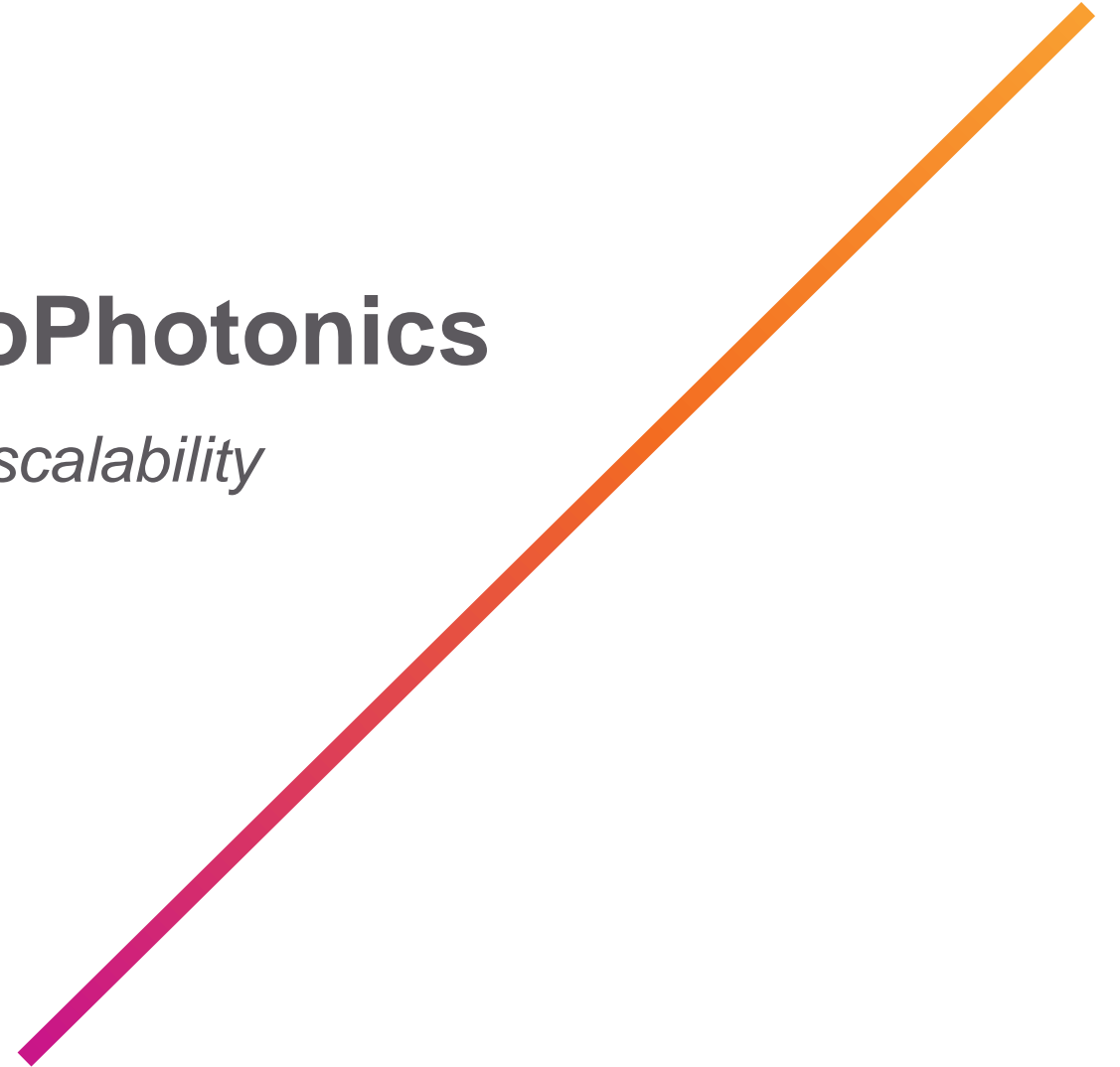




# Lumentum to Acquire NeoPhotonics

*Accelerating optical network speed and scalability*

November 4, 2021



# Cautionary note regarding forward looking statements

This communication contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements generally relate to future events, including the timing of the proposed transaction and other information related to the proposed transaction. In some cases, you can identify forward-looking statements because they contain words such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these words or other similar terms or expressions that concern the proposed transaction and our expectations, strategy, plans or intentions regarding it. Forward-looking statements in this communication include, but are not limited to, (i) expectations regarding the timing, completion and expected benefits of the proposed transaction, (ii) plans, objectives and intentions with respect to future operations, customers and the market, and (iii) the expected impact of the proposed transaction on the business of the parties. Expectations and beliefs regarding these matters may not materialize, and actual results in future periods are subject to risks and uncertainties that could cause actual results to differ materially from those projected. These risks include the risk that the transaction may not be completed in a timely manner or at all; the ability to secure regulatory approvals on the terms expected in a timely manner or at all; the effect of the announcement or pendency of the transaction on our business relationships, results of operations and business generally; risks that the proposed transaction disrupts current plans and operations; the risk of litigation and/or regulatory actions related to the proposed transaction; potential impacts of the Covid-19 pandemic; changing supply and demand conditions in the industry; and general market, political, economic and business conditions. The forward-looking statements contained in this communication are also subject to other risks and uncertainties, including those more fully described in filings with the Securities and Exchange Commission, including reports filed on Form 10-K, 10-Q and 8-K and in other filings made by NeoPhotonics and Lumentum with the SEC from time to time and available at [www.sec.gov](http://www.sec.gov). These forward looking statements are based on current expectations, and with regard to the proposed transaction, are based on Lumentum's and NeoPhotonics' current expectations, estimates and projections about the expected date of closing of the proposed transaction and the potential benefits thereof, its business and industry, management's beliefs and certain assumptions made by NeoPhotonics and Lumentum, all of which are subject to change.

