

 LUMENTUM +  cloudlight

Lumentum to Acquire Cloud Light to Accelerate Data Center Speed and Scalability

October 30, 2023

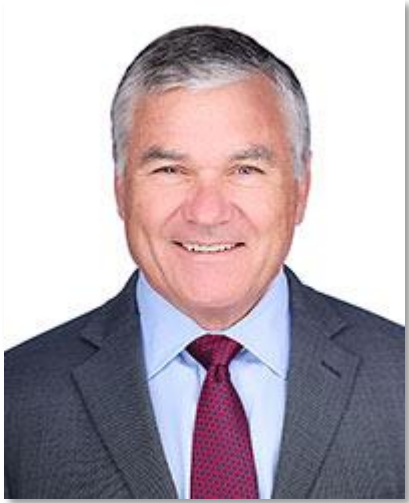
 LUMENTUM

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) expectations and beliefs with respect to customers, the opportunity and market that the combined company will serve, products and technologies of the combined company and future operations, and (iii) the expected impact of the proposed transaction on Lumentum’s business and financial results. 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; 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 Lumentum’s Annual Report on Form 10-K for the fiscal year ended July 1, 2023 as well as other filings made Lumentum with the SEC from time to time and available at www.sec.gov. These forward-looking statements are based on current expectations, and with regard to the proposed transaction, are based on Lumentum’s 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 Lumentum, all of which are subject to change.

Lumentum undertakes no obligation to update the information contained in this communication or any other forward-looking statement.

Call Participants



Alan Lowe

President and
Chief Executive Officer



Wajid Ali

Executive Vice
President and
Chief Financial Officer



Chris Coldren

Senior Vice President, Chief
Strategy and Corporate
Development Officer

Compelling Strategic and Financial Benefits

Capture AI inflection with expanded intra-data center opportunity

- *>5x expansion in Lumentum's intra-data center served opportunity*
- *>90% 400G+ in LTM Cloud Light revenue*
- *>50% 800G in LQ Cloud Light transceiver revenue*

Better equipped to address future customer roadmaps

- *Chip-scale photonic integration*
- *Advanced data transmission technology*
- *Manufacturing scale through automation*

Better partner to cloud and AI infrastructure customers

- *Broad product portfolio*
- *Global manufacturing with security of supply*
- *Lower cost roadmaps with vertical integration*

