Q4 FY20 Conference Call

August 11, 2020

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 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 synergies and non-GAAP earnings accretion related to the acquisition of Oclaro will not be realized or realized to the extent anticipated or that Lumentum will incur significant costs to achieve such synergies; and (i) the risk that Lumentum's financing or operating strategies will not be successful; (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 March 28, 2020 as filed with the Securities and Exchange Commission, and in our other filings with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the fiscal year ended June 27, 2020, which will be filed within sixty days of our fiscal year end. 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 fourth quarter and full year 2020 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.

Overview

Completed fifth year as a standalone public company with record revenue, margins and earnings

- The world is accelerating its shift toward digital and virtual approaches to work, education, healthcare, entertainment, social interaction, and commerce

- Lumentum is focused on enabling these durable long-term global trends
  - Expanding the bandwidth and scale of cloud datacenters
  - Expanding the bandwidth and flexibility of communications networks
  - Increasing the bandwidth of 5G wireless fronthaul and backhaul networks
  - Enabling computer vision - biometric security, AR/VR, LiDAR and computational photography
  - Higher precision, more energy efficient and lower total cost of ownership materials processing for manufacturing and semiconductor device and consumer electronics production

- Our strategy of technology and product leadership closely aligned with customers is even more apt in the COVID-19 and post-COVID-19 times

- Our market and technology leadership positions and financial strength position us well for the future

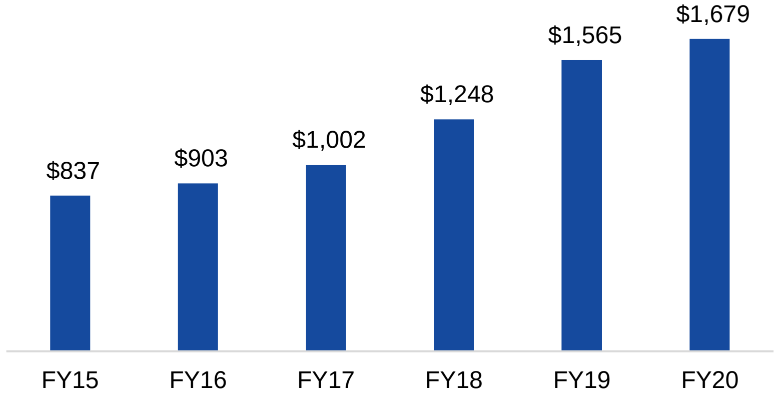
- We intend to invest strongly in innovation and new customer programs

FY20 Key Points

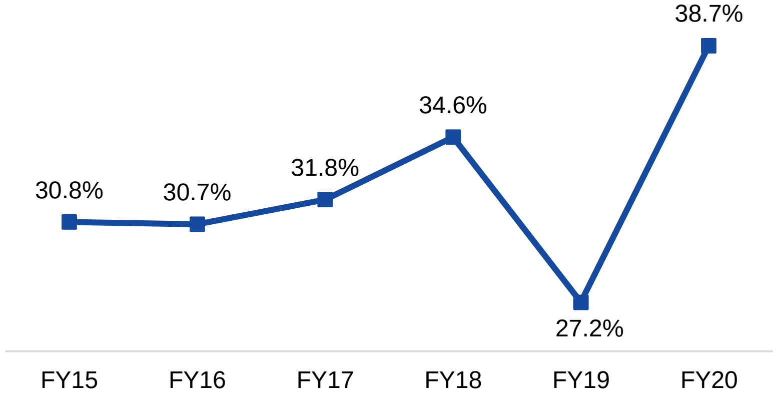
- Revenue up 7% Y/Y to $1.7 billion despite:
  - Approximately $100 million impact from COVID-19
  - $90 million reduction Y/Y in low margin revenue from discontinued product lines
  - $62 million of revenue from discontinued product lines remained in FY20
- Innovative new products & acquisition synergies drove significant margin and EPS gains
  - Non-GAAP gross margin up 700bps Y/Y to 46.5%,
  - Non-GAAP operating margin up 610 bps Y/Y to 26.6%
  - Non-GAAP EPS up 28% Y/Y to $5.42
  - Cash flow from operations $524 million
- Key new products position us well for future trends
  - Contentionless MxN and high-port count ROADMs to enable network capacity scaling
  - PIC based components and DCO modules to enable scaling to even higher network bandwidths
  - PAM4 and high-speed EMLs and DMLs to enable next generation datacenters and 5G networks
  - Highly-efficient VCSEL arrays for next generation contact-less biometric authentication, computation photography, LiDAR, and other computer vision applications
  - Ultra-fast solid-state lasers for demanding semiconductor and display manufacturing applications
- Healthy Balance Sheet and Capital Structure
  - FY20 ending cash and short-term investments of $1.55 billion
  - Flexible, low cash-cost convertible debt face value at $1.50 billion