The parties undertake no obligation to update the information contained in this communication or any other forward-looking statement.

## Additional information and where to find it

This communication is being made in respect of a proposed business combination involving Lumentum and NeoPhotonics. NeoPhotonics will file relevant materials with the Securities and Exchange Commission (the “SEC”) in connection with the proposed transaction, including a proxy statement on Schedule 14A. Under the proposed terms, promptly after filing its proxy statement with the SEC, NeoPhotonics will mail or otherwise make available the proxy statement and a proxy card to each stockholder entitled to vote at the annual meeting relating to the proposed transaction. NEOPHOTONICS STOCKHOLDERS AND OTHER INVESTORS ARE ADVISED TO CAREFULLY READ THESE MATERIALS (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC IN RESPECT OF THE PROPOSED TRANSACTION WHEN THEY BECOME AVAILABLE, AS THOSE DOCUMENTS WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND THE PARTIES TO THE PROPOSED TRANSACTION.

LUMENTUM AND NEOPHOTONICS URGE INVESTORS AND SECURITY HOLDERS TO READ THE PROXY STATEMENT AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.

Investors and security holders will be able to obtain these materials (when they are available and filed) free of charge at the SEC’s website, [www.sec.gov](http://www.sec.gov). Copies of documents filed with the SEC by Lumentum (when they become available) may be obtained free of charge on Lumentum’s website at [www.lumentum.com](http://www.lumentum.com) or by contacting Lumentum’s Investor Relations Department at [investor.relations@lumentum.com](mailto:investor.relations@lumentum.com). Copies of documents filed with the SEC by NeoPhotonics (when they become available) may be obtained free of charge on NeoPhotonics’ website at <https://ir.NeoPhotonics.com> or by contacting NeoPhotonics’ Investor Relations at [ir@neophotonics.com](mailto:ir@neophotonics.com).

## Participants in the solicitation

The directors and executive officers of NeoPhotonics may be deemed to be participants in the solicitation of proxies from the stockholders of NeoPhotonics in connection with the proposed transaction. Information regarding the interests of these directors and executive officers in the transaction described herein will be included in the proxy statement described above. Additional information regarding NeoPhotonics’ directors and executive officers is also included in NeoPhotonics’ proxy statement for its 2021 Annual Meeting of Stockholders, which was filed with the SEC on April 16, 2021. These documents are available free of charge as described in the preceding paragraph.