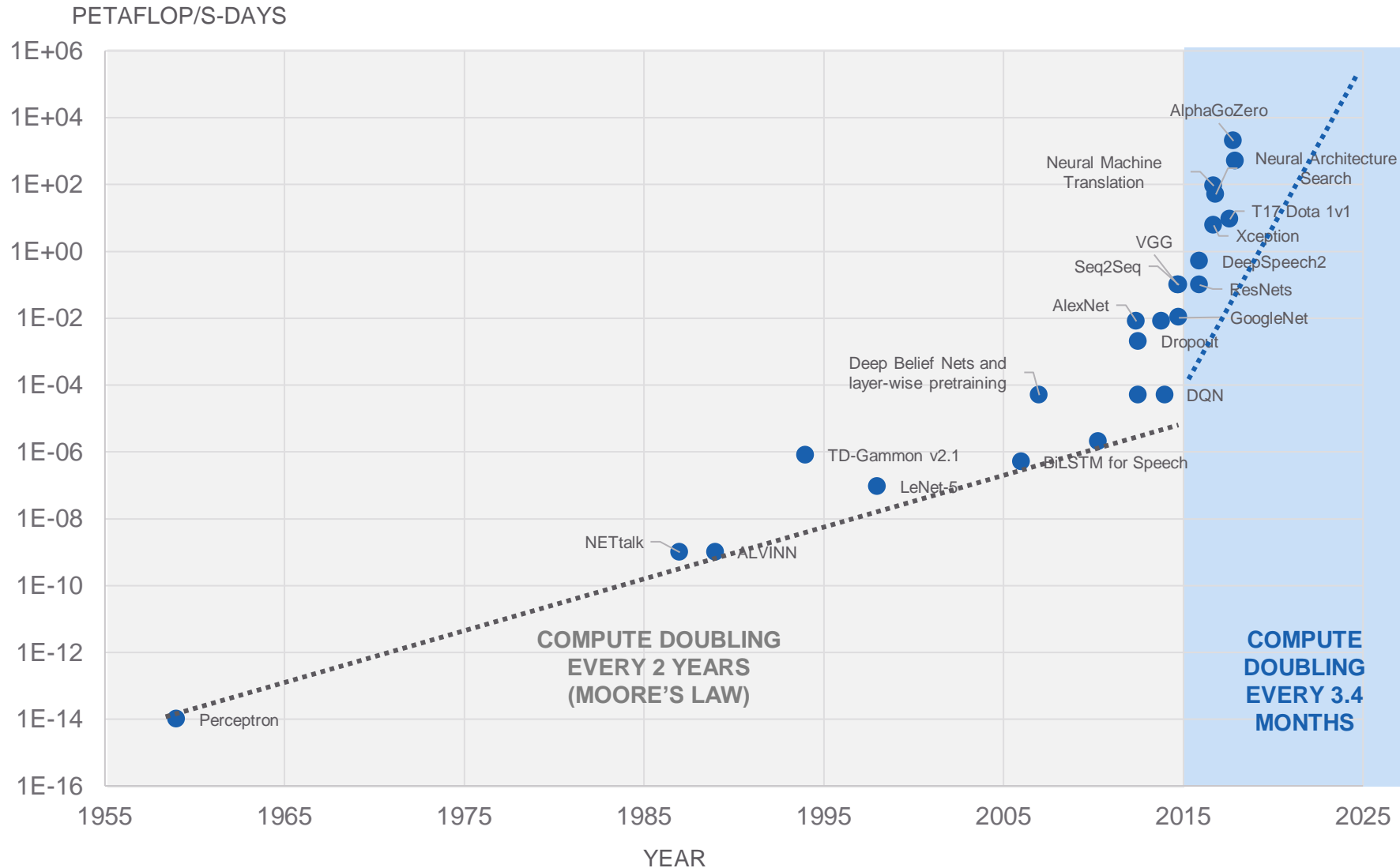
Amplifies edge and metro networking opportunity

- *Growing number of module applications benefit from new high-volume transceiver supplier*

Immediately accretive to EPS; accelerates revenue growth

Note: LTM = Last Twelve Months, covering Oct 2022 to Sept 2023;
LQ = Last Quarter, covering quarter ended September 2023

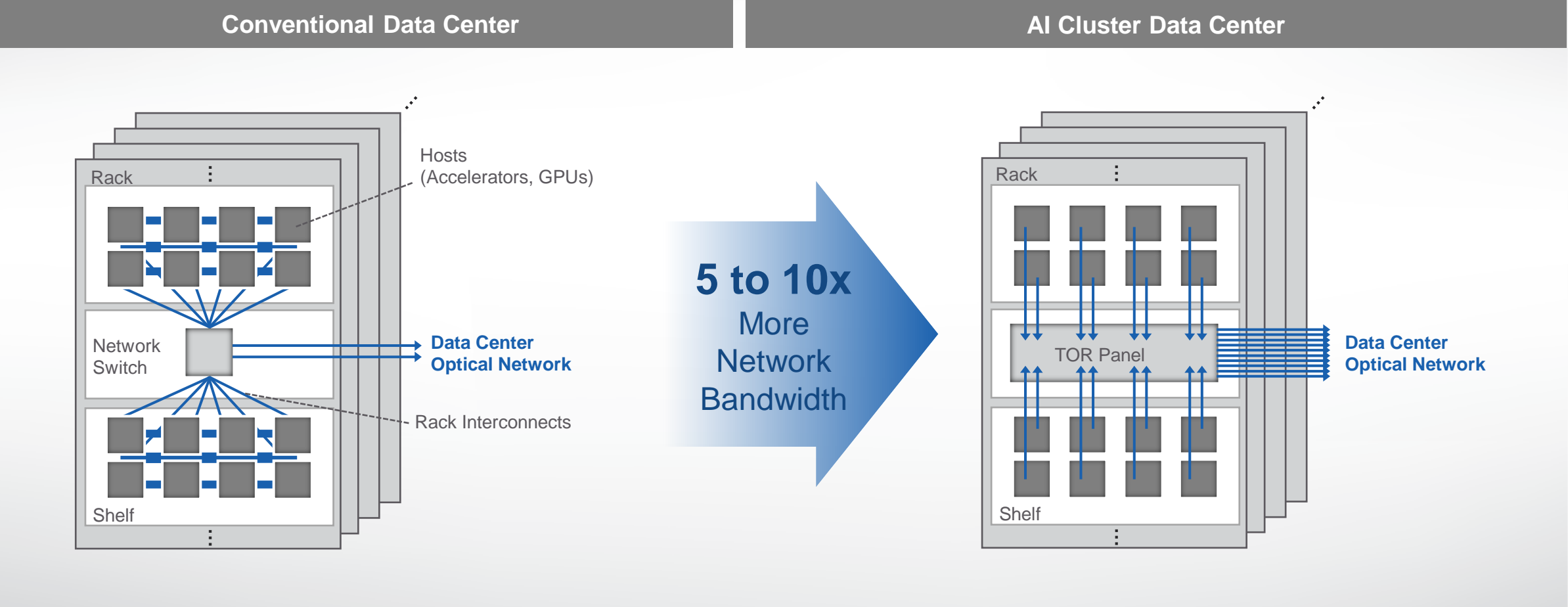
AI Models Driving Major Inflection in Compute Workloads