Financial Trends FY15 to FY20 (GAAP)

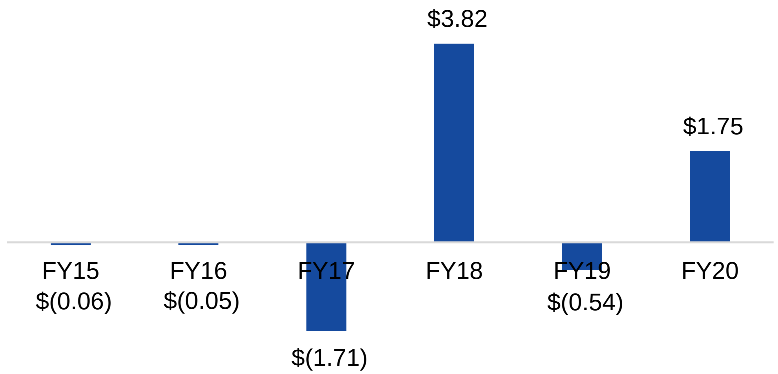
Net Revenue (M)



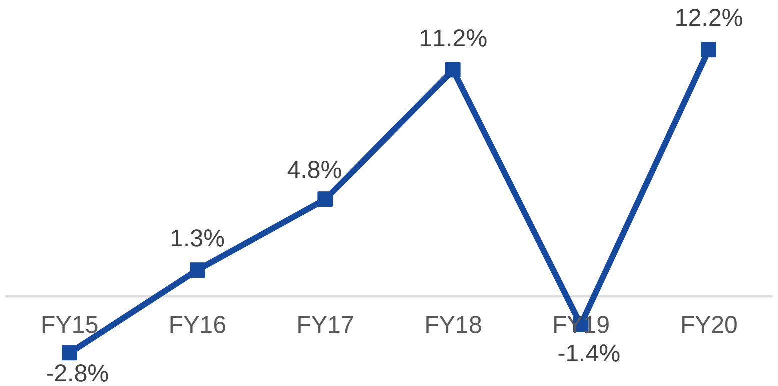
GAAP Gross Margin (% of revenue)



GAAP Earnings Per Share



GAAP Operating Margin (% of revenue)



