

Q1 FY25 Conference Call

November 7, 2024



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 include statements regarding: our belief and expectations with respect to our strategies, our technology, any anticipation or guidance as to demand for our products and technology from our customers, including drivers of that demand, orders, and timing of fulfilling orders, statements regarding future revenue and revenue growth and trends in our markets, and our guidance with respect to future net revenue, non-GAAP diluted earnings per share, and non-GAAP operating margins, and related assumptions. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected. Among the factors that could cause actual results to differ from those contemplated are: (a) uncertainty and volatility in the global markets, including uncertainty and volatility in the macroeconomic environment, volatility and uncertainty in banking and financial services sectors, inflationary pressures, changes in the political or economic environment, such as geopolitical conflicts, war, trade and export restrictions and the imposition of tariffs or other duties, and the effect of such market disruptions on demand for our products, technology spending by our customers and our ability to obtain components for our products; (b) quarter-over-quarter product mix fluctuations, which can materially impact profitability measures due to the broad gross margin ranges across our portfolio; (c) decline of average selling prices across our businesses or increase in costs, either of which will also decrease our margins; (d) effects of seasonality; (e) the ability of our suppliers and contract manufacturers to meet production, quality, and delivery requirements for our forecasted demand; (f) changes in customer demand, including due to changes in inventory practices and end-customer demand; (g) our ability to attract and retain new customers, particularly in the cloud photonics and imaging and sensing markets; (h) the risk that our markets will not grow or develop as expected or that our strategies and ability to compete in those markets are not successful, (i) the risk that Lumentum's financing or operating strategies will not be successful; and (j) failure to successfully integrate Cloud Light into our business or that we will not achieve the expected benefits. For more information on these and other risks, please refer to the "Risk Factors" section included in the Company's Annual Report on Form 10-K for the fiscal year ended June 29, 2024, filed with the Securities and Exchange Commission (the "SEC") and the Company's other filings with the SEC, including the Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2024 to 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 first quarter of 2025 earnings press release which is available on our web site, www.lumentum.com, under the investors section. During the first fiscal quarter of 2025, the Company refined its methodology to report non-GAAP measures. Prior period non-GAAP financial measures presented herein have been recast to conform to the current presentation. The change does not impact the Company's financial position, cash flows, or GAAP consolidated results of operations.

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, integration related costs, non-GAAP income tax reconciling adjustments, foreign exchange gains and losses, net, 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.

Q1 FY25 Key Points

■ Total Company

- Q1 revenue and non-GAAP EPS exceeded guidance ranges
- Growing cloud customer base
- Expansion of our cloud and AI data center manufacturing capacity outside of China tracking to plan
- Executing on differentiated roadmap; collaborating with cloud and AI customers to shape the future of optical technology

■ Cloud & Networking

- Secured additional hyperscale transceiver customer orders beyond previously announced awards
- Set new record in EML orders reflecting strong demand from multiple customers
- Received substantial 200G EML orders from transceiver customers and AI infrastructure customer
- Improving demand trends in broader networking market

■ Industrial Tech

- Challenged due to weak industrial end markets
- Traction in new semiconductor and advanced chip packaging applications to support high-performance computing
- Delivered FemtoBlade lasers for thin film and advanced display applications

Q1 FY25 Results (GAAP)

<i>\$ in millions except for EPS, % of revenue</i>	Q1 FY25		Q4 FY24		Q1 FY24	
Revenue	\$336.9		\$308.3		\$317.6	
Gross Margin	77.9	23.1%	51.3	16.6%	76.7	24.1%
Operating Expenses	160.3	47.6%	184.7	59.9%	157.5	49.6%
Operating Loss	(82.4)	(24.5%)	(133.4)	(43.3)%	(80.8)	(25.4)%
Diluted EPS	\$(1.21)		\$(3.72)		\$(1.02)	
Diluted Shares-M	68.3		67.8		66.7	

Q1 FY25 Results (Non-GAAP)

<i>\$ in millions except for EPS, % of revenue</i>	Q1 FY25		Q4 FY24 ⁽¹⁾		Q1 FY24 ⁽¹⁾	
Revenue	\$336.9		\$308.3		\$317.6	
Gross Margin	110.4	32.8%	85.6	27.8%	104.3	32.8%
Operating Expenses	100.4	29.8%	101.4	32.9%	102.3	32.2%
Operating Income (Loss)	10.0	3.0%	(15.8)	(5.1%)	2.0	0.6%
Diluted EPS	\$0.18		(\$0.13)		\$0.24	
Diluted Shares-M	69.1		67.8		67.0	

⁽¹⁾ Historical non-GAAP measures recast to conform to current period presentation

Q1 FY25 Segment Results

	Q1 FY25	Q4 FY24	Q1 FY24
<i>\$ in millions</i>			
Revenue	\$336.9	\$308.3	\$317.6
Cloud & Networking	282.3	254.7	229.7
Industrial Tech	54.6	53.6	87.9
Segment Profit (Loss)			
Cloud & Networking	12.9 %	10.1 %	10.4 %
Industrial Tech	4.0 %	(0.4) %	17.4 %

Balance Sheet

Selected Items	Q1 FY25	Q4 FY24
<i>\$ in millions</i>		
Cash and Short-term Investments	\$916.1	\$887.0
Working Capital ⁽¹⁾	415.0	433.8
Property, Plant & Equipment, net	638.4	572.5
Total Assets	3,969.6	3,931.9
Total Liabilities	3,073.7	2,974.6
Shareholder's Equity	895.9	957.3

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

Q2 FY25 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>	Q1 FY25 Actual	Q2 FY25 Guidance
Revenue	\$336.9	\$380 - \$400
Operating Margin	3.0%	5.5% - 7.5%
Diluted EPS	\$0.18	\$0.30 - \$0.40
Diluted Shares – M	69.1	69.6

- **Mid-point of revenue guidance assumes:**
 - Cloud & Networking segment up Q/Q
 - Industrial Tech segment approximately flat Q/Q
- **FY25 non-GAAP effective tax rate of 16.5%**
- **Expected Q2 FY25 net interest and other income to be approximately \$4.0 million**

Thank You

