

Q4 2017 INVESTOR FACT SHEET

WHY INVEST?

01 WELL POSITIONED
FOR KEY GROWTH
DRIVERS

100G, cloud,
network virtualization, 5G

02 GENERATING
HEALTHY
PROFITABILITY

Adjusted EBITDA¹ of \$22.0M
in FY 2017

03 HEALTHY
BALANCE
SHEET

Cash position of \$39.2M and
no debt as of August 31, 2017

04 STRONG
LEADERSHIP
TEAM

- One-two tandem of Executive Chairman, Germain Lamonde, and CEO, Philippe Morin
- Stable and experienced
- Deep telecom knowledge

EXFO develops smarter network test, monitoring and analytics solutions for the world's leading communications service providers, network equipment manufacturers and webscale companies. Since 1985, we've worked side by side with our customers in the lab, field, data center, boardroom and beyond to pioneer essential technology and methods for each phase of the network lifecycle. Our portfolio of test orchestration and real-time 3D analytics solutions turn complex into simple, and deliver business-critical insights from the network, service and subscriber dimensions. Most importantly, we help our customers flourish in a rapidly transforming industry where "good enough" testing, monitoring and analytics just aren't good enough anymore—they never were for us, anyway.

For more information, visit www.EXFO.com and follow us on the [EXFO Blog](#).

Q4 2017 HIGHLIGHTS

(in millions of US dollars)

- Sales reached \$63.0M, top of guidance range
- Bookings attained \$66.3M, book-to-bill ratio of 1.05
- IFRS net earnings totaled \$0.8M, \$0.02 per diluted share
- Adjusted EBITDA¹ amounted to \$8.5M, 13.6% of sales
- Announced investment of a 33.1% stake in Astellia (\$10.2M) with intent to purchase remaining equity via a public tender offer
- Following year-end, closed acquisition of Yenista Optics (\$9.7M net of cash acquired)

EXFO
MARKETS

| | PHYSICAL | PROTOCOL | TOTAL |
|-----------------------------------|----------------|-----------------|-------------------------|
| Market Size | US\$600M | US\$2.0B | US\$2.6B |
| EXFO sales—FY 2017 | US\$161.9M | US\$81.9M | US\$243.8M ² |
| Growth rate—FY 2017 | 6.6% | -1.7% | 4.6% |
| Gross margin ³ profile | 55-60% | 70-75% | 60-65% |
| Major competitors | Viavi, Anritsu | Viavi, NetScout | |

¹ Adjusted EBITDA is a non-IFRS measure and represents net earnings before interest, income taxes, depreciation and amortization, stock-based compensation costs, restructuring charges, change in fair value of cash contingent consideration and foreign exchange loss.

² Excludes losses on FX contracts.

³ Gross margin before depreciation and amortization is a non-IFRS measure and represents sales less the cost of sales, excluding depreciation and amortization.

KEY DIFFERENTIATORS



TEST AUTOMATION

Automate complex routines into simple scripts to improve all phases of the service delivery chain

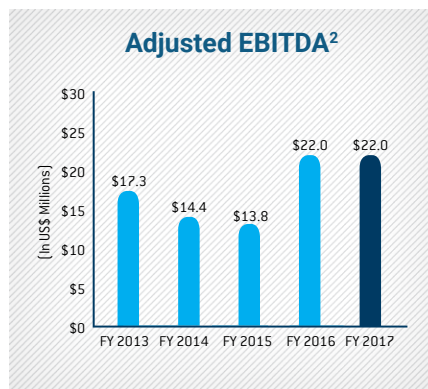
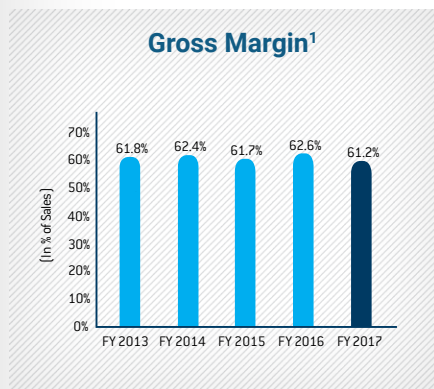
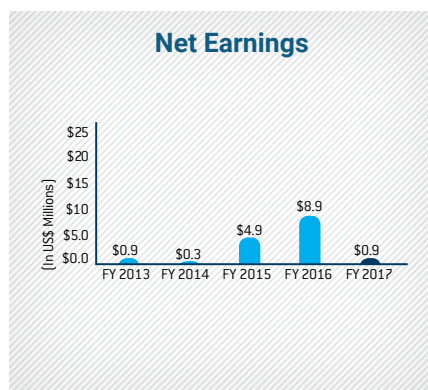
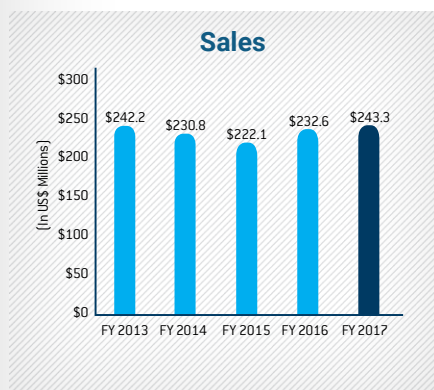
3D ANALYTICS

REAL-TIME 3D ANALYTICS

End-to-end visibility from network, service and subscriber levels

ANNUAL FINANCIAL RESULTS

(in millions of US dollars, except gross margin)



PROFITABILITY TARGET FOR FY 2018

Adjusted EBITDA²

\$26M

(~18% growth YoY)

¹ Gross margin before depreciation and amortization is a non-IFRS financial measure and represents sales less the cost of sales, excluding depreciation and amortization.

² Adjusted EBITDA is a non-IRS measure and represents net earnings before interest, income taxes, depreciation and amortization, stock-based compensation costs, restructuring charges, unusual charge, change in fair value of cash contingent consideration and foreign exchange gain or loss.

STOCK INFORMATION

(as of August 31, 2017)

Listings: NASDAQ, EXFO; TSX, EXF

Shares outstanding: 54.7M

Closing share price: US\$4.70

Market capitalization: US\$257.1M

12-month price range: US\$3.42-US\$6.05

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Forward-Looking Statements

Certain statements in this Fact Sheet may constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, and we intend that any forward-looking statements made today be subject to the safe harbors. We caution you that any forward-looking statements are just predictions. They are not guarantees of future performance and involve risks and uncertainties. Actual results may differ materially from those projected in forward-looking statements, and we invite you to review the company's most recent filings with the Securities and Exchange Commission or Canadian securities commissions for a discussion of the factors at risk. These forward-looking statements speak only as of the date of this document and, unless required by law or applicable regulations, we will not be reviewing or updating the material that is contained herein.