***AI workloads
outpacing
Moore's Law***

Source: OpenAI; publicly available on Openai.com: AI and Compute Research Report

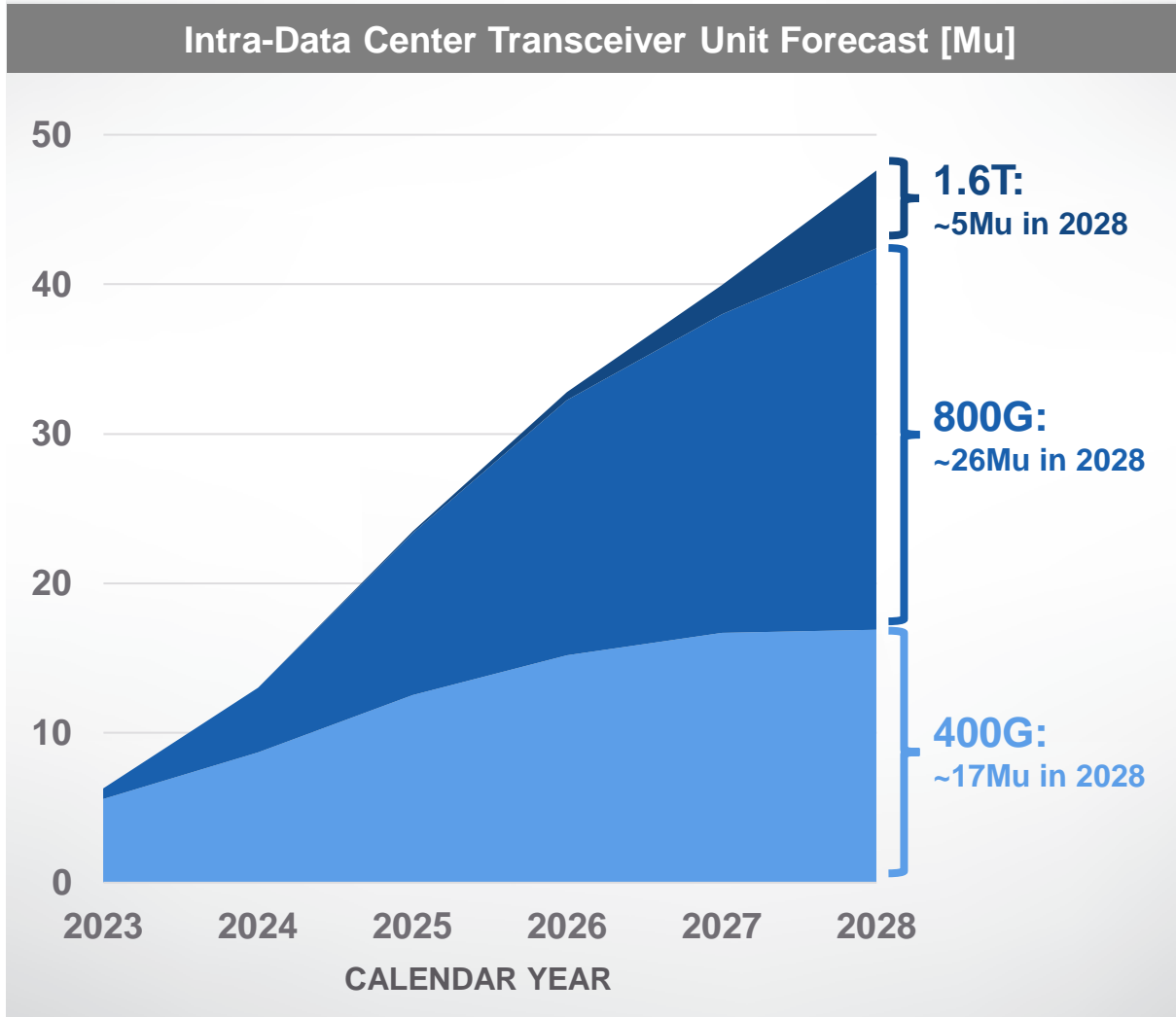
5 to 10x Increase Needed in Network Bandwidth