# Call Participants



**Alan Lowe**

President & Chief Executive Officer, Lumentum



**Tim Jenks**

President, Chief Executive Officer & Chairman, NeoPhotonics



**Wajid Ali**

Executive Vice President and Chief Financial Officer, Lumentum



**Chris Coldren**

Senior Vice President, Strategy and Corporate Development, Lumentum

Releasing the power of light  
to create a brighter future

 LUMENTUM + Ne•Photonics

# Combination addresses large and growing markets



+



*Revenue mix:*

## 60% Cloud and Networking

- ROADM and amplification components and modules
- InP photonic integrated circuit components and modules

## 40% 3D Sensing, LiDAR, and Advanced Manufacturing

- High-performance VCSEL array and edge emitter illuminators
- Commercial lasers for materials processing applications

*Revenue mix:*

## 100% Cloud and Networking

- Ultra-pure light external cavity tunable lasers
- Silicon photonic based components and transceivers
- High-speed coherent modules and components
- Passive and PLC components
- GaAs and SiGe RF ICs

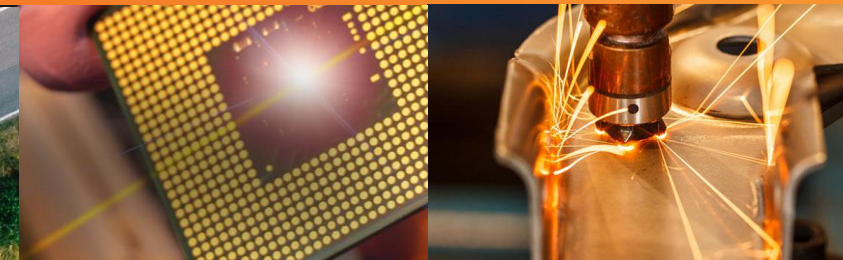
### CLOUD AND NETWORKING



### 3D SENSING AND LIDAR



### ADVANCED MANUFACTURING



**\$20B COMBINED AVAILABLE MARKET**

# Compelling strategic merits of the combination



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**Comprehensive portfolio for the significant next-gen 400G+ network opportunity**

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**Creates better partner for customers with enhanced relevance and global scale**

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**Accelerated innovation with combined R&D and technology capabilities globally**

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**Well-positioned to pursue attractive growth opportunities in new markets**

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**More than \$50 million in annual run-rate cost synergies within 24 months of closing**

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# Photonics are at the forefront of many long-term trends

