

# Q3 2019 Financial Results Webcast

Supplementary Slides

July 10, 2019



# 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 IFRS net earnings, refer to the Q3 2019 news release on EXFO’s website.

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

## Q3 2019 results

Revenue

**\$73.6M**

+1.9% YoY

Bookings

**\$69.6M**

IFRS  
net earnings

**\$0.0M**

Adjusted  
EBITDA\*

**\$7.9M**

Adjusted EBITDA margin of 10.7%

\*Adjusted EBITDA is a non-IFRS measure and represents net earnings before interest and other income/expense, income taxes, depreciation and amortization, restructuring charges, stock-based compensation costs and foreign exchange gain.

# Business highlights—Q3 2019



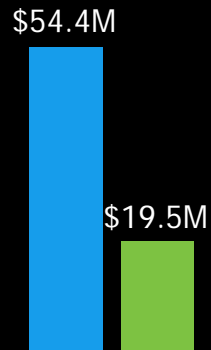
- Test and Measurement sales increased 9.0% YoY
- Strong demand for high-speed optical transport and advanced solutions for R&D labs and NEMs
- Launched industry's first optical fiber multimeter, Optical Xplorer™, after quarter-end
- Test and Measurement: 74% of total sales



- SASS sales dropped 12.2% YoY
- CSPs evaluating how to transform their network architectures into a more agile and cost-effective manner for 5G and virtualized environments
- SASS: 26% of total sales

# Sales breakdown—Q3 2019

## T&M vs. SASS\*



## BY REGION



## BY CUSTOMER

Top customer: 6.9% of sales  
Top-3 customers: 16.9% of sales

\*Excludes losses on FX contracts.

# Selected financials—Q3 2019



Cash flows used  
by operations

**\$5.2M**



Capital expenditures

**\$1.6M**



Total debt

**\$11.5M**

**Cash position of \$15.3M and available revolving credit facilities of \$55.2M**

EXFO