Optics enable highly parallelized AI workloads with lower latency and improved scalability

Source: Meta, "Optical Interconnects in Data Centers with Rob Stone"; <https://www.youtube.com/watch?v=G-jtmCdeuQ>

Demand for High-Speed Transceivers Rising Rapidly

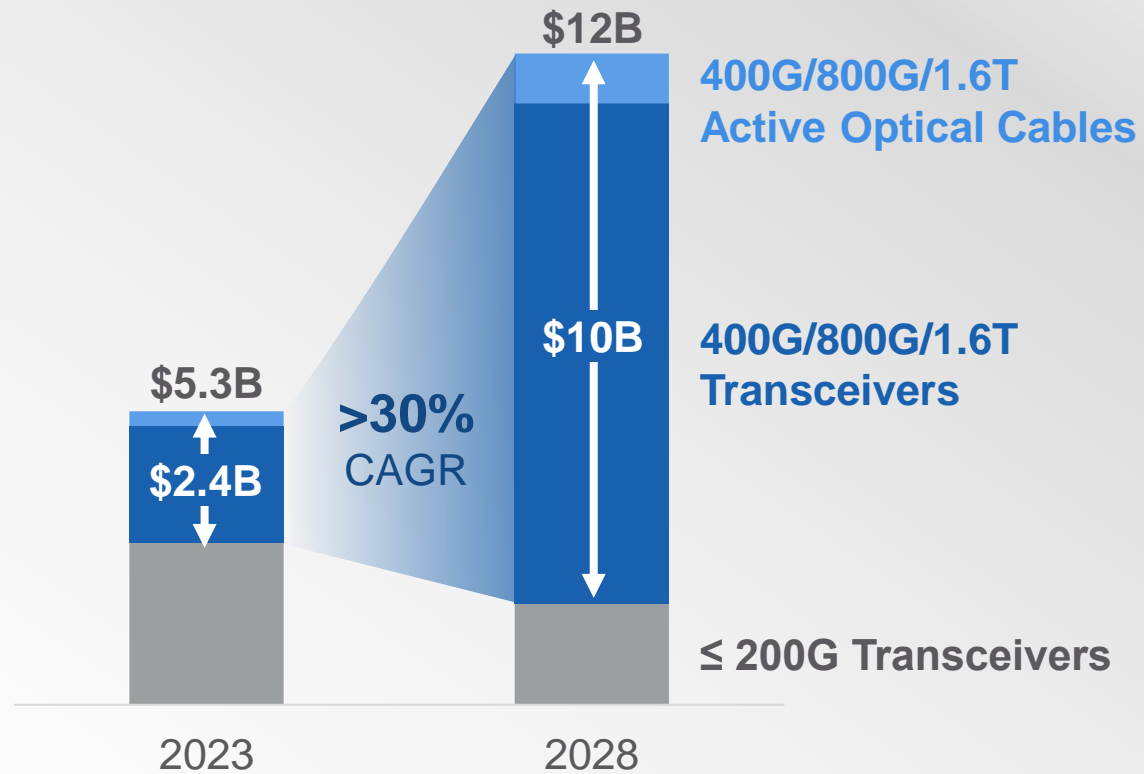


*Optical network needs
to keep pace with
deployment of AI
compute*