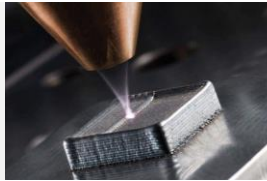


DNA sequencing  
Pharmaceutical screening  
Bio detection and analysis

**Demographics  
and Power of  
Genomics**

**New  
Materials, Processes,  
and Precision in  
Industrial Applications**

Laser cutting and welding  
Additive manufacturing



4G→5G→next-gen mobile  
Flex, glass, PCB  
LCD→ OLED / uLED

**New  
Materials  
and Precision in  
Microelectronics**

**Energy  
Efficiency and  
Climate Change  
Concerns**

Electric vehicles  
Green manufacturing

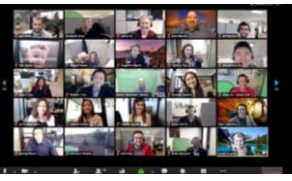


Cloud  
Data centers  
AI

**Compute and  
Content Storage  
and Delivery**

**Security  
Needs**

Biometric security  
Cashless transactions  
Secure access control



HD→ 4K→8K  
Work from home  
Telehealth  
Remote learning

**Increasing  
Bandwidth  
Requirements**

**Emergence of  
AR / VR and  
Computational  
Imaging**

Entertainment  
Education  
Remote work  
Ease of life

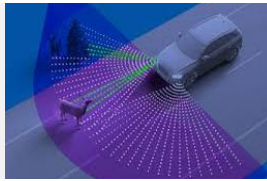


5G wireless  
Streaming video  
IOT

**Trends in Data  
Consumption  
and Mobility**

**Machine  
Vision  
Revolution**

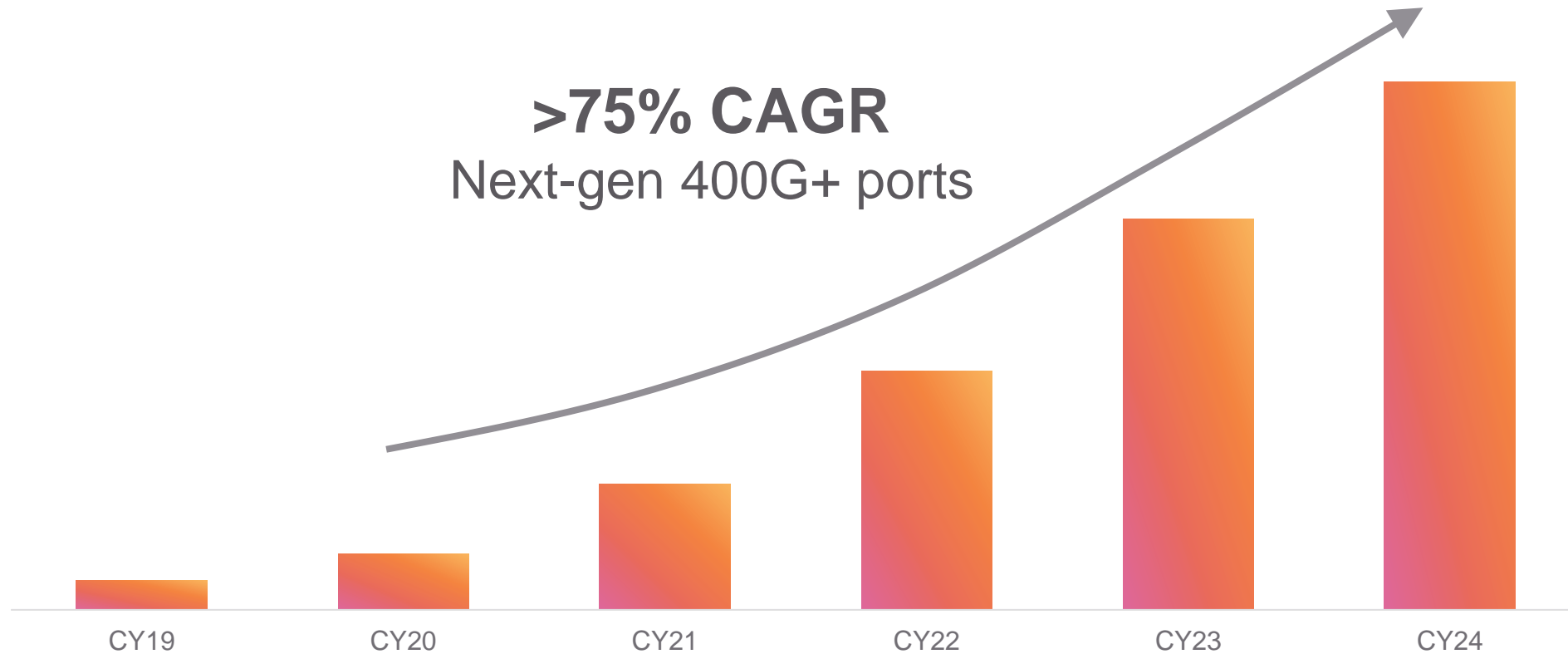
LiDAR for ADAS & AVs  
Smart infrastructure  
Industry 4.0



