

Q4 FY25 Conference Call

August 12, 2025



Forward Looking Statements and Financial Presentation

This presentation and our earnings call contain 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, cloud and AI investments and buildout and their transformation of industries and long-term effects, any anticipation or guidance as to demand for our products or the effects, importance or market size of our innovation or products, our competitive advantage, our innovation leadership and contributions to technology competitiveness, strategic partnership, our ability to capture market share and value, order fulfillment and timing, our leadership opportunities, our gross margins and operating margins target, our revenue and profitability, our long-term financial model, segment profit margin and growth, our operations, our wafer fab expansion and product sales and commitments, product shipments, momentum in our components product category, long-term growth prospects, the sustainability of our growth, our ramp of ultra-high-power lasers, our in-house production for scale-up, investment in U.S.-based manufacturing capacity, seasonal patterns, 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, international trade and restrictions (including tariffs, duties and export controls to be implemented by the U.S. and other countries), including for certain rare earth minerals, 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. A detailed discussion of these and other risks and uncertainties that could cause actual results and events to differ materially from such forward-looking statements is included in the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2025 filed with the Securities and Exchange Commission, and in the Company's other filings with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the fiscal year ended June 28, 2025, which will be filed with the Securities and Exchange Commission, available at www.sec.gov, under the caption "Risk Factors" and elsewhere. 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 fourth quarter of fiscal year 2025 earnings press release which is available on our web site, www.lumentum.com, under the Investors section. During the first quarter of fiscal year 2025, the Company refined its methodology to report non-GAAP financial 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.

Q4 FY25 Key Points

■ Revenue & Performance

- Cloud and AI investment accelerating, transforming industries and driving long-term optical demand
- Q4 revenue and EPS exceeded raised guidance, driven by strong execution and robust cloud demand

■ Cloud & Networking

- Revenue up 16% QoQ and 67% YoY, led by hyperscale cloud strength
- Surpassed 50% QoQ growth target in cloud modules, with Q4 shipments to all three announced hyperscale customers
- Approximately doubled EML business vs. Q4 FY24 baseline, ahead of plan
- Continued shipments of ultra-high-power lasers for CPO solution; broader ramp expected in 2H CY26
- Achieved first revenue from optical circuit switches and accelerated in-house production for CY26 ramp
- Strength in narrow linewidth lasers for DCI; sixth straight quarter of growth
- Strength in pump lasers for sub-sea transmission, supported by robust cloud investment

■ Industrial Tech

- Revenue down 6% QoQ, up 6% YoY; 3D sensing followed seasonal pattern
- Ultrafast laser demand steady, driven by high-volume solar cell manufacturing
- Launched PicoBlade Core ultrafast laser for micromachining applications

Q4 FY25 Results (GAAP)

<i>\$ in millions except for EPS, % of revenue</i>	Q4 FY25		Q3 FY25		Q4 FY24	
Revenue	\$480.7		\$425.2		\$308.3	
Gross Margin	159.9	33.3%	122.5	28.8%	51.3	16.6%
Operating Expenses	168.3	35.0%	160.2	37.7%	184.7	59.9%
Operating Loss	(8.4)	(1.7%)	(37.7)	(8.9%)	(133.4)	(43.3%)
Diluted EPS	\$2.96		\$(0.64)		\$(3.72)	
Diluted Shares-M	72.0		69.3		67.8	

Q4 FY25 Results (Non-GAAP)

<i>\$ in millions except for EPS, % of revenue</i>	Q4 FY25		Q3 FY25		Q4 FY24 ⁽¹⁾
Revenue	\$480.7		\$425.2		\$308.3
Gross Margin	181.6	37.8%	149.5	35.2%	85.6 27.8%
Operating Expenses	109.3	22.7%	103.4	24.3%	101.4 32.9%
Operating Income (Loss)	72.3	15.0%	46.1	10.8%	(15.8) (5.1)%
Diluted EPS	\$0.88		\$0.57		\$(0.13)
Diluted Shares-M	72.0		72.2		67.8

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

Q4 FY25 Segment Results

	Q4 FY25	Q3 FY25	Q4 FY24
<i>\$ in millions</i>			
Revenue	\$480.7	\$425.2	\$308.3
Cloud & Networking	424.1	365.2	254.7
Industrial Tech	56.6	60.0	53.6
Segment Profit (Loss)			
Cloud & Networking	23.6 %	20.0 %	10.1 %
Industrial Tech	6.0 %	4.3 %	(0.4) %

Balance Sheet

Selected Items	Q4 FY25	Q3 FY25
<i>\$ in millions</i>		
Cash and Short-term Investments	\$877.1	\$866.7
Working Capital ⁽¹⁾	447.4	447.6
Property, Plant & Equipment, net	726.4	693.3
Total Assets	4,218.7	3,975.0
Total Liabilities	3,084.0	3,095.5
Shareholder's Equity	1,134.7	879.5

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

Q1 FY26 Guidance (Non-GAAP)

Guidance is based on our expectations as of today and will not be updated or confirmed

<i>\$ in millions except for EPS, % of revenue</i>	Q4 FY25 Actual	Q1 FY26 Guidance
Revenue	\$480.7	\$510 – \$540
Operating Margin	15.0%	16.0% – 17.5%
Diluted EPS	\$0.88	\$0.95 – \$1.10
Diluted Shares – M	72.0	75.0

- **Mid-point of revenue guidance assumes:**
 - Cloud & Networking segment up Q/Q
 - Industrial Tech segment approximately flat Q/Q
- **FY26 non-GAAP effective tax rate of 16.5%**

Thank You