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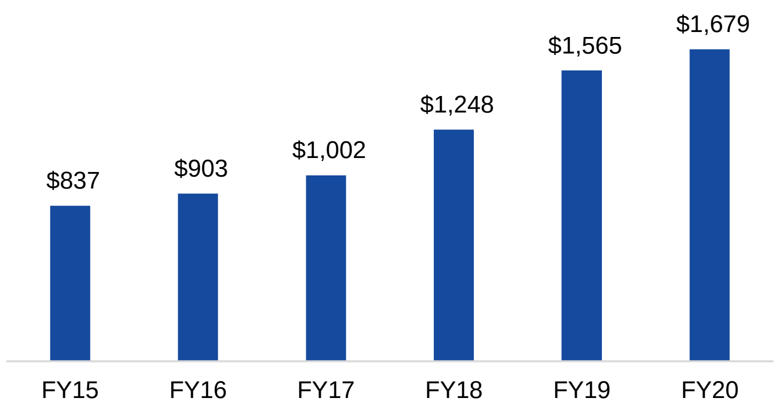
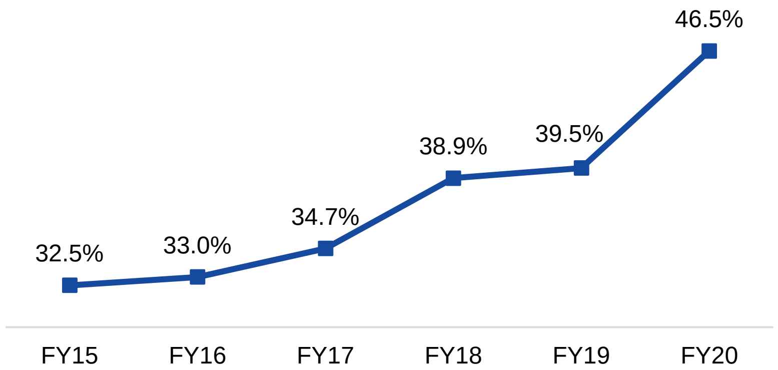
Financial Trends FY15 to FY20 (Non-GAAP)

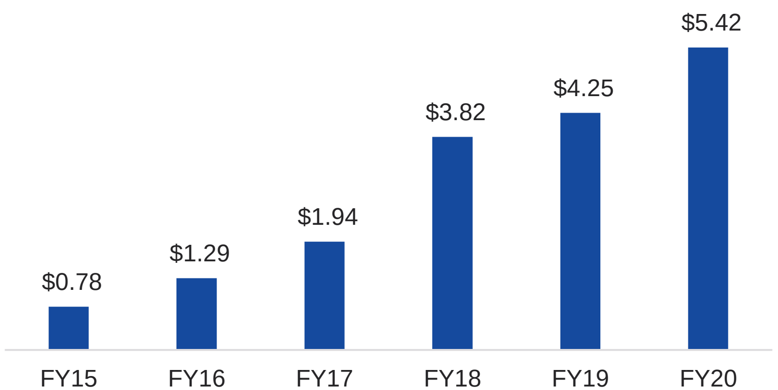
Net Revenue (M)



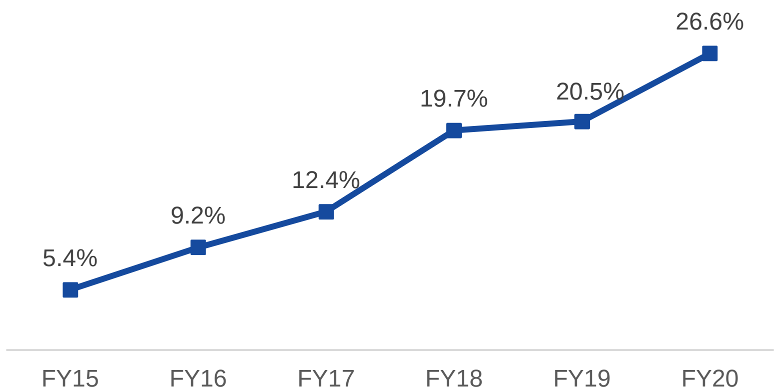
Non-GAAP Gross Margin (% of revenue)



Non-GAAP Earnings Per Share



Non-GAAP Operating Margin (% of revenue)



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Q4FY20 Key Points

- Strong market demand combined with solid execution against COVID-19 supply constraints drove performance above high-end of guidance on all metrics
- Strong non-GAAP gross margins despite COVID-19 impacted revenue levels
  - Expanded 170 bps Q/Q and 830 bps Y/Y
  - Improving product mix, operational efficiency, and impact of acquisition synergies
- Telecom and Datacom:
  - Q4 revenue limited by impact of COVID-19
  - Production exited quarter above pre-pandemic levels
  - Telecom Transmission ramping new high baud rate components and DCO modules
  - Telecom Transport ramping next generation contentionless MxN and high-port count ROADMs
  - Datacenter chip mix improving – higher speeds, PAM4 and 5G designs
- Industrial & Consumer:
  - Revenue exceeded guidance assumptions due to stronger demand
  - Ramping shipments of next generation chips for biometric authentication, computational photography, and LiDAR
- Lasers:
  - Revenue decline lower than expected with strong sales into semiconductor fabrication end-market partially offsetting significant fiber laser sales declines driven by macro economy slowdown