**PHOTONICS ARE  
A CRITICAL AND  
ENABLING  
TECHNOLOGY**

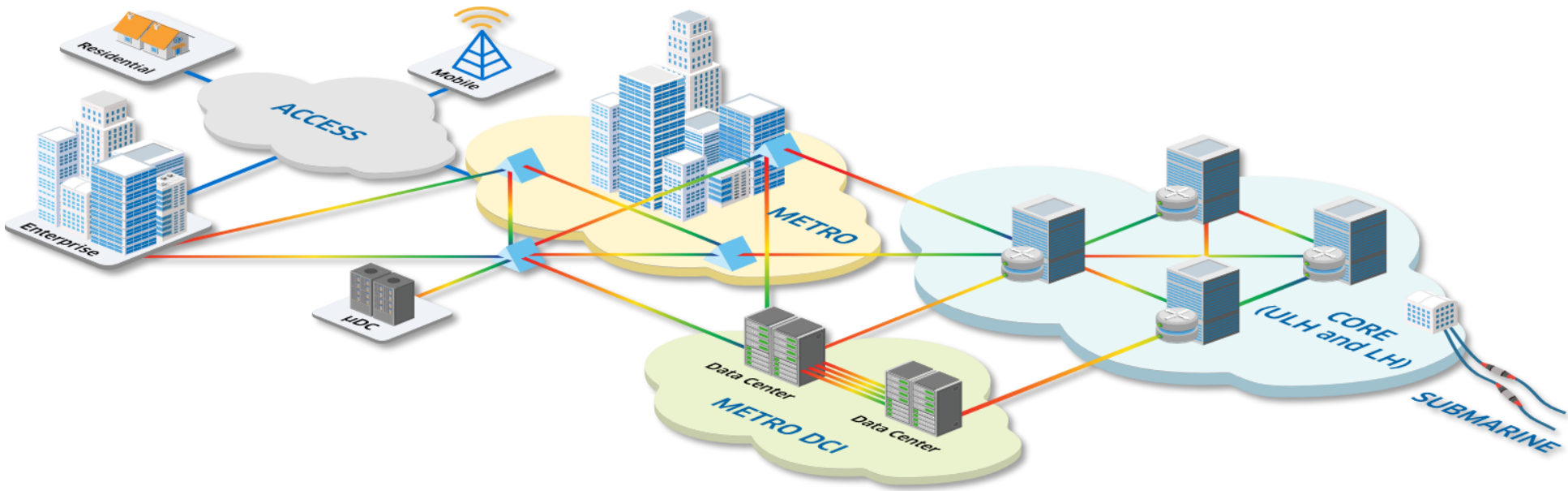
# Significant next-gen 400G+ opportunity

Transition to higher-speeds and strong port growth enable the staggering 30% CAGR for Internet bandwidth



# Comprehensive portfolio for next-gen 400G+ networks

Combination results in an end-to-end portfolio - from edge to core and inside and in between cloud datacenters



RFICs

Datacom Lasers

DWDM Access

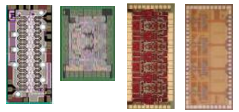
Coherent Components

Pluggable Coherent Transceivers

Optical Amplifiers

ROADMs

Networking Subsystems



Drivers and TIAs



DML EML VCSEL  
DFB For SiPho



Tunable XFP/SFP+



HB-ICR  
Nano-ITLA  
HB-CDM  
HB-ICT



100G/200G ACO  
400G DCO  
400ZR QSFP-DD



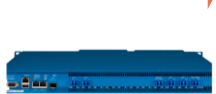
EDFAs



WSS

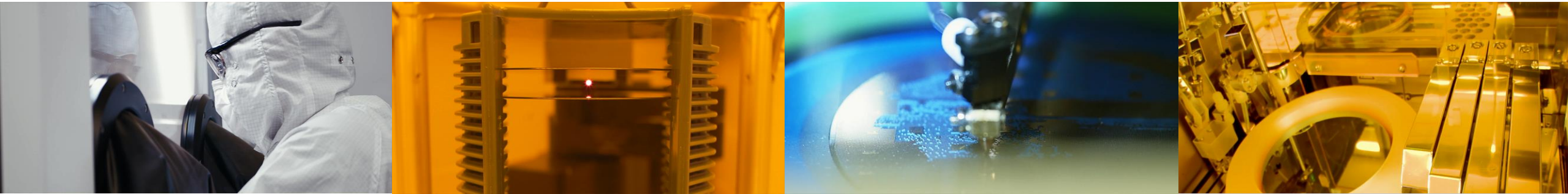


Circuit Packs



Transport Solutions

# Broader combined expertise in underlying technologies



Gallium Arsenide  
(GaAs)

