

# Q3 FY25 Conference Call

May 6, 2025



# 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 markets, including the cloud end market and the broader networking market, customers and industry, any anticipation or guidance as to demand for our products and technology, and the impact on our financial performance, 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 with respect to economic growth, inflationary pressures, changes in the political or economic environment, such as geopolitical conflicts, war, trade and export restrictions, including for certain rare earth minerals, 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, our costs and expenses 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; (j) risks related to our restructuring initiatives and changes to our operations, and (k) 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 Quarterly Report on Form 10-Q for the fiscal quarter ended December 28, 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 March 29, 2025 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 third quarter of 2025 earnings press release which is available on our web site, [www.lumentum.com](http://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 stock-based compensation, acquisition related costs, integration related costs, restructuring and related charges, foreign exchange gains and losses, net, non-GAAP income tax reconciling adjustments, and other charges or income related to non-recurring activities, are by their nature highly volatile and we have low visibility as to the range that may be incurred in the future.*

# Q3 FY25 Key Points

## ▪ Revenue & Performance

- Q3 revenue and EPS exceeded guidance, driven by strong cloud demand
- At OFC, showcased photonics leadership in next-gen, energy-efficient AI data centers and networking
- Differentiation rooted in power efficiency, scalability, and advanced materials
- Collaborating with AI and cloud customers on innovative roadmap

## ▪ Cloud & Networking

- Revenue up 8% QoQ and 16% YoY, led by hyperscale cloud growth
- Record EML chip shipments; 200G EML ramp gaining momentum
- On track to more than double EML shipments by end of CY25, relative to June 2024 baseline
- Shipping ultra-high-power CW lasers to top AI infrastructure customer for CPO application
- Transceiver production scaling in Thailand; expect to begin shipments to second announced hyperscaler by June

## ▪ Industrial Tech

- Q3 revenue down 5% QoQ, up 14% YoY
- Ultrafast laser demand steady in solar, packaging, displays, and semiconductors
- Seasonal decline in 3D sensing revenue as expected

# Q3 FY25 Results (GAAP)

<small>\$ in millions except for EPS, % of revenue</small>	<b>Q3 FY25</b>	<b>Q2 FY25</b>	<b>Q3 FY24</b>			
<b>Revenue</b>	<b>\$425.2</b>	<b>\$402.2</b>	<b>\$366.5</b>			
<b>Gross Margin</b>	<b>122.5</b>	<b>28.8%</b>	<b>99.6</b>	<b>24.8%</b>	<b>59.5</b>	<b>16.2%</b>
<b>Operating Expenses</b>	<b>160.2</b>	<b>37.7%</b>	<b>151.2</b>	<b>37.6%</b>	<b>174.1</b>	<b>47.5%</b>
<b>Operating Loss</b>	<b>(37.7)</b>	<b>(8.9%)</b>	<b>(51.6)</b>	<b>(12.8%)</b>	<b>(114.6)</b>	<b>(31.3%)</b>
<b>Diluted EPS</b>	<b>\$(0.64)</b>	<b>\$(0.88)</b>	<b>\$(1.88)</b>			
<b>Diluted Shares-M</b>	<b>69.3</b>	<b>68.9</b>	<b>67.5</b>			

# Q3 FY25 Results (Non-GAAP)

<i>\$ in millions except for EPS, % of revenue</i>	<b>Q3 FY25</b>	<b>Q2 FY25</b>	<b>Q3 FY24<sup>(1)</sup></b>			
<b>Revenue</b>	<b>\$425.2</b>	<b>\$402.2</b>	<b>\$366.5</b>			
<b>Gross Margin</b>	<b>149.5</b>	<b>35.2%</b>	<b>130.0</b>	<b>32.3%</b>	<b>105.1</b>	<b>28.7%</b>
<b>Operating Expenses</b>	<b>103.4</b>	<b>24.3%</b>	<b>98.3</b>	<b>24.4%</b>	<b>105.8</b>	<b>28.9%</b>
<b>Operating Income</b>	<b>46.1</b>	<b>10.8%</b>	<b>31.7</b>	<b>7.9%</b>	<b>(0.7)</b>	<b>(0.2)%</b>
<b>Diluted EPS</b>	<b>\$0.57</b>	<b>\$0.42</b>	<b>\$0.09</b>			
<b>Diluted Shares-M</b>	<b>72.2</b>	<b>71.6</b>	<b>68.1</b>			

<sup>(1)</sup> Historical non-GAAP measures recast to conform to current period presentation

# Q3 FY25 Segment Results

	Q3 FY25	Q2 FY25	Q3 FY24
<i>\$ in millions</i>			
<b>Revenue</b>	<b>\$425.2</b>	<b>\$402.2</b>	<b>\$366.5</b>
Cloud & Networking	365.2	339.2	313.8
Industrial Tech	60.0	63.0	52.7
<b>Segment Profit</b>			
Cloud & Networking	20.0 %	16.2 %	14.6 %
Industrial Tech	4.3 %	6.2 %	(5.1) %

# Balance Sheet

Selected Items	Q3 FY25	Q2 FY25
<i>\$ in millions</i>		
Cash and Short-term Investments	\$866.7	\$896.7
Working Capital <sup>(1)</sup>	447.6	407.8
Property, Plant & Equipment, net	693.3	663.4
<b>Total Assets</b>	<b>3,975.0</b>	<b>3,966.1</b>
<b>Total Liabilities</b>	<b>3,095.5</b>	<b>3,093.8</b>
<b>Shareholder's Equity</b>	<b>879.5</b>	<b>872.3</b>

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

# Q4 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*

<small>\$ in millions except for EPS, % of revenue</small>	<b>Q3 FY25 Actual</b>	<b>Q4 FY25 Guidance</b>
<b>Revenue</b>	<b>\$425.2</b>	<b>\$440 - \$470</b>
<b>Operating Margin</b>	<b>10.8%</b>	<b>13.0% - 14.0%</b>
<b>Diluted EPS</b>	<b>\$0.57</b>	<b>\$0.70 - \$0.80</b>
<b>Diluted Shares – M</b>	<b>72.2</b>	<b>72.7</b>

- **Mid-point of revenue guidance assumes:**
  - Cloud & Networking segment up Q/Q
  - Industrial Tech segment down Q/Q
- **FY25 non-GAAP effective tax rate of 16.5%**
- **Expected Q4 FY25 net interest and other income to be approximately \$3.0 million**

# Thank You