Q4 FY20 Results (GAAP)

$ in millions *except for EPS, % of revenue*	Q4 FY20		Q3 FY20		Q4 FY19	
Revenue	**$368.1**		**$402.8**		**$404.6**	
Gross Margin	**135.7**	*36.9%*	**157.7**	*39.2%*	**86.8**	*21.5%*
Operating Expenses	**108.7**	*29.5%*	**115.2**	*28.6%*	**100.6**	*24.9%*
Operating Income (Loss)	**27.0**	*7.3%*	**42.5**	*10.6%*	**(13.8)**	*(3.4)%*
Diluted EPS	**$(0.06)**		**$0.56**		**$(0.34)**	
Diluted Shares-M	**75.0**		**77.5**		**76.5**	

Q4 FY20 Results (Non-GAAP)

$ in millions *except for EPS, % of revenue*	Q4 FY20		Q3 FY20		Q4 FY19	
Revenue	**$368.1**		**$402.8**		**$404.6**	
Gross Margin	**173.9**	*47.2%*	**183.4**	*45.5%*	**157.4**	*38.9%*
Operating Expenses	**82.5**	*22.4%*	**82.7**	*20.5%*	**80.7**	*19.9%*
Operating Income	**91.4**	*24.8%*	**100.7**	*25.0%*	**76.7**	*19.0%*
Diluted EPS	**$1.18**		**$1.26**		**$0.91**	
Diluted Shares-M	**77.5**		**77.5**		**77.1**	

Q4 FY20 Segment Results

$ in millions	Q4 FY20	Q3 FY20	Q4 FY19
Revenue	**$368.1**	**$402.8**	**$404.6**
Optical Communications	330.3	359.3	356.8
Telecom & Datacom	256.4	251.0	269.2
Industrial & Consumer[1]	73.9	108.3	87.6
Commercial Lasers	37.8	43.5	47.8
Gross Margin (Non-GAAP)	**47.2 %**	**45.5%**	**38.9%**
Optical Communications	46.6 %	45.0%	38.3%
Commercial Lasers	52.9 %	49.7%	43.5%

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

Balance Sheet

Selected Items *$ in millions*	Q4 FY20	Q3 FY20
Cash and Short-term Investments	$1,553.8	$1,451.4
Working Capital[1]	213.2	224.9
Property, Plant & Equipment, net	393.0	410.1
Total Assets	3,292.6	3,268.7
Total Liabilities	1,543.4	1,534.5
Shareholder's Equity	1,749.2	1,734.2

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

Q1 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

$ in millions *except for EPS, % of revenue*	**Q4 FY20** *Actual*	**Q1 FY21** Guidance
Revenue	$368.1	$430 - $455
Operating Margin	24.8%	28.0% – 30.0%
Diluted EPS	$1.18	$1.40 - $1.55

- Revenue projection assumes:
  - Telecom & Datacom up Q/Q with strong market demand and recovery from COVID19 constraints
  - Industrial & Consumer up strongly Q/Q due to seasonal consumer electronics product cycle
  - Commercial lasers down Q/Q by approximately 25% due to global industrial production slow down and seasonality

- Discontinued Telecom & Datacom product line assumptions:
  - $7 million in Q4FY20; expect decline of $4 million to $5 million in Q1FY21

- Other assumptions:
  - Other Income of $1.5 million – down due to lower interest rates and more conservative short-term investments
  - Non-GAAP tax expense of $13 million

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