

Q3 2017 INVESTOR FACT SHEET

WHY INVEST?

01 WELL POSITIONED
FOR KEY GROWTH
DRIVERS

100G optical investment cycle, network virtualization, 5G and IoT

02 GENERATING
PROFITABILITY

Adjusted EBITDA¹ of \$13.5M after nine months into FY 2017

03 HEALTHY
BALANCE
SHEET

Cash position of \$37.7 M and no debt as at May 31, 2017

04 STRONG
LEADERSHIP
TEAM

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

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](#).

Q3 2017 HIGHLIGHTS

(in millions of US dollars)

- Sales reached \$58.5M
- Bookings attained \$63.7M, book-to-bill ratio of 1.09
- IFRS net loss totaled \$4.3M, \$0.08 per share
- Adjusted EBITDA¹ amounted to \$2.3M, 3.9% of sales
- Acquired Ontology Systems for a consideration of \$7.7M, net of cash acquired, plus earnout of \$1.4M based on future sales
- Announced streamlining of monitoring solutions portfolio, annual cost savings of \$8.0M

EXFO
MARKETS

	PHYSICAL	PROTOCOL	TOTAL
TAM (total available market)	US\$845M	US\$4.2B	US\$5.0B
SAM (served available market)	US\$545M	US\$2.2B	US\$2.7B
EXFO sales—FY 2016	US\$151.9M	US\$83.3M	US\$235.2M ²
Growth rate—FY 2016	5.4%	3.4%	4.7%
Gross margin ³ profile	55-60%	70-75%	63-65%
Major competitors	Viavi, Anritsu	Viavi, IXIA, NetScout	

¹ Adjusted EBITDA is a non-IFRS measure and represents net earnings (loss) before interest, income taxes, depreciation and amortization, stock-based compensation costs, restructuring charges and foreign exchange gain.

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

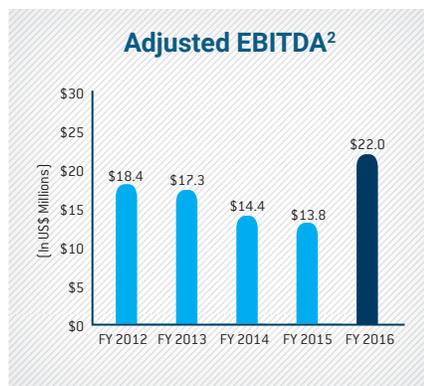
3D ANALYTICS

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 2017

Adjusted EBITDA²

\$26M

(Company expects to generate approximately \$20M for fiscal year following release of Q3 2017 results)

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

STOCK INFORMATION

(as of May 31, 2017)

Listings: NASDAQ, EXFO; TSX, EXF

Shares outstanding: 54.7M

Closing share price: US\$4.85

Market capitalization: US\$265.3M

12-month price range: US\$4.55-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.

