

Q2 2018 Financial Results Webcast

Supplementary Slides

April 10, 2018



Forward- looking statements

Certain statements in this presentation, or given in response to your questions, may constitute forward-looking statements within the meaning of the Securities Act of 1934. The Private Securities Litigation Reform Act of 1995 provides “safe-harbors” for such forward-looking statements 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 presentation and, unless required by law or applicable regulations, we will not be reviewing or updating the material that is contained herein.

For a reconciliation of adjusted EBITDA to net loss attributable to the parent interest, refer to the Q2 2018 news release on EXFO’s website.

All amounts in millions of US dollars, except otherwise noted.

Q2 2018 results

Revenue

\$64.7M

Bookings	IFRS net loss attributable to parent interest	Adjusted EBITDA*
\$65.6M	-\$4.7M	\$2.5M

Astellia contributed \$1.8M in revenue, \$2.5M in bookings for one month

** Adjusted EBITDA represents net loss attributable to the parent interest before interest, income taxes, depreciation and amortization, stock-based compensation costs, change in fair value of cash contingent consideration, acquisition-related deferred revenue fair value adjustment, share in net loss of an associate, gain on the deemed disposal of the investment in an associate and foreign exchange gain.*

Business highlights—Q2 2018



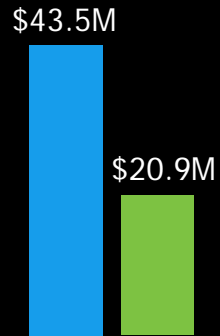
- After quarter-end, introduced CTP10 Component Test Platform and modules, fastest test system for measuring insertion loss and return loss on a wide variety of passive optical components
- Physical-layer solutions: 68% of sales



- Gained full control of Astellia's share capital via a successful public tender offer in France
- Launched SkyRAN, remote access monitoring solution for fiber-based fronthaul networks
- Protocol-layer solutions: 32% of sales

Segmented sales—Q2 2018

PHYSICAL vs. PROTOCOL*



BY REGION



BY CUSTOMER

Top customer: 9.6% of sales
Top-3 customers: 16.9% of sales

*Excludes gains on FX contracts.

Selected financials—Q2 2018



Cash flows from
operations

\$6.3M



Capital expenditures

\$2.3M



Long-term debt

\$10.7M

Cash position of \$13.6M and available revolving credit facilities of \$39.8M

Astellia acquisition

- Global leader in performance analysis of mobile networks and subscriber experience
- EXFO gained full control of Astellia's share capital in late February after successful public tender offer in France
- Multi-phase integration plan underway with initial focus on sales and marketing to maximize revenues
- Astellia's total equity valued at 25.9M Euros (US\$32.1M)



What they do

--Passive monitoring for 3G/4G/LTE

--Virtualized monitoring solutions

--Rich subscriber analytics

--Strong professional services

Acquisition rationale

Brings significant scale to EXFO within mobile service assurance market

--Astellia posted IFRS revenue of US\$45.7M in CY 2017, 120 customers and 400 employees

Complements EXFO's service assurance offering, customers and end-markets

--Creates unique platform with active and passive SA, network topology discovery and rich analytics

--No overlap with EXFO's technology portfolio, customer footprint and geographic focus

Positions EXFO for upcoming 5G investment cycle

--Standalone standards for 5G NR to be ratified in 2018 with commercial deployments in 2019-20

--Timing of acquisition aligned with next wave of spending by communications service providers

Deal synergies

EXFO | ASTELLIA

- 1 Combining active and passive technology platforms for comprehensive monitoring solution and big data analytics
- 2 Leveraging cross-selling opportunities (Astellia entrenched in EMEA, EXFO more present in Americas)
- 3 Extending Astellia's professional services offering across EXFO's customer base

Accretive to EXFO's earnings in FY 2019

Updated financial metric — FY 2018

Former goal
(Prior to Astellia deal)

Adj. EBITDA¹
of \$26 M

New goal
(Includes Astellia)

Adj. EBITDA¹
of \$22 M

¹Adjusted EBITDA represents net earnings (loss) attributable to the parent interest before interest, income taxes, depreciation and amortization, stock-based compensation costs, change in fair value of cash contingent consideration, acquisition-related deferred revenue fair value adjustment, share in net loss of an associate, gain on the deemed disposal of the investment in an associate and foreign exchange gain or loss. These goals are forward-looking statements.

EXFO