Source: LightCounting Mega Datacenter Report, July 2023

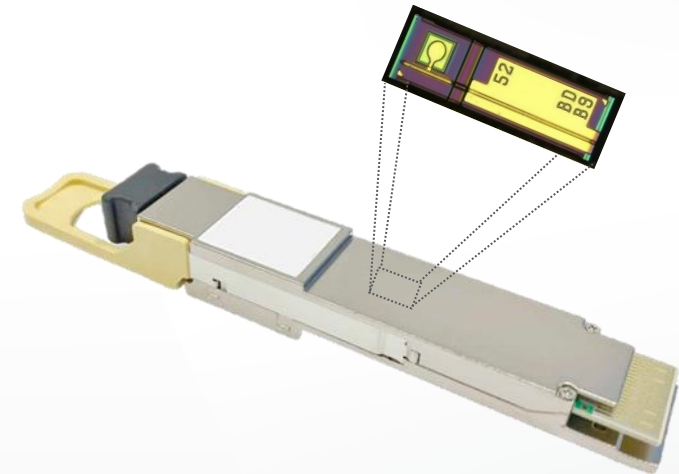
Intra-Data Center Transceiver Opportunity to Grow >30% CAGR

Intra-Data Center Transceiver Served Opportunity



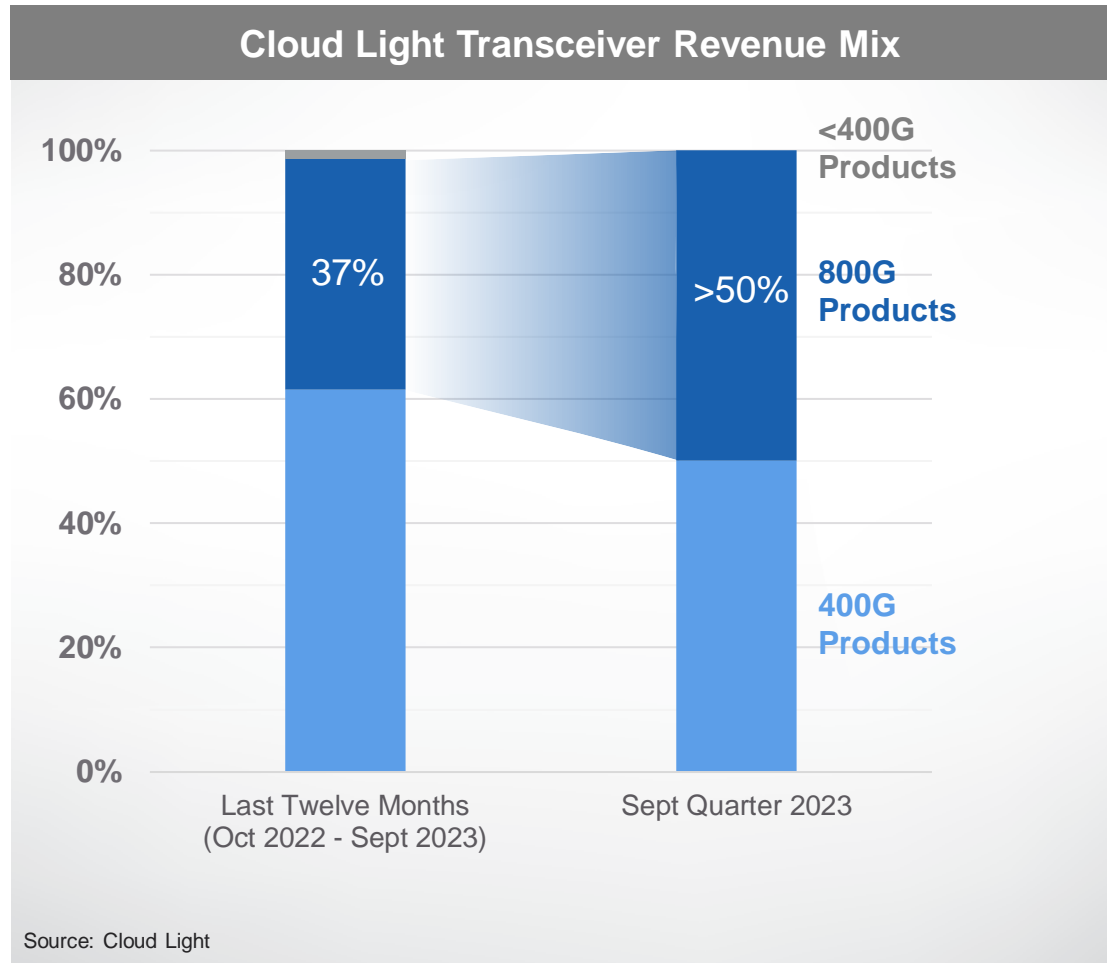
Source: LightCounting Mega Datacenter Report, July 2023; LightCounting Integrated Optics Forecast, May 2023

