</b>	77.6	78.0	77.5	75.0	77.6	77.6	78.0	77.5	75.0	77.6
Non-GAAP adjustment	—	—	—	2.5	—	—	—	—	2.5	—
<b>Shares used in per share calculation - diluted on non-GAAP basis</b>	<u>77.6</u>	<u>78.0</u>	<u>77.5</u>	<u>77.5</u>	<u>77.6</u>	<u>77.6</u>	<u>78.0</u>	<u>77.5</u>	<u>77.5</u>	<u>77.6</u>

In order to give a more meaningful perspective of our tax burden over a longer-term period, and in accordance with the SEC Non-GAAP Financial Measures Compliance and Disclosure Interpretations, beginning in our fiscal fourth quarter, Lumentum is changing its method of calculating its non-GAAP income tax provision. For this quarter only, Lumentum will provide its non-GAAP tax provisions using both the prior method, focused on current year taxes, and a new method. This change in methodology will not affect the Company's non-GAAP operating profit, annual cash tax payments, or cash flows, but should result in higher reported non-GAAP tax provisions.