Indium Phosphide  
Photonic ICs

LCoS

**Experts in materials and device physics**

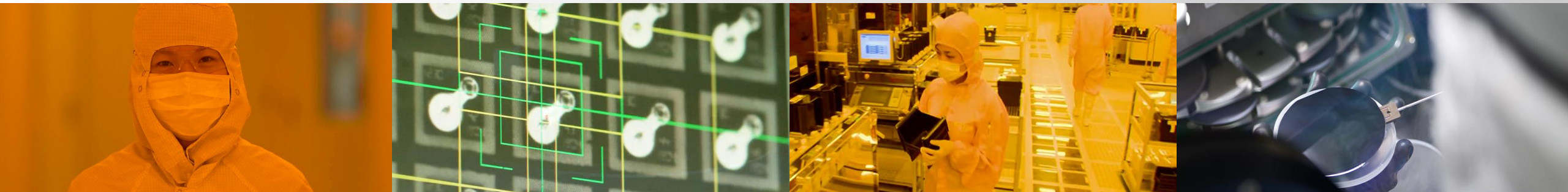
*Design • Process • Know-How • Wafer Production*

Silica on  
Silicon

Silicon  
Photonic ICs

Indium Phosphide  
(InP)

Silicon Germanium  
(SiGe)



# Technology shared across a range of applications

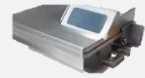
Combination expands broadly applicable technology platforms

**Electronics and Software**

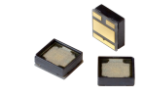
**Advanced Packaging and RF Design**

**Photonic and Electronic Semiconductor Chip Design and Fabrication**

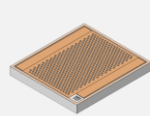
## 3D Sensing and LiDAR



LIDAR Modules



3D Sensing Illuminator Modules



VCSEL Arrays



3DS EEL



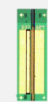
VCSEL



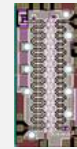
EML



DML



DFB for SiPho



Driver for SiPho

## Telecom and Datacom



OSFP 400G ZR/ZR+



QSFP-DD 400G ZR/ZR+



Coherent Transceiver Modules



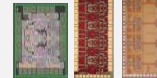
Nano-ITLA



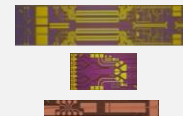
Integrated Coherent Sub-Assemblies



TOSAs



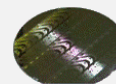
Drivers and TIAs



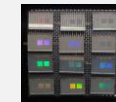
InP PIC  
Coherent Modulators, Lasers, & Receiver PICs



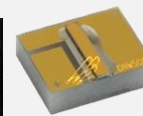
Silicon Photonic PIC  
Coherent Modulators, Lasers, & Receiver PICs



PLC



LCoS



Telecom Pump



Line Cards and Grayboxes



WSS Modules



Amplifier Modules

## Commercial Lasers



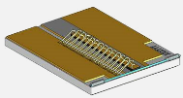
Laser Systems



Laser Engines



Industrial Pump Lasers



Industrial Diode Lasers

# Transaction overview

## Transaction terms

- \$16.00 in cash per share of NeoPhotonics common stock
- Approximately \$918 million equity value
- \$50 million in term loans to NeoPhotonics for growth capex and working capital

## Sources of financing

- Cash from combined company's balance sheet

## Projected synergies & accretion

- More than \$50 million in annual run-rate cost synergies within 24 months of closing
- More than 60% of synergies in Cost of Goods Sold
- Immediately accretive to non-GAAP EPS

## Approvals & expected closing

- Approval by NeoPhotonics stockholders
- Regulatory approvals and other customary closing conditions
- Expected to close second half of calendar 2022

# Combination creates benefits for stakeholders



## Customers

- Best-in-class capabilities with expanded technology and product portfolio
- Financial strength with intention to invest strongly in innovation and manufacturing capacity
- Combined global R&D innovation engine focused on accelerating customer roadmaps and fundamental technology innovation
- Customer-centric culture with track record of operational excellence



## Employees

- Strong cultural alignment, with a focus on engineering, innovation, and customer experience
- Broader market scope, larger global footprint, and increased scale
- New and exciting opportunities for career growth, including in new roles and in new markets



## Investors

- High exposure to long-term growth trends
- Best-in-class financial model with strong operating leverage
- Solid balance sheet and strong cash flows
- Financial flexibility to continue to invest in growth initiatives and expanding addressable markets

Thank you