Laser Transmitter IC:
10-20% of Transceiver
Revenue Opportunity



Transceiver Sales Generate
Over 5x Expansion
in Lumentum's Intra-Data Center Opportunity

Offering Advanced Transceivers at High Manufacturing Scale



Cloud Light Manufacturing Expertise

- OPTOELECTRONICS PACKAGING**: Image showing transceiver components on a printed circuit board.
- OPTOELECTRONICS ASSEMBLY**: Image showing a robotic assembly line for transceivers.
- ADVANCED TESTING**: Image showing a robotic arm performing testing on a transceiver component.
- RELIABILITY ENGINEERING**: Image showing a large industrial testing chamber or environmental test equipment.

Leading time-to-market capability through highly automated manufacturing

Lumentum Becomes Data Center Supplier of Choice

Inside the Data Center

Connectivity for High-Speed Ethernet and InfiniBand Applications

Intra-Data Center Switching

Emerging: Optical Circuit Switches (OCS)

200–800G transceivers and AOCs with 1.6T in qualification

Full suite of chips for vertical integration and cost

New opportunities for optical switching, amplification and monitoring

Outside the Data Center

Switching/Provisioning of Increasingly Dense Traffic

Long-Reach Data Center Interconnect

Full solution suite in optical switching, amplification, and monitoring

ZR/ZR+ transceivers and full suite of coherent components

Note: AOC = Active Optical Cable

Addressing Global Cloud Customer Needs in an AI Inflection



Highest-speed ICs, transceivers, and AOCs for **InfiniBand & Ethernet applications**



Security of supply through global manufacturing and component vertical integration



Track record of being **first-to-market** with technology roadmap innovation



Highly automated, proprietary in-house manufacturing for **lower cost at scale**

Addition of Cloud Light Boosts Market Opportunity and Growth



Expansion in Lumentum's **cloud intra-data center opportunity**

>5x



Growth in intra-data center transceiver opportunity, driven by AI/ML

>30%
2023-2028
CAGR



Opportunity for high-speed optical modules in data centers (2028)

\$10B+



Lumentum's **intra-data center revenue** in 12-month period following close

>2x

Immediately accretive to EPS; accelerates revenue growth

Transaction Overview

Strategic Rationale

- Squarely positioned for the **AI-driven inflection in 800G+ optical modules and AOCs**
- Commitment to long-term technology partnerships with **leading data center customers**

Transaction Terms

- Approximately **\$750 million** consideration, subject to customary adjustments
- Transaction paid in cash and assumption and substitution of outstanding unvested options at closing

Financial Benefits

- **Immediately accretive** to non-GAAP earnings per share
- More than doubles Lumentum's **data center revenue** in 12-mo period following deal close
- LTM Cloud Light revenue of >\$200 million expected to grow at **>30% CAGR**
- Expect Cloud Light non-GAAP op margins in the **high teens** within 24 months of close

Approvals and Expected Closing

- Subject to regulatory approvals and other customary closing conditions
- Expected to close **by end of calendar 2023**

Note: CAGR is 2023 to 2028 and LTM is Last Twelve Months



Thank You