

Q1 2019 Financial Results Webcast

Supplementary Slides

January 8, 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 loss, refer to the Q1 2019 news release on EXFO’s website.

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

Q1 2019 results

Revenue

\$69.2M

+9.2% YoY

Bookings

\$81.2M

IFRS
net loss

\$7.5M

Adjusted
EBITDA*

\$2.7M

Book-to-bill ratio of 1.17

*Adjusted EBITDA is a non-IFRS measure and represents net loss before interest, income taxes, depreciation and amortization, stock-based compensation costs, restructuring charges, acquisition-related deferred revenue fair value adjustment, and foreign exchange gain.

Business highlights—Q1 2019



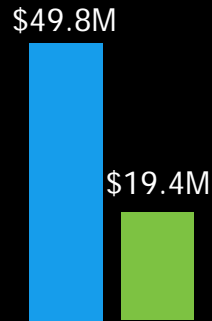
- Expanded 400G test portfolio with a module featuring an open transceiver system
- Introduced fiber inspection tool for testing polarity, continuity and connector cleanliness on multifiber cables
- Test and Measurement: 72% of sales



- Received Technology Solutions Award for Service Assurance (EXFO's verifier agent) and Proof of Concept Award (BladeRunner project) from MEF
- Secured \$4.9M deal with a tier-1 CSP for real-time network topology software after quarter-end
- SASS: 28% of sales

Segmented sales—Q1 2019

T&M vs. SASS*



BY REGION



BY CUSTOMER

Top customer: 9.0% of sales
Top-3 customers: 19.6% of sales

*Excludes gains on FX contracts.

Selected financials—Q1 2019



Cash flows used
by operations

\$2.5M



Capital expenditures

\$2.9M



Net debt*

\$9.3M

Cash position of \$20.1M and available revolving credit facilities of \$40.6M

*Net debt is a non-IFRS measure and represents bank loan and long-term debt, less cash and short-term investments.

EXFO